



Independent Thematic Evaluation on
SECO's Business Line

Greater International Competitiveness of SMEs & Facilitated Market Access

Quality and Resources Section



Foreword

The Economic Cooperation and Development Division at the State Secretariat for Economic Affairs (SECO) undertakes regular and systematic evaluations of on-going and/or completed projects, programs or policies for learning and accountability. Evaluators assess the relevance, the development effectiveness and the efficiency, the impact and the sustainability of interventions in partner countries. Based on credible and useful information, evaluations should identify results and lessons and thus inform the decision-making process of both recipients and donors, in order to foster continuous improvements of development support.

At the Economic Cooperation and Development Division, three different types of evaluations are carried out: 1. internal reviews; 2 external project evaluations; and 3. independent thematic evaluations. While internal reviews and external project evaluations are under the direct responsibility of the operational units, independent thematic evaluations are commissioned and managed by the Evaluation Function – an independent unit from the operations – and are submitted for discussion to an external Committee on Evaluation, composed of 5 members external to SECO. Independent thematic evaluations focus on assessment of sectors, programs, strategies, instruments, country assistance strategies, cross-cutting issues or themes and impact evaluations. On average, the Evaluation Function commissions one to two independent thematic evaluations per year, which can be undertaken jointly with other donors or partner organizations, in line with our commitment to the Paris Declaration. SECO expects evaluations of its development interventions to adhere to the DAC/OECD standards and to the Swiss Evaluation Society (SEVAL) standards.

This report presents the results of the independent thematic evaluation of WE's activities in the field of 'Market access and Competitiveness' by SECO's Trade promotion Section (WEHU). The evaluation assessed the development effectiveness of the program along the OECD/DAC evaluation criteria and covers the period of 2003 until 2018. It is based on a mixed method approach to data collection and analysis (e.g. desk study, online survey of implementing partners and beneficiaries, field missions, semi-structured interviews with stakeholders and beneficiaries of projects), and triangulation of findings across data sources, data methods and evaluators. To underpin findings from a country program and project perspective but also from a multilateral and a thematic perspective, case studies were undertaken for Colombia, Kyrgyzstan, Vietnam, and global programs.

The purpose of the evaluation was twofold: On the one hand, it aimed at generating lessons and recommendations on how to improve WEHU's strategic orientation and the effectiveness of its current and future interventions regarding its Market access and Competitiveness program. On the other hand, it aimed at accounting for results achieved under the Message on Switzerland's International Cooperation 2017-2020.

The evaluation report served as reference for SECO's management response. The results of the evaluation, the recommendations of the report, as well as SECO's management response were then presented to and discussed with the Evaluation Committee, which subsequently formulated its position. The management response and the position of the Evaluation Committee are published jointly with the final evaluation report on SECO's website and on the DAC/OECD Evaluation network.

Process:

Conducting of the evaluation and elaboration of the report: May 2018 - March 2019

Management Response: May 2019

Discussion of the report with the Evaluation Committee: June 2019

Position of the Evaluation Committee: September 2019



Independent Thematic Evaluation

SECO's Business Line:

**'Greater International Competitiveness of SMEs
and Facilitated Market Access'**

Under the Framework Credit:

**'Economic and Trade Policy Measures for Development
Cooperation'**

– Final Evaluation Report –

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Type of evaluation

Qualitative thematic evaluation

Geographic scope (field mission countries in bold)

Bolivia, Burkina Faso, **Colombia**, Indonesia, Kyrgyzstan, Lao PDR, Mali, Myanmar, Morocco, Peru, South Africa, Tajikistan, Tanzania, Tunisia, Ukraine, **Vietnam**

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Wording

1. The country programs under the Business Line 'Greater International Competitiveness of SMEs and Facilitated Market Access' are jointly designed and managed by SECO headquarters (WEHU) and the Swiss Cooperation Offices. **Where this evaluation report mentions WEHU, it generally refers to both headquarters and the Swiss Cooperation Offices.** The exceptions are where WEHU is distinguished from other divisions at headquarters, for example WEQA (Quality and Resources Division) or WEIF (the Private Sector division).
2. The portfolio-under-evaluation contains both programs and projects. **In order not to continuously refer to 'programs and projects', we use these words interchangeably.** For example, we write '*programs-under-evaluation*' but '*project-level evaluations*'.
3. The table below presents **the abbreviations of the programs-under-evaluation** as we use them in the main evaluation report.

Bilateral and multi-country programs			
1	National Commodities Platform	UNDP National Commodities Platforms	Indonesia, Peru
2	SCPP	Sustainable Cocoa Production Program II	Indonesia
3	SCORE	Sustaining Competitive and Responsible Enterprises Program	i.a. Vietnam, Colombia
4	SeCompetitivo	Secompetitivo Program	Peru
5	Colombia+Competitiva	Colombia+Competitiva Program	Colombia
6	BGI [Country]	Better Gold Initiative	Peru, Colombia, Bolivia
7	Biotrade Vietnam (Phase 1)	Biotrade Vietnam Program	Vietnam
8	Biotrade Vietnam (Phase 2) or Regional Biotrade	(Regional) Biotrade Program	Vietnam, Lao, Myanmar
9	Safe+	Safe+ Program	Colombia
10	G-TEX	Global Textile Program	Kyrgyzstan, Tajikistan; Tunisia
11	Textile & Clothing Tunisia	Textile & Clothing Value Chain Program	Tunisia
12	Textile & Clothing [Country]	Textile & Clothing Value Chain Program	Kyrgyzstan, Tajikistan
13	PAMPAT	PAMPAT Program	Morocco, Tunisia
14	Organic Cotton Kyrgyzstan	Organic and Fairtrade Cotton Program	Kyrgyzstan,
15	Organic Cotton [Country]	Organic and Fairtrade Cotton Program	Burkina Faso, Mali
16	DMO Tourism	DMO Tourism Tatatouine/ Médenine Program	Tunisia
17	VieTrade	Trade Support Services for SMEs Program	Vietnam
18	UN Trade Cluster	UN Trade Cluster Program	Lao PDR; Tanzania
19	Fair Trade Travel	Scaling up Fair Trade Travel Program	South Africa
20	COEXCA	Export Network Cocoa Program	Colombia
21	Biotrade South Africa	Biotrade South Africa Program	South Africa
22	Organic Market Ukraine	Organic Market Development Program	Ukraine
Global programs			
1	CSRCB	Corporate Sustainability and Reporting for Competitive Business Program	
2	TISS	Transparency and Innovation of Sustainability Standards Program	
3	SIPPO	Swiss Import Promotion Program	

Notice

Data collection ended 1 December 2018. Project progress and evaluation reports completed after this date have not been considered.

This portfolio-level evaluation does not judge individual projects. While the report undergirds the analysis, findings and conclusions with concrete examples from projects, these examples should not be construed as final judgements on these projects. As noted in section 1.5 on the limitations of the evaluation, the evaluation took a too cursory look at individual programs to be able to draw hard conclusions on them. Instead, this evaluation benefits from the breadth of information and examples collected to draw conclusions and collect lessons at the portfolio level.

Acronyms

ABS	Access and Benefit Sharing schemes
ANDI	Colombia: National Business Association of Colombia
ASM	Artisanal and Small-Scale Mining
CIB	Corporación para Investigaciones Biológicas (Colombia)
BSO	Business support organization, including chambers of commerce and sector / product associations
DANIDA	Danish International Development Agency
DFID	UK Department for International Development
DNP	Department of National Planning Colombia
EAER	Swiss Federal department of Economic Affairs
EU	European Union
FDFA	Swiss Federal Department of Foreign Affairs
FiBL	Swiss Research Institute of Organic Agriculture
FTE	Full-time equivalent
GAP	Good Agricultural Practices
GACP	Good Agricultural and Collection Practices
GEF	Global Environment Facility
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GMBH
G-TEX	SECO's Global Textile & Clothing Program
HAWA	Handicraft and Wood Industry Association, Vietnam
HSD	Human Security Division of the Swiss Ministry of Foreign Affairs
IDB	Interamerican Development Bank
ILO	International Labor Organization
ISPO	Indonesian Sustainable Palm Oil certification
ITC	International Trade Centre
MinCit	Colombia: Ministry of Trade, Industry and Tourism
MRM	Monitoring and Results Measurement
MSME(s)	Micro, small and medium-sized enterprise(s)
NAP	National Action Plan
NGO	Non-government organization
PA	Producer association
PTP	Colombia: Programa de Transformación Productiva
OECD	Organizations of Economic Cooperation and Development
SBGA	Swiss Better Gold Association
SCO	Swiss Cooperation Office
SCORE	Sustaining Competitive and Responsible Enterprises Program
SDC	Swiss Agency of Development and Cooperation
SECO	Swiss State Secretariat for Economic Affairs
SIPPO	Swiss Import Promotion Programme
SME(s)	Small and medium-sized enterprise(s)
Swiss EP	Swiss Entrepreneurship Program

TCB Branch	UNIDO Trade Capacity Building Branch
T&C	Textile & Clothing
TPO	Trade Promotion Organization
TSI	Trade Support Institution
UEBT	Union for Ethical BioTrade
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNEG	United Nations Evaluations Group
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
VCCI	Vietnam Chamber of Commerce
VieTrade	National Trade Promotion Agency of Vietnam
WEIF	SECO's Private Sector Development Division
WEHU	SECO's Trade Promotion Division
WEQA	SECO's Quality and Resources Division
WTO	World Trade Organization

Executive Summary

Introduction

This report documents the independent evaluation of SECO's business line 'Greater International Competitiveness of SMEs and Facilitated Market Access'. This is one of three business lines of SECO's trade promotion division WEHU. The other two business lines support partner countries in establishing 'Favorable Framework Conditions for Sustainable Trade' and 'an Efficient Business Environment'. The interlinkages between the three business lines have *not* been evaluated.

Intended use and users

The evaluation serves SECO's accountability to the Swiss Parliament and was overseen by SECO's External Evaluation Committee. SECO's Quality and Resources Division will include the evaluation results in the End-Term Results Report to Parliament. SECO's management and WEHU also intend to use the evaluation for strategic and operational decision-making to further enhance SECO's development effectiveness.

The evaluation

In the business line under evaluation, SECO provides technical assistance – either directly or indirectly through business support organizations – to producers and SMEs in developing countries to become internationally competitive, comply with market access requirements, and/or meet voluntary (sustainability) standards. The work contributes to SECO's outcome target '*Enhanced trade and competitiveness*' of the partner countries.

Evaluation methodology and limitations

The evaluation applied a mixed method approach to data collection and analysis, and triangulated findings across data sources, data methods and evaluators. The evaluation covered 22 bilateral/multi-country programs and 3 global programs. The evaluation's resources did not allow for an in-depth review of all 25 programs. The evaluation therefore only draws conclusions at the portfolio level and does not pass judgement on individual programs.

SECO scores 'satisfactory' on all OECD-DAC evaluation criteria

SECO's interventions are largely aligned to the macro-economic challenges and policy priorities of the recipient countries, and fully aligned with the Swiss Message on International Cooperation 2017-2020. Moreover, SECO positively contributed to the integration of producers and SMEs into global value chains such as cocoa, cotton, gold, textiles and natural ingredients. The sustainability of these results looks promising as the underlying economics make sense and the producers / SMEs invested, and have a stake, in their success. Finally, SECO's interventions are implemented by small and competent implementing teams within a functioning governance structure.

The scale of change is limited and at the impact-level unclear

The trade volumes associated with the successful integration of producers and SMEs into the global value chains are small compared to the total trade in the commodity (i.e. not surpassing 1,6%). This finding is in line with external research which suggests that 'export promotion works' but that the associated scale of change is limited. Data on the socio-economic impact of WEHU's work is sparse.

SECO can improve its evidence-based management and program steering

WEHU does not collect outcome- and income-level data in a consistent, structured and uniform manner. It has not, over time, build its own metrics for cross-program comparisons. SECO can consequently not fully account for, and benchmark, its development outcomes and impacts with numbers.

Success factors

The successful integration of producers and SME's into global value chains rests on:

- a positive business case for producers and SMEs, i.e. the promoted international trade should be profitable;
- establishing direct linkages between producers/SMEs and international buyers for producers/SMEs to be ensured that they can sell their produce and know that any upfront investments are worthwhile;
- government buy-in and participation if there are policy impediments to overcome;
- an adaptive management style to respond to changing political or economic circumstances.

Target countries

SECO can effectively support the integration of producers and SMEs into global value chains in both middle- and low-income countries. The obstacles and risks are higher in the latter group as these countries tend to be less resilient to global economic shocks and have less supportive economic and political governance structures in place.

Sector choice

SECO's sector choice is informed by the development needs of the recipient country and Switzerland's economic and political interests as well as comparative advantage. Whilst SECO can accordingly work in different sectors, its current spread hinders it from building up value chain expertise and metrics for usage across different programs.

Private sector involvement

The private sector is pivotal to all interventions and to attain SECO's development objectives. Producers, SMEs and international buyers are the vehicle through which SECO, under this business line, enhances the trade and competitiveness of its partner countries. The participation of large national and international companies offers producers and SMEs comfort that they will be able to sell their products and allows greater geographic coverage than SECO could achieve as sole sponsor.

Programmatic approach

The most promising project designs are those that target the most pertinent development challenges for producers and SMEs' integration into global value chains irrespective of the 'value chain stage' (production, marketing, exporting) or 'intervention level' (macro, meso or micro) and is flexible to adapt to changing circumstances. A programmatic and flexible approach is 'the only way' to effectively assist producers and SMEs in global value chains.

Indirect approach

Business support organizations can be effective development partners if they have the political mandate, the financial incentive, a minimum level of capacity and the self-awareness about their development needs. These pre-conditions are not always met. Where absent, SECO can either look for alternative business support organizations or work directly with leading producers and SMEs to showcase the value of export promotion services and, with them, build up business support organizations.

Donor coordination

SECO actively participates in donor coordination groups (where present) and undertakes joint programs with UN and multilateral organizations. Most programs are nonetheless implemented as stand-alone interventions. A school-book example of donor coordination and complementarity is the Better Gold Initiative in Colombia where USAID and SECO complement each other by tackling impediments at different stages in the value chain.

Synergies

The evaluation found few examples – country / program contexts are often too different for synergies to exist. They mostly occur within multi-country programs or through a purposeful cooperation with SECO's private sector division WEIF. These synergies concern efficiency gains or cross-country learning. Incongruent program designs (e.g. lack of dedicated funds or contradictory outcome targets) can hinder the exploitation of synergies between programs.

Recommendations

The evaluators recommend SECO and WEHU's management to:

1. support a select number of international value chains – in line with Swiss economic interests and comparative advantage – and take an (even) more comprehensive and programmatic approach to the integration of producers and SMEs into these international value chains.
2. continue integrating big national, international, and/or Swiss companies into SECO's value chain interventions as a key success factor is establishing direct links between producers/SMEs and large international buyers.
3. critically select and monitor SECO's in-country project partners on their interest, incentive and the capacity to help integrate local producers and SMEs into the selected international value chain(s).
4. better articulate SECO's impact ambition and improve its accountability reporting, program steering and learning through a more purposeful, leaner and therefore more cost-effective result-management framework.
5. not artificially push for synergies between programs, but – where they occur – to design the synergies into the respective program and result-management frameworks and earmark funds for exploiting them.

Main Report

1. Introduction

1. This report documents the independent evaluation of SECO's business line 'Greater International Competitiveness of SMEs and Facilitated Market Access' of the Framework Credit 'Economic and Trade Policy Measures for Development Cooperation'.¹ This is one of three business lines of SECO's export promotion division WEHU.² This opening chapter introduces the purpose, scope, methodology and limitations of the evaluation. The chapter concludes with a reading guide to the rest of the evaluation report.

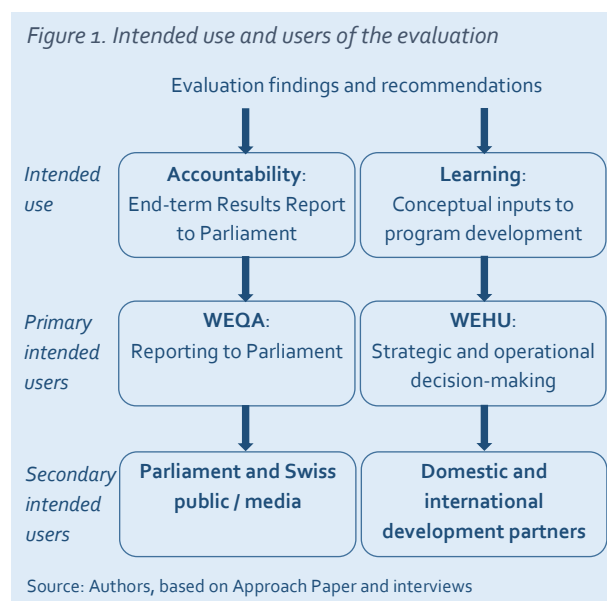
1.1 Purpose – the intended use and users of the evaluation

2. This evaluation serves a dual purpose: accountability and learning. SECO's Evaluation Policy requires independent thematic evaluations of the priority themes in the Message on Switzerland's International Cooperation 2017-2020.³ These thematic evaluations are selected and overseen by an External Evaluation Committee (SECO, 2018b). The evaluation results – together with a Management Response from SECO and a Position from the External Evaluation Committee – are shared with Parliament through the so-called End-Term Results Report: a joint accountability report to Parliament from SDC, HSD⁴ and SECO on all five Framework Credits of the Message on Switzerland's International Cooperation 2017-2020. The External Evaluation Committee selected and approved for an independent evaluation SECO's business line 'Greater International Competitiveness of SMEs and Facilitated Market Access'. As such, this evaluation serves SECO's accountability to the Swiss Parliament.

3. WEHU recognized that this independent evaluation also offers an opportunity to learn. By answering the quintessential evaluation question – what works, what doesn't and why? – the evaluation allows WEHU to verify and, where necessary, adapt or improve its approach to enhancing the competitiveness and market access of producers and SMEs in developing countries. The evaluation is therefore also intended to provide '*conceptual inputs for the further development of WEHU's SME competitiveness and market access projects*' (SECO, 2018b).

4. The primary intended users of this evaluation are therefore (i) SECO's Quality and Resources Division (WEQA) which will include the evaluation results in the End-Term Results Report to Parliament; and (ii) WEHU, which will use the evaluation results for strategic and operational decision-making on how best to enhance the competitiveness and market access of SMEs in developing countries and contribute to SECO's outcome target '*enhanced trade and competitiveness*' (FDFA and EAER, 2016b).

5. Finally, the evaluation report will be made public. For two reasons. First, to be transparent about SECO's work and account to the Swiss public on the results achieved. Second, to share the lessons learned with SECO's development partners in Switzerland and abroad. Interested domestic stakeholders and



¹ The Framework Credit is a formal policy document of the Swiss Federal Council. Switzerland's international development cooperation is governed by five such framework credits covering (i) humanitarian aid (implemented by SDC); (ii) technical cooperation and financial aid for developing countries (SDC); (iii) economic and trade policy measures for development cooperation (SECO); (iv) transition aid and cooperation with Eastern Europe (SDC and SECO); and (v) measures for the promotion of peace and human security (Human Security Division of the Ministry of Foreign Affairs). Framework credits run for four years. The current framework credits cover the period 2017 - 2020. (FDFA and EAER, 2016a)

² The other two business lines concern the support given to partner countries to create 'Favorable Framework Conditions for Sustainable Trade' and 'an Efficient Business Environment'.

³ The Message on Switzerland's International Cooperation 2017-2020 is a report by the Federal Council to the Swiss Parliament outlining the strategic priorities under the five framework credits governing Switzerland's international development cooperation (FDFA and EAER, 2016a) – see also footnote 1.

⁴ Human Security Division of the Ministry of Foreign Affairs.

international development partners are thus the secondary intended users of this evaluation report.

1.2 Evaluation Questions

6. The Approach Paper to this independent evaluation – prepared by WEQA, in close consultation with WEHU – articulated 15 evaluation questions. Consultations with WEQA, WEHU and SECO's Head of Operations on the intended use of the evaluation confirmed the general relevance and validity of these questions whereby some questions were refined or reformulated. At the end, this evaluation was guided by and answers the 15 evaluation questions listed in Textbox 1 and endorsed by WEQA and WEHU.⁵

Textbox 1. Main evaluation questions

Relevance

1. To what extent are the objectives of WEHU's Competitiveness & Market Access interventions (still) aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017–2020?
2. How have WEHU's interventions been harmonized with / complementary to similar initiatives of SDC and other donors for potential synergies?

Effectiveness and Impact

3. How well have the projects contributed to the overall objective of increasing participation of actors in the partner countries (e.g. SME's) in international value chains, the improvement of living conditions of target beneficiaries and the increase in productivity?
4. Have there been unintended positive or negative effects (on the local economy) through SECO's interventions?
5. Do WEHU's activities on competitiveness and market access contribute to achievement of SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?
6. Does WEHU's Theory of Change hold up in practice and across all countries of operation? How can it be enhanced?
7. In what way has the private sector been involved in attaining the development objectives and/or leveraging SECO's approach?
8. To what extent are and can synergies be exploited between WEHU's global and multi-country/bilateral programs, and between WEHU's and WEIF's work?

Sustainability

9. To what extent do the benefits of WEHU's interventions in the field of trade and competitiveness continue or are likely to continue after donor funding has ended or will be withdrawn? What were the major factors which influenced the achievement or non-achievement of sustainability of WEHU's interventions?

Efficiency

10. Have the implementation modalities and WEHU's partnerships for bilateral as well as multilateral activities proven efficient in terms of cost and time to reach the objectives?
11. Has the steering, monitoring and management of activities by the team been appropriate in order to allow smooth implementation of the activities commensurate to WEHU's resources and what are the reasons for it? What are important success factors?

Lessons learned and recommendations

12. Is WEHU doing the right thing, in the right way, and with the expected results? Is WEHU's work sufficiently focused? Are WEHU's sector choices and positioning in the value-chain appropriate?
13. Is WEHU's work equally valid in countries at different development levels?
14. What are 'good practices', 'success factors', and 'selection criteria for WEHU's partner structure'. Which are the most promising project designs (in terms of effectiveness and sustainability) in SME-competitiveness & market access projects?
15. What is the potential of programmatic approaches (when public and private sector stakeholders are involved, also on related fields e.g. ensuring the adequate budget priorities and with regard to future challenges such as digitalization) to strengthen the impact of interventions and why is this so?

⁵ In the approved set of evaluation questions, WEHU's alignment and contribution to SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production) was included under both relevance (alignment) and effectiveness (contribution). To avoid repetition, the report discusses both the alignment and the contribution in Chapter 3 on Effectiveness. Question 9 contained the clause 'including synergies between SECO instruments'. We assessed the synergies between WEHU's bilateral, multi-country and global

1.3 The evaluand – SECO's business line: Greater International Competitiveness of SMEs and Facilitated Market Access

7. **Objective.** *'SECO seeks to maximize the number of producers and SMEs in developing countries that gain from globalization'* (SECO, 2018b). To that end, WEHU supports producers and SMEs in developing countries to become internationally competitive, comply with market access requirements, meet international consumer good standards and increase trade with EU and Switzerland. As such, WEHU principally contributes to SECO's outcome target⁶ *'Enhanced trade and competitiveness'*. WEHU's work is however also framed against SECO goal of *'inclusive sustainable growth ... [as] 'helping partner countries' integration in sustainable value chains and fostering the emergence of competitive niches ... reduce [income and rural/urban] imbalances and bring about a sustainable improvement in the employment situation [in SECO's partner countries]'* (FDFA and EAER, 2016b).

8. **Scope.** WEHU supports *a range of value chain actors* (smallholders, producer organizations, SMEs, sector / product associations, trade promotion agencies), as well as *value chain influencers* (government agencies) and *value chain supporters* (business support organizations), at *different points in the value chain* (production, processing, trade), both *in-country* (linking producers to processors) and *cross-border* (linking producers / processors to international buyers, especially in Switzerland and the EU). Figure 2 shows this graphically and highlights the type of support being provided to the different value chain actors, supporters and influencers.⁷

9. WEHU is active in a variety of sectors or markets (see Table 1), mostly targeting a specific segment within each: for example, *artisanal and small-scale gold mining, organic cotton or fine and flavor cocoa*. WEHU is active globally: from Vietnam to Colombia, and from South-Africa to Kyrgyzstan (see Figure 3 which also lists all projects under evaluation). These are all WEHU projects under the business line 'Greater International Competitiveness of SMEs and Facilitated Market Access' which *'ended recently or are well-advanced in their implementation'*⁸ (SECO, 2018b).

10. **Voluntary Sustainability Standards.** This is a transversal theme for WEHU and features in most (if not all) programs. To gain better access to Swiss and European markets, to protect the environment, and to foster fair working conditions, WEHU supports smallholders and producers to ensure product quality and/or sustainability (e.g. through the adoption of Good Agricultural Practices or compliance with biotrade-principles or the Fairtrade label).

11. **Instruments.** WEHU principally offers technical assistance and, to a limited extent, financial support (e.g. funding participation in trade fairs or the purchase of equipment). In the latter case, beneficiaries generally need to financially contribute to their participation or the capital investments. WEHU's development interventions are implemented by UN-agencies (e.g. ILO, ITC, UNIDO, UNCTAD), Swiss development foundations (e.g. Swisscontact, Helvetas), private entities (e.g. Projekt Consult), independent international organizations (e.g. Global Reporting Initiative) or national government agencies (e.g. VieTrade – the national trade promotion agency of Vietnam). WEHU's interventions are either of its own design (whilst developed in close consultation with national stakeholders and international development partners) or initiated by partners (such as the UNDP National Commodities Platform).

12. **Budget.** WEHU's programs contractually run for three to four years, whereby many programs have multiple phases (with each phase governed by its own credit proposal) potentially extending the program life to 8 – 12 years. WEHU's contribution per 4-year program period is mostly in the range of CHF 1 – 4 million (per country for multi-country programs). Some bilateral programs receive larger support, for example Colombia+Competitiva (CHF 13,4 million, split 50/50 between WEHU and WEIF⁹). The three global programs under review enjoy WEHU contributions of CHF 19,4 million (SIPPO), CHF 10 million (Transparency and Innovation of Sustainability Standards), and CHF 5,5 million (Corporate Sustainability and Reporting for Competitive Business).

programs, as well as between WEHU and WEIF under question 8 in Chapter 3 Effectiveness. We did not assess the synergies between the three business lines of WEHU nor with the other four Framework Credits.

⁶ SECO's overall objective is to contribute to inclusive and sustainable growth in its partner countries and thus contribute to poverty alleviation, reduction of global risks, peace and the adherence to human rights. The Message on International Cooperation 2017-2020 states four target outcomes of SECO's work, namely (i) effective institutions and services, (ii) more and better jobs; (iii) enhanced trade and competitiveness; and (iv) low emission and climate resilient economies (FDFA and EAER, 2016b). See Appendix B for a graphical representation of SECO's outcome targets, business lines and priority themes.

⁷ This distinction between value chain actors, supporters and influencers stems from Daniel Roduner in an SDC working paper on value-chains (Roduner 2007)

⁸ *'Projects which ended recently'* were defined as projects (or project phases) completed in the last three years, i.e. after June 2015.

⁹ SECO's Private Sector Development Division

13. **Governance.** WEHU participates in the program steering committees through which it provides strategic and fiduciary oversight. The Swiss Cooperation Offices maintain regular contact, both formally and informally, with the in-country implementing organization and, in some projects, participates in consultative or technical working groups.

Figure 2. Graphical representation of the portfolio-under-evaluation

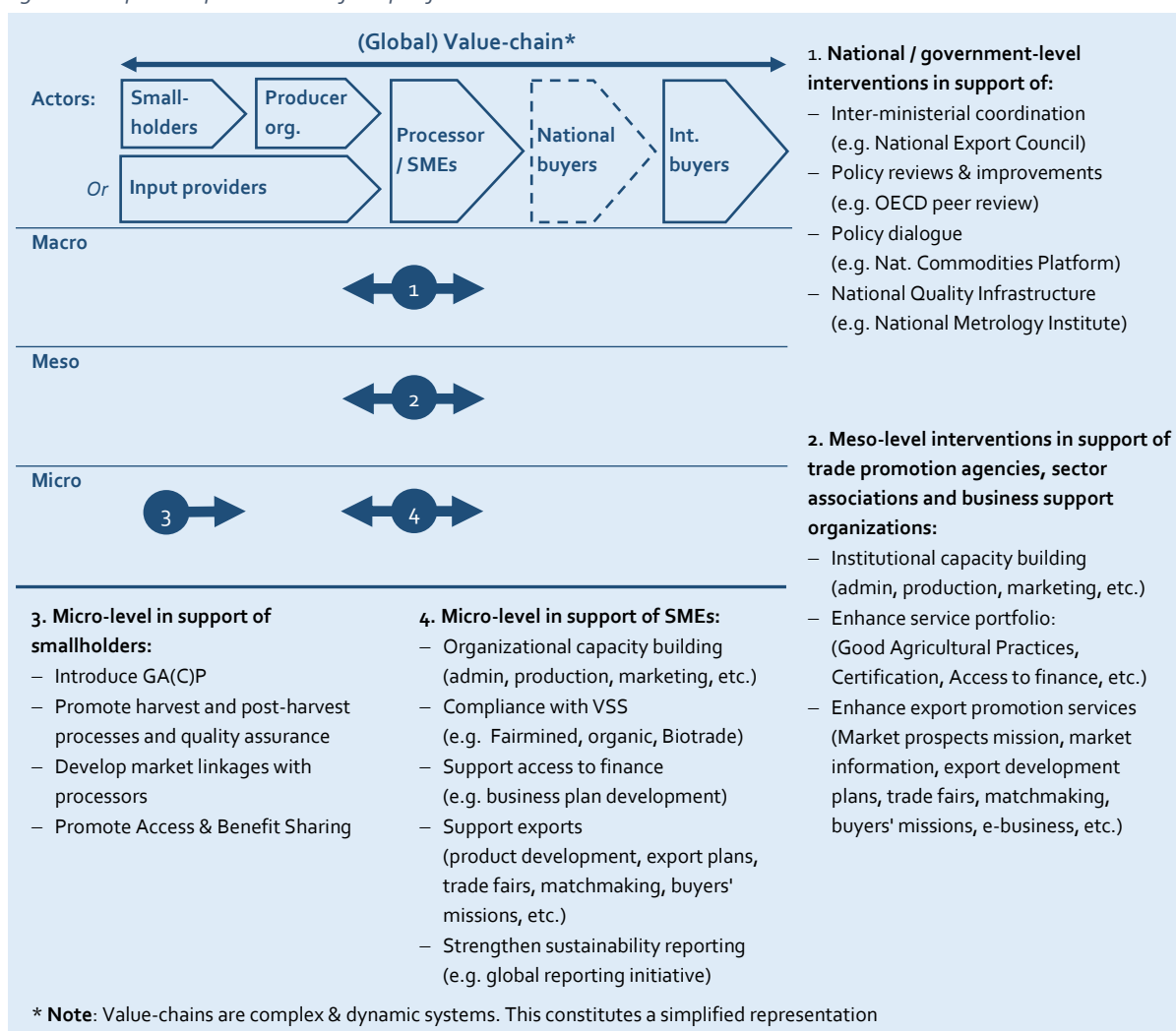


Table 1. Sector / product coverage of the portfolio-under-evaluation

Commodities	Agriculture	Processed goods	Services / industries
Gold* (1)	Arable crops – wheat and soybeans (1)	Cosmetics (3)	Sustainable construction (1)
Natural ingredients* (3)	Cocoa* (2)	Fruits* & vegetables (1)	Supporting industries** (1)
	Coffee* (1)	Fish & seafood (1)	Tourism* (2)
	Cotton* (2)	Garments & footwear (2)	
	Dairy (1)	Textiles & clothing* (2)	
	Palm oil* (1)	Wood & furniture (2)	
	Tea (1)		

Legend:

(#) Number of projects in the portfolio-under-evaluation

* Mentioned in the Swiss Message on International Cooperation 2017-2020 (FDFA and EAER, 2016b)

** In the SCORE Program

Figure 3. Portfolio-under-evaluation – geographic and sector coverage

Global programs

- Corporate Sustainability and Reporting for Competitive Business CSRCB (Global Reporting Initiative)
- Transparency and Innovation of Sustainability Standards TISS (ITC & ISEAL Alliance)
- Swiss Import Promotion Programme SIPPO (Swisscontact)

Other multi-country programs

- Sustaining Competitive and Responsible Enterprises (SCORE) Program)

DMO Tourism (Swisscontact)

- Tunisia

PAMPAT (UNIDO)

- Tunisia
- Agriculture

Better Gold Initiative (Projekt Consult)

- Bolivia, Colombia, Peru
- Artisanal and small-scale gold mining

Colombia+Competitiva (Swisscontact)

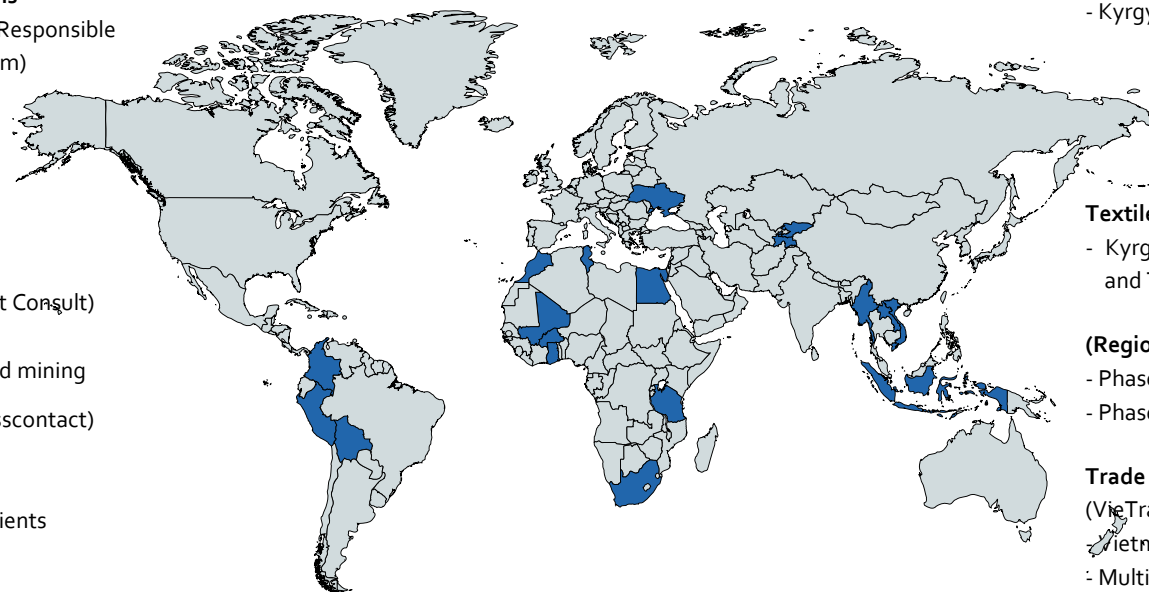
- Colombia
- Cocoa, tourism, sustainable construction, natural ingredients

COEXCA (Swisscontact)

- Colombia
- Cocoa

SeCompetitivo (Helvetas)

- Peru
- Multi-sector: Tourism, cocoa, coffee and agroprocessing



UN Trade Cluster (UN Inter-Agency Cluster)

- Lao PDR, Tanzania
- Horticultural food products and tourism

SAFE+ (UNIDO)

- Colombia
- Natural Ingredients / Cosmetics

Biotrade (Phytotrade)

- South Africa

Fair Trade Travel (Fair Trade Tourism)

- Southern Africa
- Tourism

Organic Market Development (FiBL)

- Ukraine
- Arable crops (soybeans, wheat); dairy

Organic cotton (Helvetas)

- Kyrgyzstan, Burkina Faso and Mali

Textile & Clothing (ITC)

- Kyrgyzstan, Tajikistan, Egypt, Morocco and Tunisia

(Regional) BioTrade (Helvetas)

- Phase 1: Vietnam
- Phase 2: Lao, Myanmar, Vietnam

Trade Support Services for SMEs (VieTrade)

- Vietnam
- Multisector

National Commodities Platform (UNDP)

- Indonesia: palm oil
- Peru: coffee

Sustainable Cocoa Production (Swisscontact)

- Indonesia

Source: MapChart.Net, SECO program documentation

1.4 Evaluation methodology

14. We applied a mixed-method approach to data collection which included a project document and external literature review, telephonic and field-based semi-structured key informant interviews, an electronic survey, quantitative data collection, and an evaluation synthesis²⁰ of project-level evaluation and completion reports. Appendix D expands on the purpose and scope of the data collection methods.

15. We conducted a theory-based evaluation. WEHU's work on competitiveness and market access rests on a set of assumptions on how to effectively and sustainably support partner countries and organizations. This set of assumptions concern changes in behavior and actions of key stakeholders which *prelude* the achievement of the envisaged outcomes and impacts. The behavioral changes, together with the envisaged outcomes and impacts, form WEHU's so-called Theory of Change. We reconstructed WEHU's Theory of Change at the outset of the evaluation (see Appendix E) and throughout the evaluation sought evidence to verify or adjust this Theory of Change.

16. We prepared four case studies, namely of WEHU's work in Colombia, Kyrgyzstan and Vietnam, as well as on the three global WEHU programs under evaluation. For two case studies – namely Colombia and Vietnam – we conducted field work. We selected the country case studies through purposeful sampling²¹. The selection criteria and argumentation are provided in Appendix F. After the first field mission, we conducted a debriefing for the WEHU team in Bern.

17. WEHU has a strong evaluation practice. Most programs underwent a mid-term review or an end-of-phase evaluation (or both). The purpose of the evaluation synthesis was threefold: (i) to collect the evaluations' ratings of the programs against the OECD-DAC evaluation criteria and calculate an average rating for the portfolio per OECD-DAC criteria; (ii) to draw into the evaluation lessons learned from all programs in the portfolio-under-evaluation and not limit the in-depth analysis of WEHU's work to the programs in the case studies; and (iii) to benefit from the analysis already conducted previously.

18. The data collection resulted in 4 data sets: (i) the case study reports (see Appendices G to J), (ii) the project fiches from the evaluation synthesis (Appendix K); (iii) the survey results (Appendix M); and (iv) written notes from the semi-structured interviews with WEHU program managers and international value-chain and export promotion experts. A full list of informants to the evaluation is included Appendix N. Finally, Appendix O presents the evaluation design matrix that shows which data sources and analysis methods informed our answers to the different evaluation questions.

19. The collected data were scrutinized through alternative data analysis approaches, namely inductive, deductive, contribution and political economy analysis.²² Moreover, the resultant findings were triangulated across different data sources, methods and evaluators. The case study reports were reviewed by WEHU's program managers and the respective Swiss Cooperation Offices on factual errors and missing information. The evaluation's findings and recommendations were discussed with WEQA and WEHU during a capitalization workshop on Tuesday 19 March 2019).

1.5 Limitations

20. This thematic evaluation covers 22 bilateral/multi-country and 3 global programs. The evaluation's field work comprised 2 one-week missions (to Colombia and Vietnam). During the field missions, roughly one day was allocated per program for key informant interviews. Comprehensive quantitative results data are not available in the program documentation for all programs (see also next paragraph). Although most programs have been evaluated (mid-term, end-of-phase or both), most evaluation reports are descriptive rather than analytical and, consequently, provide limited information on the individual program's Theory of Change. Together, this implies that we cannot draw hard conclusions on individual programs – something we therefore also explicitly abstain from. Instead, the evaluation

²⁰ An evaluation synthesis concerns the systematic review of a pre-defined set of evaluation reports to distill overall conclusions and recommendations on a pre-defined set of evaluation questions / criteria. An evaluation synthesis differs from a meta-analysis. The latter concerns a systematic review of the quality of a pre-defined set of evaluation reports, mostly whether the evaluation reports conform to the UNEG or OECD-DAC evaluation standards.

²¹ This means selecting '*information-rich cases for in-depth study ... along pre-defined selection criteria*' (Patton 2002).

²² See Appendix D for an explanation of these data analysis methods.

benefits from the breadth of information collected to draw an overall conclusion on WEHU's performance under the business line 'Greater International Competitiveness of SMEs and Facilitated Market Access' and distill lessons on how WEHU can optimize / improve its development assistance. We nonetheless undergird our findings and conclusions with examples from individual programs. These examples should however not be construed as end-judgements on these programs. They only help to illustrate and evidence our findings.

21. The choice and design of programs is, according to WEHU, also influenced by SECO's work under the other two business lines: the support given to partner countries to create 'Favorable Framework Conditions for Sustainable Trade' and 'an Efficient Business Environment'. The interlinkages between these three business lines have *not* been evaluated. This fell outside the scope of this evaluation.

22. We intended to collect quantitative data on the key outcome and impact indicators (see Table 2). Many programs lacked comprehensive data on these indicators. This is partly because programs started under previous framework credits which had different underlying performance indicators. We however also observed that outcome and impact indicators are not collected in a consistent, structured and uniform manner. In the end, we collected the *available results data per program*. As this project-level data cannot be aggregated in a sound and credible way, this evaluation does not present results data at a portfolio-level.

23. Fifty-five persons out of a target population of 92 people responded to the online survey which constitutes a response rate of 60%. Most questions were however not answered by 7 – 9 persons. The *effective* response rate was therefore closer to 50%. 40 persons (73%) represented an implementing agency, whereas 15 persons (27%) worked at an organization which received technical assistance. Figure 4 shows the distribution of the respondents by organizational affiliation and project role. The number of respondents per relevant grouping was between 10 and 16 persons, which is a limited number. Consequently, we treat the answers to the survey questions as indicative rather than absolute.

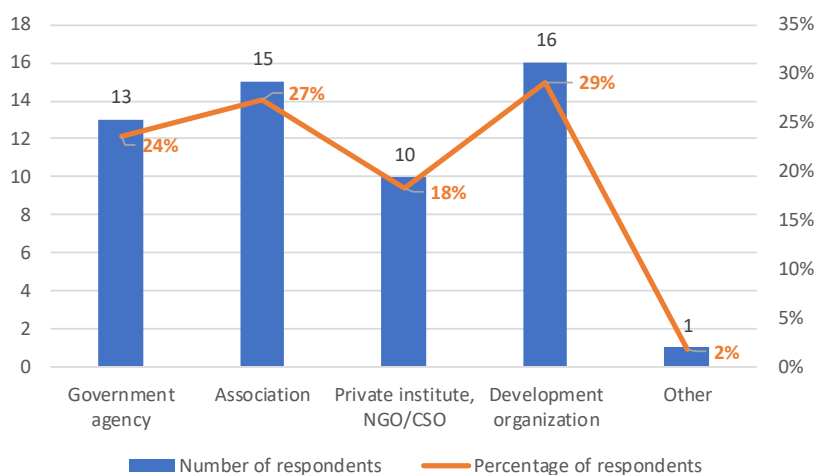
Table 2. Formal outcome and impact indicators

The Framework Credit 'Economic and Trade Policy Measures for Development Cooperation' defined the following set of indicators for the business line 'Greater International Competitiveness of SMEs and Facilitated Market Access':

- Increase in trade volumes (as a % and in mio. USD) of sustainably certified commodities (soya, coffee, cocoa, cotton, timber, palm oil, tea, BioTrade products) from developing countries
- Number of jobs created and retained
- Increase in export volumes (as a % and in mio. USD) of sustainable goods and services (textiles, furniture, tourism, etc.) from developing countries
- Productivity increase in export value chains
- Number of persons/entities undergoing training or continuing education (entrepreneurs, producers, staff)
- Measures for improving capacity development
- Percentage of producers with better living conditions

Source: (FDFA and EAER 2016, SECO 2018)

Figure 4. Survey respondents per group



1.6 Reading guide

24. The main evaluation report is structured along the OECD-DAC evaluation criteria. Each chapter explicitly answers the evaluation questions and rates the portfolio-under-evaluation against the OECD-DAC criteria. Although the chapters are structured logically, they can be read randomly. Chapter 6 – again by responding to the relevant evaluation questions – draws an overall conclusion and distills lessons learned on good practices and success factors. Chapter 7 offers the evaluation's recommendations. The appendices provide back-ground information (on the portfolio-under-evaluation, the evaluation scope and methodology, and data sources) and descriptive evidence (case studies, project fiches from the evaluation synthesis, and survey results). The pronouns '*we*' and '*our*' refers to us, the authors of this report.

2. Relevance

(1) To what extent are the objectives of WEHU's Competitiveness & Market Access interventions (still) aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020? (2) How have WEHU's interventions been harmonized with / complementary to similar initiatives of SDC and other donors for potential synergies?

2.1 Introduction

25. This chapter answers the above two evaluation questions. Together, they address the 'relevance'-criterion as defined by SECO. The OECD-DAC defines 'relevance' as *'the extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor'* (OECD, n.d.).³³ SECO broadens this definition to include the extent to which development interventions are coordinated with and complementary to other programs in the country and sector (SECO, 2013).

26. We first present the average score WEHU received on the 'relevance'-criterion in the project-level evaluations.³⁴ We then successively analyze WEHU's interventions along the four dimensions of the 'relevance'-criterion, namely alignment to (i) the beneficiaries' priorities, (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017-2020, and the complementarity of WEHU's programs to (iv) the work of other donors (including SDC). The chapter concludes with an explicit answer to the two evaluation questions and our rating of the portfolio-under-evaluation on the 'relevance'-criterion.

27. Finally, the 'relevance'-criterion is sometimes – rather disparagingly – considered the feel-good criterion. Its multidimensional nature and the absence of a clear and unequivocal benchmark make it the easiest evaluation criterion to pass. This chapter offers WEHU a more refined way to think about relevance and suggests that not all dimensions of relevance should be treated equally.

2.2 Relevance score in the evaluation synthesis

28. WEHU programs score satisfactory on 'relevance' (see Table 3). From the 17 project-level evaluations covered by the evaluation synthesis, only 2 were rated unsatisfactory.³⁵ The low-income countries appear to score worse. The portfolio-under-evaluation contains only three programs in low income countries³⁶: one scores 'highly satisfactory' on relevance, one 'satisfactory' and one 'unsatisfactory'. The number of observations is too few to draw firm conclusions on the relative merit of WEHU's work in low-income countries vis-à-vis middle-income countries.

Table 3. Evaluation Synthesis: Relevance scoring

Recipient country income-level*	Average score**
Low-income (n=3)	2,0
Lower middle-income (n=9)	1,3
Higher middle-income (n=5)	1,4
Weighted average	1,5
Equivalent rating	Satisfactory

* World Bank Classification in World Development Indicators

** See Appendix L for a detailed score sheet of the portfolio.

Legend: 1 is 'highly satisfactory'; 4 is 'highly unsatisfactory'

2.3 Beneficiaries

29. There are three distinct groups of direct beneficiaries³⁷ in WEHU's bilateral and multi-country programs, namely: SMEs, business support organizations (BSOs), and government agencies. The subsequent subsections discuss each

³³ We observe a subtle difference in formulation between the OECD-DAC definition and the first evaluation question. The OECD-DAC definition addresses the *'priorities'* of the beneficiaries, whereas the first evaluation question refers to the beneficiaries' *'requirements'*. In principle, a beneficiary may require something, but not prioritize it. For a development intervention to make sense, beneficiaries should also prioritize the challenge at hand. We therefore stick in this chapter to the OECD-DAC formulation.

³⁴ Remember: this evaluation includes an evaluation-synthesis of 17 project-level evaluation reports. Each of these evaluations scores the respective programs on the OECD-DAC evaluation criteria. In each chapter, we present the average score for the evaluation criterion.

³⁵ These are (i) Fair Trade Travel which did not focus on the intended beneficiaries (tour operators) and was misaligned with the National Tourism Sector Strategy (which did not focus on certification); and (ii) the Organic Cotton program in Burkina-Faso and Mali where *'the hypothesized privatization of the cotton sector did not take place ... [and] the government ... prioritized conventional cotton over organic cotton'*.

³⁶ These are UN Trade Cluster Tanzania, Organic Cotton in Burkina Faso and Mali, and the Textiles & Clothes program in Tajikistan.

³⁷ A fourth group of beneficiaries constitute smallholders, which feature for example in the Regional BioTrade Program in South-East Asia. Smallholders mostly benefit *indirectly* from WEHU's interventions through the assistance they receive from WEHU-supported producer organizations, buyers or BSOs. As we did not engage with smallholders during our field missions and the evaluation synthesis / project-

in turn. As the evaluation did not systematically collect data on the needs and priorities of these beneficiaries, we infer the relevancy of WEHU's programs for these groups based on the extent to which they responded to WEHU's offer for support.

2.3.1 SMEs – economics at play

30. SMEs embrace WEHU's support when it serves their business interest. Full stop. SMEs participate and invest substantial sums of their own money (in product development, productivity improvements, certification, etc.) if the programs reduce costs and/or raise their productivity (e.g. SCORE¹⁸, COEXCA, SCPP, BioTrade – Vietnam (Phase 1 and 2) and South-Africa, Organic Cotton, UN Trade Cluster), provide access to higher market prices (BGI, Biotrade – Vietnam and South-Africa, COEXCA, Organic Cotton, SCPP) or new markets (Biotrade – Vietnam (Phase 2) and South-Africa, Organic Cotton, SAFE+, Vietrade, Textile & Clothing). When this is not or no longer the case, SMEs hold back their participation (as happened in parts of the CSRCB¹⁹ and SCORE²⁰ programs), shift their focus to the domestic market (as occurred in the Biotrade Vietnam (phase 1) program), or even shift production to other crops (Organic Cotton Kyrgyzstan). This finding shows that SMEs' participation constitutes a business decision based on a rational (if not necessarily explicit) value-for-money assessment within the context of prevailing market conditions.

2.3.2 Business support organizations – capacity matters

31. WEHU supports a broad range of business support organizations (BSOs), including producer organizations, business / sector associations, trade promotion agencies, consultancy firms and training institutions. Relatively well-developed BSOs, with a clear mandate and/or business interest, proactively engage in WEHU's programs. Examples from the case-studies include both regional chambers of commerce, as well as sector organizations in Colombia, Kyrgyzstan and Vietnam²¹. Like the SMEs, these organizations are willing to invest effort and money in enhancing their service portfolio for their clients / members.

32. In the case studies, we also encountered BSO's with limited capacity (e.g. just 2-3 staff), resources (low membership fees), services (focused on advocacy and lobbying) and/or without a clear strategic vision. Examples include the Vietnam Organic Agriculture Association, the Hanoi Trade Promotion Agency, Vietrade, the *Corporación para Investigaciones Biológicas* in Colombia, or the business associations in the Kyrgyzstan Textile and Clothing program. These organizations struggled to respond to the opportunities offered by WEHU's interventions. And even a pro-active organization like the Handicraft and Wood Industry Organization in Vietnam has only few staff and charge low membership fees (around US\$200 per year per business organization) which affects its (absorption) capacity.

33. Moreover, at the other end of the spectrum, there are strong BSOs with which WEHU struggles to engage. ProColombia – the Colombian national trade promotion agency – considers SIPPO's current offering of little value-added to its organization. Moreover, WEHU supported the set-up of a new cocoa sector association Red Cacaotera, as representative of the producer organizations, instead of pulling Fedecacao – the Colombian national federation for cocoa farmers, which plays a key role in the Colombia cocoa sector – fully into the program (see also Textbox 9 on page 78).

34. The capacity of BSOs varies. In Chapter 3, we expand on how this translates into the effectiveness of the program; in Chapter 4, we reflect on WEHU's strategy to work through BSOs to enhance the sustainability of WEHU's efforts. For now, we tentatively conclude that WEHU's work is relevant for the BSOs but that the responsiveness of the BSOs appears a concave function of the BSOs' capacity (see Figure 5).

level evaluation reports did not systematically collect data on the relevancy of the interventions for smallholders, we have too little information to offer a sound analysis and judgment on the relevancy of the interventions for smallholders.

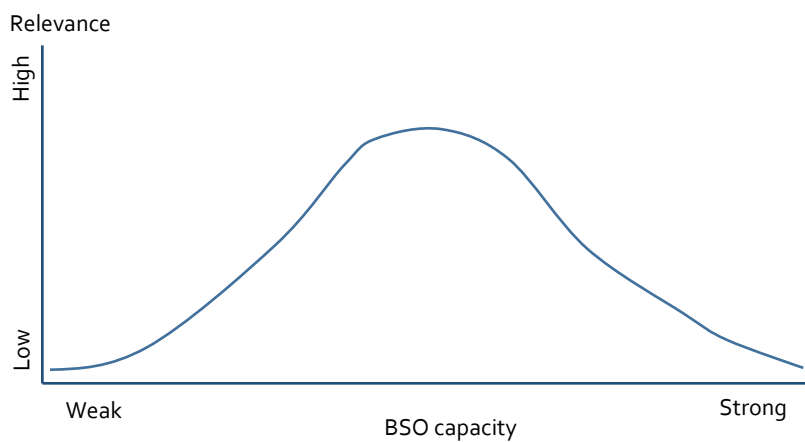
¹⁸ Explicitly limited to module 1 (work place organization) and 2 (quality management) of the SCORE Training.

¹⁹ SMEs in Vietnam did not see it as a business requirement to report on sustainability.

²⁰ SMEs sign up significantly less for the training modules on workforce management and occupational health and safety which have a less directly measurable impact on a firm's productivity.

²¹ Example given: The Bogota Chamber of Commerce, Technology Deliveries Laboratory and Red Cacaotera in Colombia, Agriculture Commodity and Service Cooperative in Kyrgyzstan, and the Vietnam Chamber of Commerce in Ho Chi Minh City or the Handicraft and Wood Industry Association in Vietnam.

Figure 5. Relevance of WEHU's support to business support organizations



2.3.3 Government agencies – it's all about politics

35. In just a few programs, government agencies are the direct beneficiary of WEHU support. Their response varies and appears a direct function of high-level political buy-in and proximity to the central government. In Colombia, the need to improve the country's productivity is high on the political agenda. Consequently, the Department for National Planning and the Ministry of Trade, Industry and Tourism embrace the support they receive under the Colombia+Competitiva program, noting that it (i) is located '*right at the heart of the Productivity Development Policy*', (ii) offers a systemic approach to productivity development and (iii) forms '*a wonderful tool to link and align different actors around some key actions / transversal issues [and] facilitate collective action*'.

36. At the same time, WEHU's support in Colombia to the National Metrology Institute, the National Accreditation Board, and the Superintendence for Industry and Commerce (under Safe+) proved cumbersome due to a lack of incentives on the part of these recipient agencies. The latter also seemed to impede Vietrade – the Vietnam national trade promotion agency – which, after 6 years of support, still lacked a corporate strategy on SME business support and failed to mainstream the program's activities and capacities into the rest of the organization. The program-level evaluation ascribed this to a lack of political ownership in Vietnam of the national export agenda and, consequently, the lack of empowerment of Vietrade.

2.4 Partner country development priorities

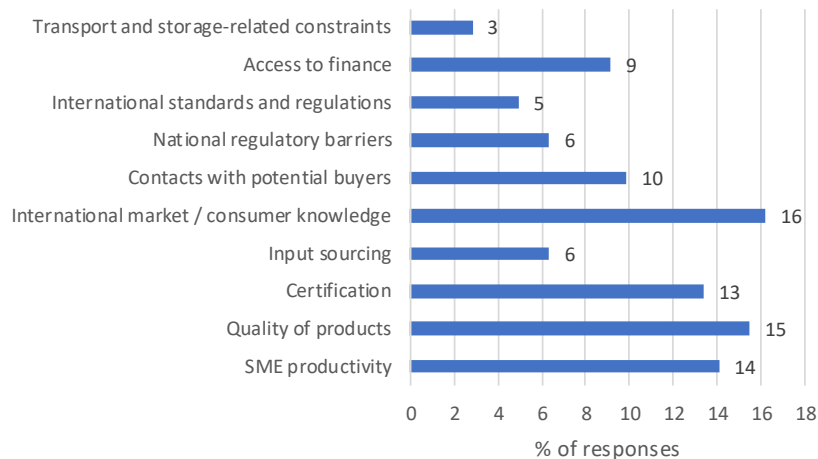
37. The second dimension of the 'relevance'-criteria is the extent to which WEHU's programs are aligned to the partner country development priorities. A transversal theme throughout WEHU's portfolio is that it seeks to raise the international competitiveness of producers and SMEs by raising their productivity through the introduction of new production and management techniques (for example by advancing Good Agricultural Practices or the kaizen²² management technique of continuous improvements). All three case study countries face a productivity challenge.²³ In Colombia, labor and total factor productivity growth have, on average, been zero over the last decade. In Vietnam, labor productivity growth rates have dropped from 5,2% in the nineties to 3,8% between 2000 and 2013. Current growth rates are well-below what is needed to achieve the envisaged GDP per capita of USD 18.000 in 2035 (in constant prices). In Kyrgyzstan, the potential of the private sector is also impeded by low levels of labor productivity. WEHU's interventions are thus well-aligned to the macro-economic productivity challenge. Moreover, WEHU's interventions address obstacles for SMEs to participating in global value chains (see Figure 6 for the survey results).

38. WEHU's programs are generally aligned to government policies, national development strategies and sector priorities. The case studies and the evaluation synthesis evidence this for the following programs: BioTrade – Vietnam (phase 1 and 2) and South Africa, Colombia+Competitiva, COEXCA, DMO Tourism, Textile and Clothing (Kyrgyzstan, Tajikistan and Tunisia), Organic Market Ukraine, PAMPAT, Safe+, SCORE, UN Trade Cluster, and VieTrade.

²² a Japanese business philosophy of incremental albeit continuous improvement of working practices.

²³ See case studies for details and references.

Figure 6. Key obstacles for SMEs for participating in global value-chains



39. The governments of all three case study countries address the productivity challenge through policies. The political follow-through on these policies appears highest in Colombia. In 2015, the Colombian government set the Productivity Development Policy, assigned the implementation to the *Programa de Transformación Productiva* (a dedicated government entity), and allocated a budget of around CHF 600 million for the policy's implementation. Moreover, the *Programa de Transformación Productiva* identified the natural ingredients and cosmetics sector as priority sector and contributed USD 600.000 to the Safe+ program.

40. In Kyrgyzstan, the Development Program of the Kyrgyz Republic 2018-2022 aims to advance small and medium business, including through the establishment of incubators, business service centers, training programs and a project preparation fund to help SMEs prepare business plans and gain access to international markets. However, the national export development plans, to which the program contributed, received no state funds for implementation.

41. The (Regional) BioTrade Vietnam and VieTrade programs are closely aligned with government policies, but the implementation of these policies is hampered by limited high-level political buy-in, the fragmentation of responsibilities and a dysfunctional inter-ministerial coordination.

42. In sum, WEHU's programs are by-and-large aligned to the macro-economic challenges and national policy frameworks of the partner countries. Most governments see productivity improvement and integration in world economy as a priority. To what extent this is further developed in sector-specific policies and subsequently implementation varies. The implementation capacity seems a function of political will and available funding.

2.5 Swiss Message on International Cooperation 2017 – 2020

43. The third dimension of the 'relevance'-criterion concerns WEHU's alignment to the Swiss Message on International Cooperation 2017-2020. Most programs under evaluation date from (well) before the current message. The more accurate question therefore is to what extent the current message continues to provide a political mandate for the (type of) programs under evaluation. The short answer is: a full political mandate. A somewhat longer answer runs as follows – the programs-under-evaluation:

- *'concentrate[s] on improving the framework conditions for trade and private enterprise and on strengthening responsible competition all along the export value chain with a view to expanding sustainable trade ... [including] the strengthening of all technical institutions involved in the export process [like] national quality infrastructure'* (FDFA and EAER, 2016b) – e.g. COEXCA, Organic Cotton, Safe+;
- promote sustainability standards in the broadest sense, i.e. covering product quality (COEXCA), environmental sustainability (BGI, organic cotton), decent work conditions (SCORE), sustainability reporting (CSRCB), and improving transparency and innovation (TISS);
- target commodities, products and services which:
 - are mentioned in the current message, including cocoa, cotton, textiles, natural ingredients, and gold;

- allow recipient countries to 'diversify growth sources ... [and] foster the emergence of competitive niches so as to reduce imbalances and bring about a sustainable improvement in the employment situation' (FDFA and EAER, 2016b).²⁴
- facilitate access to the Swiss, EU or other international markets (and where this fails, such as in the BioTrade Vietnam (phase 1) program, corrective measures are taken to ensure a trade focus in a subsequent phase).

2.6 Complementary to other donors' initiatives

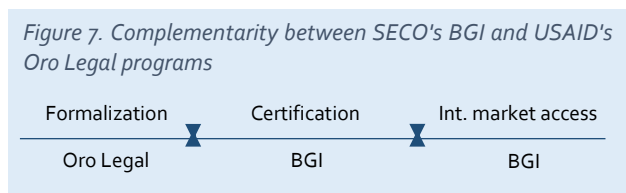
44. The fourth dimension of the 'relevance'-criterion (SECO definition) and the second evaluation question concerns the extent to which WEHU's interventions are harmonized with / complementary to similar initiatives of SDC and other donors. In the context of the Busan Partnership for Effective Development Cooperation (OECD, 2011) and WEHU's reality on the ground, this question is somewhat too narrowly formulated. The word 'donor' generally refers to developed country governments who provide official development assistance. These constitute just one set-of-players in the development assistance landscape. International / multilateral agencies are equally important.

45. The survey respondents are positive about WEHU's alignment with the work of other development agencies. 73% of the respondents stated that their organization received support from other international development organizations. 81% of this group deemed this support to be complementary to WEHU's assistance. The question was rather broadly formulated and sheds little light on how the programs were aligned.

46. WEHU enjoys a close, operational-level partnership with a range of international and multilateral development agencies, including – within the scope of this evaluation – ILO (SCORE, Trade Cluster), IDB (Colombia+Competitiva: Colombia Sostenible), ITC (G-TEX, TISS, Trade Cluster), UNDP (National Commodities Platforms), UNOPS & UNCTAD (Trade Cluster), and UNIDO (SAFE+, Trade Cluster). Some of these programs are co-funded by other bilateral donors: SCORE (Norway), Colombia+Competitiva: Colombia Sostenible (Canada, Norway, Sweden, UK), and TISS (EU, Germany, UK, private philanthropy).²⁵ These program-level partnerships foster the harmonization of efforts between SECO and the other development agencies / donors.

47. In Colombia and Kyrgyzstan, the Swiss Cooperation Offices participate in donor coordination groups on private sector development. This informs them about the other development agencies' activities and, within the prevailing institutional and programmatic constraints, allows them to align their work. No such donor coordination group on private sector development exists in Vietnam even though several donors / agencies (Australia, Canada, GIZ and USAID) support global value chain interventions. Donor coordination between these agencies is mainly informal. GIZ did use the Export Potential Assessment from the Vietrade program to select four fruit value chains for further support. Similarly, UNDP-GEF programs implement part of the National Action Plans on palm oil (Indonesia) and coffee (Peru) developed under the UNDP National Commodities Platforms program.

48. In WEHU's bilateral and multi-country value-chain programs, a school-book example of donor cooperation is provided by the Better Gold Initiative (BGI) in Colombia. BGI wants to put the global gold value chain – with most of the lead firms located in Switzerland – on a more sustainable footing. To that end, it seeks to expand the production of responsible mined gold from artisan and small-scale miners by improving their technical, organizational, social and environmental performance, as well as certifying their gold production. Certification requires that the firms are both legal (i.e. possess a mining title) and formal (i.e. are registered, pay taxes and contribute to the social security system). Most artisanal and small-scale miners are neither. The ORO Legal program, funded by USAID, promotes gold as an alternative and legal source of income in post-conflict regions in Colombia and helps mining operations to formalize their business. This, amongst others, enables them to certify their gold production. The BGI and ORO Legal programs are thus complementary to each other as they work with the same beneficiaries in different points of the value chain. What's more, both programs started roughly at the same time and have small in-country project teams which work closely together.



²⁴ This is also relevant for the case study countries which all three have a limited export portfolio, are characterized by geographic concentration of economic activity and face urban-rural and income imbalances (see case study reports).

²⁵ The Sustainable Cocoa Production Program in Indonesia, implemented by Swisscontact, also receives multi-donor funding, including from the Netherlands, US Millennium Challenge Account, IFAD and nine national and international companies.

49. Other value chain programs in the case study countries tend to be more stand-alone programs, mostly because few (if any) other donors / development agencies are active in value chain interventions (Kyrgyzstan and Ukraine) or focus on a different (sub-)sector (Regional BioTrade Program and COEXCA²⁶). The Regional BioTrade Program is trying to harmonize its work with SDC (in Laos) and GIZ and USAID (in Myanmar). In the case study countries, SECO and SDC are only jointly active in Kyrgyzstan, where they purposely run different programs.

2.7 Conclusion

50. This chapter addressed the question to what extent WEHU's business line 'Greater International Competitiveness of SMEs and Facilitated Market Access' remains aligned to the priorities and policies of the beneficiaries, partner countries and the Swiss Message on International Cooperation 2017-2020. We conclude that the portfolio-under-evaluation is:

- *mostly aligned* with the priorities and policies of the beneficiaries, especially where (i) the programs serve SMEs' business performance; (ii) sector / product associations have the capacity, interest and incentive to provide business improvement services to their clients / members; and (iii) for government agencies, there is high-level political buy-in into the program's objectives;
- *fully aligned* with the macro-economic challenges (i.e. productivity growth) and *mostly aligned* with the recipient governments' policy priorities, in the sense that the recipient government have formal and budgeted policies in place and spend political capital on addressing the challenges at hand;
- *fully aligned* with Swiss Message on International Cooperation 2017-2020 in terms of objectives, approach and sector coverage; and,
- *harmonized* with other development agencies in *joint programs*, but otherwise *mostly stand-alone programs* as few development organizations are active in value-chain interventions or target different sectors. However, where clear complementarities exist – such as in the Better Gold Initiative in Colombia – close cooperation and coordination with other development programs emerges.

Table 4. WEHU's Score on 'Relevance'-criterion*

Category	Alignment	Score
Highly satisfactory	Fully	
Satisfactory	Largely	√
Unsatisfactory	Partly / occasionally	
Highly Unsatisfactory	None	

* Based on Scoring Chart for SECO programs for Report on Effectiveness

2.8 Looking forward – identifying and assessing WEHU's boundary partners

51. This chapter's analysis suggests that a careful consideration of a program's relevance should go beyond establishing a program's broad alignment with a country's (economic) development challenges and policies and include:

- identifying the so-called boundary partners: *'the individuals, groups and organizations with whom the program interacts directly and with whom the program anticipates opportunities for influence ... as the power to influence development rests with them'* (Earl, Carden, & Smutylo, 2001);
- assessing their capacity, priorities and incentives to participate and buy into the program;
- selecting those partners with the capacity, priority and incentives to act;
- shaping the program to serve the priorities and incentives of these boundary partners to trigger the behavioral change necessary to achieve the program's development objectives; and,
- identify and work with development partners which pursue the same objectives and have similar stakes.

52. The chapter showed that WEHU does well in serving the program's beneficiaries (SMEs, sector / product associations, business support organizations, and government agencies) even if there is always room for improvement. By adopting the term *boundary partners* and actively identifying, assessing, and designing programs to *serve these boundary partners*, WEHU can continue to ensure that its programs are truly relevant. The next question is whether these boundary partners respond as expected to WEHU's development assistance, i.e. whether WEHU's Theory of Change holds up in practice and envisaged outcomes and impacts are achieved. That is the subject of the next chapter.

²⁶ The Regional BioTrade Program focusses on teas, herbs and spices, whereas the EU BioTrade Program covers medicine. COEXCA targeted fine or flavor cocoa, whereas USAID and UNODC programs targeted bulk cocoa.

3. Effectiveness and impact

(1) How well have the projects contributed to the overall objective of increasing participation of actors in the partner countries (e.g. SME's) in international value chains, the improvement of living conditions of target beneficiaries and the increase in productivity? (2) Have there been unintended positive or negative effects (on the local economy) through SECO's interventions? (3) Do WEHU's activities on competitiveness and market access contribute to achievement of SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)? (4) Does WEHU's Theory of Change hold up in practice and across all countries of operation? How can it be enhanced? (5) In what way has the private sector been involved in attaining the development objectives and/or leveraging SECO's approach? (6) To what extent are and can synergies be exploited between WEHU's global and multi-country/bilateral programs, and between WEHU's and WEIF's work?

3.1 Introduction

53. This chapter answers 2 sets of (3) questions. The first set inquires after WEHU's development results: both the intended and unintended outcomes and impacts, as well as their contribution to the attainment of the Sustainable Development Goals (SDGs). The answers to these questions *account* for WEHU's development performance.

54. The second set of questions is forward-looking in nature and intended to uncover how the results were attained: by reflecting on the applicability of WEHU's Theory of Change, the role of the private sector, and the achieved synergies between the bilateral, multi-country and global programs, as well as between WEHU and WEIF (SECO's private sector development division). The answers to this second set of questions allow WEHU *to learn* from experience. The chapter concludes with an explicit answer to the 6 evaluation questions and identifies some of WEHU's key future challenges.

3.2 Evaluation synthesis score

55. WEHU scores – on average – '*satisfactory*' in attaining its program-level outcome objectives. This means that *the majority of outcome objectives are achieved*' (SECO, 2013). Table 5 shows that there is no marked difference in scoring between countries with different income-levels.

3.3 Outcomes and impacts

56. The first question is '*how well have the projects contributed to the overall objective of increasing participation of actors in the partner countries (e.g. SMEs) in international value chains, the improvement of living conditions of target beneficiaries and the increase in productivity?*' This question points to three outcome and impact objectives. We address each of these dimensions.

57. First, WEHU contributed to the integration of producers and SMEs – which produce their commerce sustainably – into global value chains in cocoa, cotton, gold, textiles and natural ingredients (see Table 6 for details). The external evaluation of SIPPO (2012-2016) also underscores SIPPO's ability to '*facilitate market access for exporters of developing countries by connecting them with importers (in Switzerland/EU or regional markets)*' (Charbonneau, Gessl, & Monrosier, 2015). This resulted in USD 16,3 million additional exports by supported SMEs in 2016 (SECO, 2018c). Second, we lack productivity (growth) data but the fact that supported producers and SMEs participate in global value chains suggests that their pricing, quality and quantity of production are competitive.

58. Third, in the previous chapter, we concluded that producers' and SMEs' pursuit of trade opportunities constitutes a rational business decision – they are not philanthropists. We therefore presume (again given the lack of hard data) that their income and living conditions improve concomitantly with their participation in the global value chains. The portfolio-under-evaluation contains three examples (COEXCA, Organic Cotton and SCPP) which show an increase in income for farmers. The baseline income levels (absolute and in purchasing power parity) are not given, making it difficult to interpret these data. WEHU thus contributes to the integration of producers and SMEs in global value chains. To what extent this improves living conditions is – in the absence of data – hard to say.

Table 5. Evaluation Synthesis: Effectiveness scoring

Recipient country income-level*	Average score**
Low-income (n=3)	2,0
Lower middle-income (n=9)	2,1
Higher middle-income (n=5)	1,8
Weighted average	2,0
Equivalent rating	Satisfactory

* World Bank Classification in World Development Indicators

** See Appendix L for a detailed score sheet of the portfolio.

Legend: 1 is 'highly satisfactory'; 4 is 'highly unsatisfactory'

Table 6. Outcomes and impacts of WEHU's interventions

Programs	Results*	Benchmark	Relative size
From case studies			
Better Gold Initiative PERU (No results yet for Bolivia & Colombia – start 2017)	Outcome	First half 2018: 604 kg of certified gold exported from 4 mines (of which 509 kg, by one mine, through the Swiss Better Gold Initiative supply chain).	1500 kg/year from certified mines through SGBA supply chains
	Impact	Exporters enjoyed higher market prices and the market premium for certified gold. 19% (2016) and 13% (2017) of producers realized better living conditions (SECO, 2018c).	
COEXCA Colombia	Outcome	479,3 tons of cocoa per year were exported by supported producer organizations	600 tons/year from supported producer organizations
	Impact	Direct beneficiaries increased their incomes with USD 589 per year vis-à-vis the baseline	USD 500 per year
Organic Cotton Kyrgyzstan	Outcome	Annual exports of organic cotton fiber increased from 24 tons in 2003 to 359 tons in 2015. 2016 saw a further increase of 15%.	n/a
	Impact	Annual farmer income was CHF 295 higher on average during the 2003-2015 program period	Income from farming increased by >20% in average (compared to conventional farms)
Textile & Clothing Kyrgyzstan / Tajikistan	Outcome	Kyrgyzstan: in 2015, supported SMEs maintained production and export levels whilst country-level production and export fell by 55% and 75% due to the economic crisis in Russia. Tajikistan: realized in 2017 an increase in export volume of 50% or USD 4.6 million (SECO, 2018c)	n/a
	Impact	Kyrgyzstan: Labor productivity increased resulting in a 13% drop in employment at the same production levels. Tajikistan: 2800 jobs were retained in 2016 and 2017 (SECO, 2018c).	n/a
SCORE Vietnam	Outcome	Improved manufacturing practices resulted in better working conditions, lower defect rates, faster through-puts and lower production costs	n/a
	Impact	In Vietnam: <i>'The impact on employment and worker income is limited'</i> (Oldsman, 2017). Globally: SCORE created or retained 500 and 270 jobs in 2016 and 2017.	n/a
Vietrade	Outcome	For 22 SMEs for which data are available, the average export growth between 2014-2017 was 99%. In other words, these SMEs doubled their exports	Export turnover of SMEs increased by at least 20% over the period 2015-2017
	Impact	n/a	n/a

²⁷ Source: United States Geological Survey. Mineral Commodity Survey Gold: <https://minerals.usgs.gov/minerals/pubs/commodity/gold/mcs-2018-gold.pdf>

²⁸ Source: Interview with Fedecacao, Colombia.

Programs	Results*	Benchmark	Relative size
BioTrade Vietnam Phase 1	Outcome	The value-chains of the four participating companies were UEFT compliant. Phase 2: 5 products comply with appropriate sustainability standards (GACP, Fairwild, etc.).	n/a
	Impact	n/a	n/a
SIPPO 2013 - 2016	Outcome	Contributed to USD 16,3 million extra exports	n/a
	Impact	Contributed to the creation of 1651 jobs	n/a
From evaluation synthesis			
Organic Cotton Burkina Faso / Mali	Outcome	2015: Burkina Faso largest producer of organic cotton West Africa Organic and Fairtrade Cotton yield as % of conventional yield: – Burkina Faso: 49% – Mali: 47%	Potential of conventional yield: – 80%
	Impact	Program beneficiaries report, amongst others, health benefits (non-use of pesticides), income gains and debt reduction (lower input costs), improved food security.	Production of organic and Fairtrade cotton as % of conventional cotton: – Burkina Faso: 0,37% – Mali: 0,13%
SCPP Indonesia	Outcome	Yield: 721 kg/ha/year	1000 kg/ha/year (from baseline: 450 kg/ha/year)
	Impact	Net income increase from cocoa of USD 128 per farmer per year. 43% of 59,386 cocoa farmers trained increased income by 75% 1400 additional jobs created in the cocoa value chain	100% (it takes four year to achieve 75%) 1070 jobs created
Organic market Ukraine	Outcome	100% of soybean and 30% of cereals exported by participating SMEs meet the defined export quality standard. 100% of trade produce compliant with orientation value for pesticides. 55% of dairy produce meets quality standard set by the EU Trade volumes in 2014: – Soybean: 790 metric tons – Cereals: 20.000 metric tons Production volume in 2014: – Dairy: 7 million kg In 2016, export volumes increased by USD 55 million (SECO, 2018c)	7.000 metric tons 30.000 metric tons 16 million kg
	Impact	n/a	
BioTrade South Africa	Outcome	Turnover growth: 4 companies > 100%; 2 > 200%; and 2 > 300%.	Turnover at supported companies increases threefold
	Impact	Jobs: the project created 583 primary producer seasonal jobs at the community level and 50 jobs at the SME level	100 new jobs created by the supported companies

* Data sources are included in the case study reports and the evaluation fiches unless source is given.

Note: No outcome- and impact-level data available for SAFE+, UN Trade Cluster, DMO Tunisia, Fair Trade Travel South Africa, Textiles & Clothing Tunisia, PAMPAT Tunisia and Morocco. This is, in part, because no end-line evaluations have (yet) been conducted for all programs. For Colombia+Competitiva and the UNDP National Commodities Platform it is too early to show results at the outcome- and impact-level. SeCompetitivo Peru is not included in above table because it was neither part of the case studies or the evaluation synthesis. WEQA reports a productivity increase in export value chains in 2017 between 1,3% and 4,6%, as well as 2682 retained jobs (SECO, 2018).

59. Data collected by WEQA, independent from this evaluation, suggest that WEHU in addition contributed to retaining or creating 5851 jobs in 2016 and 6475 jobs in 2017. The bulk of these jobs stem from three programs: SIPPO, Textile and Clothes Tajikistan and SeCompetitivo in Peru.

60. How do the trade levels associated with the integration of producers and SMEs into global value chains compare with set targets and overall trade volumes in the sector? Only four programs have trade outcome targets: one program met this target (VieTrade: although only for a subsection of supported SMEs), two programs underperformed (slightly) (COEXCA and Organic Market Cotton), and one program has another two years to meet its target but is well on its way to achieve it (BGI Peru). As a percentage of total trade in the specific commodity of the country, the trade volumes are small (see Table 6 for examples). This is – in many respects – an unfair comparison. The total volume of trade in conventionally-produced cocoa, cotton, gold and textiles is large and SECO is a relatively small development player. Still, it underlines the development challenge at hand. Moreover, it is in line with what the literature and experts tell us. Value chain and export promotion interventions secure positive, albeit small impacts – see Textbox 2.

Textbox 2. What the literature and experts tell us.

A systematic review of 40 studies into business support for SMEs in low- and medium-income countries, conducted by the International Initiative for Impact Evaluation, concludes that *'support to SMEs improves their performance, their ability to create jobs, their labor productivity and their ability to invest, on average Export promotion and innovation program do positively affect exports and innovation, but there is no evidence that they improve [business] performance or job creation. Overall, however, the effects of the programs studies were not very big in magnitude'* (Piza 2016).

Another systematic review – also commissioned by the International Initiative for Impact Evaluation – of 43 studies into the effects of certification schemes for agricultural production on socio-economic outcomes in low- and middle-income countries concludes that *'there is not enough evidence on the effects of certification schemes on a range of intermediate and final social-economic outcomes for agricultural producers and wage workers. Quantitative results are mixed and generally inconclusive, despite positive effects on prices and income. Workers' wages do not seem to benefit. Context matters substantially for the causal chain between the interventions and the well-being of producers and workers'* (Oya 2017).

An independent evaluation of DANIDA's support to Value-Chain Development equally provides a mixed picture: some countries experience *'significant increases in employment, income and/or production, ... with other countries [showing] no notable effects'* (Orbicon & Wageningen UR 2016). A World Bank survey of recent studies on Aid for Trade concludes that direct support to exporters *'may indeed stimulate durable diversification but does not seem to have durable effect on total exports of the beneficiary firms'* (World Bank 2014). Finally, the International Livestock Research Center conducted a systematic review of the evaluation designs of 20 impact evaluations of value-chain interventions (Kidoido and Child 2014). The paper primarily reviews the evaluation methodologies. The review lists however the findings of the individual impact evaluations. Most studies suggest positive impacts of the value chain interventions on the productivity and/or income of farmers; some studies also pointed to increased profits for producer organizations.

We put both our own and above findings to international experts in value chain development and export promotion. They were *'not surprised'* by the positive, albeit limited impact. They explained this as follows: (i) value chains are complex systems which cannot be *'controlled'*; (ii) the potential of value chains depends heavily on the prevailing macro-economic and sector / market conditions; (iii) the demand-side pull is critically important in integrating businesses from low- and middle-income countries into the value-chain; (iv) for most countries, SME exports form a minority share of total exports (even in developed countries – see Textbox 3); (v) SMEs tend to trade *within* the region, i.e. their buyers are mostly in neighboring countries (see also Textbox 3); (vi) SMEs in developing countries often have difficulties to meet the quality and quantity requirements of international buyers; and (vii) SMEs have limited absorptive capacity for new technologies or production processes.

61. In addition to the programs which directly lead to enhanced participation in global value chains, some WEHU programs influence SMEs' participation in global value chains *indirectly*. A qualitative impact evaluation of the SCORE program evidences *'better working conditions, lower defect rates, faster through-puts and lower production costs'* (Oldsman, 2017) for the participating SMEs, strengthening their international competitiveness. (Note, most SMEs

supported by SCORE were already exporting). Similarly, SAFE+ assists SMEs to certify their produce and meet international market access requirements. Hard data fail, but anecdotal evidence from the field mission in Colombia suggest a positive impact both at the micro-level (SMEs) and the meso-level (public and private laboratories and testing facilities).

62. Even WEHU's support to Vietrade, the national trade promotion agency of Vietnam, which an external evaluation scored unsatisfactory on effectiveness and sustainability, supported 41 SMEs in developing and implementing Export Development Plans. '*Complete export data for either 2014-2016 or 2014-2017 are available for 26 of the 41 [SMEs]. Four of the 26 companies had no export in 2014 and had become established exporters by 2016 or 2017. For the other 22 companies, the average export growth [during the period] was 99%. In other words, on average, the SMEs doubled their exports*' (Como Consult, 2018).

63. Finally, the survey data also suggests that WEHU's interventions have a positive effect. A majority of implementing agencies and beneficiaries report that the programs (i) increase the productivity of SMEs; (ii) enabled SMEs to participate in global value chains; and (iii) improved the income of producers and workers (see Figure 8 on the next page – the grey and yellow segments of the bars indicate (moderate) positive outcomes; the number behind the different respondent groups indicates the number of respondents per group). These figures are to be interpreted cautiously: the respondents, as direct stakeholders, have a *stake* in reporting positive results.

Textbox 3. Export promotion of SMEs – maintaining perspective

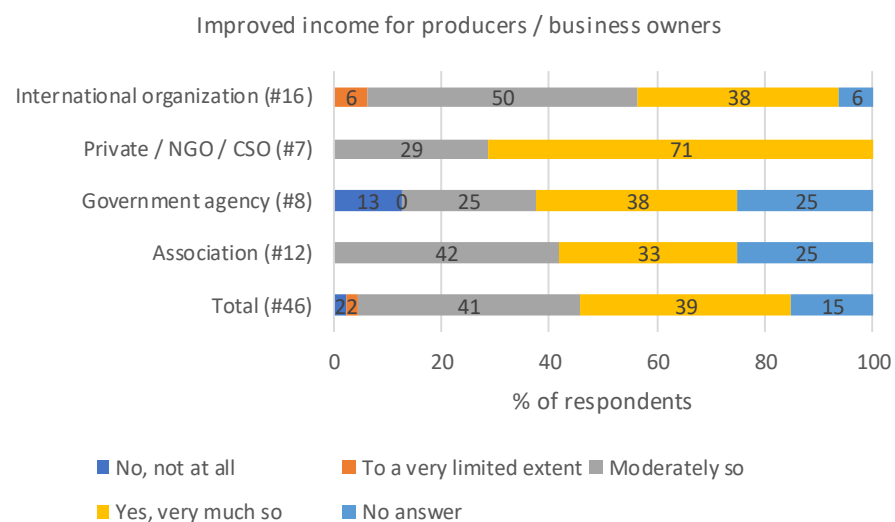
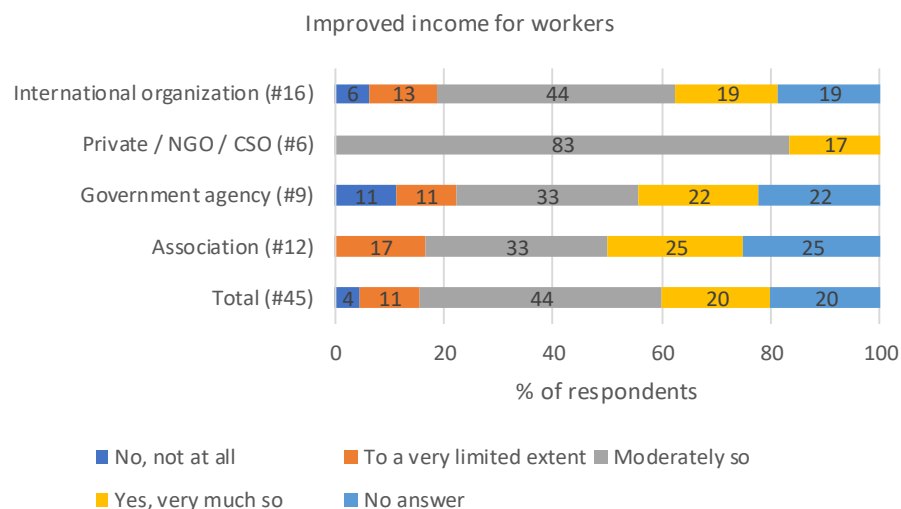
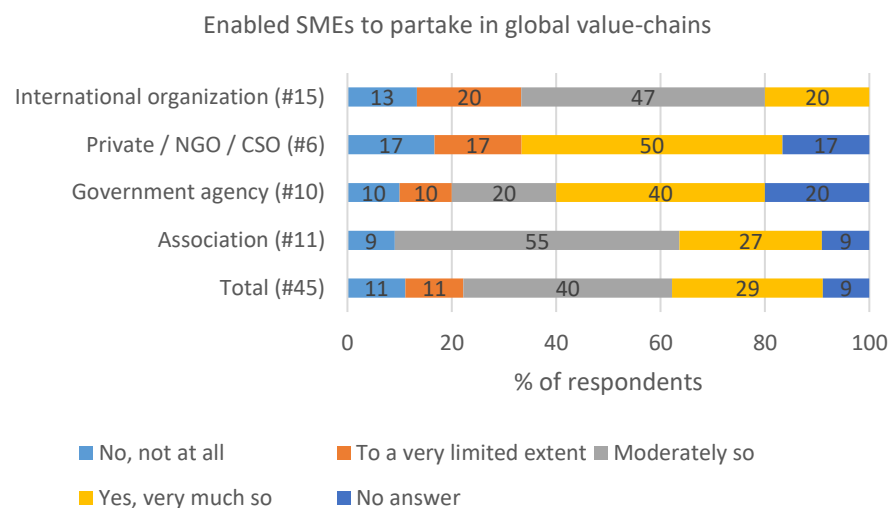
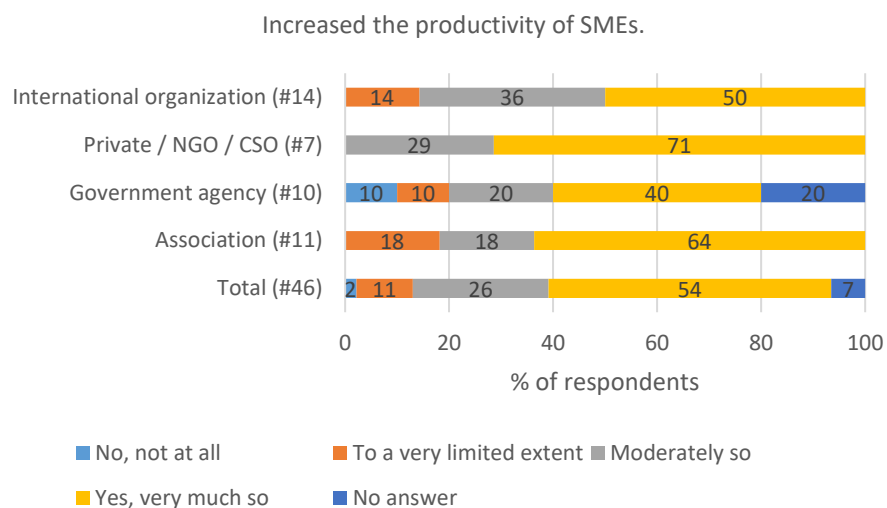
Most SMEs *focus on the domestic market* and are underrepresented in international trade. Whereas SMEs account for over 95% of all firms, around two-thirds of total employment and over half of value-added, their contribution to overall exports is between 20% to 40% for most OECD economies (OECD 2018). There are various explanations for this underrepresentation of SMEs in international trade, including the fixed costs associated with doing business abroad (e.g. complying with regulations, investments in market knowledge) and the more limited access to finance.

Although data on SMEs in international trade are relatively scarce, several countries started to collect more company-level trade data in recent years, including the Netherlands. These data reveal a number of characteristics of SME trade. Out of the over 1.5 million SMEs based in the Netherlands, only 47,000 independent SMEs (i.e. neither part of a bigger company, nor foreign-owned) export goods and 35,000 export services (CBS 2018a). This means that at most – there may be overlap between the goods and services exporting firms – just over 5 percent of SMEs are exporting.

Moreover, most SMEs *export to nearby (especially neighbouring) countries*. This is much more prominent for SMEs than for larger companies. Independent SMEs account for about a third of total Dutch exports to other European countries, but for exports further away, this share is much smaller. For example, for services exports outside Europe, only 16 percent is accounted for by independent SMEs (CBS 2018a). *The number of trading relations are also less* for independent SMEs: for good exports to the EU, 60 percent of goods exporting SMEs have only four trading relations or less in the EU; for services, this percentage is even 70 percent. Finally, only 43 percent of the Dutch SMEs which started exporting in 2014 were still internationally active in 2017 (CBS 2018b).

Although these data may not be fully representative for developing countries, it does show that *only a small share of SMEs are likely to trade internationally*, and very few will be able to export to far-away locations, such as Europe. Having said that, data also reveal that SMEs can be linked to international markets *indirectly*, by supplying to larger companies which export their products abroad. A recent study on the Nordic countries shows that more than half the value-added content of Nordic exports originates in SMEs (directly or indirectly), even if they account for only 40 per cent of total gross exports (Statistics Denmark 2017).

Figure 8. Survey results: key outcomes and impacts



3.4 Unintended effects – few and positive

64. This evaluation uncovered no negative unintended impacts of WEHU's development interventions (on the local economies). The following six project-level interventions generated (varying) positive unintended affects whereby only the first is at the impact-level:

- *Organic Cotton Kyrgyzstan*: The shift to organic cotton and increased attention to rotational crops had a positive environmental impact – it '*reduced 1'747'900 kg of CO₂ emission and saved 2.9 million m³ of water, ... energy equivalents of 5'456.4 Megawatts, 772.6 tons of chemical fertilizers, and 5'951 kg of pesticide*' (Lüthi & Kägi, 2016).
- *Textiles & Clothing Kyrgyzstan*: The program led to networking between the participating companies, as well as joint marketing efforts, joint planning of sourcing trips and fairs, exchanging of market information, and sharing of urgent orders that exceed capacity to other companies.
- *BioTrade Vietnam (phase 1)*: The project '*saw a significant, positive, unexpected benefit in terms of awareness raising about ethical Biotrade... it produced positive demonstration effects – a major contribution – for private sector firms and policy makers*' (Noyelle & Tran, 2015).
- *COEXCA Colombia*: The program's management information system (COSA) turned into an instrument to provide information on the value chain performance to the sector.
- *Fair Trade Travel*: Fair Trade Tourism showed tourism certification programs worldwide how to include social related standards in the certification of tourism services.
- *Organic Market Ukraine*: The majority of supported organic producers participated in a working group on organic agriculture established by the Ministry of Agriculture and produced a detailed assessment of the sector, policy options and an action plan.

3.5 Sustainable Development Goals – a positive contribution

65. The next question is to what extent WEHU's interventions contribute to the attainment of the SDGs. We start with two qualifications. First, most programs-under-evaluation were conceptualized and / or implemented before the formulation of the SDGs. Moreover, recent programs do not explicitly include SDG indicators in their results management frameworks. Accordingly, caution should be exercised in assessing WEHU's programs on their contribution to the attainment of the SDG as this was not an explicit goal of the programs. Second, the concerned SDGs – 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production) – contain multiple objectives (between 7 and 12 to be precise – see Appendix P for a full overview). Few development interventions will be able to address all dimensions within an SDG, let alone across three SDGs. We therefore take a positive approach and concentrate on the dimensions of the three SDGs that WEHU has, in all likelihood, contributed to. The results are listed in Table 7.

Table 7. WEHU's contribution to the attainment of SDGs 1, 8, and 12

SDG target	Contribution (<i>in italics the main jest of the concerned SDG</i>)
1.4	– Technical assistance to producers and SMEs includes best practices in production and processing techniques and, in some programs, partly in cooperation with WEIF, improvements in access to finance; thereby improving ' <i>equal rights to economic resources</i> '.
1B / 8.3	– SECO promotes development-oriented policies, including on ' <i>productive activities, decent job creation, entrepreneurship, creativity and innovation and the formalization and growth of MSMEs</i> ' directly (by supporting inter-ministerial cooperation and policy development, e.g. Colombia+Competitiva) and/or indirectly (by feeding success stories in value chain development into the national policy dialogue of the recipient country).
8.2	– WEHU's interventions contribute to (i) a ' <i>diversification</i> ' of economies as some projects focus on non-core export sectors (e.g. natural ingredients for Vietnam) of the recipient country. In addition, other projects focus on export diversification (e.g. other trade partners; Textile & Clothing), diversification of traditional products (e.g. through branding the origin of the products in Tunisia (PAMPAT) or by promoting organic production of traditional products (e.g. Organic Cotton), or on diversification in certain regions for the country (e. tourism project in Tunisia, the Colombia+Competitiva program in Colombia); and (ii) ' <i>technological upgrading</i> ' through the sharing of new technologies and best production practices (e.g. introduction of Good Agricultural Practices or Good Laboratory Practices).
8.4 / 12.3	– WEHU contributes to the ' <i>decoupling of economic growth and environmental degradation</i> ' through the promotion of Good Agricultural (and Collection) Practices and voluntary sustainability standards – the latter being a cross-cutting theme in WEHU's portfolio.

8.7	– To the extent that voluntary sustainability standards address child labor, WEHU also contributes to the ' <i>elimination of the worst forms of child labor</i> '.
8.8	– The SCORE program addresses, to some extent, ' <i>safe and secure working environments for all worker</i> '. The impact assessment of the Vietnam program concludes that ' <i>improved manufacturing practices resulted in better working conditions ... but workers continue to face serious risks in terms of noise, dust and chemical exposure</i> ' (Oldsman, 2017).
8.9 / 12B	– WEHU's tourism programs contribute to the ' <i>promotion of sustainable tourism</i> '; the support to Fair Trade Tourism in South-Africa has not (yet) resulted in the wide-spread adoption of ' <i>tools to monitor sustainable development impacts for sustainable tourism</i> '.
12.3	– The introduction of Good Agricultural Practices and the promotion of post-harvest practices ' <i>reduce post-harvest losses</i> '.
12.6	– The global program Corporate Sustainability and Reporting for Competitive Business (CSRCB) ' <i>encourages companies ... to adopt sustainable practices and to integrate sustainability information in their reporting cycle</i> '.

3.6 Theory of Change – everything matters, but what makes the difference?

66. We now turn to the second set of questions to better understand how the results, as laid down above, have been achieved. Such understanding is critical to be able to draw lessons and decide how best to select and shape WEHU's interventions in the future (the topic of Chapter 6). We first assess whether WEHU's Theory of Change held up in practice across the different countries of operation. This basically brings us to answering the classical evaluation question: what worked, what didn't and why? By answering this question, we also verify whether the stated results are indeed attributable to WEHU's interventions.

67. WEHU's Theory of Change contains four steps (see Appendix E for details): (i) the selection of relevant and feasible development interventions by WEHU; (ii) the positive and effective response of business support organizations to the technical assistance; (iii) the successful integration of producers and SMEs into global value chains; and (iv) the impact of enhanced trade on producers, business owners and workers. We discuss each step in turn. We subsequently reflect on the attribution-question and conclude with a summary presentation of the verified and (slightly) expanded version of the Theory of Change (see Figure 9).

3.6.1 Selection of interventions – real-politics and comparative advantage

68. This evaluation did not zoom in on how WEHU interventions are identified and selected. Chapter 1 concluded that WEHU's interventions are *fully aligned* with the macro-economic challenges (i.e. productivity growth) and *mostly aligned* with the recipient governments' policy priorities. The first part of this chapter showed that WEHU successfully contributes to the integration of producers and SMEs in global value-chains evidencing WEHU's ability to select commodities with local production and export market potential. This part of WEHU's Theory of Change thus holds.

69. At this point, we add the observation and well-known fact that WEHU's interventions are not merely the product of rational, demand-driven, development needs and market potential assessments in the beneficiary countries. Swiss political interests and know-how are also part of the equation.

70. For example, the Better Gold Initiative responds to the Federal Council's Commodities Report which recommends enhanced compliance of the Swiss gold industry with human rights and environmental standards in the mining of gold (SECO, 2016a; FDFA and EAER, 2016b). Similarly, WEHU's BioTrade activities contribute to the Swiss government's commitment to '*double its financial disbursements to biodiversity protection by 2019*' (SECO, 2015). WEHU's interventions also echo real-politics. This is both inevitable and beneficial as it aligns the interest of WEHU and the program beneficiaries. This should foster the effective and efficient implementation of the programs. We added this dimension to WEHU's Theory of Change (see Figure 9).

71. Despite real politics, key remains the political buy-in of the beneficiaries. Only they can affect change which they will only pursue if they have an interest therein – a condition sine qua non for successful development. As the management experts Russel L. Ackoff and Sheldon Revin noted: development is principally '*self-development*' – whilst one can teach or coach a person or organization, it is ultimately their own understanding and effort which brings the development about: '*others can facilitate and encourage self-development; they cannot do it for you*' (Ackoff & Revin, 2003). As discussed in Chapter 1, this is an area where WEHU can be more selective in identifying local development partners and – when given the benefit of the doubt – more critical during program implementation (e.g. in COEXCA, Fair Trade Travel, Organic Cotton Mali and Burkina Faso, and VieTrade).

3.6.2 The indirect approach – not a walk in the park

72. WEHU frequently works through business support organizations²⁹ to reach and support producers and SMEs. WEHU assumes that (i) these business support organizations recognize the need to upgrade their service portfolio and have the political and financial incentive as well as the capacity to do so; and (ii) by strengthening these business support organizations, these organizations will deliver more relevant, effective, efficient and sustainable support to producers and SMEs. This can be the case but does not always hold true.

73. WEHU works with business support organizations which recognize a development need, have a financial incentive to improve their service portfolio and are prepared to put money of their own in the development interventions (e.g. Colombia: Bogota Chamber of Commerce, Red Cacaotera, Delivery Technologies Laboratory; Vietnam: Vietnam Chamber of Commerce and Industry and the Handicraft and Wood Industry Association). WEHU however also works with business support organizations which lack the (political) incentive and/or capacity to extend their service portfolio (e.g. Colombia: Fedecacao, Corporación para Investigaciones Biológicas, national and meso-level quality infrastructure institutions; Kyrgyzstan: business association in the Textile and Clothes program; Vietnam: VieTrade, district-level trade promotion institutions, the Vietnam Organic Agriculture Association; South-Africa: Phytotrade and Fair Trade Tourism; Ukraine: public union Carpathian Taste; Tunisia: trade support institutions in the Textile and Clothes sector). The global programs – specifically SIPPO and the Global Reporting Initiative also recognize that local structures and organizations are often weak and not able to provide (additional) business support/export promotion services in a financially sustainable way. Finally, there are business support organizations – such as ProColombia, the national trade promotion agency – which do not necessarily require institutional capacity building anymore. (Note: in practice, rather than three distinct groups, there is a continuum: from BSOs which no political mandate, few incentives and little capacity to institutionally well-established BSOs.)

74. The case studies and the evaluation synthesis evidence that the first group positively contributes to attaining the individual programs' objectives, whereas the second and third group hamper program implementation and results-achievement. On the one hand, this is a positive finding as it confirms WEHU's Theory of Change: business support organizations are effective development partners if they have the political mandate, the financial incentive, a minimum level of capacity and recognize their development needs. The online-survey confirms that government agencies and business/sector associations participate in WEHU's programs because they fit their (political) mandate and offer an opportunity to build institutional capacity and improve the quality of their services. Private-sector business support organizations also perceive it as a business and learning opportunity (see Appendix M, question 4).

75. On the other hand, this evaluation shows that WEHU does not always work with business support organizations which fulfil these conditions and that the programs where this is the case do not reach their full potential. This is evidently true for WEHU's support to Vietrade but perhaps has also prevented even better results in COEXCA where WEHU decided to set up and work intensively with a new business association (Red Cacaotera) rather than pull in the existing business association (Fedecacao)³⁰. The indirect approach is a not a guarantee for success. WEHU can foster success by (again) being selective and critical in its sector and partner selection – the indirect approach only works when the development partners have the political mandate, the financial incentive, a minimum capacity and the self-knowledge to embrace the opportunities offered by WEHU's interventions. (Note: the business support organizations are also key to WEHU's sustainability strategy. We address this aspect of the *indirect approach* in the next chapter.)

76. In addition, we picked up some signals in Colombia and Vietnam that a local consultancy market may be emerging (partly through the support of WEHU, e.g. the SCORE training of trainers) some of whom may be able to integrate value chain development and export promotion services into their offering. Moreover, some programs (Textiles and Clothing Kyrgyzstan and Organic Market Ukraine) led to networking between the participating companies. These

²⁹ WEHU takes a broad view on what constitute business support organizations. These include trade promotion organizations, trade support institutions, business and sector associations, producer organizations, quality assurance institutions, consultancy firms, universities, etc.

³⁰ The mobilization of Fedecacao is of course made difficult by the Colombian government's continued focus on bulk cocoa rather than fine or flavor cocoa.

observations raise the questions whether there are alternative paths within the indirect approach worth discovering?³¹ The evaluation does not offer an answer, but it is a question worth investigating further.

3.6.3 Producers and SMEs – creating opportunity through matchmaking

77. The Theory of Change identifies productivity improvements and compliance with market requirements as a requirement for the integration of producers and SMEs in global value chains. The external literature confirms the importance of this (OECD/WTO, 2013) and this evaluation does not provide evidence to the contrary. Both are necessary conditions, but are they also sufficient?

78. The development interventions where producers and SMEs were/are successfully integrated in global value chains (BGI, Biotrade Vietnam Phase 2, COEXCA, Organic Cotton, Organic Market Ukraine, SSCP)³² nearly all created direct linkages between producers / SMEs and a small number of big international buyers which buy most (if not all) the produce. This suggests that in most niche markets where WEHU operates, it is critical to directly match link producers / SMEs with international buyers. This finding underscores the relevancy of WEHU's outreach to and engagement with Swiss business (as in the Swiss Cocoa Platform or the Swiss Better Gold Association) as well the ability of its implementing partners (e.g. Helvetas in Biotrade Vietnam Phase 2 and UNDP in the National Commodities Platform) to reach out and mobilize the relevant national and international corporations.

79. The discussion in Chapter 1 already highlighted that producers and SMEs respond when the integration into the global value chains offers improved profit and income. Moreover, the examples of the Organic Cotton programs, the Textiles and Clothes programs and the Organic Market Development program in the Ukraine illustrate that the successful integration of producers/SMEs in global value chains depends on the prevailing market conditions which influence price- and demand-levels. The Better Gold Initiative illustrates that structural factors (informality) and government policies (on formalization) affect the pool of program beneficiaries and the speed with which artisanal gold mining can be made more sustainable and the certified gold can be brought to the market. The BioTrade programs (in Vietnam and South Africa) and the SCORE program both highlight the value of visionary and pioneering entrepreneurs to change conventional business models and make production more sustainable. Finally, Organic Cotton and COEXCA raise the importance of trade financing of producer(s) (organizations). In the Organic Cotton Kyrgyzstan program such financing was partly provided by the lead buyer.

80. The evaluation thus confirms this step of WEHU's Theory of Change, highlights the importance of establishing direct linkages between producers/SMEs and international buyers, as well as trade financing, and underscores the dependency on market conditions, the enabling policy framework and entrepreneurial leadership.

3.6.4 Impact – unchartered waters

81. The fourth step in WEHU's Theory of Change is how enhanced trade translates into greater sustainability, more and better jobs, and improved living conditions for producers, SME owners and workers. We showed above that supported producers and SMEs produce in an environmentally more sustainable way than the conventional means of production in the sector. The reason is evidently the focus WEHU puts on sustainable production practices and the compliance with voluntary sustainability standards.

82. There is little hard data on the impacts of WEHU's interventions on the living conditions of producers, SME owners and workers, i.e. do higher exports translate into higher net incomes for producers, SME owners and workers and do they subsequently use the income to improve their nutritional intake, health care, housing, education, etc.? We concluded earlier that it is likely that producers and SME owners realize higher incomes and will use that to improve their lives (although hard data fails). The evaluation of the Organic Cotton program in Burkina Faso and Mali evidenced an improvement in the health of the beneficiaries (as they no longer use pesticides in the cotton production). The external literature points out that socio-economic impacts of export promotion programs depend on the basic structure of the economy and the sector, including the initial distribution of income, access to land and natural resources, or the labor-intensity of production – value chain interventions and export promotion can have a

³¹ This would in principle also be in line with WEHU's broad definition of business support organizations which includes consultancy firms and training institutes.

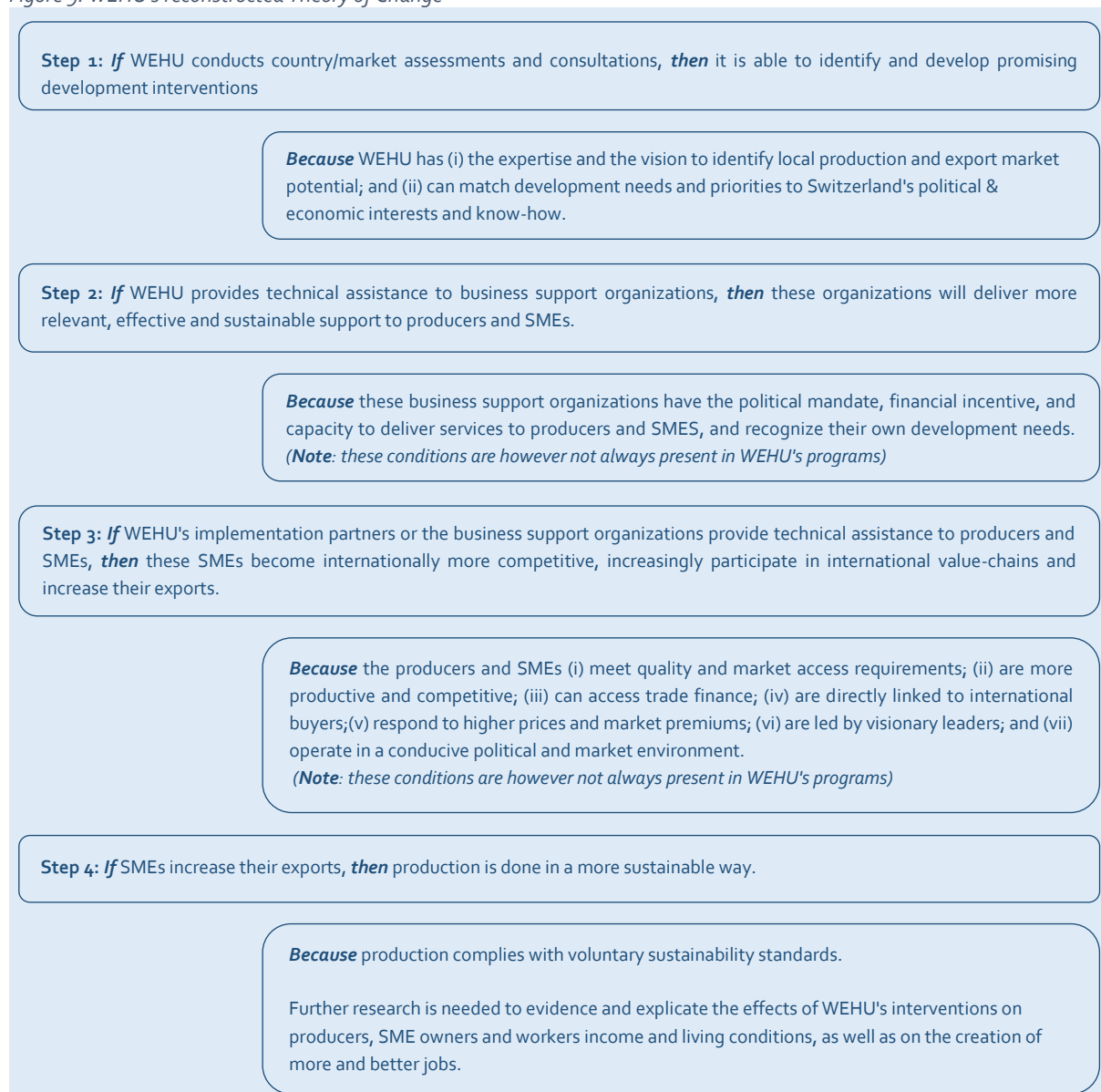
³² The Textiles and Clothing program in Kyrgyzstan appears an outlier in this regard. The supported SMEs mostly export to many smaller buyers in Kazakhstan and Russia.

positive impact but these are dependent on many factors (OECD/WTO, 2013; Orbicon & Wageningen UR, 2016; Oya, 2017; The Economist, 2018). With regard to WEHU's portfolio, we observe an information and knowledge gap and are, consequently, unable to verify or falsify this particular step in WEHU's Theory of Change. Further research is needed.

83. The same holds, albeit to a lesser extent, true for WEHU's impact on employment. Although, many sectors in which WEHU is active are labor-intensive – example given cocoa in Colombia and Indonesia (with most cocoa produced by smallholders) and the furniture and wood sector in Vietnam – productivity gains achieved through WEHU's interventions also allow producers and SMEs to produce the same or more with less labor-inputs (e.g. Textiles and Clothing Kyrgyzstan). Data collected by WEQA, independent from this evaluation, suggest that WEHU contributed to retaining or creating 5851 jobs in 2016 and 6475 jobs in 2017. The bulk of these jobs stem from three programs: SIPPO, Textile and Clothes Tajikistan and SeCompetitivo in Peru. In other words, job growth features in few programs.

84. We conclude that WEHU's Theory of Change holds true regarding the sustainability of production due to WEHU's emphasis on compliance with voluntary sustainability standards. An assessment of WEHU's longer term socio-economic impacts (employment, living conditions) requires better data and in-depth analysis of the underlying causal mechanisms.

Figure 9. WEHU's reconstructed Theory of Change



3.6.5 Attribution – likely

85. In testing the validity of the Theory of Change, it is critical to rule out that contextual factors or other development programs could have reasonably led to the development results. This can, in principle, only be done at the program level and requires a data collection beyond that conducted in this thematic evaluation. The above discussion has shown however that market developments and the political and policy environment *matter*. Both are explicitly recognized in WEHU's Theory of Change. We did not identify other government or donor programs which could have realized the stated results. Importantly, in integrating producers and SMEs into global value chains, establishing direct linkages between producers/ SMEs and international buyers appears key. The latter was explicitly done by WEHU's interventions. The final push comes, of course, from the producers, SMEs and international buyers themselves. It appears nonetheless safe to say that WEHU's interventions did play a critical role and the stated results can be, at least partly, attributed to WEHU's interventions.

3.7 Private sector involvement – critical and pervasive

86. In what way has the private sector been involved in attaining the development objectives and/or leveraging SECO's approach? At face value, this is the easiest evaluation question to answer. The private sector is both central to WEHU's interventions and pivotal to attain WEHU's objective of enhanced trade and competitiveness. Accordingly, the private sector features in all programs-under-evaluation in one of three roles (and in some programs performing multiple roles simultaneously):

1. *Beneficiary*: Producers and SMEs receive technical assistance to improve their competitiveness and (in most cases) enhance their exports in the following programs: BioTrade (Vietnam, phase 2, and South-Africa), BGI, COEXCA, Organic Cotton, Organic Market Ukraine, PAMPAT, SAFE+, SCORE, Textiles & Clothing (Kyrgyzstan, Tajikistan, Tunisia), and Vietrade.
2. *International buyer*: For example, in the COEXCA program, 6 international chocolate companies sourced fine or flavor cocoa from producer organizations in Colombia. Swisscontact, as program implementor, facilitated these contacts. Such direct market linkages have also been established in, amongst others, BioTrade Vietnam phase 2, BGI, Organic Cotton (Kyrgyzstan, Mali and Burkina-Faso), Organic Market Ukraine, SCPP, and SIPPO.
3. *Partner*: Large national and international companies help shape the programs in the case of BGI, SCPP and UN Trade Cluster and the UNDP National Commodities Platform programs.

87. The first two roles are critical as they are both the target of WEHU's interventions and the vehicle to attain its development objective of enhanced trade and competitiveness. In Chapter 1, we concluded that SMEs are self-interested and profit-oriented. It is safe to say that the same holds true for international buyers. Where WEHU can address market failures and facilitate a positive business case, the programs show that producers, SMEs and international buyers respond.

88. The evaluation question goes however beyond the identification of the willing executioners and inquires after the extent to which the private sector leverages WEHU's approach. It is in the last role, as partner, that the private sector truly acts as lever to WEHU's interventions. The active involvement of Indonesian and international palm oil producers in the Indonesian UNDP Palm Oil Commodities Platform offers (i) a wider set of ideas on how to mitigate the negative environmental impact of palm oil production; and (ii) a vehicle to implement mitigation efforts. For example, the involvement of palm oil producers provides the opportunity to adopt the Sustainable Palm Oil Certificate for small-holders much more widely than any WEHU intervention could achieve. Moreover, in the case of SCPP, national and multinational cocoa companies – including Nestlé, Armajaro (now Ecom), ADM Cocoa (now Olam), Mars, Mondeléz, Cargill, Barry Callebaut, BT Cocoa, and JB Cocoa – raised CHF 12 million in private funding to support and (again) *expand* program implementation.

89. The condition sine-qua non for effective leverage by the private sector is their full buy-in into the program at hand. This is also recognized in a recent study from the African Development Bank (ADB, 2018) – which sees *active private sector engagement* as a key enabler of successful value chain interventions. COEXCA, BGI, SCPP and the Indonesian Palm Oil Commodities Platform amongst others evidence the importance of active engagement and buy-in from large national and international companies. Such buy-in from national and international companies is not always

present and appears in particularly challenging in WEHU's tourism programs. Neither DMO Tunisia³³, nor the Fair Trade Travel program in Southern Africa were able to mobilize leading national and international tourism operators.

3.8 Exploiting synergies – easier said than done

90. This last section – before we conclude the chapter – addresses the (potential) synergies within the portfolio-under-evaluation. Synergies can exist at four levels: at the country-level (between WEHU programs), at the regional level (within multi-country programs), at the portfolio-level (between bilateral/multi-country programs and global programs) and at the institutional level (between WEHU and WEIF – the two divisions within SECO dealing with private sector development). The underlying idea is that, by exploiting synergies, WEHU can achieve the same development results with less resources (i.e. greater efficiency) or improve its developmental impact with the same amount of resources (i.e. greater effectiveness). As this section will show, exploiting synergies is easier said than done: it requires dedicated efforts and resources – starting in program design.

3.8.1 At the country level – stand-alone programs

91. WEHU generally supports multiple programs per country-of-operation. These are mostly stand-alone programs; each enjoying their own (sectoral) focus, e.g. palm oil and cocoa in Indonesia or biotrade and tourism in South Africa. As such, they target different global value chains and provide little room for synergies (over and above their capacity to generate general lessons learned on how to achieve development effectiveness). One exception, at least on paper, is the Organic Cotton and Textiles and Clothing programs in Kyrgyzstan. Cotton constitutes one input for clothes and thus belongs, in part, to the same global value chain. However, the near absence of the intermediary cotton-processing industry (i.e. spinning and weaving) in Kyrgyzstan effectively prevents the two programs from building on each other. In the portfolio-under-evaluation, we found no further examples where synergies between programs at the country level may exist and could be exploited.

3.8.2 At the regional-level – built-in synergies

92. The portfolio-under-evaluation contains five multi-country programs: BGI, Regional BioTrade, G-TEX, SCORE and the UNDP National Commodities Platforms. These programs are implemented by one implementing agency. This allows for less overhead and the sharing of experts and thus greater efficiency vis-à-vis bilateral programs implemented in the same number of countries. Moreover, each of these programs includes, by design, a component to facilitate learning between the country-level programs (e.g. through joint workshops). This fosters faster learning and, when acted upon, should improve the development effectiveness of the interventions. It went beyond the scope of this evaluation to assess the extent to which such cross-country learning takes place and how this translates into the development effectiveness of the programs. It is however likely that these synergies are exploited, not least because the responsible program managers have the incentive to do so: it makes their lives easier and improves the developmental impact of their work (and thus their success). Having said that, synergies also imply that the programs are more than the sum of its parts. We have not come across examples where this is evidently the case. At times, country contexts also differ too much to create synergies (e.g. differences in contexts of the Tajikistan and Kyrgyzstan Textile & Clothing sector implied that synergies were efficiency-related (e.g. the joint hiring of certain experts or organizing joint workshops), rather than effectiveness-related (e.g. lessons learnt in one program feeding into the other).

3.8.3 At the portfolio-level – room for improvement

93. This evaluation looked at three distinct global programs. To what extent do they offer synergies with the bilateral/multi-country programs? We address each in turn.

Transparency and Innovation of Sustainability Standards (TISS) program

94. This program seeks greater transparency in and improve the efficiency of the voluntary sustainability standards. This should in due time – the program is only two years up and running – ease the adoption of the voluntary sustainability standards by producers and SMEs, including in WEHU programs. Moreover, difficulties in adopting voluntary sustainability standards by stakeholders in WEHU's current programs can inform the work program of TISS.

³³ This may have changed since. A new end-of-phase evaluation was released after completion of this portfolio evaluation which offers a positive assessment of this program.

We have not seen much evidence of the exploitation of these synergies. There are two small examples of interaction between TISS and individual projects in WEHU's portfolio: the Better Gold Initiative and Colombia+Competitiva

95. ISEAL, one of the two implementing agencies of the TISS program, provides backstopping support to the Better Gold Initiative to ease the certification of gold and ensure sufficient supply of certified gold to the gold industry. Moreover, three standards organizations within the ISEAL Alliance are working on a joined application to the Innovation Fund under the TISS Program to develop a joined monitoring and evaluation framework for the gold mining sector.

96. The TISS program has also linked up with Swisscontact and Red Cacaotera – the national cocoa association of producer groups in Colombia – to develop a tool to help producer organizations and their members select and adopt the most relevant sustainability standards, as well as improve their communications / reporting with international buyers on the sustainability of their production. The tool is designed to ease the adoption of the sustainability standards. Although WEHU is still active in the cocoa sector – through the Colombia+Competitiva program, with Swisscontact as implementing agency and Red Cacaotera as key partner – it is not *prima facie* clear how the new tool will strengthen the Colombia+Competitiva Program or vice-versa. We tentatively conclude that the potential for synergies between TISS and the country/multi-country programs are not (yet) fully exploited.

97. On a more positive note, TISS works on topics that may benefit future value chain interventions. For example, transparent information on standards may help producers select the most appropriate standard for them. The Innovation Fund of ISEAL helps to address some of the more fundamental challenges of voluntary sustainability standards, such as supporting the evidence for the benefits of complying with voluntary sustainability standards. Although currently there is no immediate link with the projects, the findings may be valuable for future value chain interventions.

The Corporate Sustainability and Reporting for Competitive Business (CSRCB) Program

98. The CSRCB program aims to contribute to a better integration of SMEs into global value chains by encouraging sustainability reporting by SMEs. The program could in principle be integrated in any value chain intervention. The question is to what extent this would create value added for the supported SMEs. The evidence suggests that, at least in Vietnam, SMEs have little to gain as most of them do not face sustainability reporting requirements (by the government or lead firms in the global value chains) and some are already supported by the lead firms in the global value chains if these firms require sustainability reporting by their suppliers. WEHU's value chain interventions would in a way offer a good case study to test the value-added and business case of the Global Reporting Initiative for SMEs. The Global Reporting Initiative has in the meantime become more flexible and loosened its SME focus. It for example works with Heineken in Vietnam to improve the sustainability reporting of their suppliers, including SMEs. In sum, there may in the future be occasional overlap with bilateral/multi-country programs of WEHU, but we do not *prima facie* see opportunities for systematic cooperation.

Swiss Import Promotion Program SIPPO

99. SIPPO was revamped in 2016/2017 when it was given a new mandate and the implementation of the program was awarded, after a competitive selection process, to a different implementing agency: Swisscontact replaced Swiss Global Enterprise. The 'new' SIPPO's mandate is to support business support organizations rather than individual companies and capacitate these business support organizations to deliver the export promotion services which SIPPO used to offer itself. This so-called indirect approach also features prominently in WEHU's bilateral/multi-country programs. We will reflect on this strategy (or what is often referred to as the '*indirect approach*') in Chapter 4 when we address the sustainability of WEHU's outcomes, impacts and efforts.

100. In this section, we focus on a second objective of the 'new' SIPPO, namely 'SIPPO shall create synergies by delivering export promotion services to other trade related Swiss development initiatives' (SECO, 2017h). '*The objective is that SIPPO enters into co-design arrangements with [10] existing and new trade related value-chain projects from the beginning and provide last mile services... Also, with an eye to tackle the next-generation of exporters (not only export ready SMEs)*' (SDC and SECO, 2017). In other words, SIPPO is meant to support and strengthen WEHU's bilateral/multi-country value-chain interventions. This objective recognizes a key finding from the 2015 Evaluation of SIPPO that SIPPO's comparative advantage is the provision of last-mile export promotion services (Charbonneau,

Gessl, & Monrosier, 2015). By utilizing this comparative advantage, WEHU's bilateral/multi-country value chain interventions can be both more effective and efficient, i.e. SIPPO offers synergies for the value chain interventions. Unfortunately, the new SIPPO's incongruent design throws a spanner in the works.

101. First, SIPPO's near sole focus on business support organizations means that it cannot / does not want to provide last-mile export promotion services to SMEs. Moreover, in many value chains there are no or only weak business support organizations. This effectively means that SIPPO cannot deliver anymore – either directly or indirectly – the last mile export promotion services to SMEs in the bilateral/multi-country value chain programs.³⁴ Second, SIPPO has a budget of CHF 30.000 allocated to the provision of export promotion services to WEHU's value chain interventions; this is 0,15% of SIPPO's four-year budget. This implies that SIPPO's services would need to be paid for by the bilateral/multi-country programs. This is not happening in practice.³⁵ Bilateral/multi-country value chain interventions are also not (contractually) required to source export promotion service support from SIPPO.

102. We acknowledge that the repositioning of SIPPO and the appointment of a different implementing agency represents a major overhaul of the program. Swisscontact requires time to organize itself and – importantly – test the validity of the indirect approach. For now, we conclude that the envisaged collaboration between SIPPO and the bilateral/multi-country programs is not (yet) taking place.

3.8.4 At the institutional-level – what's in a name?

103. Within SECO, both WEHU and WEIF deal with private sector development. WEIF fosters a dynamic domestic private sector in SECO's countries-of-operation (e.g. by fostering access to finance and promoting entrepreneurship), whereas WEHU principally concentrates on linking the domestic (SME) private sector to global value chains. The two are closely interlinked: local SMEs will be more competitive and find it easier to export if they benefit from an enabling and dynamic business environment at home. (Note: both WEIF and WEHU promote an enabling business environment. This part of WEHU's work is not part of this evaluation). Moreover, WEHU's interventions are not restricted to so-called '*Last-mile support*' (i.e. linking export-ready businesses to lead buyers in global value chains). It also invests in improving the prior mileage (e.g. by strengthening harvest and post-harvest practices of smallholders or enhancing the organizational capacity of SMEs). This creates potential for both overlap and synergies between WEHU and WEIF.

104. The two SECO divisions co-operate in one program-under evaluation. They jointly fund the Colombia+Competitiva program.³⁶ WEHU brings in its experience and expertise in value chain interventions, export promotion and cocoa; whereas WEIF inserts its knowledge on gaining access-to-finance and the sustainable construction business. The program is managed from the Swiss Cooperation Office and implemented by Swisscontact (which brings in its own expertise in abovementioned fields).

105. The question is to what extent measurable efficiency or effectiveness gains can be achieved through the cooperation between WEHU and WEIF? The answer is two-fold. First, synergies are exploited in *program design* by addressing a broader set of pertinent development challenges. Second, during implementation, the efficiency and effectiveness gains depend on the extent to which both WEHU and WEIF actively intervene in the program and insert their respective knowledge. As we will see in Chapter 5, WEHU and WEIF's program managers take an arm's length approach to program management and are primarily involved at a strategic level. Together with the fact that Swisscontact is in the lead, this makes it likely that the synergies are mainly exploited in the design stage and only to a limited extent in the implementation phase. (The program beneficiaries will also not be aware of both WEHU's and WEIF's involvement. For them, it is simply a SECO intervention.)

106. Colombia+Competitiva program is – at face value – a well-designed program where both WEHU and WEIF add value. Moreover, access to finance is a real constraint in international trade (e.g. issue of working capital in organic

³⁴ Example given, SIPPO has postponed its work in the natural ingredients sector in Vietnam as the business support organizations were deemed too weak. As a result, the Regional BioTrade Program cannot utilize SIPPO's expertise in Vietnam. SIPPO instead works in the wood and furniture sector, but there is no bilateral/multi-country program (SCORE included) that focuses on value chain interventions and export promotion in this sector.

³⁵ We did not investigate in detail the reasons but contributing factors will be: (i) SIPPO not offering trade promotion services to SMEs anymore; and (ii) programs being able to source export promotion services from the market without having to pay overhead costs to SIPPO.

³⁶ We do not know how this collaboration came about but suspect that the government of Colombia played a role and formulated a broad set of development challenges which triggered WEHU and WEIF to join forces.

cotton in Kyrgyzstan). In contexts with a less strong government than in Colombia, it may be more difficult to design such integrated programs and require concerted effort by WEHU and WEIF to identify and exploit synergies.

3.9 Conclusion

107. The first part of this chapter assessed WEHU's development results. We conclude:

- WEHU positively contributed to enhanced trade by fostering the participation of producers and SMEs in global value chains in cocoa, cotton, gold, textiles and natural ingredients. At the same time, we note that the size of increased trade is not clear for all projects.
- There are some indications that WEHU contributed to improved income and better living conditions for producers and SME business owners. A dearth of quantitative data prevents drawing firm conclusions. External literature suggests that socio-economic impacts are generally small and dependent on the structural characteristics of a country and the economic context.
- SECO's own data, not verified by this evaluation, suggests 5851 jobs in 2016 and 6475 jobs in 2017 were retained or created with the contribution of (in large part three programs of) WEHU.
- the evaluation uncovered *no negative unintended impacts* in the recipient countries. One program – Organic Cotton Kyrgyzstan – reported positive unintended environmental impacts, with lower CO₂ emissions, water and energy savings and reductions in pesticide use.
- the portfolio contributed – to some extent – to the attainment of several targets under the SDGs 1, 8 and 12.

Table 8. WEHU's Score on 'Effectiveness'-criteria*

Category	Alignment	Score
Highly satisfactory	Fully	
Satisfactory	Largely	√
Unsatisfactory	Partly / occasionally	
Highly Unsatisfactory	None	

* Based on Scoring Chart for SECO programs for Report on Effectiveness

108. The second part of this chapter reflected on WEHU's Theory of Change, the role of the private sector in WEHU's interventions and the extent to which synergies within WEHU's portfolio and with WEIF are exploited. We conclude:

- WEHU's Theory of Change holds up in practice at least in terms of enhancing the competitiveness and trade of producers and SMEs. Further research is needed to assess how this translates into socio-economic impacts (such as increased employment and better living conditions). Swiss political interests and know-how influence the selection of development interventions. The indirect approach hinges on the political mandate, financial incentive, capacity and self-knowledge of the partner organizations. Establishing direct linkages between producers/ SMEs and international buyers appears a key success factor. WEHU's interventions do contribute to more sustainable production of goods and services. The results of WEHU's programs also depend on the political, macro-economic and market environment in which they are implemented.
- the private sector is central to most (if not all) WEHU interventions and pivotal to attain WEHU's development objectives. Producers, SMEs and international buyers are the vehicle through which WEHU seeks to enhance the trade and competitiveness of its partner countries. The participation of large national and international companies as partner in and co-funder of WEHU programs allows to expand the scope / geographic coverage of the programs beyond what WEHU could achieve as sole funder.
- The exploitation of synergies is easier said than done. We found few synergies. Countries and program contexts are often too different for synergies to exist. Where they (potentially) exist, they are mostly built-in by design (e.g. the multi-country programs and the cooperation with WEIF in Colombia+Competitiva) or prevented by an incongruent design (e.g. SIPPO). Most synergies deal with efficiency gains (less overhead, sharing of experts, specialization). In the multi-country programs, there is also potentially greater development effectiveness through cross-country learning. We have not come across program examples where the whole is more than the sum of its parts.

3.10 Looking forward – more questions

109. WEHU's interventions successfully integrate producers and SMEs into global value chains thereby generating new trade or trade that is done on a more sustainable basis. The concomitant trade flows remain *überschaubar*: in a way, it remains possible to collect the names and addresses of all producers, SMEs and international buyers involved.

110. Looking ahead, the question is whether WEHU – within its own institutional constraints, the complexity of global value chains, and the (naturally) limited participation of SMEs in intraregional and international trade – can up its game and facilitate the scaling-up of sustainable trade in its supported value chains, perhaps even support reaching the infamous tipping point where an ever-increasing share of a global value chain has a sustainable footprint?

111. Moreover, although there are some positive examples, we did not identify a strong focus on creating synergies between projects, within projects or within SECO. This raises the question whether more can be done to make the portfolio more than the sums of its parts?

112. We will address these questions in the concluding Chapter 6 based on the whole body of evidence collected in this evaluation. First, we'll address the sustainability of WEHU's outcomes, impacts and efforts (next chapter) and the efficiency of its implementation models and program steering (Chapter 5).

4. Sustainability

(1) To what extent do the benefits of WEHU's interventions in the field of trade and competitiveness continue or are likely to continue after donor funding has ended or will be withdrawn? What were the major factors which influenced the achievement or non-achievement of sustainability of WEHU's interventions?

4.1 Introduction

113. This chapter addresses the OECD-DAC sustainability criterion: '*to what extent do the benefits of WEHU's interventions continue after WEHU ceases its support?*' (emphasis added). The sustainability of benefits is generally interpreted as the continuation of the realized outcomes and impacts. For WEHU, this means whether the producers and SMEs are able to uphold the productivity gains, product quality improvements, and compliance with voluntary sustainability standards, continue to export and maintain improvements in living conditions.

114. WEHU however takes a broader perspective on sustainability. It is equally concerned about its reach and ability to provoke systemic change. In the completion note of the previous phase of SIPPO, WEHU writes:

'The shortcoming with SME support is ... the limited number of SMEs supported (over the 5-year program period 850 SMEs participated at SIPPO / Country Pavilions in trade fairs and 129 SME of 13 countries / 9 sectors completed a 3 year [training] cycle) The relatively low number of supported SMEs and therefore limited scale and impact of the Programme always remained unsatisfactory for SECO.' (SECO, 2017g)

115. This is a long-running concern of WEHU and a reason for WEHU to increasingly shift from direct support to producers and SMEs towards an *indirect approach* in which business support organizations are capacitated to deliver value chain development and export promotion services to SMEs. These business development organizations should not only be able to reach a wider audience but also continue delivering these services after WEHU withdraws its support. In short, WEHU seeks to institutionalize its support to producers and SMEs in-country. In other words, WEHU not only strives for a sustainability of *benefits* but also the sustainability of its *efforts*. This chapter discusses WEHU's success in both. Before we do so, we first present the sustainability score from the evaluation synthesis, as well as the survey response of program beneficiaries to the question on the sustainability of the programs' benefits.

4.2 Sustainability score in the evaluation synthesis

116. WEHU programs score 'satisfactory' on 'sustainability', although barely (see Table 9). Five from the 17 programs covered by the evaluation synthesis received an 'unsatisfactory' score and one program was deemed 'highly unsatisfactory'.³⁷ The programs in the lower middle-income countries scored slightly worse than the programs in the low-income and the higher middle-income countries.

4.3 Survey response – highly positive

117. The recipients of technical assistance were asked how likely the benefits for their organization were going to continue after the program ends. This question goes beyond the sustainability of outcomes (e.g. enhanced trade) and impacts (e.g. improved living conditions) and includes the built-up capacity within the respective organizations. Nearly all respondents answered positively (see Figure 10). The main reasons provided for the sustainability of benefits were (i) clients' willingness to pay for services (75%), (ii) the prevailing demand for the services (67%); and (iii) built-up capacity to deliver the services (58%).

Table 9. Evaluation Synthesis: Sustainability scoring

Recipient country income-level*	Average score**
Low-income (n=3)	2,3
Lower middle-income (n=8)***	2,6
Higher middle-income (n=5)	2,2
Weighted average	2,4
Equivalent rating	Satisfactory

* World Bank Classification in World Development Indicators

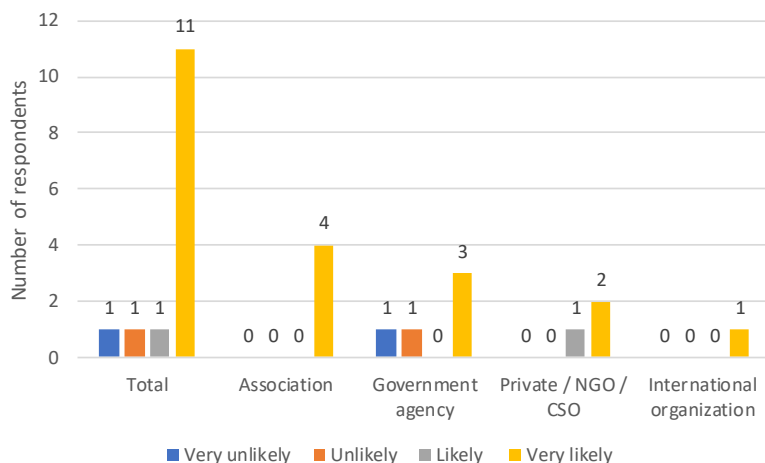
** See Appendix L for a detailed score sheet of the portfolio.

*** One program-level evaluation (Textile & Clothing Tunisia) did not provide a sustainability-score.

Legend: 1 is 'highly satisfactory'; 4 is 'highly unsatisfactory'

³⁷ Unsatisfactory: Organic Cotton Burkina Faso and Mali, BioTrade Vietnam (Phase 1), VieTrade, Organic Market Development Ukraine, Fair Trade Travel; Highly unsatisfactory: DMO Tunisia (Note: a new end-of-phase evaluation offers a positive assessment of the program. This end-of-phase evaluation was released upon completion of this portfolio evaluation. .

Figure 10. How likely are the program's benefits for your organization going to continue after the program ends?



4.4 Sustainability of results – if effective, then sustainable in principle

118. In addressing the sustainability of WEHU's outcomes and impacts, we distinguish between two types of interventions: (i) programs which directly support producers and SMEs with their integration in global value chains; and (ii) programs which seek to improve the enabling environment (e.g. VieTrade, SAFE+) or enhance the productivity of producers and SMEs without also providing (explicit) export promotion support (SCORE, SAFE+, BioTrade Vietnam phase 1).

119. For the programs where WEHU directly and *successfully* supported producers and SMEs with their integration in global value chains their participation in the global value chains is likely to continue. Our evidence base offers a range of reasons and examples:

- *the economics make sense* – the niche market offers favorable terms of trade for the producers and SMEs (e.g. BGI, COEXCA and Organic Cotton);
- *there is sufficient demand* for the product which is likely to continue into the future (e.g. gold, cotton and natural ingredients³⁸);
- *the program established structural relations between the producers/SMEs and the international buyers* (e.g. BGI, COEXCA, Organic Cotton and Organic Market Development Ukraine);
- producers and SMEs display entrepreneurial and visionary leadership, as evidenced by investments in their development (prominent examples feature in BioTrade South Africa and Vietnam phase 2, Organic Market Development Ukraine, SAFE+, SCORE and SIPPO);
- *producer organizations are able to work organizationally, technically and financially independent* (e.g. Organic Cotton);
- *producers and SMEs built networks* among themselves and pro-actively work together in these networks (e.g. Textiles & Clothes Kyrgyzstan, VieTrade);

120. Of course, sustainability of outcomes and impacts also depends on the prevalence of *favorable market and price conditions*. But this is inherent to private sector development and falls mostly out of the control sphere of WEHU. WEHU could of course include measures within its interventions to foster the resilience of producers and SMEs to market shocks. This is something we did not specifically investigate, but two examples are worth mentioning. The Textile & Clothing program in Kyrgyzstan was able to help companies through the economic crisis as the diversification of clients in export markets contributed to a better performance of participating companies compared to the sector average. In contrast, in the Organic Cotton project, despite achieving positive results in terms of cotton exports, farmers easily switched to other crops if these provided better income opportunities. The focus on a single commodity (especially if it is a seasonal crop) therefore poses some risks in terms of sustainability. This can be avoided by increasing the scope of the programs – in this specific case, through the inclusion of rotational crops.

³⁸ Helvetas Vietnam observes a strong demand for organic/Fairtrade certified rather than biotrade-certified natural ingredients (Helvetas 2018).

121. Moreover, weak *political ownership* hampered both the effectiveness and, consequently, the sustainability of program benefits in the Organic Cotton program in Burkina Faso and Mali (where the government did not privatize the production and marketing of cotton) and the Organic Market Development program in the Ukraine where the government lacked the political will to implement the necessary market reforms.

122. For the programs where WEHU supports the enabling environment (SAFE+, UNDP National Commodities Platform, Vietrade and parts of the Colombia+Competitiva program), both the effectiveness and sustainability of the programs appear a direct function of the *political ownership* of the program and the wider development agenda the program addresses. Such ownership is present in the Colombia+Competitiva program and appears to be there in the National Palm Oil Platform in Indonesia; both programs underscore the importance of putting the national government in the driving seat. Despite their co-financing of the programs, political ownership of the SAFE+ and VieTrade programs is weak(er). The absence of political ownership hampers the mobilization of stakeholders and collective action (as evidenced by both the SAFE+ and VieTrade, but also the DMO Tunisia program).

4.5 The sustainability of efforts – conceptually sound, challenging in practice

123. The institutionalization of value chain development and export promotion services in the beneficiary countries makes sense: it helps countries to help themselves – a principle commonly associated with Montessori education but equally applicable to development assistance. The previous chapters concluded that for business support organizations to adopt and effectively deliver value chain development and export promotion services, they require the political mandate, the financial incentive, a minimum level of capacity and the self-awareness about their potential service role and development needs. The chapters also indicated that WEHU works with a wide range of business support organizations – some barely existing with none of the above conditions present, others fully developed institutions (which, at face value, require little technical assistance). Each country and each sector thus offer a different potential for the *indirect approach*.

124. In countries and sectors, where the abovementioned conditions are not (fully) present, WEHU can illustrate the value added of business support services. For this to be effective, WEHU needs to reach out to the principals of the business support organizations: either the government or business members and in some countries (like Vietnam) potentially to both. These principals decide on the (political) mandate of and resource allocation to the business support organizations. Few business/sector associations can live on membership fees alone and SME members are hesitant to pay higher membership fees for services they are not familiar with or they do not need as they are not export-oriented (see also Textbox 3 in Chapter 3).

125. For WEHU to convince either governments or SMEs to strengthen the business support organizations, they need to showcase the value-added of value chain development and export promotion services: a strategy explicitly followed in Vietnam by the Regional BioTrade program. There are however sectors where it will prove very difficult to build sufficient and sustainable business support capacity because too little money is made in the sector to support a business support organization. This will be the case in sectors with limited number of players and relatively low sales volumes (resulting in a relatively low willingness and ability to pay).

126. This raises a fundamental question for WEHU-funded programs: if there is no promising BSO in place, should they try to develop it, with the risk that little will be achieved, or pursue a different strategy? We observed this dilemma in various projects. For example, in Vietnam, SIPPO postponed its work on natural ingredients as no strong business association was in place. In the meantime, the Biotrade project tries to strengthen the relatively weak organization that is active in the sector. We also saw examples of projects that build the capacity of a wider group of trade support institutions, like consultants and training institutes (e.g. Textile & clothing in Kyrgyzstan) or where a network of companies emerged (again Textile & clothing in Kyrgyzstan) or was pursued (VieTrade). These examples offer potential avenues for sectors where the support to a business support organization / business association is unlikely to be successful. It is difficult to assess though whether such efforts are sufficient to sustain outcomes achieved under the programs.

127. Moreover, it also requires time and a different skillset on the part of the implementing agency to develop the capacity and the business model of the business organizations in such a way that they are technically, organizationally and financially independent. For example, a business organization ultimately needs to develop and

maintain its own (international) network to be able to deliver the value chain development and export promotion services on its own and upgrade/adapt these services to changing (market) developments.

128. We draw two (related) conclusions from this discussion. First, the *indirect approach* can be but one part of WEHU's sustainability strategy (as the conditions precedent for the indirect approach will not be there for all countries and sectors-of-operation). Second, WEHU needs to continue – at least in the short to medium-term and in new sectors of engagement – providing direct assistance to producers and SMEs in parallel to building capacity of business support organizations (if only to convince the principals of the business support organizations of the value added of providing value chain development and export promotion services).

4.6 Conclusion

129. Roughly a quarter of the programs in the portfolio-under-evaluation score (highly) unsatisfactory on the sustainability criteria; mostly because the institutional framework fails to make these programs effective, let alone sustainable. However, where WEHU successfully contributed to the integration of producers and SMEs into global value chains, the sustainability of WEHU's work is or looks very promising as the economics make sense, direct commercial relations with international buyers have been established, the producers and SMEs invested in their success and are intrinsically motivated to continue their international business. Sustainability ultimately also depends on favorable macro-economic and market conditions as well as, for some programs, on continued political ownership of the program objectives.

Table 10. WEHU's Score on 'Sustainability'-criteria*

Category	Alignment	Score
Highly satisfactory	Fully	
Satisfactory	Largely	√
Unsatisfactory	Partly / occasionally	
Highly Unsatisfactory	None	

* Based on Scoring Chart for SECO programs for Report on Effectiveness

130. WEHU is not only interested in the sustainability of benefits; it also seeks a sustainability of efforts and ideally to provoke systemic change. Its indirect approach can work but only with business support organizations which have the political mandate, the financial incentive and the capacity to provide value chain development and export promotion services to producers and SMEs and have the self-knowledge about the capacity they need to develop to deliver such services.

4.7 Looking forward

131. WEHU's indirect approach makes sense. It is not equally applicable in all countries/sectors. A careful political-economy analysis of potential BSO-partners – highlighting the capacity, incentives and constraints of the organizations – can provide WEHU insight into what can realistically be expected from such organizations both within and beyond WEHU's interventions, as well as what support is needed and how this can be obtained from the BSO's principals. In many cases, WEHU may need to pursue – in parallel – a direct *and* indirect approach.

5. Efficiency

(1) Have the implementation modalities and WEHU's partnerships for bilateral as well as multilateral activities proven efficient in terms of cost and time to reach the objectives? (2) Has the steering, monitoring and management of activities by the team been appropriate in order to allow smooth implementation of the activities commensurate to WEHU's resources and what are the reasons for it? What are important success factors?

5.1 Introduction

'Efficiency measures the outputs – qualitative and quantitative – in relation to the inputs. It is an economic term which is used to assess the extent to which aid uses the least costly resources possible in order to achieve the desired results. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted.' (OECD, n.d.)

132. The heterogenous nature of the portfolio-under-evaluation, the sparsity and incomparability of outcome data, and the lack of (sector-specific) metrics to assess the cost-effectiveness of value chain and export promotion interventions against make it impossible to provide a portfolio-level assessment on the cost-effectiveness of WEHU's work. Tellingly, none of the program-level evaluation reports include such a quantitative value-for-money assessment: even where useful outcome data exist, the metrics³⁹ fail to judge the results against. For example, we have no benchmark to judge whether 1000+ kg of exported certified gold in year 5 of the Better Gold Initiative in Peru is a cost-effective result.

133. The program-level evaluations resort to a more qualitative assessment of the program's efficiency, i.e. whether, in the evaluators' judgment, the money was spent prudently, and the level-of-effort makes sense vis-à-vis the results achieved. This chapter follows – out-of-necessity – the same approach, but also reflects on how this can be improved upon in the future. As usual, the chapter first presents the efficiency-score from the evaluation synthesis and shares the results from the online survey. We subsequently reflect on WEHU's implementation models and program steering. Together this allows us to answer the two evaluation questions (conclusion) and look ahead at how WEHU can further improve its program steering.

5.2 Efficiency score in the evaluation synthesis

134. WEHU programs score 'satisfactory' on the 'efficiency'-criterion. There are examples of highly-satisfactory programs⁴⁰ in low-income, lower middle-income and higher middle-income countries. Because fewer programs were implemented in low income countries, this translates into a slightly better efficiency-score for the low-income countries. Two programs scored unsatisfactory.⁴¹

5.3 Survey results

135. The survey conveys a downright positive picture: 80+ percent of respondents score the WEHU programs as (highly) positive on timely delivery, prudent spending, program steering, results monitoring and delivering value-for-money (see Figure 11). This positive assessment may be partly explained by it being a self-assessment (73% of the respondents are implementing agencies or partners of WEHU) and the lack of a clear and unequivocal benchmark to judge WEHU against. Still, WEHU's development partners clearly assess WEHU's programs positively on these fronts.

Table 11. Evaluation Synthesis: Efficiency scoring

Recipient country income-level*	Average score**
Low-income (n=3)	1,7
Lower middle-income (n=8)***	2,0
Higher middle-income (n=5)	2,0
Weighted average	1,9
Equivalent rating	Satisfactory

* World Bank Classification in World Development Indicators

** See Appendix L for a detailed score sheet of the portfolio.

*** One program-level evaluation (Textile & Clothing Tunisia) did not provide an efficiency-score.

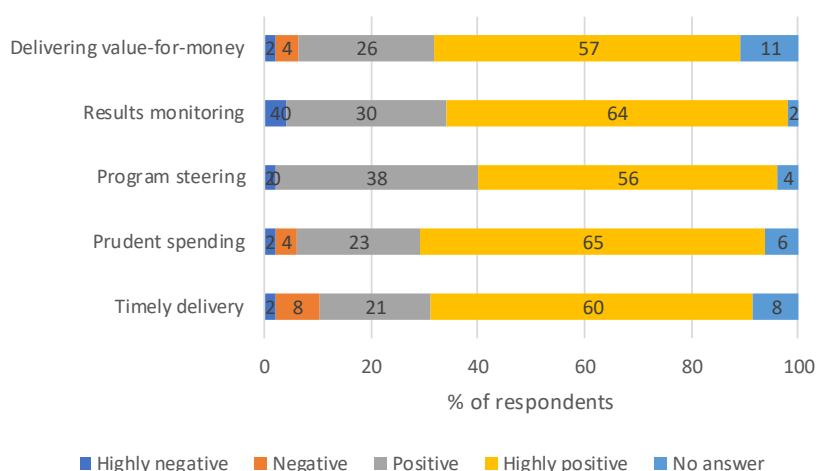
Legend: 1 is 'highly satisfactory'; 4 is 'highly unsatisfactory'

³⁹ The Merriam-Webster defines metrics as 'a standard of measurement'. In anglophone countries, it is commonly used as described by Investopedia: 'parameters or measures ... used for measurement, comparison, or to track performance'. See <https://www.investopedia.com/terms/m/metrics.asp> (accessed 10 December 2018).

⁴⁰ Textiles & Clothes Kyrgyzstan and Tajikistan; Sustainable Cocoa Production Indonesia; Safe+ Colombia.

⁴¹ DMO Tourism Tunisia and Fair Trade Travel South Africa

Figure 11. Survey respondents' views on key efficiency parameters



5.4 Implementation-models – not all that different

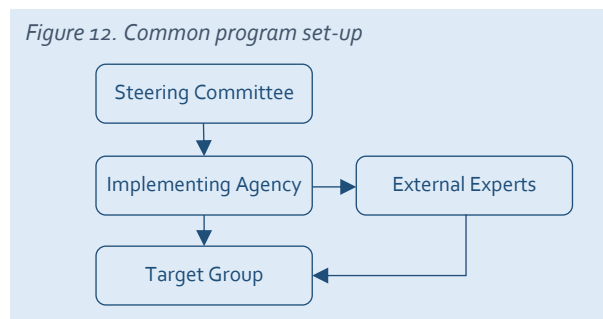
136. WEHU distinguishes between bilateral, multi-country and global programs, as well as between programs that are implemented by international organizations, (Swiss) development foundations / consultancy firms, and national agencies of the recipient country.

Table 12. WEHU's implementation models and program examples

Implementing partner	Bilateral	Multi-country	Global
International organization	SAFE+ (UNIDO)	Textiles & Clothes (ITC)	TISS (ITC & ISEAL)
Development foundations / consultancy organization	BioTrade Vietnam phase 1 and 2 (Helvetas)	Better Gold Initiative (Projekt Consult)	SIPPO (Swisscontact)
National agencies	Vietrade (VieTrade)		

137. Despite these differences, the programs are set-up similarly. They are governed by a steering committee⁴² and implemented by small teams from the implementing agencies which, in turn, often mobilize external experts to provide technical assistance to the target groups. This basic implementation model is adapted to fit program-specifics. For example, the global steering committee in the BGI and SIPPO programs are complemented by national steering committees to ensure that the country-programs fit the local context. These national steering committees comprise the SCO, the local implementation team, and relevant government agencies and development partners. In the SeCompetitivo program in Peru and Colombia+Competitiva, Helvetas and Swisscontact have formed a Swiss Expert Network to draw in Swiss expertise and enhance the Swiss content of the program.⁴³

Figure 12. Common program set-up



138. This set-up functions by-and-large the same across the different programs, i.e. WEHU provides strategic leadership and fiduciary oversight through its participation in the steering committee and the implementing agencies manage the programs with a small, competent and professional team of experts. In that regards, we observed no difference between the ILO-implemented SCORE program and the consultancy-firm implemented multi-country Better Gold Initiative or even the (largely unsuccessful) VieTrade program in Vietnam.

⁴² The steering committee comprise, at a minimum, WEHU and the implementing agency.

⁴³ This Swiss expert network does – despite its name – not exclusively contain Swiss experts; it also includes some regional and international experts.

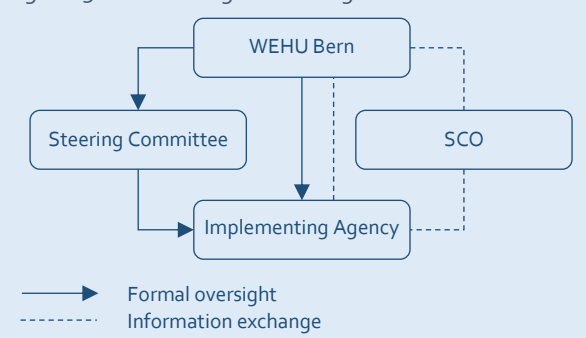
5.5 Program steering – many kudos, but where are the metrics?

139. SECO is well-regarded internationally. As one key informant put it: SECO's staff are *'smart, pleasant, cooperative, respectful and professional'*. Moreover, WEHU takes an open-minded and clear-eyed view on its programs, willing and able to adapt the program content or processes if the results, the development context or new knowledge requires it. We observed this for example in the BioTrade Vietnam phase 2 program⁴⁴, the Better Gold Initiative⁴⁵, and the three global programs (SIPPO, TISS and CSRCB)⁴⁶. This professional stance smooths implementation.

140. By design, program management lies with the implementing agencies. WEHU's program managers provide strategic leadership and arm's length (fiduciary) oversight. Based on regular communication with the implementing partners by phone and e-mail, progress reports, occasional visits to the project locations (average once per year), and feedback from the Swiss Cooperation Office, they assess whether programs are on-track to meet their development objectives and stay within the confines of the Swiss Message for International Cooperation.

141. WEHU's implementation model makes sense and is commensurate to its staff resources. It also appears to work as evidenced by above survey result. There is one aspect of WEHU's program steering where there is still room for improvement. It could help enhance its evidence-based management and program steering. As noted before and highlighted in Textbox 4, impact indicators (e.g. improvement in living conditions) are frequently not or ill-defined and limited or no data is collected on them. Outcome indicators are at times too ambitiously formulated (e.g. national export growth rather than commodity export figures⁴⁷) or reflect outputs rather than outcomes (e.g. number of certificates issued to smallholders by ISEAL members globally). Baseline data is not always collected (as in the SCORE and BioTrade programs, phase 1 and 2, in Vietnam) and targets are not always defined (e.g. Textiles and Clothes Kyrgyzstan, SIPPO, SCORE). Logframes are frequently 'output'-heavy and do not reveal how these outputs translate into the outcomes. Most progress and evaluation reports are descriptive, rather than analytical: they do not purposefully reflect how and how well programs are moving towards the envisaged outcomes. In short, the results-management frameworks, as epitomized by the logframes, could be simplified and used better, more purposefully and conscientiously. At present, WEHU foregoes an important evidence-base for informing its strategic decision-making and program steering. A more simple, purposeful and operational results management framework could help strengthen WEHU's accountability reporting to Parliament, foster learning and improve program steering.

Figure 13. WEHU's Program steering



Textbox 4. An incomplete data-set

The Framework Credit 'Economic and Trade Policy Measures for Development Cooperation' identifies four *outcome- and impact-level* indicators for the portfolio-under evaluation: increase in trade volume, number of jobs created or retained, productivity increase and percentage of producers with better living conditions. Taking into account that not all 25 programs-under-evaluation are mature enough to produce outcomes and impacts, our data-set still resembles an Emmenthaler cheese. We found trade volume data for 7 programs with 4 having export targets. WEQA collected job data on 6 programs. Productivity growth figures are available for 3 and producer income (without the concomitant baselines) are available for 4 programs.

⁴⁴ During the first phase, WEHU continued its support to the selected SMEs despite their shift in focus to the domestic market. For the second phase, WEHU changed the type of natural ingredients being supported from those for natural medicine to food products and cosmetics and allowed, in parallel, a direct and indirect approach of business support.

⁴⁵ In the multi-country follow-up phase to the BGI Peru program, WEHU introduced new strategies to foster a larger production of certified gold, including (i) a step-wise approach to certification; and (ii) mobilizing already certified and larger operations to source and process responsible-mined gold from smaller-scale operations.

⁴⁶ SIPPO: a rigorous shift from direct business support to the indirect approach; TISS: changing the application process for the Innovation Fund; CSRCB: shift in focus from SME to larger companies and their suppliers.

⁴⁷ This is at least the case with Colombia+Competitiva and SIPPO.

5.6 Conclusion

142. We conclude on the efficiency-criterion and answer the two evaluation questions as follows:

- the metrics fail to assess the cost-effectiveness of WEHU's programs and portfolio;
- there is little difference in implementation models between the programs – the generic implementation model is lean with a clear governance structure and division-of-labor between WEHU, SCO and the implementing agencies;
- the professionalism, competence and flexibility of WEHU and its implementation partners secure an efficient implementation of the programs;

Table 13. WEHU's Score on 'Efficiency'-criteria*

Category	Alignment	Score
Highly satisfactory	Fully	
Satisfactory	Largely	√
Unsatisfactory	Partly / occasionally	
Highly Unsatisfactory	None	

* Based on Scoring Chart for SECO programs for Report on Effectiveness

5.7 Looking forward

143. WEHU can continue its partnerships with the different types of implementing agencies and undertake bilateral, multi-country and global programs. WEHU can however strengthen its evidence-based management and learning practices by pursuing a more purposeful, efficient and theory-based results management framework. We'll offer directions to that end in our recommendations.

6. Accountability and learning

Is WEHU doing the right thing, in the right way, and with the expected results? Is WEHU's work sufficiently focused? Are WEHU's sector choices and positioning in the value-chain appropriate? Is WEHU's work equally valid in countries at different development levels? What are 'good practices', 'success factors', and 'selection criteria for WEHU's partner structure'. Which are the most promising project designs (in terms of effectiveness and sustainability) in SME-competitiveness & market access projects? What is the potential of programmatic approaches (when public and private sector stakeholders are involved, also on related fields e.g. ensuring the adequate budget priorities and with regard to future challenges such as digitalization⁴⁸) to strengthen the impact of interventions and why is this so?

6.1 Introduction

144. Thus far, we assessed the portfolio-under-evaluation against the OECD-DAC evaluation criteria. In the process, a number of (recurrent) themes emerged. We briefly recap these themes in Section 6.2. We use them as a stepping stone to answer – without further ado – this chapter's accountability questions (e.g. is WEHU doing the right thing and with the expected results) and learning questions (e.g. what are good practices and success factors).⁴⁹

6.2 Emerging themes

145. The following themes emerge from the analysis and reflections in the Chapters 1 to 5:

- **There is need.** Productivity-growth, SME development and the integration into the world-economy *are real and present challenges and policy priorities* in WEHU's countries-of-operation.
- **Producers and SMEs are income- and profit-oriented (even when aspiring societal change).** Producers and SME business owners principally need *a positive business case*. Some producers and SMEs consciously produce in a more socially and/or environmentally-friendly manner. Whilst such *visionary leadership* is important, it remains imperative to realize positive business results.
- **The economics make sense in principle, but the business case is not always clear.** The terms of trade and demand for the supported commodities and products, including their compliance with voluntary sustainability standards, is generally favorable for producers and SMEs. Adjustment costs, uncertainty about the exact terms of trade, and the lack of metrics to evidence the business case can hold producers and SMEs back.
- **Export promotion works.** WEHU *can contribute* to the integration of producers and SMEs – which produce their commerce sustainably – into global value chains. *It successfully contributed to the integration of producers and SMEs in the cocoa, cotton, gold, textiles and natural ingredients value chains.*
- **International buyers are the linking pin.** Where WEHU has successfully contributed to the integration of producers and SMEs into global value chains, *they directly linked producers and SMEs to a small number of big international buyers.* The involvement of large national and international companies also *allows programs to reach more beneficiaries and expand its outcome and impact.*
- **The scale of change is limited and dependent.** The trade volumes of *sustainably produced commodities* associated with the integration of producers and SMEs into global value chains are small compared to the total trade in the commodity. *This underscores the development challenge at hand.* We have limited information on the socio-economic impact of WEHU's programs; these effects appear to depend (in part) on the structural characteristics of the economy at hand, as well as the prevailing macro-economic, trade and market conditions.
- **WEHU's SME target population is smaller than may be expected.** Whilst there are many SMEs in WEHU's countries-of-operation, most SMEs focus on the domestic market. The SMEs which export do so mostly to

⁴⁸ We did not address in this evaluation the challenge presented by digitalization. This is the topic of the most recent biennial OECD-WTO publication *Aid for Trade at a Glance* (OECD/WTO 2017).

⁴⁹ The emerging themes and answers to the accountability and learning questions neatly capture both the conclusions and lessons learned from this evaluation.

nearby (especially neighboring) countries. *The number of SMEs focused on exporting to the EU and Switzerland will, to this extent, be limited.*⁵⁰

- **The indirect approach can work – incentives and capacity matter.** Business support organizations *can be effective development partners* if they have the political mandate, the financial incentive, a minimum level of capacity and the self-awareness about their development needs. *These pre-conditions are not always present.*
- **Recipient governments are useful to have on board.** Their buy-in appears *not an absolute pre-requisite for the integration of producers and SMEs into global value chains.* WEHU contributed to the integration of producers and SMEs (example given in cocoa, cotton, gold, textiles and natural ingredients) without (apparent) involvement of the recipient countries' governments. High-level political buy-in and government ownership of programs *becomes critical if there are policy impediments to overcome or government agencies are directly involved in the programs.*
- **Consultancy businesses or industry networks for value chain development, SME development and export promotion may be emerging** in some countries-of-operations. This potentially offers an *additional pathway for WEHU to institutionalize its support.*
- **WEHU works closely with other development agencies even when (jointly-implemented) programs mostly constitute stand-alone interventions.** WEHU undertakes joint programs with UN and multilateral organizations. *Most programs are (subsequently) implemented as stand-alone interventions. An exception and school-book example of donor coordination and complementarity is the Better Gold Initiative in Colombia.*
- **Synergies exist (mostly by design) within WEHU programs; few synergies exist between WEHU programs or are hampered by incongruent designs.** Prevailing synergies within (multi-country) programs concern *efficiency gains* (less overhead, sharing of resources, specialization) and/or *improved development effectiveness* (cross-country learning, more comprehensive interventions, e.g. inclusion of access-to-finance component in WEHU's interventions). Country and program *contexts are often too different* for synergies between programs or are hampered by incongruent designs (as in the case of SIPPO).
- **Swiss interests influence WEHU's sector and commodity choice.** WEHU responds both to *the recipient country's development challenges as well as the (political) interests, policy priorities and know-how of SECO specifically and Switzerland generally.* This is evident in the cocoa, gold and biotrade interventions.
- **WEHU can equally well implement programs with UN organizations, Swiss development foundations, consultancy firms or national agencies.** Key is that the programs are led by *small, competent and professional teams.*
- **WEHU can improve its evidence-based management and program steering.** WEHU does not collect outcome- and income-level data in a consistent, structured and uniform manner, and has, consequently, not built its own metrics for cross-program comparisons and can only indicatively and partly account for its development outcomes and impacts with numbers.

The portfolio-under-evaluation also contains **some conspicuities** which are important for the subsequent analysis. We briefly recap them here:

- WEHU's bilateral and multi-country programs cover 4 continents, 18 countries, 10 commodities, and 7 sectors.
- Program budgets per country typically range from CHF 1 million to CHF 4 million for four years (with Colombia-Competitiva being an exception with CHF 13,4 million of funding from WEHU and WEIF).
- Programs generally run for multiple four-year periods.

⁵⁰ We have no data to assess whether this holds equally true for producers. We expect that it does. For example, there are an estimated 45.000 cocoa producers in Colombia. They produce circa 60.000 tons of cocoa beans per year of which (only) 20% are exported with part of the export done by a few large companies.

6.3 Is WEHU doing the right thing and with the expected results?

146. WEHU successfully contributed to the integration of producers and SMEs in cocoa, cotton, gold, textiles and natural ingredients. This integration led to new trade flows or trade that was conducted in a more socially and environmentally responsible manner thereby contributing to a diversification of exports. These are real and positive development results. They are in line with WEHU's objectives to integrate partner countries in sustainable value chains, enhance their trade and diversify their economies. Especially with cocoa, gold, and natural ingredients, they also meet Switzerland's political interests and priorities. *As such, WEHU is doing the right thing.*

147. Whether WEHU is achieving the expected results is a trickier question to answer. The reason is that this question contains multiple layers or dimensions. This is best explained by dissecting the question and answering the component parts. First, have WEHU's interventions contributed to the integration of producers and SMEs in global value chains? The answer to this *expected result* is unequivocally: 'yes'. Second, did WEHU's interventions generate the expected increase in trade volumes? Data on the resultant trade flows are limited, few programs offer benchmarks, and the benchmarks themselves may be more aspirational than rooted in evidence of what is possible. *As such, we cannot answer this second dimension of the question and instead return the question to WEHU: how many value chains does WEHU wish to support and how much trade does WEHU wish to generate?*

148. Third, did the integration of producers and SMEs into the global value chains improve the living conditions of producers, SME business owners and workers, as well as retain or create jobs? The integration into global value chains (likely) contributed to increased incomes for producers and SMEs business owners which may have been invested to improve their living conditions. The evaluation offers only sparse and ambiguous data to this end. External literature evidences that the socio-economic impacts of value chain interventions and export promotion is not automatic and depends on the structural characteristics of the economy as well as the prevailing macro-economic and market conditions. *More research is needed to answer this question and evidence the answer.*

149. Finally, not all WEHU programs (fully) focus on a single value chain and/or on direct support to producers and SMEs. To what extent that is 'right' is addressed in our answer to the next question.

6.4 Is WEHU's work sufficiently focused?

150. The answer to this question is the classical: 'well, it depends'. It depends on the level-of-analysis. At a portfolio level, WEHU is unequivocally focused on enhancing trade and, through trade, contribute to diversifying economies. All but one program sought/seek to enhance trade.⁵¹

151. At a program level, WEHU pursues different strategies. Some programs provide direct support to producers and SMEs in a single value chain. Most of these programs – for example in cocoa, cotton, gold, textiles and natural ingredients – succeed to some degree in integrating producers and SMEs into global value chains.⁵² Other programs are more sector agnostic (e.g. VieTrade) or operate at multiple-levels⁵³ and target fewer producers and SMEs (e.g. SAFE+). This latter set of programs also contribute to enhanced trade by producers and SMEs; the resultant trade flows appear however small, dispersed, and less systemic. Moreover, these programs are especially hampered by the sparsity of good and clear results data. *To what extent these programs contribute to SECO's outcome and impact objectives could therefore not be ascertained within this evaluation.*

152. In terms of commodities, sectors, and geography, WEHU is less focused. As already highlighted above, the portfolio-under-evaluation is *spread over 4 continents, 18 countries, 10 commodities, and 7 sectors.*

153. *We conclude that WEHU is focused at the strategic/portfolio-level; it is less focused in its programming, sector-choice and geographic coverage.* Does this matter? That depends on the type and level of results WEHU wishes to

⁵¹ The only (slight) anomaly is the SCORE program: it focuses on improving the competitiveness and working conditions in SMEs. Although many of the supported SMEs export, trade promotion is not an explicit goal of the program. An observant reader may also wonder about the BioTrade Vietnam Phase 1 program. This program intended to enhance trade before the program context changed and the target beneficiaries shifted their attention to the domestic market. WEHU learned from this experience and the follow-up program the Regional BioTrade program is again focused on enhancing trade.

⁵² Of course, not all WEHU interventions succeeded in integrating producers and SMEs into global value chains. Especially, WEHU's work in the tourism industry appears challenging. That is however part of the trade: development is too complex and difficult to expect a perfect score.

⁵³ I.e. macro (government), meso (business support organizations) and micro (producers and SMEs).

achieve. If WEHU wishes more results akin to the Better Gold Initiative, COEXCA, Organic Cotton or its natural ingredients programs, greater focus in approach, value chains and geography makes sense. If WEHU is satisfied with less pronounced results and happy to more indirectly influence its partner countries' trade performance, WEHU can maintain its current spread. Ideally, this choice is informed by what works better, i.e. how can WEHU achieve better development results? We suggest a way forward in our recommendations. We first need to identify good practices and success factors and reflect on WEHU's programmatic approaches.

6.5 Are WEHU's sector choices appropriate?

154. WEHU's sector choices are informed by development needs and Swiss interests. This reflects both engagement with the plight of WEHU's partner countries and real-politics. WEHU successfully contributes to the integration of producers and SMEs in cocoa, cotton, gold, textiles and natural ingredients. In Indonesia and Peru, WEHU's program established national dialogue platforms for palm oil and coffee respectively. SAFE+, SCORE and the old SIPPO showcase that WEHU can work effectively in cosmetics, fruits & vegetables, fish & seafood, garments & footwear, and wood & furniture. Switzerland has a direct economic and political interest in (the sustainable production of) cocoa, coffee, gold and biotrade. The most difficult sector for WEHU appears the tourism industry. Implementation difficulties are however not a reason per se to abandon a sector – one can learn from and improve based on experience. Moreover, Switzerland has a strong position in international tourism industry. *In short, this evaluation found no evidence to question WEHU's sector choice.*

6.6 Is WEHU's positioning in the value-chain appropriate?

155. Most bilateral and multi-country programs, as well as SIPPO, focus on what in export promotion parlance is called '*last-mile support*' to export-oriented producers and SMEs. WEHU thus targets the link between developing countries' producers/SMEs and developed countries' buyers. WEHU recognizes however that for producers and SMEs to successfully travel the *last-mile*, they need to have travelled the previous mileage and still have sufficient energy to pass the last-mile. In many programs, WEHU therefore also provides SME development and upstream support. WEHU's success in integrating producers and SMEs in global value chains and the external literature underscore both the relevance and effectiveness of supporting multiple parts of the value chain. Moreover, programs sometimes struggle to find more export-ready producers and SMEs. By broadening the support to producers and companies that are not (yet) export ready, programs may create their own pipeline of producers and SMEs and which will allow it to reach scale (even when it may also increase the failure rate as support is provided to producers and SMEs which, intrinsically, do not have an export-orientation). *We conclude that WEHU is right to target different stages within value chains.*

6.7 Is WEHU working in the right way: what are 'good practices' and 'success factors'?

156. As WEHU successfully contributes to the integration of producers and SMEs into global value chains, it clearly is doing things right. This evaluation found that the involvement of large national and international companies in WEHU's programs is paramount: it allows for (i) establishing direct linkages between producers / SMEs and international buyers; and (ii) expanding the reach of WEHU interventions, thus covering more producers and SMEs.

157. This evaluation validates WEHU's Theory of Change in principle. Moreover, WEHU is correct to work at different stages of the value chain. It is also right in its selection of sectors and commodities and focus on social and environmental sustainability principles. The economics of these choices make sense, even if the business case for individual producers and SMEs remains uncertain. Entrepreneurial and visionary leadership from the producers and SMEs appears in that regard imperative. Finally, in some instances, providing access to trade finance can be important.

158. The evaluation did not dive deep enough into the individual value chain interventions to further detail the Theory of Change and differentiate between 'success factors' and 'contributing factors' or between 'must-haves' and nice-to-haves' in integrating producers and SMEs into global value chains.⁵⁴ This requires a more targeted, in-depth comparative analysis of WEHU's interventions that are focused on single value chains.

⁵⁴ For example, by assessing the (relative) importance of access to trade finance, compliance with sustainability standards or good agricultural practices, organizational development of producers and SMEs, creating domestic market linkages, etc.

159. The indirect approach – i.e. strengthening business support organizations which can subsequently provide value chain development and export promotion services to producers and SMEs – is not a panacea for all. It only works with business support organizations that have the political mandate, the financial incentive and the capacity to absorb technical assistance and subsequently deliver effective services on their own. When these conditions are not met, the indirect approach takes at best time (to build up the requisite capacity and expertise) and at worst is impossible (because the incentive structure works against the business support organization taking up an active role in value chain development and export promotion). This makes it imperative for WEHU to assess beforehand and during program implementation the political buy-in and capacity of its (potential) development / boundary partners.

6.8 Which are the most promising project designs and what is the potential of programmatic approaches?

160. Value chains are complex and dynamic systems. As argued above, the integration of producers and SMEs into global value chains requires interventions at different stages in the value chain. Moreover, structural or policy impediments may require action at the meso-level (e.g. development of sector institutions) or macro-level (e.g. policy setting). As such, a programmatic approach appears 'the only way' to assist producers and SMEs in global value chains. The most promising project designs are those that target the most pertinent development challenges for producers and SMEs' integration into global value chains irrespective of the 'value chain stage' or 'intervention level' and is flexible to adapt to changing circumstances. Elements of such a programmatic, multi-dimensional and flexible approach are present in e.g. the Better Gold Initiative, Colombia+Competitiva and SAFE+ in Colombia, and the Regional BioTrade program in Vietnam.

6.9 Is WEHU's work equally valid in countries at different development levels?

161. This is true for lower and upper middle-income countries.⁵⁵ Both groups of countries contain examples where WEHU successfully contributed to the integration of producers and SMEs into global value chains⁵⁶, as well as fostering improvements in the policy setting space⁵⁷. The portfolio-under-evaluation contains three programs in lower income countries.⁵⁸ These are too few to permit a definitive answer to this section's question with respect to lower income countries. Each program also offers a mixed picture. On one hand, all three programs to some degree successfully integrated producers and/or SMEs in either domestic or global value chains. On the other hand, the number of supported companies and the realized trade flows were smaller. The projects appear to have been more strongly affected by changing economic conditions and received less support from the respective governments.⁵⁹ We tentatively conclude that WEHU's support can be valid for lower income countries even when faced with bigger development challenges and concomitantly higher risks for obtaining the envisaged development results.

6.10 What are selection criteria for WEHU's partner structure?

162. Chapter 5 argued that WEHU works equally well with UN organizations, Swiss development foundations and consultancy firms. Key is that the programs are implemented by small, competent and professional teams which know the sector, are well-embedded into the local political economy, able to link producers and SMEs with international buyers, and mobilize support from large national and/or international companies. When WEHU works with national agencies, high-level political buy-in is imperative, as well program leadership which is able, willing, and incentivized to institutionalize the program (outcomes) into their organization. *This evaluation thus suggests as (part of the) selection criteria for implementation partners their leadership, competency, professionalism, experience and private sector network, as well as for national executing agencies, political ownership.*

⁵⁵ We followed in this evaluation the World Bank classification of countries.

⁵⁶ Lower middle-income: SPPP, Regional Biotrade Vietnam, Organic Cotton; Higher middle-income: Better Gold Initiative, COEXCA, Biotrade South Africa.

⁵⁷ Example given: UNDP National Commodities Platform in Indonesia (lower middle income) and Peru (higher middle-income).

⁵⁸ These are: Organic Cotton Burkina Faso and Mali, Textiles & Clothing Tajikistan, and UN Trade Cluster Tanzania

⁵⁹ This concerned the needed privatization of the cotton sector in Burkina Faso and Mali and in Tajikistan no clear integration of the sector strategy in the national development plan and lack of funding scheme to implement the strategy.

7. Recommendations

163. This Chapter offers our recommendations. They are principally directed towards WEHU's management as we judge each recommendation to fall within its decision authority. We nonetheless highlight where buy-in and oversight from SECO's Management is crucial. Moreover, all recommendations are directed towards *new programs* (or programs that have just started and can still be modified) under WEHU's Business Line 'Greater International Competitiveness of SMEs and Facilitated Market Access'.

1. To support a *select number of international value chains and take an (even) more comprehensive and programmatic approach to the integration of producers and SMEs into these international value chains.*

Meaning:

- To concentrate WEHU's resources and portfolio under this business line on supporting a select number of global and/or regional value chains in sectors where Switzerland has a comparative advantage.
- To target in each country-of-intervention, simultaneously, the most pertinent impediments to integrating producers and SMEs into the respective global value chain; irrespective at which stage (upstream, downstream) or level (macro, meso, micro) the impediments sit.
- To replicate the programmatic approach of Colombia+Competitiva in other countries whereby the interventions at the macro, meso and micro level are even more aligned and complementary to each other.

Reasons:

- To foster greater development effectiveness, both in *scale and sustainability*, by:
 - creating and exploiting synergies at a country-level between interventions at different stages and levels within the value chain;
 - creating and exploiting synergies at the portfolio-level through cross-country learning about what works, what doesn't and why within specific value chains.
 - offering platforms for the effective engagement of large (Swiss) international buyers – a condition sine qua non for effective export promotion work (see also next recommendation).
 - taking advantage of Switzerland's economic interests and comparative advantage.
- Or to put it in more colloquial terms: to allow for greater '*bang for the buck*'.

Implications:

- a. Choose a select a number of global or regional value chains that are relevant for multiple partner countries and aligned to Swiss (political) interests and comparative advantage. At face value, cocoa, gold biotrade, coffee and tourism appear obvious choices).
- b. Conduct, both ex-ante and periodically during program implementation, in-depth value chain analysis to identify the most pertinent / evolving impediments to integrating producers / SMEs into global value chains.
- c. To increase – only where necessary –the program budget for individual value chain interventions to allow the simultaneous address of multiple critical impediments to the integration of producers and SMEs into the global value chain.
- d. To apply, in parallel, the direct and indirect approach, i.e. provide direct support to producers and SMEs, whilst also building up business support organizations and strengthening the enabling environment.
- e. To conduct, periodically, a comparative analysis between programs – both between programs in different countries working in the same global value chain, and between programs in different value chains to (i) draw lessons on what works, what doesn't and why; and (ii) create benchmarks for new programs.
- f. To recruit core implementation teams which are able to operate at different stages and levels within the global value chain.
- g. To continue Swiss adaptive program management to allow programs to respond to changing circumstances and evolving knowledge about what works best.
- h. To forego programs (within this business line) which are solely or primarily focused on improving the framework conditions in a country.
- i. Leverage on and coordinate with other development agencies, whenever feasible and effective.

Challenge:

- The impediments, and the approaches to addressing them, will differ between countries. Example given, countries with well-functioning governments will more likely respond (effectively) to required changes in policies than countries with lesser-functioning governments. In the latter case, quick-wins at the micro-level may be required to convince governments of the required policy or institutional changes.

Recommendation to SECO's Management

- Allow for greater concentration of interventions, both sectorally and geographically, within SECO's Business Line 'Greater International Competitiveness of SMEs and Facilitated Market Access'

2. To continue mobilizing large national, international and Swiss companies into WEHU global and regional value chain interventions.

Meaning:

- To integrate big national, international, and/or Swiss companies into WEHU's value chain interventions.

Reasons:

- A key success factor in integrating producers and SMEs into global value chains is establishing direct links between producers/SMEs and international buyers.
- Large national, international and Swiss companies can leverage WEHU's interventions by expanding the reach of the programs, i.e. include more producers and SMEs into the global value chains.

Implications:

- a. Actively continue (and where possible expand) WEHU's outreach to the Swiss industry (e.g. Swiss Cocoa Platform, Swiss Better Gold Initiative, etc.).
- b. To integrate, where relevant, national commodity platforms into WEHU's value chain interventions.⁶⁰ Such multi-stakeholder platforms with public and private sector participation can be effective models for mobilizing private sector support.

3. To critically select and monitor SECO's 'boundary partners' in-country on their interest, incentive and the capacity to help integrate local producers and SMEs into the selected global value chain(s).

Meaning:

- As noted in Chapter 2, *boundary partners* are 'individuals, groups and organizations with whom the program interacts directly and with whom the program anticipate opportunities [to affect change]' (Earl, Carden and Smutylo 2001).

Reasons:

- Impediments to the integration of producers and SMEs into global and regional value chains can only be addressed by domestic players. These players will only affect change if they have the interest (e.g. political/business incentive or intrinsic motivation), the capacity and the (political) room to maneuver. By (more) carefully selecting WEHU's boundary partners, it enhances the chances for success.

Implications:

- a. Select at all levels of operation (macro, meso and micro) boundary partners with an interest, incentive and capacity to act.
- b. To critically monitor the continuous engagement of WEHU's boundary partners and disengage with boundary partners which do not show continuous commitment to the program at hand.

Note:

- This recommendation can apply both to WEHU's selection of implementing agencies in its country of operation, as to the selection of boundary partners by international implementing agencies of WEHU programs.

Challenge:

- This recommendation is clearly easier said than done. It requires (i) a political economy analysis of the value chain; (ii) a judgement-call as to the real interests and incentives of potential boundary partners; (iii) (possibly) convincing important boundary partners to engage in the program; and (iv) evidence-based

⁶⁰ In recommendation 1's vocabulary, this would constitute an intervention situated between the meso- and macro-level.

management of the program. In some country-contexts, it will be possible to work with established institutions; whilst in others, it is better to work with new entrants. The cocoa sector in Colombia is a case in point where WEHU had to balance the pro's and con's, opportunities and threats, of working with Fedecacao (the established national cocoa association for cocoa producers) and help set up and work with Red Cacaotera (a new national cocoa association for cocoa producer groups). There are no fixed recipes for successfully selecting the 'right' boundary partners. Awareness, conscientiousness and monitoring do help.

4. **To better articulate SECO's ambition and improve WEHU's accountability reporting, program steering and learning.**

Meaning:

- To clearly state in unequivocal terms what WEHU's ambition is under this business line (e.g. transformational change of how a sector operates or improved livelihoods of as many poor as possible)
- To simplify and improve WEHU's results management by selecting, per program, one outcome- and one impact-level indicators on which credible quantitative data can be collected throughout the program duration and in an ex-post evaluation.
- To adopt a theory of Change based approach to progress reporting and evaluation.

Reasons:

- To be able to convey the overall objective of WEHU's work under this business line in a clear and unequivocal headline and offer staff clarity-of-purpose.
- To make WEHU's results management *purposeful* and *cost-effective*.
 - Data collection at the outcome- and impact-level is time-consuming and difficult as it requires, once-per-year, outreach to all or a representative sample⁶¹ of program beneficiaries. This makes it imperative to select outcome and income indicators on which data can realistically be collected⁶².
 - Data collection efforts should go into outcome and impact indicators which are purposeful, i.e. that can meaningfully convey WEHU's results to Parliament.
 - By focusing WEHU's data collection efforts on few indicators which are purposeful, it can make its results management more cost-effective.
- To *evidence* WEHU's development results with credible numbers that are aggregable across (parts of) the portfolio. WEHU can use these numbers to fulfil its accountability to SECO management and Swiss Parliament.
- To develop *internal metrics to benchmark* new programs against.
- To *deepen WEHU's understanding* about what works, what doesn't and why.

Implications:

- a. To *hold implementing agencies accountable* for establishing the baseline and annual data collection and progress reporting on the outcome and impact indicators.⁶³
- b. *Set targets* for each outcome and impact indicator and for every program. In the coming years, this allows the program results to be benchmarked against expectations. Over time, the data collection will *create its own metrics* against which future WEHU programs can be assessed, i.e. allow benchmarking against best-practice within WEHU's portfolio.
- c. Detail for *each program the underlying Theory of Change* – at the outset, based on this evaluation's Theory of Change.
- d. Require implementing agencies to annually analyze and assess the program's progress and experience against the underlying Theory of Change, i.e. to move away from descriptive towards *analytical progress reporting*.
- e. To conduct – periodically – *theory-based, comparative evaluations* between programs – both between programs in different countries working in the same global value chain, and between programs in different

⁶¹ Sampling is also not straightforward as data must be collected on an annual basis. Changes in the composition in survey respondents can lead to significant changes in the outcome and income data.

⁶² For example, SMEs are generally reluctant to share income and profit data with development programs.

⁶³ Note: data on outcome and impact indicators need to be collected *throughout* the program duration, i.e. also in the early years. This helps WEHU to identify the endogenous development in the indicators, i.e. what cannot be attributed to the program.

value chains. Note: to fund these more elaborate evaluations, WEHU can reduce the number of project-level evaluations (most of which lack analytical depth).

- f. To forego on *output monitoring*. For two reasons. First, it is the responsibility of the implementing agencies to book results at the outcome and impact-level. Second, outputs are often ill-chosen and not a good indicator of progress. Better to leave the day-to-day evidence-based management to the implementing agencies and focus on the validity of the Theory of Change and outcome- and impact data.⁶⁴

Recommendation to SECO's Management

- To allow WEHU to concentrate its quantitative data collection and results monitoring on 1 or 2 indicators per outcome- and impact-level.
- To demand and hold WEHU accountable for the inclusion of quantitative results reporting in all progress and completion reports, as well as credit proposal for follow-up programs / phases.

5. **To not push artificially for synergies between programs, but where they occur to *design the synergies between programs and with WEIF into the respective programs and earmark funds for exploiting these synergies.***

Meaning/reason:

- Synergies are difficult to exploit; they have to be clear and significant to make it worthwhile to spend time and energy on exploiting them.
- Both programs need an incentive to exploit the synergy (even when designed into the program). This is best explained with a concrete example. SIPPO, either old or new style, offers economies of specialization to individual value chain interventions. SIPPO and individual value chain interventions will only exploit these synergies if (i) it contributes to the outcome and impact goals of both programs; and (ii) there are dedicated budgetary resources available. If either condition is not present, the synergies will not be exploited.
- We identified one example of possibly effective collaboration with WEIF (Colombia+Competitiva). There are likely to be more opportunities for cooperation (especially if recommendation 1 is followed)

Implications:

- a. To identify upfront the potential (scale of) synergies between programs in WEHU's portfolio and with WEIF.
- b. To earmark budget in the programs for exploiting these synergies.
- c. To include the objective of exploiting the synergies in the logical framework of all programs involved.

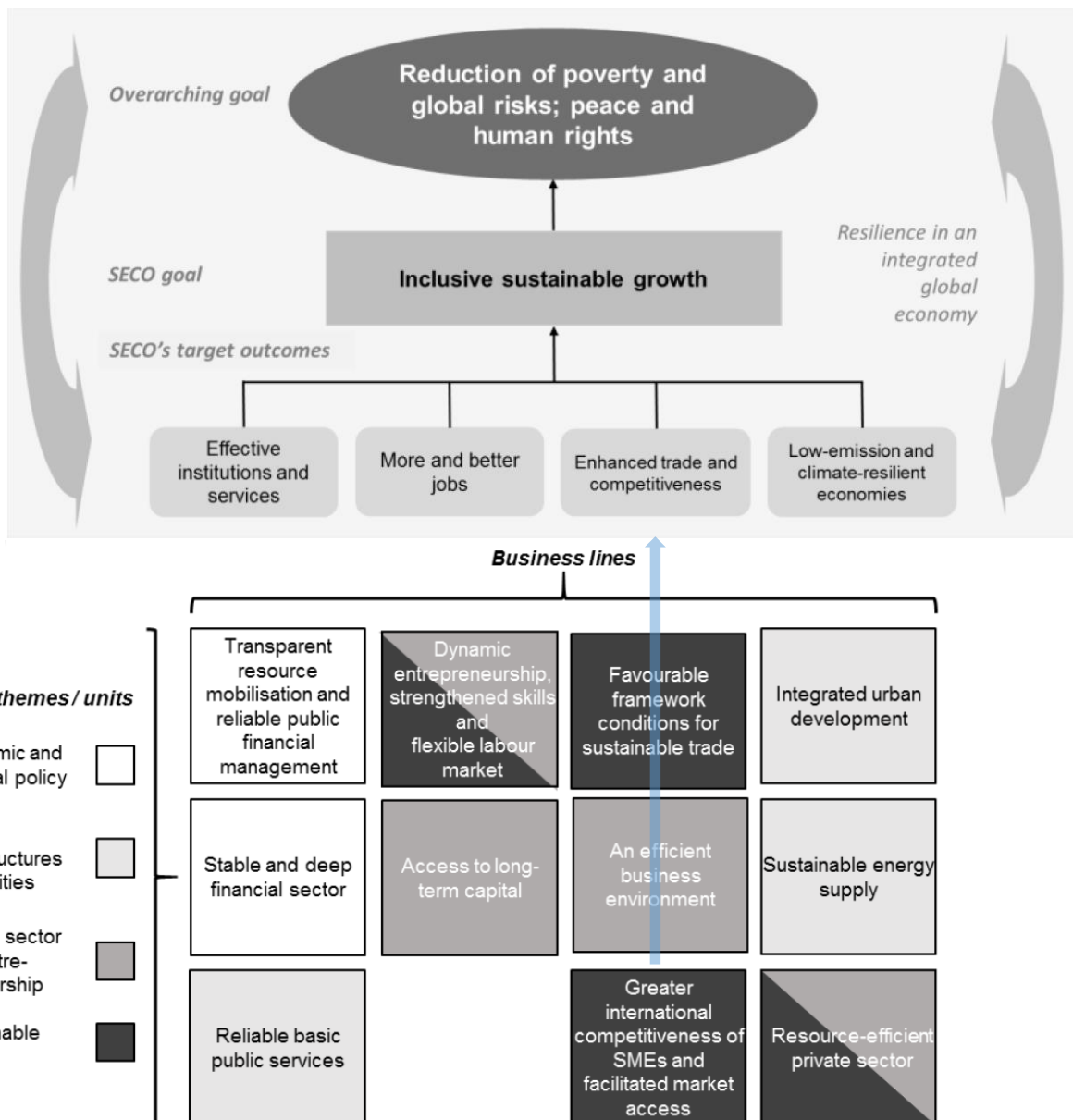
⁶⁴ For example, the evaluation of the Swiss Entrepreneurship Program revealed that WEIF's output monitoring worked contra productive. Many output indicators were of little use to Swisscontact in its program steering. The data collection on the output indicators was a 'must do', served little purpose and formed a drag on the program's motivation and resources.

Appendices

A. Approach Paper

To be included in the Final Evaluation Report

B. SECO's target outcomes, business lines and priority themes



Source: (FDFA and EAER, 2016b)

C. Portfolio-under-evaluation

C.1. Bilateral and multi-country programs⁶⁵

Program		Country	Sector				SECO contribution (million CHF)	Implementing agency	Start (End)
			Agriculture/ commodities	Services	Manufactured Goods	Specifically			
1	UNDP National Commodities Platforms	Indonesia, Peru	✓			Palm oil, coffee	2.00	UNDP	2015
2	Sustainable Cocoa Production Program	Indonesia	✓			Cocoa	9.6 (Phase 2: 2016)	Swisscontact	2012
3	Sustaining Competitive and Responsible Enterprises (SCORE) Program	Bolivia, Colombia, Ghana, Indonesia, Myanmar, Peru, Tunisia		✓	✓	Manufacturing, textile, agro-processing and hospitality.	12.00 (Phase 3: 2017)	ILO	2009
4	Secompetitivo Program	Peru	✓	✓	✓	Multisector: Bio-Trade, agriculture, tourism, etc.)	6.6	Helvetas Swiss Intercooperation	2015
5	Colombia + Competitiva Program	Colombia	✓	✓	✓	Cocoa, Tourism, Construction, Cosmetics	13.40	Swisscontact	2016
6	Better Gold Initiative	Peru, Colombia, Bolivia	✓			Gold	Phase I: 2.10 Phase II: 8.08	Projekt-Consult GmbH	2013
7	BioTrade Vietnam Program	Vietnam	✓			Natural ingredients	n/a	Helvetas Swiss Intercooperation	2012 (2016)
8	Regional BioTrade Program	Vietnam, Lao, Myanmar	✓			Natural ingredients	3.83	Helvetas Swiss Intercooperation	2012
9	Safe+ Program	Colombia			✓	Cosmetics and natural ingredients	2.09	UNIDO	2015 (2018)
10	Global Textile Program (G-TEX)	Egypt, Morocco and Tunisia, Kyrgyzstan and Tajikistan			✓	Textile and clothing	9.8	ITC International Trade Centre	2017
11	Textile Value Chain Program	Tunisia			✓	Textile and clothing	1.7	ITC International Trade Centre	2012 (2016)
12	Textile Value Chain Program	Kyrgyzstan & Tajikistan			✓	Textile and clothing	2.15	ITC International Trade Centre	2011 (2016)
13	PAMPAT Program Tunisia	Tunisia, Morocco	✓		✓	Harissa, Djebba fig, prickly pear (+ processed products)	3.58	UNIDO	2012

⁶⁵ This table deviates on three counts from the table in the Inception Report. First, the DMO Ski-tourism project had not started yet at the time of the evaluation – the project implementation partner was still under recruitment. This project was therefore not evaluated. Second, the original table contained a duplication: the trade promotion project and the textile chain project in Kyrgyzstan were one and the same project. Third, WEQA asked during the implementation phase to include the Organic Market Development Project in the Ukraine.

14	Organic Cotton Program	Kyrgyzstan	✓			Organic cotton	1.46 (Phase 3: 2013)	Helvetas Swiss Intercooperation	2003 (2016)
15	Organic Cotton Program	Burkina Faso, Mali	✓			Organic cotton	5.80	Helvetas Swiss Intercooperation	2013
16	DMO Tourism Tatatouine/ Médenine	Tunisia		✓		Tourism	3.80	Swisscontact	2014
17	Trade Support Services for SMEs	Vietnam	✓	✓	✓	Multisector	3.30	Vietrade	2012 (2018)
18	UN Trade Cluster	Lao, Tanzania	✓	✓		Horticultural food products and tourism	Tanzania: 3.15 Lao: 1.40	Inter-Agency Cluster (UNOPS, UNCTAD, UNIDO, ITC, ILO)	2010 (2016)
19	Scaling up Fair Trade Travel	South Africa		✓		Tourism	3.40	Fair Trade Tourism	2011 (2017)
20	Export Network Cocoa	Colombia	✓			Cacao	3.05	Swisscontact	2012 (2016)
21	Biotrade South Africa	South Africa	✓		✓	Natural ingredients (nutritional and cosmetic products)	2.80	PhytoTrade Africa	2012 (2016)
22	Organic Market Development Program	Ukraine	✓			Organic crops and dairy products	5.00	Swiss Research Institute of Organic Agriculture (FiBL)	2012

C.2. Global programs

Program	Country	Sector	SECO contribution (million CHF)	Implementing agency	Start	
1	Corporate Sustainability and Reporting for Competitive Business (CSRBC Phase II)	Global	Multisector: SME sustainability reporting	4.10	Global Reporting Initiative	2016
2	Transparency and Innovation of Sustainability Standards (TISS)	Global	Multisector: Voluntary Sustainability Standards	9.95	ITC - International Trade Center ISEAL Alliance	2016
3	Swiss Import Promotion Program SIPPO ⁶⁶	Global	Multiple- last mile export support	Phase V: 19.4 (2017)	Switzerland Global Enterprise	1985

⁶⁶ The Swiss Import Promotion Program SIPPO is a long-running, relatively stand-alone program of SECO. It has been subjected to a full-blown independent evaluation in 2011, 2013 and 2015. The latter evaluation contributed to the retendering of the program and the selection of Swisscontact as the new implementing agency. A new SIPPO phase started as per 1 January 2017. Given that SIPPO is well-evaluated and in the midst of delivering a new strategic approach to import promotion, this independent evaluation does not evaluate SIPPO as such but instead focuses on the extent to which synergies between SIPPO and WEHU's country programs are or can be exploited.

D. Data collection and analysis methods

1. This appendix expands on the purpose and scope of the individual data collection and analysis methods.

D.1. Document review

2. The purpose of the document review was five-fold, namely to:

1. establish the *scope and type of interventions* of WEHU's competitiveness and market access work;
2. confirm the point of reference or *benchmark* against which WEHU's work is to be assessed, i.e. the envisaged outcomes and development impacts, the development priorities of the beneficiaries and partner country governments; and the international state-of-the-art in trade and competitiveness promotion;
3. inform the *sampling strategy* for the case study countries;
4. collect data, stories and context on the outputs, outcomes and impacts of the individual programs and the underlying reasons for the (under/non) achievement; and
5. identify any data gaps that require attention during the data collection phase.

3. The document review encompassed the following types of documents:

1. project documentation: credit proposals, logical frameworks, progress reports, evaluation reports and completion reports;
2. SECO reports: Message on International Cooperation, country strategies, policy / position papers, and thematic evaluations;
3. country and sector reports: e.g. from the Economist Intelligence Unit, the OECD or the World Bank;
4. government documents: national and sector laws, policies and strategies
5. external literature: thematic evaluations and systematic reviews on value-chains and export promotion from other development agencies, think tanks and research institutes.

4. A full list of references is included at the end of the report.

D.2. Key informant interviews

5. The purpose of the key informant interviews was to gain a qualitative perspective on the design, functioning, achievements, and unforeseen effects of WEHU's interventions. The interviews were held telephonically, as well as in Colombia, Switzerland and Vietnam.

6. The key groups of informants were:

1. WEHU management and program staff;
2. Swiss Cooperation Offices program managers;
3. government counterparts / stakeholders;
4. program implementation agencies;
5. program stakeholders and beneficiaries (including sector / product associations, business support organizations; and SMEs);
6. development partners / agencies;
7. independent experts, e.g. university professors, consultants, etc.

7. A full list of key informants is included in Appendix N.

8. We conducted semi-structured interviews. Based on the evaluation questions, we prepared a questionnaire for the interviews. We started each interviews in an open, non-judgmental fashion and invited each interview partner to express their involvement, experiences and views freely. This approach provides unbiased answers, tends to cover (roughly) 30% of the interview questions and provides insight into which other questions are likely to receive informative answers (often another 20 – 30% of the questions). Gradually, we then focused the interviews on the remaining relevant questions from the underlying questionnaire as well as on emerging themes from the interviews.

D.3. Quantitative data collection

9. The purpose of the quantitative data collection was to assess the extent to which the envisaged outcomes and impacts are achieved and sustained (or are likely to be achieved and sustained).

10. The quantitative data was collected from the project documentation (logical frameworks, as well as the progress, evaluation and completion reports) and double-checked with an excel-file with outcome and impact indicators prepared, independently from this evaluation, by WEQA (SECO, 2018c).

11. We intended to collect quantitative data on the key outcome and impact indicators of SECO's business line 'Greater International Competitiveness of SMEs and Facilitated Market Access' under the Framework Credit 'Economic and Trade Policy Measures for Development Cooperation' (see Table 2). Most programs however lacked comprehensive data on these indicators. This is partly because most programs started under previous framework credits which had different underlying performance indicators. We however also observed that outcome and impact indicators are not collected in a consistent, structured and uniform fashion across all programs. In the end, we therefore collected the *available results data per program*. As this program-level data cannot be aggregated in a sound and credible way, this evaluation lacks / does not present results data at a portfolio-level.

D.4. Online survey

12. The purpose of the online survey was to gather primary data on the beneficiaries' satisfaction regarding the relevance, effectiveness, efficiency and sustainability of WEHU's support.

13. The survey was targeted towards the implementation agencies and program beneficiaries in-country. The program beneficiaries were limited to government entities, sector / product associations, and business support organizations, i.e. excluded SMEs. The reason for excluding SMEs was twofold. First, many SMEs are not (or only to a limited extent) aware that SECO is behind the support that they receive. Second, neither the SCO nor the implementation agencies necessarily have the contact details of all supported SMEs. Collecting the contact details of a representative set of SMEs would have been time consuming and (for data privacy reasons) difficult and was not considered efficient.

14. WEHU provided the contact details of just over 100 representatives from implementation agencies and beneficiaries. Some programs were overly represented in this initial list. We therefore reduced the number of representatives from some programs (by reducing the number of representatives from one organization and ensuring balance between implementation agencies and program beneficiaries). The ultimate list still included different numbers of representatives per program, namely between 1 and 8 representatives. The survey was ultimately sent out to 92 persons.

15. The response rate to the survey was 60% (see Figure 14). Most questions were however not answered by 7 –

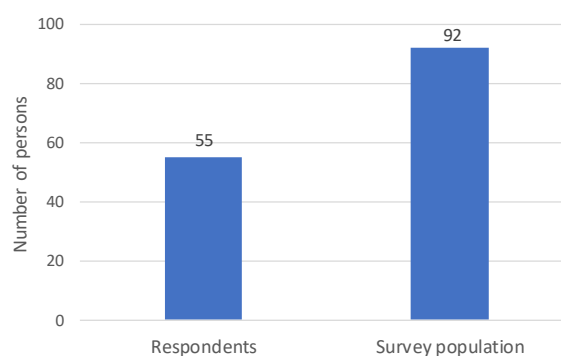
Table 14. Formal outcome and impact indicators

The Framework Credit Economic and Trade Policy Measures for Development Cooperation defined the following set of indicators for the business line Greater International Competitiveness of SMEs and Facilitated Market Access:

- Increase in trade volumes (as a % and in mio. USD) of sustainably certified commodities (soya, coffee, cocoa, cotton, timber, palm oil, tea, BioTrade products) from developing countries
- Number of jobs created and retained
- Increase in export volumes (as a % and in mio. USD) of sustainable goods and services (textiles, furniture, tourism, etc.) from developing countries
- Productivity increase in export value chains
- Number of persons/entities undergoing training or continuing education (entrepreneurs, producers, staff)
- Measures for improving capacity development
- Percentage of producers with better living conditions

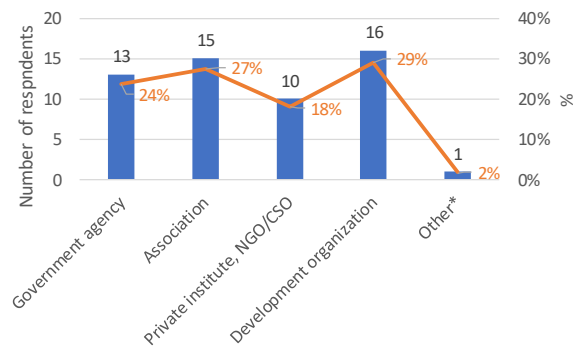
Source: (FDFA and EAER 2016, SECO 2018)

Figure 14. Survey response rate



9 persons. The effective response rate was therefore closer to 50%. Figure 15 shows the distribution of the respondents by organizational affiliation and project role. The number of respondents per relevant grouping was between 10 and 16 persons, which is limited given the total number of bilateral and multi-country programs under evaluation (17) and the total number of persons involved in these programs (which cumulatively will presumably run in the hundreds). Consequently, we treat the answers to the survey questions as indicative rather than absolute.

Figure 15. Number of respondents per grouping



16. The survey was implemented through the Swiss online survey platform *Onlineumfragen.com*. We prepared a draft survey after the initial document review and the first field mission to Vietnam. This survey was tested and critically reviewed by WEQA, WEHU and one national program officer from a SCO. WEQA informed the target population by e-mail about the upcoming online survey. We subsequently sent out and managed the survey through the survey portal *Onlineumfragen.com*.

* Gite Rural / Rural cottage?

17. The full survey results are included in Appendix M.

D.5. Evaluation synthesis

18. WEHU has a strong evaluation practice. Most programs have undergone a mid-term review or an ex-post evaluation (or both). The purpose of the evaluation synthesis was threefold:

1. to collect the evaluations' ratings of the programs against the OECD-DAC evaluation criteria and calculate an average rating for the portfolio per OECD-DAC criteria;
2. to draw into the evaluation lessons learned from all programs in the portfolio-under-evaluation and not limit the in-depth analysis of WEHU's work to the programs in the case studies; and,
3. to benefit from the analysis already conducted previously.

19. During the inception-phase, we prepared an assessment grid against which to assess the program-level evaluation and completion reports (see Table 16 on 58). This assessment grid was included in and approved with the Inception Report. The resultant program-level fiches are included in Appendix K.

D.6. Program coverage

20. The case studies allowed for a more in-depth analysis of a selection of WEHU programs. The evaluation synthesis ensured breadth of coverage. Together, it allowed us to review all but one of the bilateral and multi-country programs⁶⁷, namely the SeCompetitivo Peru program – see Table 15.

D.7. Data analysis

21. We applied a variety of data analysis techniques to assess the OECD-DAC criteria and answer the evaluation questions. First, we interacted with the collected data with an open mind: identifying emerging themes and patterns. Such an analysis – called *inductive analysis* – takes place almost automatically during the data collection when we make sense of what we find. Second, we conducted a *comparative analysis* by comparing WEHU's own interventions / projects with each other as well as with the industry's (best) practices based on existing systematic reviews of value chain and export promotion interventions. Third, the collected data was scrutinized on its potential answers to the evaluation questions. This entails a *deductive analysis*.

22. Fourth, through a so-called contribution analysis (Mayne, 2008), we ascertained the extent to which observed results can reasonably and credible be attributed to WEHU's interventions or that other contextual factors have caused these results. We did so by testing whether (i) the assumptions underlying the Theory of Change are plausible and uncontested; (ii) there is evidence that the assumed changes in behavior, decisions and actions actually occurred

⁶⁷ Previous evaluations of the global programs were included in the development of the Global Programs Case Study.

in practice; (iii) the envisaged activities took place; (iv) envisaged results were achieved; and (v) other contextual factors could have reasonably and significantly contributed to the results.

23. The resultant findings were triangulated across different data sources, methods and evaluators. We checked the consistency of our findings between data collection methods and sources: for example, are key findings supported by hard quantitative data, key informant interviews as well as previous evaluations on trade competitiveness and market access work? Second, the individual team members needed (as analysts) to distill the same findings from the data.

24. The case study reports were reviewed by WEHU's program managers and the respective Swiss Cooperation Offices on factual errors and missing information. The evaluation's findings and recommendations will be discussed with WEQA and WEHU during a capitalization workshop (scheduled for Tuesday 29 January 2019).

Table 15. Program coverage through the case studies and the evaluation synthesis

Bilateral and multi-country programs		Case Studies	Evaluation Synthesis
1	UNDP National Commodities Platforms		
2	Sustainable Cocoa Production II Program		
3	SCORE Program		
4	Secompetitivo Program		
5	Colombia + Competitiva Program		
6	Better Gold Initiative		
7	Biotrade Vietnam Program		
8	Regional Biotrade Programme		
9	Safe+		
10	Global Textile Program (G-TEX)		
11	Textile Value Chain Program Tunisia		
12	Textile Value Chain Program Kyrgyzstan & Tajikistan		
13	PAMPAT (Morocco, Tunisia)		
14	Organic Cotton Program Kyrgyzstan		
15	Organic Cotton Program Burkina-Faso & Mali		
16	DMO Tourism Tatatouine/ Médenine		
17	Trade Support Services for SMEs		
18	UN Trade Cluster		
19	Scaling up Fair Trade Travel		
20	Export Network Cocoa		
21	Biotrade South Africa		
22	Organic Market Development Program		
Global programs		Start-year	
1	Corporate Sustainability and Reporting for Competitive Business (CSRCB Phase II)		
2	Transparency and Innovation of Sustainability Standards (TISS)		
3	Swiss Import Promotion Program SIPPO		

Table 16. Assessment grid of the evaluation synthesis

Project description			
Sources			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?			
	Rating*	Score	Main reasons
Relevance			–
Effectiveness			–
Efficiency			–
Sustainability			–
Impact			–
Overall average score			
*Rating: According to the Scoring Chart for SECO Projects - Four-point rating scale: highly satisfactory, satisfactory, unsatisfactory, highly unsatisfactory (SECO, 2013)			
** Scoring: Assign numerical value (score) to each rating (1 = highly satisfactory; 4 is highly unsatisfactory)			
GNI per capita, Atlas method (current USD), 2017		Source: http://databank.worldbank.org/data/source/world-development-indicators	
[Country]	US\$...	Low income, lower-middle income, upper-middle income	
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
–			
2. To what extent is the project coordinated with and aligned to the programs of other development agencies?			
–			
3. What synergies were realized with WEIF and SIPPO?			
–			
4. To what extent is the Theory of Change verified, falsified or elaborated?			
–			
5. Have there been any unintended (positive or negative) effects?			
–			
6. What role did the private sector play in the project (success)?			
–			
7. Was the implementation model deemed efficient?			
–			
8. Was WEHU's monitoring and steering effective and efficient?			
–			
Part 3. Quantitative data collection			
1. Include data collection sheet or program specific key outcome data over multiple years if available			
–			
2. List and briefly comment other major outcomes and impacts.			
–			

E. Theory of Change

165. WEHU's work on competitiveness and market access rests on a set of assumptions on how to effectively and sustainably bind partner countries and organizations into the global economy and let them gain from trade and globalization. Jointly, these assumptions form WEHU's Theory of Change. These assumptions are about:

- with which individuals, groups or organizations the program anticipates opportunities to promote trade;
- how these so-called *boundary partners*⁶⁸ can be empowered to make use of trade opportunities;
- how these boundary partners will respond to both the support received and the trade opportunities; and,
- the outcomes and impacts which the actions and behavioral change of the boundary partners will invoke.

166. Our initial discussions in Bern confirmed that WEHU does not have an explicit, written-down Theory of Change. In fact, this evaluation is partly meant to spell out this Theory of Change. WEHU's work is nonetheless based on an implicit set of assumptions on how to bind partner countries and organizations into the global economy and let them gain from trade and globalization. By explicating this implicit Theory of Change, we captured '*a commonly understood vision*' on WEHU's competitiveness and market access interventions, how its programs affect change and what the '*elements are, critical to their success*'. By testing the Theory of Change, we offer WEHU the opportunity to compare its currently implicit working assumptions with what happens on-the-ground and thus an opportunity to learn.

167. The table below depicts WEHU's Theory of Change. It is based on our interviews with WEHU and a document review.⁶⁹ The Theory of Change was validated by WEHU during the inception phase of the evaluation. The blue text are additions and the bold text emphasis based on the evaluation findings.

Figure 16. WEHU's detailed Theory of Change

Program Assumptions	External conditionalities
<p>If WEHU conducts a country and market assessment through:</p> <ul style="list-style-type: none"> – consultations with in-country (non-)government stakeholders; – discussions with stakeholders in Switzerland – discussions with SECO country representatives – own country monitoring missions – a consultancy-supported scoping mission – market analysis. 	
<p>Then WEHU is able to develop promising interventions.</p>	
<p>Because:</p> <ul style="list-style-type: none"> – WEHU has the expertise and the vision to identify: <ul style="list-style-type: none"> ▪ export market potential, e.g. for commodities (gold, natural ingredients) or products (bio- and fair-trade); ▪ local market potential to export, including: <ul style="list-style-type: none"> ○ Macro: favorable framework conditions (e.g. political buy-in, supportive ability to set-up benefit-sharing arrangements); ○ Meso: supportive institutions (e.g. sector associations, cooperatives); ○ Micro: high-potential SME producers; ▪ international partners (international organizations, multinational corporations); ▪ (political) buy-in of all program or <i>boundary</i> partners. – WEHU can match development needs and priorities to Switzerland's political interests and know-how. 	

⁶⁸ The International Development Research Center in Ottawa, Canada, defines boundary partners as '*individuals, groups or organizations with whom a program interacts directly and with whom the program anticipates opportunities for influence*' – (Earl, Carden, & Smutylo, 2001)

⁶⁹ The table explicates how the envisaged outcomes and impacts are achieved. We do so by completing the '*if-then statements*' (inherent in a logical framework model) by answering the 'because' part of the argument, resulting in '*if-then-because*' statements. The methodological approach rests on: (Leeuw, 2003; Morra & Rist, 2009)

<p>If WEHU provides technical assistance to trade promotion organizations, business associations, business development organizations, quality assurance institutions, private partners and/or trade ministries through/with:</p> <ul style="list-style-type: none"> – institutional capacity development – enhance staff competencies, management practices, business processes, human resources, corporate identity, etc.; – train-the-trainer program, e.g. train extension workers; – capital investments, e.g. testing equipment under the Safe+ program; – outreach, lobbying, stakeholder dialogue and research; – creating a platform for learning, information sharing or collective action (e.g. national commodity platform); – developing sector plans and marketing strategies, e.g. for the tourism industry; – developing a national trade and competitiveness policy; – improve the trade regulatory environment. 	
<p>Then these organizations will deliver more relevant, effective and sustainable support to SMEs and smallholder farmers</p>	
<p>Because:</p> <ul style="list-style-type: none"> – They have the political mandate and financial incentive to support SMEs. – The organizations have a minimum capacity to absorb the technical assistance and deliver services to producers and SMEs – The support addresses a concrete and current development need of the recipients (as acknowledged by the beneficiaries). – The interests of key stakeholders are closely enough aligned to invoke collective action. 	
<p>If trade promotion organizations, business associations, business development organizations, quality assurance institutions, trade ministries or WEHU's implementation partners such as Helvetas and Swisscontact support SMEs with:</p> <ul style="list-style-type: none"> – information on trade opportunities, regulations and processes; – technical assistance on reaching international standards and private sustainability labels, e.g. complying with safety standards for food products, improving tourism services, or designing and exporting clothes. – training in, example given, (value-chain) management, production processes, product development, cross-border trade – customs, processes and practices, packaging, and marketing; – testing and certification of products and/or business processes; – regulatory compliance – coaching and mentoring in all stages of business development and exporting – participation in trade fairs, electronic trading platforms, or buying/selling missions – access to finance (only in joint-programs with WEIF) – setting up cooperatives, e.g. farmer associations 	
<p>Then these SMEs become internationally more competitive, increasingly participate in international value-chains and increase their exports.</p>	
<p>Because:</p> <ul style="list-style-type: none"> – Technical production barriers are addressed, e.g. cadmium in cacao. – SMEs fulfil the technical, environmental and social standards of the export market. – SMEs comply with local and export market legislative requirements. – SMEs and/or the export value-chain increase their productivity. – SMEs are linked to international buyers / value-chains and establish (long-term) business relations. – SMEs can access new or premium markets, e.g. organic tea market in Europe versus the bulk-tea market in China. – SMEs enter into guaranteed-offtake schemes with international buyers, e.g. Swiss gold, cocoa and coffee processing industry. – The costs of trade are reduced. – Trade offers higher, additional or more stable earning than the domestic market. – Selected entrepreneurs respond to international market opportunities, because of: <ul style="list-style-type: none"> ▪ earnings potential; ▪ personal motivation to be internationally active. – Biological products save money: no investments needed for fertilizers. 	<ul style="list-style-type: none"> – Conducive and stable political situation – Conducive (trade) policy environment; – Conducive macro-economic development, including stable exchange rates – Convertible currencies – Ability to finance export transaction – Conducive and stable shipping and transport environment – Export opportunities exist for selected sectors / industries, i.e. ample and stable international demand for selected products and / or services

<p>If SMEs increase their exports.</p>	
<p>Then</p> <ul style="list-style-type: none"> – Local production will be on a more sustainable footing – Both the producers and workers will improve their living conditions. – They will create and retain more or qualitatively better jobs 	
<p>Because:</p> <ul style="list-style-type: none"> – Production of goods and services complies with voluntary sustainability standards <p>Further research is needed to evidence and explicate the effects of WEHU's interventions on producers, SME owners and workers income and living conditions (i.e. better hygiene, housing, nutritional intake, health care, social security, etc.), as well as the creation of more and better jobs are created.</p>	

F. Country Case Study Selection

168. The country case studies were selected through 'purposeful sampling', which means selecting 'information-rich cases for in-depth study ... along pre-defined selection criteria'.⁷⁰ The selection criteria were:

- number of WEHU projects recently completed and ongoing;
- inclusion of projects from three different geographical regions;
- focus on SECO priority countries;
- representativeness of the country projects for WEHU's overall portfolio;
- the diversity in the country case study projects to capture all typical WEHU projects;
- the credibility of the country to serve as case study in the eyes of WEHU;
- the availability of relevant SECO staff in the field;
- include different case study countries than in the 2013 Aid-for-Trade Evaluation;
- the inclusion of the case study countries in the global initiatives.

169. The countries (per region) with most projects⁷¹ are:

- Africa: Tunisia (3), South-Africa (2)
- Asia: Vietnam (2); Indonesia (2)
- Latin-America: Colombia (4); Peru (3)
- East: Kyrgyzstan (3)

170. Considerations per geographical region:

- **Asia.** Indonesia and Vietnam are both covered by the global initiatives (SIPPO, GRI). The Vietnam portfolio is more mature and covers both a commodity and a framework condition project, whereas Indonesia has two commodity-focused projects. WEHU signaled that Indonesia has one big project, which could be considered a flagship project of WEHU: the Sustainable Cacao Production Project. However, this project is geographically dispersed making it more time-consuming to assess. WEHU has limited involvement in the other project: the UN National Commodities Platform. Moreover, the Head of Co-operation in Indonesia was leaving and the office is very busy with preparation of the World Bank summit in Bali that will take place early October. Based on these considerations, we selected Vietnam as country case study for Asia.
- **Latin-America.** WEHU deemed both Colombia and Peru appropriate. Both countries are covered by the global initiatives (SIPPO, GRI). The Peru portfolio is more mature. The portfolio in both countries cover extractives (gold), commodities, and framework conditions. The projects in both countries are representative for the WEHU portfolio. As such, both Colombia and Peru were possible case study countries. As WEHU's 2013 Independent Evaluation 'Aid for Trade' included Peru and Vietnam as field mission countries, we deemed it better not to include both countries again. As Vietnam is the logical choice in Asia, we selected Colombia as the country case study for Latin-America.
- **Africa:** Based on the interviews with WEHU staff, Tunisia and South-Africa are less opportune choices. WEHU is pursuing a new programmatic approach in South-Africa; any lessons learned from the completed projects are unlikely to be useful for the new projects. The projects in Tunisia have suffered from both the Spring revolution and terrorist attacks. WEHU expressed doubt about the ability to extract lessons from either country which will be valid and relevant for WEHU's other countries. Such doubts reduce the credibility of either country to serve as case study country.
- **East.** WEHU welcomed the inclusion a country under the Framework Credit for '*Transition aid and cooperation with Eastern Europe*'. Kyrgyzstan offers the most mature project portfolio: WEHU has a closed project on trade promotion of organic cotton, a multi-phased project in the textile sector (now part of the global G-TEX project), and a new project in (ski-)tourism. The trade promotion and textile sector projects were recently evaluated and therefore well-documented; the ski-tourism project has just started.

⁷⁰ Source: Patton, Michael Quin. 2002. Qualitative Research & Evaluation Methods. 3rd edition. Thousand Oaks: Sage Publications.

⁷¹ A project with multiple phases is considered one project (also if the current phase has become part of a global program).

171. Table 17 shows that the resultant country selection covers a variety of project types.

Table 17. Classification of projects in the selected case study countries

	Extractive commodities	Renewable commodities	Textile sector	Tourism	Framework conditions	Global initiatives
Colombia						SIPPO, GRI
Kyrgyzstan						
Vietnam						SIPPO, GRI

172. WEQA approved the case study selection during the inception phase.

G. Colombia

G.1. Introduction

1. This annex describes WEHU's work in Colombia and the context in which it operates. The data stem from a review of project documentation and country-specific external literature, as well as telephonic and field interviews with key informants. The following topics are covered:

- the political-economy and development cooperation context;
- four WEHU interventions, namely:
 1. Colombia + Competitiva
 2. Better Gold Initiative
 3. Export Network Cocoa
 4. Safe+

G.2. The political-economic context of WEHU's trade promotion interventions

2. **Peace.** In 2016, the Colombian Government and the Revolutionary Armed Forces of Colombia (FARC) signed a peace agreement which ended 50+ years of armed struggle. Colombia's key economic challenge is to integrate the conflict-affected rural areas into the formal economy (amongst others by creating income alternatives for coca farmers).

3. **OECD member.** On 30 May 2018, Colombia joined the OECD. *'As part of its accession process, Colombia has been subject to in-depth reviews by 23 OECD Committees and has introduced major reforms to align its legislation, policies and practices to OECD standards, including on labor issues, the reform of its justice system, corporate governance of state-owned enterprises, anti-bribery, trade as well as new national policies on industrial chemicals policy and waste management'*.⁷²

4. **An open economy with limited participation in global value-chains.** Colombia's total trade in goods, i.e. exports and imports, represented 27% of GDP in 2017. Colombia is member of the Pacific Alliance (a trade and integration pact with Chile, Peru and Mexico) and has numerous free trade agreements, including with Canada, the European Union, the European Free Trade Association, South-Korea and the United States (EIU, 2018).

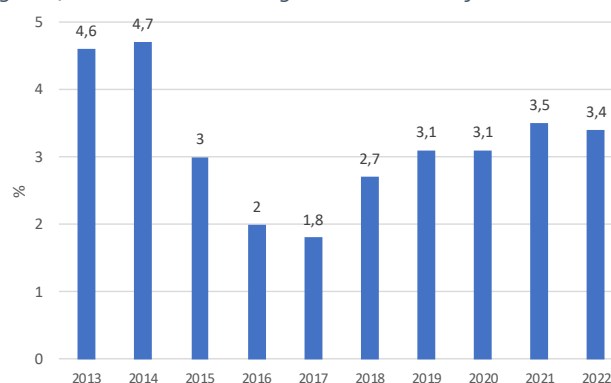
5. **Steady growth.** The Economist Intelligence Unit expects Colombia's economy to grow by 3.3% on average between 2019 and 2022 after a period of more sluggish growth *'related to adjustments to the end of the commodities supercycle'* (EIU, 2018) – see Figure 17 for an overview of Colombia's GDP growth since 2013. Average annual GDP growth between 2013-2017 was 3,2%.

6. **Economic and geographic concentration.** 60% of Colombia's economic growth stems from the extractive industries and over 50% originates in three provinces: Bogotá, Antioquia and Valle (SECO, 2016d). Petroleum and petroleum products

(32,5%, 2016) and coal (14,9%, 2016) make up almost half of Colombia exports (EIU, 2018). The third largest export product is coffee (7,8%, 2016). Other major exports crops are bananas and flowers.

7. **Inequality and informality.** Colombia is one of the most unequal countries in income distribution – both between people and regions – within the OECD and Latin-America. This is, amongst others, caused by high informality in the labor market and that the attainment of education is highly influenced by social background. More than 50% of

Figure 17. Colombia's real GDP growth (actual and forecast)



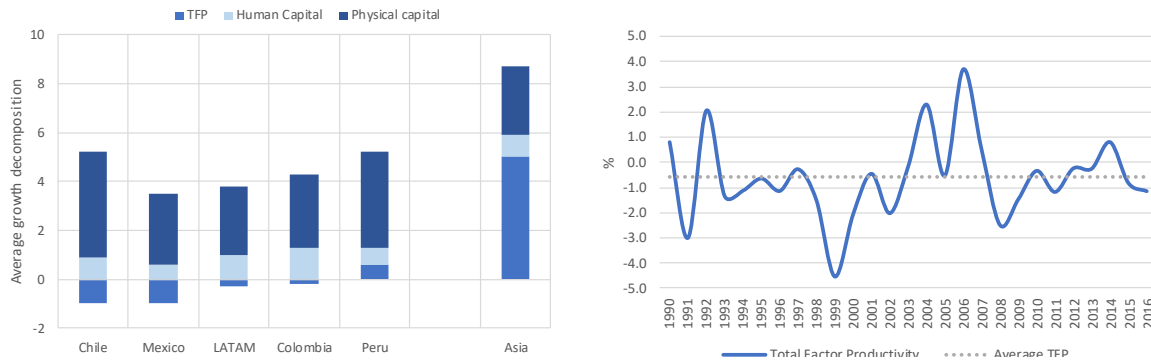
Source: (EIU 2018)

⁷² Source: <http://www.oecd.org/countries/colombia/oecd-countries-agree-to-invite-colombia-as-37th-member.htm> (accessed on 26 September 2018)

workers are self-employed of which 80% are not-registered. Moreover, over 50% of employees are informal, i.e. do not contribute to the pension system. (de la Maisonneuve, 2017)

8. Lack of productivity growth. Colombia's economic growth stems from increased labor mobilization and capital investments. Labor and total factor productivity growth have, on average, been zero over the last decade.

Figure 18. Colombia's Total Factor Productivity, 5-year average decomposition and growth



Source: (The Conference Board, 2018)

9. New government. In August 2018, Ivan Duque of the center-right Centro Democrático took office after having won the presidential elections. He took over from Juan Manuel Santos of the center-left Partido de la Unidad. The Economist Intelligence Unit expects the new government to *'follow orthodox economic policies and promote market friendly reforms ... [based on] an agenda ... around the principles of 'legality, entrepreneurship and fairness'. [The government] enjoys a majority in both houses of congress, which will ensure governability and the continuation of most policies of the outgoing administration, at least in the short term'*. This sentiment was shared amongst most key informants in Colombia, especially concerning entrepreneurship and productivity growth which the new government has repeatedly stressed to be policy priorities.

10. Productivity Development Policy. This is the (still prevalent) government policy to address Colombia's productivity challenge and improve its access to international markets. The Policy was drafted early 2015. It constituted a joint effort between the public sector (National Planning Department, the Ministries of Agriculture / Communications and Information Technology / Trade, Industry and Tourism) and the private sector (National Business Association and the Private Council for Competitiveness of the Chambers of Commerce). The Policy has a budget of 1,9 billion pesos (608 million CHF) and supports private sector economic growth by (i) addressing market and public sector failures through the provision of public goods; (ii) providing financial assistance to firms (in a non-discriminatory fashion, i.e. through calls-for-proposals); and (iii) pilot-testing new initiatives before scaling-up. The Policy takes a regional approach, defining priority sectors according to their regional competitive advantage. The Policy is implemented by the so-called Programa de Transformación Productiva (PTP) – see Textbox 5.

Textbox 5. Programa de Transformación Productiva (PTP)

PTP is a government entity under the Ministry of Trade, Industry and Tourism. Its goal is to promote the competitiveness of Colombian industries. It was created in 2008 under the umbrella of the National Competitiveness and Productivity Policy, the predecessor of the Productivity Development Policy. In these past 10 years, it spent a budget of 250,000 million pesos (CHF 72 million). PTP targets 18 sectors, including cocoa, coffee, cosmetics, pharmaceuticals and tourism. At present, there are 60 ongoing projects.

PTP supports the country's private sector through competitive calls for proposals through which companies can receive support to improve their productivity and competitiveness. The services offered by the PTP are technical assistance and financial support. The technical assistance is provided by partner institutions: consultancy firms, educational institutions or other government entities such as ProColombia (the national trade promotion agency).

12. **Firm Formalization Policy.** The new policy is expected to be adopted in November 2018. It will lay down a comprehensive approach, covering all sectors, to pulling informal business into the formal economy. The draft policy foresees a gradual, albeit time-bound, process for informal businesses to comply with all registration, fiscal, social, and labor regulations.

13. **Government coordination.** On the one hand, there appears a relatively well-functioning inter-ministerial coordination and cooperation with the private sector through the National Competitiveness Council, 32 Regional Commissions of Competitiveness and Innovation (with broad stakeholder representation) and a well-organized network of Chambers of Commerce. On the other hand, key informants from the government welcomed highly component 1 under the Colombia+Competitiva program which offers a platform and, especially, (monetary) resources for interdepartmental cooperation on Colombia's competitiveness challenges. This suggests that inter-ministerial coordination and cooperation is not (yet) ingrained in the system. The SCO also confirmed that the program gives the Colombian ministries a common project / platform and provides a '*model for cooperation*'.

14. **Swiss Economic Cooperation and Development.** The Colombia Country Strategy (SECO, 2017i) is closely aligned to the Swiss Message on International Cooperation 2017-2020. It seeks to '*promote inclusive and sustainable economic development that contribute to lasting peace*'. The Strategy recognizes the high rates of unemployment, informality, and inequality, the regional disparities and the high tariff- and non-tariff barriers faced by Colombian exporters (despite numerous free trade agreements). To foster productivity growth, competitiveness and market access for the non-extractive sectors, SECO will, amongst others, develop more sustainable non-traditional export-oriented value-chains such as cocoa, natural ingredients, gold and tourism; and strengthen the quality infrastructure and capacities of SMEs to comply with international (sustainability) standards. '*SECO's activities include sharing of Swiss knowledge and facilitation of technologies*' – which makes SECO's sector choice pertinent as cocoa, natural ingredients, gold and tourism are sectors where Switzerland's private sector is traditionally strong. The available budget is indicatively CHF 55 million for the four-year period 2017 – 2020.

15. **Donor coordination.** In late 2017, SCO and the World Bank initiated a Donor Coordination Group on Competitiveness and Private Sector Development. Participants, besides SECO and the World Bank (the chair), are Canada, the European Union, the UK Prosperity Fund, and USAID. The group has met three times since. The objective is to '*know what the others are doing*' and, as much as possible align the work programs. The Group builds on the previous cooperation between the Canada, European Union, the United States and SECO in the gold-mining sector.

16. SECO works closely with USAID in the gold sector (see section G.3.2). Moreover, SECO co-funds the IDB Colombia Sostenible Facility which seeks to strengthen competitiveness of rural economies in conflict-affected areas. This offers SECO an additional platform to participate in policy dialogue with the government and to exploit synergies between the Facility and Colombia+Competitiva (SECO, 2016d).

G.3. The four WEHU interventions under evaluation

17. This section briefly describes four WEHU interventions in Colombia. We provide – per program – the overall objective, budget, organization, main activities, recorded results, stakeholder perceptions, and evaluation outcomes.

G.3.1. Colombia+Competitiva

Description

18. **Objective, components and activities.** This is 'a flagship program from SECO'. It seeks (i) 'an improved policy dialogue between the central and subnational government levels ... to improve the business climate and foster competitiveness' (SECO, 2016d); and (ii) 'to contribute to an improved business environment and value-chain development in emerging subnational growth poles' (SECO, 2016d). It 'targets relatively well-advanced regions and intermediary cities with high economic potential and existing institutional structures' (SECO, 2016d). The program contains three components:

1. **Policy improvements.** This is meant to 'identify and address critical transversal competitiveness issues ... [and] improve the articulation and alignment of regulations among the three levels of government' (SECO, 2016d). In practice, it seeks to **foster interdepartmental cooperation** by enabling different government stakeholders to identify key policy challenges to Colombia's competitiveness and conduct diagnostic work on how to resolve these challenges. Examples such diagnostic work include:
 - the fourth **subnational Doing Business Report** (covering, for the first time, all 32 regional departments) to uncover the key challenges to entrepreneurship at the regional level.
 - the **OECD peer review of Colombia's productivity policy** to confirm its economic relevance, as well as identify gaps and challenges in its implementation.
 - **review of the National System of Competitiveness, Science, Technology and Innovation** to uncover and address coordination problems between government ministries and agencies.
 - **To collect, standardize and unify the firm registries** of the regional chambers of commerce and develop guidelines for a new economic census to facilitate the implementation of the Formalization Policy.
2. **Value-chain development.** 'The Regional Commissions of Competitiveness and Innovation have developed action plans for different value-chains and clusters' (SECO, 2016d). This second component selects through a competition promising value-chain projects in four sectors: cocoa, tourism, sustainable construction and natural ingredients/cosmetics. Selected projects receive (i) multi-year funding (roughly between CHF 250,000 and CHF 500,000) and (ii) technical assistance from Swiss thematic experts⁷³. The project proponents contribute 30% to 34% to the overall project costs. Project examples from the first competition include:
 - **Cocoa.** To strengthen the productive, managerial and trade management capacity of producer organizations and the national producer organizations association Red Cacaotera for the export of specialty cocoa. The project also aims to facilitate improved access to finance and implement a quality assurance system. Red Cacaotera was also project beneficiary of the Colombia Export Cocoa program – see Section G.3.3 in this case study. See Textbox 6 on page 70 for another project example.)
 - **Cosmetics.** To build institutional capacity and (pilot-test) a service portfolio for the Bogota Chamber of Commerce and a regional innovation center (Biointorpic) to assist SMEs in closing the competitiveness gap and access international markets.
 - **Tourism.** To set-up a Destination Management Organization to (i) develop and promote wildlife observation and ecotourism; (ii) improve stakeholders' appreciation of the tourism potential and foster coordination and cooperation in the sector; and (iii) develop local ecotourism business.

These first round of projects started implementation in February 2018. All projects have explicit targets for increased exports of the supported commodity upon project close (between 18 and 24 month). A second competition / call for proposals is currently underway.

⁷³ Swisscontact manages a so-called Swiss Expert Network. This network contains academics, consultants and industry experts (mostly from Switzerland, but also some international and regional specialists). These experts can be mobilized both to support promising initiatives in proposal writing as well as selected initiatives during implementation. Experts are selected based on the needs of the project proponents. The period of engagement varies and includes both field work (ca. 15 days) and telephonic / e-mail support (another ca. 15 days).

3. **Cross-fertilization, policy dialogue and communication.** This objective is to support cross-fertilization between components 1 and 2, as well as with the IDB Colombia Sostenible Fund (see next paragraph) and communicate the results and lessons learned from the program to stakeholders. The component is now also used for a study on how to address the too-high levels of cadmium in the cocoa beans in many regions of Colombia which hampers cocoa exports to the European Union: a joint workshop has been organized and the Ministry of Trade, Industry and Tourism will lead the development of a national action plan.

19. **Parallel project.** The credit proposal includes, besides the bilateral Colombia+Competitiva program, a SECO contribution to the IDB multi-donor trust fund Colombia Sostenible⁷⁴. This trust fund (SECO, 2016d) is part of an umbrella-fund *Colombia en Paz* from the United Nations, the World Bank Group, the European Union and the IDB. The purpose of the IDB-fund is to *'strengthen the competitiveness of rural economies with a focus on climate-friendly growth'*. Its objectives are to (i) support sustainable rural development; (ii) promote conservation and biodiversity; and (iii) mainstream climate change considerations. The fund offers: technical cooperation, investment grants, contingent grant operations and guarantee operations. SECO participates due to the Fund's focus on value-chain development, biodiversity protection and potential synergies with the Better Gold Initiative. The IDB-fund offers SECO the opportunity to address the need for regional diversification of economic growth in Colombia, whilst *'lowering the risk and difficulties implied by working in conflict-affected rural areas'*. At the time of the evaluation, Colombia Sostenible had not started operations: the selection of the different implementing entities had not been concluded.

20. **Based on lessons learned.** The program Colombia+Competitiva explicitly takes into account lessons learned by SECO (SECO, 2016d), including:

1. enhancing the investment climate and active location promotion should go together;
2. reforms should be combined with other investment climate dimensions, e.g. access to finance;
3. sector-specific business enabling environment should combine investment promotion and cluster policy.

Budget

01.09.2016 – 31.08.2020	WEHU	WEIF	Colombia	Total
Bilateral: Colombia+Competitiva	CHF 6.7 million	CHF 6.7 million	CHF 4.2 million	CHF 17.6 million
Multilateral: IDB Colombia Sostenible	USD 5 million			

Organization

21. The program is governed by a steering committee, managed by Swisscontact with close involvement of the Colombian government (Department of National Planning (DNP) and Ministry of Trade, Industry and Tourism (MinCit), Component 1; and iNNpuls, Component 2), and has – through technical committees – close involvement of relevant stakeholders in the evaluation, selection and monitoring of supported initiatives (see Figure 19).

22. Swisscontact notes *'the high transaction costs that working with such a complex governance setting represents [and recommends] at the end of the program an evaluation of the value-added of [this] scheme in terms of program impact'* (Swisscontact, 2018b).

23. The Swisscontact team consists of one program director (part-time), a program coordinator (FT), two sector coordinators (FT), one capacity building expert (FT), one M&E expert (FT), one assistant (FT) and 1

Figure 19 Colombia+Competitiva Organization



* iNNpuls manages the Competitive Fund and Swisscontact the funds for mobilizing the Swiss Expert Network
Source: (SECO 2016)

⁷⁴ Other donors include Norway (USD 100 million) and Sweden (USD 5 million).

communication expert (40%). **The core team thus comprises roughly 7 FTE.** The team also make use of a **core set of six national consultants** who bring in sector expertise and facilitate the dialogue between stakeholders under component 1.

Stakeholder perceptions

- The Department for National Planning and the Ministry of Trade, Industry and Tourism embrace the program: it is located *'right at the heart of the Productivity Development Policy'* and offers a systemic approach to productivity development. Component 1 provides *'a wonderful tool to link and align different actors around some key actions / transversal issues'* and **'facilitate collective action'**. Component 2 constitutes a more **integrated sectoral and export-oriented approach** to value-chain development than the Ministry of Trade, Industry and Tourism offers.
- SECO and SCO underscore the **demand-driven approach** of the program and close involvement of national stakeholders in (i) the competitive selection of supported initiatives; and (ii) the implementation of the initiatives with either government agencies (component 1) or sector organizations (component 2) in the lead. The program thus makes **use and seeks to strengthen the 'country systems'**; the international program implementer **Swisscontact is more 'a facilitator, than an implementer'**.
- Swisscontact and SCO note that the **technical assistance in the project preparation and bid submission phase** (by way of a Swiss/regional expert) enthused the regional stakeholders and brought them on board. It gave them the sense that they could qualify for the available funding.
- Swisscontact notes that the **Swiss Expert Network** forms a *'big contribution to the project'*. It fosters knowledge transfer from which *'the whole value-chain benefits'*.
- SCO acknowledged that the **current impact and outcome indicators** of the program are *'super high-level'* (e.g. GDP growth, increase in total factor productivity, number of newly created jobs, number of producers with higher level income, increase in trade volume per sector) and that they are working with Swisscontact to (i) formulate sector impact statements; and (ii) develop a program Theory of Change.
- Swisscontact stresses the need for component 2 projects *'to have greater transformational impact than business-as-usual iNNpalsa cluster and value-chain projects (early comparative assessment of project profiles is recommended'* (Swisscontact, 2018b).

Textbox 6. Project example: Improvement in the quality of specialty cocoa through adapted technology services

The *Corporación para Investigaciones Biológicas* (CIB), together with three universities, a cocoa producer and a producer association, seeks to increase the competitiveness of specialty cocoa from the regions Antioquia and Cesar through improved harvesting and post-harvest processing based on regional and scientific metabolomics profiles. *'It is the first-time harvest and post-harvest handling protocols in Colombia will be designed with such technical-scientific detail* (Swisscontact, 2018a)'

The project encompasses multiple activities:

1. a more precise design of harvest and post-harvest processes, including a chemical profile of the cocoa beans and preparation of a harvest and post-harvest protocol / checklist;
2. awareness raising amongst producers to understand the special characteristics of specialty cocoa;
3. developing the technical skills of producers to produce, harvest and handle specialty cocoa and use the diagnostics tools of CIB themselves;
4. preparing and implementing a commercialization strategy for the cocoa producers;
5. building capacity of the producer organization to execute commercial (export) deals;
6. validating and adjusting the production protocols based on export experience (i.e. feedback from buyers); and,
7. developing technical-scientific tools to help improve the quality of products.

The project aims for a 10% increase in both exported and domestically sold specialty cocoa after 24 months. CIB has been supported by a regional expert from the Swiss Expert Network in preparing the proposal, as well as all implementation activities. According to CIB, the external specialist will develop the market strategy for the participating cocoa producer and producer organization.

CIB is primarily funded through government and external grants. After program end, CIB intends to sell the service portfolio developed under the program on a fee-for-service basis. Prior to the program, CIB did not prepare a detailed business case, including an external / market analysis to assess whether there is a viable market for such services.

G.3.2. Better Gold Initiative for Artisanal and Small-Scale Mining, Phase 2

Description

24. **Objectives, components and activities.** The Better Gold Initiative for Artisanal and Small-Scale Mining (BGI), phase II, *'promotes the creation of value-chains for responsibly-sourced gold from artisanal and small-scale mines'*. The program runs in Bolivia, Colombia and Peru. The program pursues three outcomes (SECO, 2016a; 2018a):

1. **to expand the production of responsible-mined gold** in the Artisanal and Small-Scale Mining (ASM) sector by supporting mining operations:
 - in improving their technical, organizational, social and environmental performance⁷⁵; and,
 - certifying their gold production⁷⁶.
2. **to simplify the formalization framework** by providing technical support to the Ministry of Mines.⁷⁷
3. **to establish responsible value-chains** through collaboration with the Swiss Better Gold Association (SBGA) which links the supported mining operations with Swiss refiners, brands and investors.

25. To scale-up the production of certified gold, the program implements the following strategies (SECO, 2016a; Projekt Consult GmbH, 2018):

- a **step-wise approach to certification** which recognizes the *'big gap between conditions in the mines and the requirements/criteria of certification standards'*;
- **aggregation** by mobilizing already certified and larger operations and processing plants, as well as traders, to work collaboratively and/or to source and process responsible-mined gold from smaller-scale operations;
- a **more pro-active role in building business capacity and strengthening export readiness** of ASM operations to facilitate a more fluid introduction of ASM organizations to the Swiss Better Gold Association and international markets;
- **facilitate access to finance** through technical assistance and market linkages.

26. Finally, the program seeks to strengthen the institutional capacity and business case of the **Swiss Better Gold Association** to allow for an exclusively industry driven Better Gold Initiative in the future (SECO, 2016a). The Swiss Better Gold Association currently comprises a full-time Secretary. It is governed by a five-person Board of Trustees. (Projekt Consult GmbH, 2018)

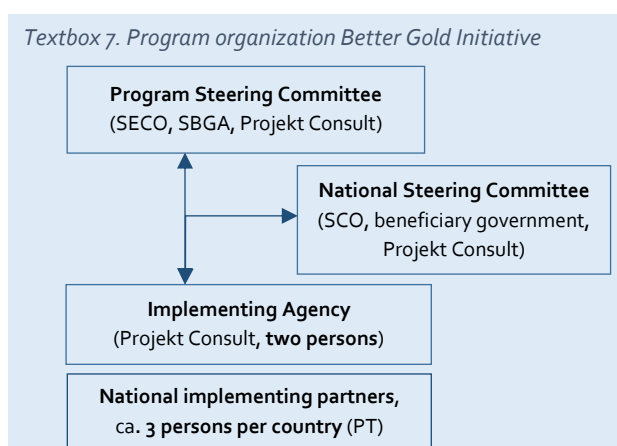
Budget

Period	Total	Bolivia	Colombia	Peru	Global
2017 - 2020	CHF 8 million	CHF 1.7 million	CHF 2,1 million	CHF 1,8 million	CHF 2,4 million

Organization

27. The program is implemented by a private-sector consortium, led by the German Projekt Consult GmbH and including a consultancy firm from Bolivia, Colombia and Peru each.

28. Oversight is provided by a Program Steering Committee, consisting of representatives from SECO, the Swiss Better Gold Association and Projekt Consult. In addition, there are national-level steering committees which include government representatives, SCO and Projekt Consult.



⁷⁵ The program works with national implementing partners – consultancy bureaus – which provide technical assistance to mining operations to adapt their business practices and operations to the certification standards.

⁷⁶ The program is agnostic as to the type of certification, i.e. the producers can choose their preferred certificate. In practice, the program supports Fairtrade, Fairmined and the Responsible Jewelry Council certifications (SECO, 2016a; 2018a).

⁷⁷ This is critical as the majority of ASM operations are informal and formalization is a pre-condition for certification.

Results from Phase 1 in Peru

29. A first phase of the program ran in Peru between 2013 and 2016 – this program achieved the following results (SECO, 2016a; 2017a; 2018a):

- a total of ca. 1500 kg of certified gold was exported to Switzerland during the whole period (including certified gold from mines not supported by BGI);
- 8 mining operations were supported, which employed 1500 miners. Total number of beneficiaries, including family members, was 7500;
- **35 additional mines were certified** with support from BGI;
- 2 mines benefited from **direct market access to the Swiss market**, better terms of trade, and the market premium for certified gold.

30. By July 2018, the BGI recorded the following exports from Peru:

- In the first half of 2018, **604 kg of certified gold exported** (from 4 mines), of which 509 kg (one mine) through the Swiss Better Gold Initiative supply chain (Projekt Consult GmbH 2018).
- In 2017, the BGI contributed to the export of more than 1000kg of responsibly sourced ASM gold to Switzerland.

Targets phase II

31. The second phase of the program seeks the **scaling-up of responsible-produced gold** through the program's supported value-chains. The program's overall objective is to **'transform [the ASM sector] into a legitimate, transparent and profitable industry in the Swiss gold value-chain'**. Key outcome targets are:

- 2500kg/year of gold from certified mines;
- 2500kg/year of gold from mines that comply with SBGA criteria.
- 40 certified ASM operations (Bolivia, 8; Colombia, 17; and Peru 15) and 45 pre-certified ASM operations (Bolivia, 9; Colombia, 18; and Peru 18).

32. In addition, the program seeks to impact and monitor (the targets of which are to be set by the implementing agency) (SECO, 2016a):

- number of jobs created in certified mines (or mines in the process of certification);
- number of artisanal and small-scale miners living above the poverty line;
- level of mercury and cyanide in the water, air and human body
- Diminution of violation of core labor standards

Relevance (SECO, 2016a; Projekt Consult GmbH, 2018)

- Whilst an estimated 10 – 20% of gold is produced in the ASM sector, it **employs 90% of the workforce**.
- In Colombia, 17% of the gold-mining takes place with a legal concession which implies that **83% of the mining activities are illegal**. The government has limited information on the sector as most gold-mining is done informally and in remote areas *'where there are no effective controls in place to monitor and regulate the activity'*.
- **The sector is problem-ridden**: social (child labor, criminality, health and safety issues) and environmental (mercury use, deforestation, water contamination).
- SECO underscores that the program has **high political relevance for Switzerland**. An estimated two-thirds of global gold production is refined in Switzerland. Consumers increasingly expect the dominant players in global value-chains to take the lead in ensuring fair and environmentally sustainable production. To that end, *'The Swiss Federal Council advised in 2013 to launch the Better Gold Initiative for the creation of a value-chain for the fair and sustainable extraction and trading of gold'*.
- The Colombian government has a **National Policy for the formalization of Mining** and a National Plan for Mining Development in place. Moreover, it strives for the total elimination of mercury from the mining sector by July 2019 (Law 1658).

Evaluation results

33. The 2015 Mid-term Evaluation of the Better Gold Initiative in Peru **praises the program's efficiency**. This is attributed to its '*small implementation team, lean implementation structure and relatively low expenditure*' as well as to the '*useful synergies with other projects financed by other donors*' (Baastel, 2015).

34. The report recommended **more involvement in the policy dialogue** at the national level. It also recommended more **integration of certified mines in the implementation** structure of the BGI to ensure transfer of knowledge from certified mines to smaller beneficiaries. (More elaborate findings of this evaluation are included in the program factsheet for the Evaluation Synthesis⁷⁸.)

Stakeholder perceptions

- SECO states in the completion note that the BGI '*has played an **important pioneering role** to establish first value-chains between Peruvian mines and consumer markets in Switzerland and Europe*'. Still, the number of formalized ASM operations in Peru '*was still very low*' (namely 115 operations. (SECO, 2017a).
- Projekt Consult notes that '*the **terms of trade for ASM in Colombia can be considerable improved by participating in the program***' (Projekt Consult GmbH, 2018) – see Textbox 8 for the economics behind certified gold.
- There is a sluggish uptake of voluntary sustainability standards in the ASM sector because **the certification and the annual audits are deemed expensive** and a heavy administrative burden (Projekt Consult GmbH, 2018).
- Until recently, there was not enough demand for certified gold from the international market, which made it difficult for certified mines to sell their gold at a premium. This situation has now reversed: **at present, there is more international demand for certified gold than supply**.
- **Value-chain.** BGI allows Colombian ASM operators to sell directly to international refiners (taking out the middlemen / traders). However, ASM operators are now also starting to work with commercial agents as new government regulations on the inspection of export commodities make the export procedures more cumbersome. Although some gold-refinery takes place in Colombia, it is difficult to move up the value-chain due to the dominant position of e.g. Switzerland in gold refining (achieved both through economies of scale and reputation for quality).
- **Exports.** The SBGA links ASM operations to (Swiss) refiners. It did so successfully for two mines in Colombia: one exports to the USA; the other was unable to open an international bank account. A key challenge for gold-mining operations in Colombia is to open an international bank account as Colombian banks are reluctant to engage in the gold sector given the involvement of criminal bands and terrorist groups in the sector.

Textbox 8. The economics behind certified gold.

An estimated 83% of gold production in Colombia is produced illegally, i.e. without legal title. Most of the ASM operations are also informal, i.e. are not registered businesses, pay no taxes and royalties, and do not contribute to social security and the pension system. Illegally and informally mined gold still reaches the international market through domestic and international traders. According to our key informants, ASM operations receive between 50% and 80% of the international spot price for their illegally and informally produced gold.

International certification of gold requires ASM operations to become a formal part of the economy, i.e. register, pay taxes and contribute to the social system. This is expensive. One estimate is that in Colombia formalization costs up to USD 44,000. Moreover, ASM operators have to adapt their mining and business practices to comply with the certification standards. This also requires investments and additional expenditures. The productivity of a mine and the terms of trade of certified gold determine whether it makes economic sense for ASM operators to formalize and certify their operations.

Certified gold producers receive ca. 97% of the international spot price for their certified gold, plus a premium. The latter depends on the certification. At present, the premium for Fairmined gold is USD 4000 per kilo and Fairtrade gold USD 2000 per kilo. The premium payment is tied to an investment and social development plan, i.e. is not freely disposable for ASM operators, but designed to be invested in production improvements and/or community projects. The pure economic incentive of certified gold for ASM operators is the higher market price it receives for certified gold, namely 97% of the international spot market price instead of 80% or lower.

⁷⁸ The Evaluation Synthesis concerns the systematic analysis of the evaluation and completion reports of 17 WEHU programs under evaluation. This Evaluation Synthesis forms an integral part of this Independent Evaluation of WEHU's competitiveness and market access domain. The factsheets will be included in the draft evaluation report.

- **Scale remains an issue.** At present, 80% of the certified gold under the BGI program stems from one mine in Peru. The biggest problem to scaling up in Colombia is the lack of formal mining operations. The USAID Oro Legal Program (see below) estimates that there are between 10.000 – 15.000 illegal mines in Colombia of which 10-15% is formalizable. Thus far, it has identified around 700 ASM operators which could be formalized. At the end of the five-year program, it aims to have formalized 165 mines by 2022. **Identifying candidates for formalization is difficult** because (i) the national formalization framework is complex and compliance difficult to achieve; (ii) a good number of mines operate in protected (forest) areas, where mining is forbidden by law; (iii) there are a great many mines which produce low quantities of gold (below 10 kg per month); (iv) little familiarity and low levels of trust in the formal economy; and (iv) prevalence of criminal and terrorist activities in the regions. **Scaling-up of certified gold production is not possible without government buy-in into easing and promoting formalization.** BGI detects limited interest from the government in small-scale mining. Moreover, in some post-conflict regions there is not effective government presence / control.
- The Ministry of Mines has a department dedicated to the formalization of ASM operations. It applies a two-step, gradual, albeit time-bound approach to the legalization and formalization of ASM operators. Multi-disciplinary teams from the Ministry work in the field to support ASM operators in the legalization and formalization of their operations. The Ministry wants Oro Legal and BGI to work with them / within the country systems on the formalization of ASM operators. The Ministry values that BGI connects ASM operators to international markets.
- As noted in Textbox 8, most of the gold production in Colombia is produced illegally and informally. According to the key informants, this gold still reaches the international market. This implies that the BGI does not create new value-chains per se, but rather **replaces existing informal value-chains in which the gold production can not be traced to the source by formal value-chains with responsible-produced gold.**

Other donor programs

- USAID currently runs a USD 20 million **Oro Legal program** in Colombia. The program promotes gold as an alternative and legal source of income for post-conflict regions in Colombia and seeks to ameliorate the environmental damage from illegal gold mining. It does so by supporting ASM operations to formalize their business and implement low-cost rehabilitation models (such a reforestation). The program also works with the government – and in close cooperation with BGI – on changing the formalization law.
- **The Oro Legal and BGI programs complement and strengthen each other.** They are complementary as they work at different points in the value-chain: Oro Legal supports operators in their formalization whereas BGI supports operators in certification and commercialization. They also strengthen each other: the lessons from BGI's work (certification requires formalization) provide an extra impetus for the formalization discussions at the policy level; Oro Legal efforts to formalize ASM operators provide BGI with formalized mines which it needs to reach its targets for certified-produced gold. The Oro Legal and BGI program teams realize their complementarity and work closely together.

Figure 20. Complementarity between SECO's BGI and USAID's Oro Legal



G.3.3. Promotion of the Production and Export of Fine or Flavor Cacao

Objective and activities

35. The program sought to increase the competitiveness of the cocoa sector in two regions in Colombia (Nariño and Santander) through (SECO, 2012a):

1. **production of fine or flavor cocoa at international standards.** The program:
 - promoted the uptake of Good Agricultural Practices (GAP) by capacitating so-called '*anchor producer organizations*' to provide classroom training and on-site advisory to producers;
 - trained and coached the producer organizations in post-harvest handling and quality control;
 - co-financed investments in infrastructure and equipment (up to 50% of total costs).
2. **strengthening producer organizations** capable of joining sustainable production certification schemes. The program:
 - trained and coached producer organizations in organizational development, administration, strategic and financial planning;
 - supported producer organizations in associative smallholder certification schemes and the implementation of quality assurance schemes;
 - trained participating producers on demonstration farms and co-finance on-farm investments up to 50% of total costs;
 - contributed to establishing direct business linkages between producer organizations and buyers
3. **sustained access to international markets.** The program:
 - trained the cocoa producers on export mechanisms, financing and risk management;
 - implemented a national fine or flavor cocoa contest;
 - conducted international promotion activities whereby the credit proposal foresaw collaboration with Proexport and SIPPO;
 - promoted a stakeholder platform to improve coordination between public and private stakeholders.

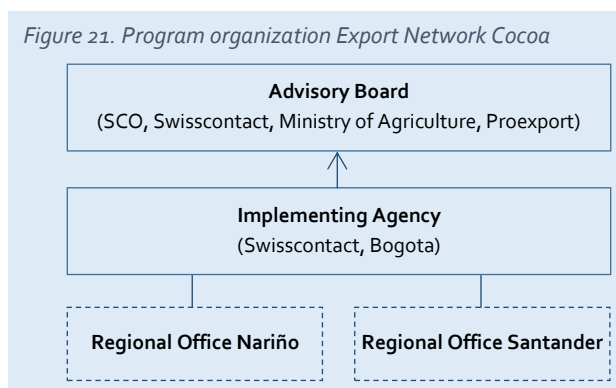
36. The program established the first national cocoa platform for producer organizations: Red Cacaotera. The question is **why the program set-up a new association** rather than work with and expand the existing association Fedecacao? This is addressed in (see Textbox 9 on page 78).

Budget

Period	Total	SECO	Local contribution
2012 - 2016	CHF 5,6 million	CHF 2,5 million	CHF 3,1 million
			Ministry of Agriculture
			CHF 990.960
			Producer Associations
			CHF 714.840
			Acción Social
			CHF 723.500
			USAID
			CHF 500.000
			Proexport ⁷⁹
			CHF 50.000

Organization

37. The program was '*supervised and guided by an advisory board*' and implemented by Swisscontact (SECO, 2012a). The project team was headed (part-time) by the Swisscontact Country Manager and implemented by a full-time project manager and full-time project assistant. In addition, Swisscontact set-up two regional offices run by local coordinators. The project was thus effectively implemented / coordinated by a **five-person core team**.



⁷⁹ Now called ProColombia.

Relevance

38. The credit proposal details the program's background (SECO, 2012a):

- Colombia possesses the agronomic and ecological conditions, as well as the genetic material to produce fine or flavor cocoa.
- The International Cocoa Organization recognizes Colombia as a fine or flavor cocoa producer.
- Fine or flavor cocoa receive premium prices on the global market and, according to the external evaluation or the program, are less susceptible to price fluctuations than bulk cocoa (Como Consult, 2015).
- Early this decade, the Government of Colombia identified cocoa as a key export product.

39. At the time of program design, the **Colombia cocoa sector failed however the know-how and organization** to produce fine or flavor cocoa (efficiently). Moreover, the cocoa sector was characterized by low productivity and poor post-harvest practices.

40. The program is particularly relevant to the country's priorities in the post-conflict setting, where the government has been looking for **crop substitutes for coca farms – cocoa offers an income alternative for smallholders**. This also had a demonstration effect for other sectors. (Como Consult, 2015)

41. **Leading companies from the Swiss premium chocolate industry** (Felchlin, Bernrain, Idilio and Ecom) formally expressed interest to source fine or flavor cocoa from Colombia at the outset of the program (SECO, 2012a).

Results

42. The project completion note captures the following outcomes (SECO, 2017d):

- Direct beneficiaries **increased their incomes with USD 589 per year** vis-à-vis the baseline (Above target: USD 500 per year)
- The **mark-up** for exported fine or flavour cocoa was 8% on average between 2014 and 2017 (Below target: 15%). In 2017, more favourable terms were realized because of better quality and market conditions.
- **479,3 tons were exported by producer organizations** directly supported by the project (below target: 600 tons/year). However, some well-known international buyers have committed through long-term buying contracts.
- **6 international chocolate companies** sourced fine or flavour cocoa from producer organizations supported by the program (Above target: 5). Four of these companies have established close relations with the producers and intend to continue doing business with them.
- 3 producer organizations **implemented traceability systems** (below target: 7).
- **2280 hectares were certified** with UTZ, Fairtrade and Organic (above target: 1200 hectares).
- 7 producer organizations had **organizational development plans** (on target).

43. The external evaluation notes that **a new value chain** for fine or flavour cocoa linked to international speciality markets has been established (Como Consult, 2015). The completion concludes that **'a commercial dynamic has been established that most likely will continue in the future'** (SECO, 2017d).

44. The **flow of expenditures has been lower than expected**, though mainly due to the late start of activities as well as a slower than expected development of the value chain and the weakness of the supported producer organizations (Como Consult, 2015).

Stakeholder observations

45. Fedecacao notes that **Colombia exports** 14.000 tons of cocoa beans per year and 12.000 tons of semi-processed and final cocoa products. It detects a growing number of SMEs processing cocoa in-country, but also notes the high-entry barriers in to the sector (due to the required investment in machinery). Some firms have failed in their effort to move up chocolate value-chain.

46. According to Fedecacao, cocoa producers continue to **need support to raise quality standards, access finance and export their produce**. They note that 99% of the producers produce on less than 3 hectares of land, i.e. are smallholders.

Synergies with other SECO programs

47. The completion note highlights **weak peer learning from previous SECO Cocoa projects**. Hardly any good practices were considered from the SCCP Indonesia Project (SECO, 2017d).

Donor coordination

48. Other development agencies active in the field are USAID and UNODC. **These agencies focused on traditional cocoa, whereas the SECO program targeted fine or flavor cocoa**. Most agencies working with cocoa focus their efforts on one section of the value chain, whereas the SECO program looked at all links of the value chain, which allowed it to step into a leadership role in creating support strategies for the sector. Lately (and partly as a result of this leadership), more agencies have shifted their focus to the improvement of quality, looking at the post-harvest treatment of the crop. (Como Consult, 2015)

Textbox 9. Red Cacaotera versus Fedecacao

Red Cacaotera

The program established the first national cocoa platform for producer organizations: Red Cacaotera. This association of producer organizations (i) provides its members market information and technical assistance; (ii) acts as market facilitator, aggregator and export intermediary, i.e. some producer organizations export their cocoa through Red Cacaotera; and (iii) implements donor-funded technical assistance projects. In the medium-term, Red Cacaotera strives to reduce its dependency on donor-funds and increase revenues from its role as export intermediary (for which it charges its producer organizations a 2,5 – 3% sales-fee). According to the completion note, *'Red Cacaotera represents its members' interest (in contrast with the current guild, which mainly represents medium-large companies)'* (SECO 2017).

Red Cacaotera's membership covers just over 100 producer organizations (of the roughly 300 producer organizations in Colombia). These 100 members represent about 30.000 producers, which produce circa one-third of the national cocoa production. The association has 23 staff: six at headquarters and 17 in the field.

Red Cacaotera receives continued support from SECO, on the same themes, under the Colombia+Competitiva Program and SIPPO. The Colombia+Competitiva Program seeks to:

- capacitate Red Cacaotera in training and coaching of producer organizations in improving their harvest and post-harvest processes, as well as trade management practices;
- build the commercial capacity of Red Cacaotera, including the provision of export promotion services, facilitating access to financial services by the producer organizations, and act as an aggregator and commercial intermediary / agent for the producer organizations.

SIPPO's support to Red Cacaotera, which is constrained by the limited operational funds available to SIPPO, is directed to establishing a more elaborate management information system which captures land, production and sales data from the producer organizations.

Fedecacao

Fedecacao represents 36000 cocoa producers. It (i) conducts research, (ii) provides technical assistance to its members; (iii) assists producers in selling and exporting their produce; and (iv) acts as an intermediary of producers in exporting their produce. The Federation has 26 offices throughout the country and employs 250 staff.

Fedecacao also manages the so-called Stabilization Fund: producers pay 3% of their cocoa price into this Fund; Fedecacao allocates this money (circa USD 2 million per year) proportionally to the 350 municipalities in the country for (i) technology transfer programs; (ii) research programs; and (iii) technical assistance for commercialization purposes.

Fedecacao will also be supported by SIPPO to strengthen its last mile support to cocoa producers; it signed an Memorandum of Understanding to this effect in May 2018. SIPPO will, amongst others, support the international trade fair Chocoshow in Bogota.

Observations

The service portfolio of Red Cacaotera and Fedecacao overlap. According to Red Cacaotera, the membership also overlaps by 70%. Fedecacao is an established organization with significant institutional capacity. Red Cacaotera is a new organization – it was created with SECO support. The COEXCA program did start out by working closely with Fedecacao and several of the early initiatives were identified and developed jointly. In 2013 however, *'profound changes in the structure and personnel happened'* in the Ministry of Agriculture and Fedecacao, whereby *'both institutions did not prioritize the development of special cacao [anymore]'*. Moreover, Fedecacao is dominated by two large cocoa companies which are not interested in special cocoa, nor in strengthening the producer organizations. Notwithstanding this divergence, Fedecacao remained part of the business network around the program and invited to all program events.

G.3.4. Safe+

Background

50. At the program outset, Colombia was member of the WTO and the Andean Community Customs Union and had ratified 10 free trade agreements.⁸⁰ 'A key limiting factor' to taking advantage of these free trade agreements remained **'the lack of a recognized quality infrastructure and conformity assessment services'**, including a lack of internationally accredited laboratories and weak (phyto-)sanitary systems (SECO, 2012b). This makes it difficult for Colombian firms to evidence the quality of their products and their products' conformity with health and safety requirements of the export markets.

Objective

51. The program ran from July 2014 until June 2018. It sought 'to foster Colombia's integration into the regional and multilateral trading system by enhancing its trade capacities and performance' through: (i) **strengthening the national quality infrastructure**, and (ii) **improving the cosmetic sector's capacity** to comply with international and private quality and sustainability standards. The program sought three outcomes:

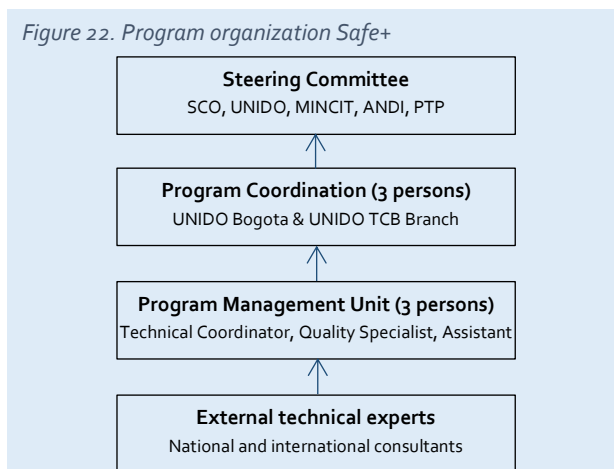
1. **At the national level: strengthening the technical capacity** – through needs assessments, training, certification, and preparation of guidance material – of/for the National Metrology Institute, the National Accreditation Board, and the Superintendence for Industry and Commerce to serve the cosmetics sector.
2. **At the meso level: strengthening public and private laboratories / institutions** to provide internationally recognized conformity assessment, inspection services and certification to the cosmetic sector through internationally recognized training (curricula) and accreditation or certification. The program sought, at least, the accreditation of three conformity assessment service providers through the National Accreditation Board, and the certification of at least one laboratory in Good Laboratory Practices.
3. **At the company level: encourage key players along the cosmetics' value chain** (e.g. growers, producers, exporters) to adopt international quality and sustainability standards through, amongst others, (i) trade and market competitiveness analysis of the cosmetic sector and key natural ingredients products; (ii) technical support to key value chain members on standards, compliance, technical regulations, best practices, production, handling techniques; and (iii) enhance Colombia's agency for export promotion, ProColombia, know-how and service provision on the importance of compliance with market requirements and international standards; and (iv) identify a number of natural ingredients based on BioTrade principles.

Budget

Period	Total	SECO	Local contribution
7.2014 – 12.2018	USD 2,7 million	USD 2,1 million	USD 0,6 million

Organization

52. The program was overseen by a Steering Committee comprising SECO, UNIDO, the Ministry of Trade, Industry and Tourism, the National Business Association of Colombia (ANDI) and the Programa de Transformación Productiva (PTP). Overall program coordination was with the UNIDO Representative in Colombia (supported by a project assistant), whereas the management of the technical program components rested with an UNIDO Trade Capacity Building (TCB) Branch Project Manager (based in Vienna). In addition, a Project Management Unit was established at the Ministry of Trade, Industry and Tourism comprising a National Project Coordinator, a



⁸⁰ The Free Trade Agreements are with Canada, Chili, Costa Rica, the European Free Trade Association, the European Union, Mexico, Northern Triangle (El Salvador, Guatemala and Honduras), the Pacific Alliance (Chili, Peru and Mexico), South-Korea, and the United States. (Organization of American States n.d.)

Project Assistant and a Communication Specialist. Furthermore, technical inputs were provided through long and short term national and international experts. (SECO, 2012b)

Results

- **The program advised 15 laboratories on Good Laboratory Practices or relevant ISO standards** (UNIDO). The program expects two laboratories to attain the Good Laboratory Practices and two further laboratories to become ISO certified in the autumn of this year (i.e. 2018).
- **25 enterprises have been supported in certification** (ISO 22716 Good Manufacturing Practices (GMP) for cosmetics, GAP, GMP for food), as well as with the development of technical product data sheets, safety and efficacy studies, labelling, and reaching the technical requirements to access different markets (USA, EU, Asia, etc.). (UNIDO n.d.)
- **78 public servants from the National Accreditation Board have been trained** on improving the efficiency, quality and variety of services offered. The program also provided support (together with Ernst & Young) for an organizational restructuring of the Board in terms of its strategic planning, information technology and project management. The Board has decreased its average contract drafting time in 78%. (Hansen & Anzola, 2018)
- The **National Metrology Institute** now has the country's first viscosity laboratory, a direct donation of Safe+ and complemented by Safe+ sponsored peer support for the implementation and training required to put it to use. (Hansen & Anzola, 2018)
- The program's **final impact** is expected to be seen in the doing business indicators of the country and visible only in the coming 5-year cycle. (Hansen & Anzola, 2018)

Final Evaluation 2018

53. The evaluation report (Hansen & Anzola, 2018) rated **the program as 'excellent'**, explaining that it met its objectives, did so within the stipulated budget and was well-designed from the onset. It also highlights **the leadership strength of UNIDO's country office**, with a highly qualified team that was very good at both the implementation as well as at motivating the various stakeholders involved in the program.

54. The evaluation report concludes that there is still some **lack of trust of the beneficiaries in the national quality infrastructure**. Some companies still prefer receiving their quality certification in institutions outside of Colombia and more networking and information sharing events among the two is still recommended.

55. Finally, the report concludes that the program could have benefited from a **better designed sustainability and exit strategy**, not due to a lack of vision going forward but more to communicate the long-term vision to the stakeholders. (More elaborate findings of this evaluation are included in the program factsheet for the Evaluation Synthesis⁸¹.)

Stakeholder observations

- With a **local contribution of CHF 600,000**, the Colombian government displayed strong ownership of the program.
- **The support to SMEs was demand-driven** as (i) SMEs were selected through a call-for-proposals; and (ii) technical assistance was provided in-kind – financial investments required for certification had to be borne by the SMEs themselves. The participating SMEs and laboratories displayed a high degree of ownership (see Textbox 11). Moreover, the supported SMEs were relatively mature firms which already complied with most market requirements.
- **Work with the national-level institutions proved cumbersome due to understaffing and lack of incentives** to improve the quality and scope of services to laboratories and SMEs. The Ministry of Trade, Industry and Tourism nonetheless stated that *'a lot has been done ... [and] the capacity of these institutions has been strengthened'*. The national-level institutions are 100% publicly funded.

⁸¹ The Evaluation Synthesis concerns the systematic analysis of the evaluation and completion reports of 17 WEHU programs under evaluation. This Evaluation Synthesis forms an integral part of this Independent Evaluation of WEHU's competitiveness and market access domain. The factsheets will be included in the draft evaluation report.

- **The Ministry of Trade, Industry and Tourism is positive on the program** for multiple reasons: (i) the cosmetics and natural ingredients sector is a priority sector for the government; (ii) the EU market is the most difficult to enter for Colombian SMEs; (iii) SMEs require technical assistance to be able to meet EU market requirements; and (iv) Colombia lacks the quality infrastructure, both at the national and meso level, to adequately support SMEs.
- **The program does not encompass direct value-chain development, but rather builds the enabling environment / framework conditions for value-chains:** it offers technical assistance to SMEs, laboratories and national quality institutions to meet international product/service standards which forms a precondition for SMEs to be able to prove market conformity of their products and access international markets. In other words, the program facilitates value-chains.
- **The program offers an integrated and needs-oriented approach** to upgrading the national quality infrastructure as it responds to market requirements (as expressed by SMEs and laboratories) and tackles all three levels of the national quality infrastructure system in parallel (i.e. SMEs, laboratories and national measurement, accreditation and inspection institutions). This was a new approach for UNIDO and, due to its success in Safe+, is also applied in a global follow-up program (see Textbox 10)

Synergies with other SECO programs

56. The Credit Proposal foresaw close coordination with other SECO programs *'to ensure complementarities and synergies. SIPPO for instance will organize a buyers' mission in Colombia in the field of natural ingredients together with ProExport, which could pave the way for specific follow-up activities at the supply-chain level'* (SECO, 2012b).

Textbox 10. Follow-up Program: the Global Quality and Standards Program

Based on the positive experiences with the Safe+ program, SECO and UNIDO have now embarked on a follow-up program covering 12 countries: Colombia, Egypt, Georgia, Ghana, Indonesia, Kyrgyzstan, Peru, South-Africa, Tajikistan, Tunisia, Ukraine, and Vietnam. **The program – like Safe+ – seeks to 'strengthen the quality and standards compliance capacity in SECO's partner countries to facilitate market access for SMEs'** through:

16. Strengthening the technical competence and sustainability of **the National Quality Infrastructure System** (through gap analysis, capacity building, use of best practices, skills development and implementation of management systems).
17. **Enhance SME compliance** with international standards and technical regulations (through training, capacity building, certification, and strengthening cluster networks).
18. **Awareness-raising** on the importance of quality (through advocacy, knowledge dissemination and policy advice).

The program's budget is CHF 17,35 million for the period November 2017 until October 2022. The country allocation for **Colombia is CHF 2,2 million (which is similar in magnitude as the SAFE+ budget)** and Kyrgyzstan CHF 1 million. The program is implemented by UNIDO. Linkages with SIPPO will be *'actively promoted'* during program implementation.

Source: (SECO 2017)

Textbox 11. A display of ownership

Example 1: Delivery Technologies Laboratory

Delivery Technologies Laboratory in Medellin provides laboratory services for firms in the cosmetics, food, pharmaceutical, and agro-business industry. It offers, amongst others, testing services to demonstrate products' conformity with health and safety requirements, and analytical services to confirm products' compositions. In 2016, it responded to the program's call for proposals with the request for support to obtain the OECD Good Laboratory Practices (GLP) certificate. Under Safe+, it received training and guidance from international experts, as well as coaching from UNIDO, on how to change the internal management and laboratory practices to conform with the GLP standards. Delivery Technologies Laboratory expects to attain the GLP certificate in the autumn of 2018. **This will help them 'to gain international recognition as a certified laboratory' which will allow them to 'support national and international companies who wish to export'** in evidencing their products' conformity with export market requirements and standards. It offers the laboratory *'the opportunity to support Colombia's development and expand internationally'*. **The laboratory invested an estimated USD 500,000 of own funds to prepare for the GLP certification.** The laboratory did not undertake a market analysis beforehand or think through the time it will take to earn back the investments.

Example 2: Neroli Cosmetics

Neroli is a cosmetics firm in Medellin which produces fragrances and soaps. They mostly produce for other brands, but also have one fragrance which they sell in Colombia under their own brand name. They are in the process of developing two other products (under their own brand and **based on natural ingredients**) for the US market **which offers a much larger market** than Colombia. **They were looking for external support to become compliant with US market requirements when they came across the program's call for proposals in 2016.** (In their own words: *'we would have proceeded without safe+, but in a disorganized way'*.) They submitted a proposal to attain ISO 22716 certification – a requirement for accessing the US market. The program offered Neroli a Colombian expert who conducted a gap-analysis with the company and subsequently guided / coached them (based on an action plan) through the required *'organizational transformation'*: the ISO certification necessitated Neroli *'to change a lot'* including separating production lines (which also required new investments in machinery), separating production and storage facilities, and upgrading of product documentation (processes). The Colombian expert visited the company roughly once per month and provided telephonic support. **Neroli qualified the Safe+ support as very good and consistent. Neroli – a family-business – invested circa USD 150,000 in the organizational transformation and certification.** They have passed the audit and were awaiting formal certification at the time of this evaluation. Neroli had done market analysis prior to the support from Safe+. They had hired consultants in the US to advise them on product development and they attended trade fairs. **Safe+ did not provide export promotion support, nor have linkages been established with SIPPO.** Through continued participation in trade fairs, Neroli has established contacts with US retailers.

H. Kyrgyzstan

H.1. Introduction

1. This annex describes WEHU's work in Kyrgyzstan and the context in which it operates. The data stem from a review of project documentation and country-specific external literature, and telephonic interviews with selected stakeholders. The following topics are covered:

- the political-economic and development cooperation context of WEHU's trade promotion interventions;
- two WEHU interventions, namely the:
 1. Organic Cotton Production and Trade Promotion Project;
 2. GTEX Global Textile & Clothing Program in Kyrgyzstan;

H.2. The political-economic and development cooperation

2. **Kyrgyzstan is a land-locked, lower middle-income country** with a population of 6.2 million. The country has experienced instability since 1991, and nepotism and corruption have been some of the factors contributing to this (World Bank, 2018)

3. **Vulnerable to economic shocks.** There are two important contributors to GDP: one gold mine (10 percent of GDP) and workers remittances (27 percent). (World Bank, 2018) Changes in the revenue from these two sources have important effects on the current account as well as on government revenue.

4. **Small domestic market dominated by SMEs.** Given its small domestic market, it is important that companies are able to compete internationally. However, outside the extractive sector, the country has mainly small companies, which often operate in the informal sector, and very few mid-sized companies.

5. **Challenges in the business enabling environment.** Despite all reforms, the Kyrgyz Republic ranks 70th out of 190 countries in terms of ease of doing business, according to the World Bank Doing Business 2019 report. *"Efforts to boost investment are hindered by low state capacity, political volatility and concerns over foreign ownership of economic assets"* (EBRD, 2017).

6. **Limited potential of the domestic private sector.** As indicated in the Development Program of the Kyrgyz Republic 2018-2022, *"The potential of the private sector is still generally limited by low levels of labor productivity, lack of qualified human capital, limited access to capital and energy resources, and regulatory barriers. The fragmented nature of agriculture, processing and production and the shortage of transport and logistics networks do not allow most producers to compete in emerging regional markets even in industries with low added value."*

7. **A government priority.** The government is aware of above challenges. In its Development Program, one of the pillars is the development of small and medium business, for which there is a state program drafted, with the following initiatives:

- Business incubators in cities;
- Business service centers with a 'single window' approach with a coordinated entrepreneurship support policy;
- Training programs to give SMEs quality management skill
- A unified information web portal for SMEs.

8. The Foreign Economic Policy chapter of the Development Program also outlines the creation of a Project Preparation Fund to help SMEs prepare business plans and assist them in gaining access to international markets. The Development Programs aims for SMEs to be at least 50% of the GDP structure by 2023. The development program also pays attention to the enabling environment and the development of human capital. In addition, there is a specific focus on a number of selected sectors.

9. **Swiss Economic Cooperation and Development.** The Central Asia Co-operation Strategy 2017-2021, which also covers Kyrgyzstan, is closely aligned to the Message on International Cooperation 2017-2020. It seeks to support *'sustainable development'* through, amongst others, support to *'the private sector – including competitive micro, small and medium-sized enterprises (MSMEs) – and its diversification, to create decent jobs, inclusive and sustainable economic growth and ultimately contribute to reducing poverty'*. *'Hands-on assistance to MSMEs, entrepreneurs and producers will*

be provided. Innovation and knowhow transfers to companies for the production of high-quality goods/services will be facilitated. Good corporate governance practices in MSMEs, vocal business and producer associations and institutional development of local trade and consulting service providers will also be promoted.' The budget for Kyrgyzstan in the area of employment and economic development is CHF 22.1 million for four years. (SDC and SECO, 2017).

10. In Kyrgyzstan both SECO and SDC are active. The Swiss Embassy in Kyrgyzstan helps to ensure a holistic approach and close coordination. In practice, there is an informal division of labor, with SECO focusing on the national policy level and SDC focusing on grass-root level, working in regions and rural areas with a focus on poverty reduction.

11. **Donor coordination.** Several donors and development agencies are active in private sector development, including, among others the EBRD, the EU, ADB, DfID and USAID. Donor coordination is good: there is a Donor Coordination Council, with various working groups, including one on private sector development. This group meets at least every quarter to discuss pipelines and progress on projects as well as priorities for Government and donors in private sector development and better alignment with these priorities by donors.

12. **Domestic consultancy sector.** Business development and export promotion services can also be provided by local consultants. Based on the limited number of interviews, it seems that the domestic consultancy sector is growing in terms of numbers and quality, but tends to provide more general management services, not specific to the sector or related to export promotion.

H.3. Two WEHU interventions under evaluation

14. This section briefly describes two WEHU interventions in Kyrgyzstan. We provide – per program – the overall objective, budget, organization, main activities, recorded results, stakeholder perceptions, and evaluation results.

H.3.1. Organic Cotton Production and Trade Promotion Project

Description

15. The Organic Cotton Production and Trade Promotion Project is a project that ran from 2003 to 2016 and consisted of three phases. In the first phase (2003-2006) the focus was on the development of the production and commodity chain of organic cotton and its by-products in both the domestic and international markets. In the second phase (2007-2011), two local organizations were set up: a producer organization (first called Biofarmer, later renamed as Agricultural Commodity and Service Cooperative (ASCS)) and a service provider (the Bio Service Public Foundation) and they gradually became closer involved in project implementation. The third phase (2013-2016) focused on consolidation and hand over phase, thereby achieving sustainability of the project results.

16. Similar projects were implemented in Mali and Burkina Faso and the projects are grouped together under the title Sustainable Organic and Fair Trade Cotton Value Chains. While there has been some knowledge exchange between the countries, the projects have been implemented largely independently from each other, also reflecting country-specific contexts. They have separate budgets and logframes.

Objective

17. The objective of the second phase was *“to support and facilitate the trade of a sizable volume of certified organic and fair trade cotton and other organic products for the international and domestic markets through the establishment of a sustainable local structure which actively promotes the value chain of organic cotton”* In the third phase, the specific objective was to *“to ensure economic and institutional sustainability of the producer organizations managing the organic and fairtrade value chains in Kyrgyzstan.”* ((SECO - Operations Committee, 2012)) The specific result to be achieved in the third phase was that the producer organization ACSC and the service provider BioService, which were set up in the first phases of the project, would operate sustainable businesses in an organic market system, populated by an increasing number of actors from the private and public sector and embedded in an conducive environment.

Budget

18. In the first phase, the project was only funded by SECO. Since 2008, development organization ICCO became a co-funder. The total budget in phase 2 was CHF 2.3 million of which SECO contributed CHF 1.85 million. The total budget for the final phase was CHF 1.46 million.

Program management and partner organizations

19. The overall project is managed by the Helvetas country office. A Steering Committee in Kyrgyzstan, involving the main stakeholders including representatives of the Swiss Co-operation Office, guided the work. The Organic & Fairtrade Competence Centre (OFTCC) of Helvetas provided knowledge, mobilized experts, and ensured knowledge sharing between the different countries involved.

20. Whereas in the first phases, Helvetas worked directly with farmers, over time, the producer organization ACSC set up during the project, was closely involved in the implementation. ACSC has an executive board consisting of a director, a marketing specialist and a technical specialist.

Activities

21. In the first phase of the project, the focus was on raising awareness with farmers, training them and supporting the process of certification. In the second phase, the focus was on capacity building. In the third phase, the activities were as follows ((SECO - Operations Committee, 2012))

- diversify and intensify production systems (e.g. support to improved production planning and realization, promotion of processing of rotation crops, improve quality management systems);
- enhance competitiveness and business strategies (e.g. through facilitation of partnerships, finding ways to reduce financial risks);

- improve marketing and market development (e.g. through market research, support to market development strategy, and support to developing/strengthening commercial partnerships);
- strengthen management capacities of producer organizations (e.g. through institutional strengthening and capacity building, coaching);
- work towards a conducive environment and sector development (e.g. through support in lobbying, raising public awareness, co-operation with donors).

Results

- **Increase in organic farming and exports.** Between 2003 and 2016, the number of certified farmers increased from 38 to 1408, and the land for cultivation of certified cotton grew from 40 in 2004 to 736 hectares in 2016. the volume of sold and exported production increased from 24 t of cotton fiber to 359 t in 2015. (Lüthi & Kägi , 2016)
- **Increase in income.** The project generates additional income through the price premium received on organic cotton. In addition, cost savings from not using fertilizer, insecticide and weedicide are realized. These two factors have raised the annual income for a farmer on average by CHF 295. (Lüthi & Kägi , 2016)
- **Positive environmental effects,** not only as a result of the change to organic but also as a result of increased attention for rotational crops. This creates positive impacts on soil fertility. In quantitative terms it *“reduced 1’747’900 kg of CO₂ emission - saved 2.9 million m³ of water and increased water efficiency in cotton fields and for rotational crops - saved energy equivalents of 5’456.4 Megawatts - 772.6 tons of chemical fertilizers and 5’951 kg of pesticide – Genetically Modified Organisms (GMOs) are not applied.”* (Lüthi & Kägi , 2016)
- **Cost coverage.** Both ACSC and BioService operated on a cost-covering basis at the time the project finished. However, their financial performance is still vulnerable (see also below under the section heading sustainability). (Lüthi & Kägi , 2016)
- **Observations on social impact:** By age statistics and education, most of organic farmers are farmers of middle age having secondary special education. 80 percent is men, but almost all farms also employ women (on average 20 percent). This picture did not change over the project period. (Public Fund Bio Service, 2015)

Lessons learnt – Results from capitalization of the bio cotton value chain project, 2003 – 2016, (Lüthi & Kägi , 2016)

22. *“The **long-term commitment of donors and private sector** [especially the large Swiss buyer], combined with adaptive management, allowed to build a solid business case that sustained major economic and political crisis.”*

23. *“Two risks were inadequately prioritized or mitigated: a) **stable access to working capital** to build stable trade relations between BioFarmer [later ACSC] and cotton producers; and b) the importance of marketing of **rotation crops as a business strategy** to reach economic sustainability at cooperative level.”*

24. *“Positive association and benefits **do not prevent organic farmers from being disloyal towards the cooperative** when economic parameters do no longer meet their expectations or needs. The cooperative had to go through a difficult learning process in understand farmer’s behavior pattern and coping strategies when selling the cotton harvest. Loyalty of farmers has improved over time by more reliable service packages such as providing seed on advance, purchase through „cash and carry“, advisory and marketing services for cotton and rotational crops along with other advantages of organic production.*

25. *“The strong orientation and focus on cotton trade has orphaned rotational crops and related marketing activities at the early stage of the project, and until the early stages of phase III. Rotational crops are grown on almost 75% of the certified organic land and represent a huge potential for economic growth, provided the cooperative gets a stake in either trade or processing of these alternative crop outputs. In contrast to cotton, **for the rotational crops no reliable and committed international buyer was identified**, while this could help strengthen the economic viability of the association.”*

26. *“The initial project driven approach was unfavorable to develop an entrepreneurial spirit in the early stage of the project. **The introduction and ownership of the business plan** has significantly contributed in building entrepreneurial leadership.”*

27. *“A key challenge was to build a cooperative management with sufficient entrepreneurial spirit and skills to mobilize and manage over 1300 small farmers according to international production and trade standards. **An adaptive***

management approach, backed by a pool of internal and external resource persons / experts, have helped to react and overcome several crisis situations."

28. "Mainstreaming of organic agriculture has not yet taken place although the number of organic cotton farmers increased by a factor 37 significantly. Other donors have started to invest in the organic sector and new project initiatives to promote organic are ongoing. **Only 1.6 % of produced cotton fiber are organically produced.**"

29. "Organic cotton is not the most suitable messenger crop to promote and advocate for organic production at national level. Selected organic rotational crops like **fruits, vegetables or dairy products are more appealing messengers** to promote organic agriculture products at a local consumer base."

30. "Conducting a policy dialogue at national level on sustainable production and trade is a necessity in countries in transition. However, sustainability is rarely on high priority of national governments and policy makers. **Launching a policy dialogue is therefore time consuming and should start early on in a change process.** The project started relatively late (phase III) to systematically promote and advocate experiences, results and lessons from the organic cotton project at national level."

Sustainability

31. The **program's sustainability looks positive** at the closure of the project. The producer organization is able to operate independently, both from an organizational and financial perspective. Nevertheless, there are some elements that could put this achievement at risk in the future. First, there is a **strong dependency on one buyer** from Switzerland (relation established already in first phase). Although there are no signs that this will change in the near future, it does make the sector vulnerable. Secondly, the **working capital challenge** remains. Thirdly, **farmers are sensitive to prices**, and if prices of other crops become more attractive relative to organic cotton, it will decrease the interest in cotton at a farmer level, which may make it difficult to further expand the network of producers. This also poses an economic risk to ACSC. Also the **loss of technical and managerial backstopping** provided by the project is a risk with respect to the sustainability.

32. In terms of the **framework conditions** for organic, also more is needed. In the country, there is limited demand – there is no price premium for organic products. Also the government is not actively promoting this. The Federation on Organic Movement (FOD) "Bio KG" established in 2012 unites organic farmers and other agricultural producers interested in co-operation and development of organic agriculture in the whole country. In the last phase of the project, they also supported this organization. Their aim is to promote organic farming principles as basis of forming sustainable agrarian policy of country. There are ongoing projects of other donors to support this organization, but it is still very small and there are issues with respect to the willingness to pay of potential members.

H.3.2. GTEX Global Textile & Clothing Program in Kyrgyzstan

Description

34. SECO has supported trade promotion projects in the textile and clothing (T&C) sector in Kyrgyzstan since 2009, which have been implemented by ITC. The first phase ran from 2009 to 2012, and the second phase ran from 2013 to 2016. The second phase focused on upscaling (to increase impact) and putting greater focus on the development of Trade Support Institutions (TSIs) to improve sustainability (SECO, 2012). This involves various types of TSIs: consulting companies and individual consultants, trade intermediaries, sectoral associations and universities. The follow-up of the second project is implemented under the umbrella of the Global Textile & Clothing Program (G-TEX), which has a specific program in Kyrgyzstan (as well as in four other countries, including Tajikistan). This project runs from 2018 to 2021. It focuses on enhancing capacities at company level, promoting a conducive policy environment and strengthening trade support institutions. ((SECO, 2017j)

Objective

35. The GTEX program aims to foster employment and international competitiveness along the T&C value chain. The stated **outcomes** are (SECO, 2017j):

1. Improved business environment and strengthened performance of trade support institutions.
2. Improved competitiveness of SMEs in the T&C sector. It includes capacities development of enterprises to comply with market requirements, facilitating market linkages and creating more business into diversified markets.

36. The objectives are not fundamentally different from the previous T&C project in Kyrgyzstan.

37. The credit proposal included the following **impact indicators**: (i) Number of jobs in T&C sector created and/or retained; (ii) Increase in export value at T&C sector level; (iii) Average and percentage change of salary level of workers in the T&C sector; and (iv) Increase in the number and percentage of (women/youth-led) entrepreneurs and young workers benefitting from increased trade.

38. The support at meso-level (strengthening BSOs, but also skills development through co-operation with academia and vocational training institutes) plays an important role in ensuring sustainability of the project. The credit note mentions that "*in case sector associations are very weak, the project will support complementary TSIs at sector level in combination with a more general TSI*". Attention to the macro-level will also contribute to increased sustainability.

Budget

39. The overall program budget is CHF 11.4 million for the global program, of which SECO's contribution is CHF 9.8 million. For Kyrgyzstan, SECO's contribution is CHF 1.5 million (SECO, 2017j)

Activities

40. We recorded the following, non-exhaustive list of key activities:

- Organization of seminars at company level;
- Organization of open events for a wide audience (e.g. on trade fair participation) ;
- Individual training/coaching at the premises of the company;
- Organization of trade fairs (including preparation and follow up);
- Institutional support to the TPOs, including establishing links to TPO networks;
- Trainings to TPO staff;
- Training to TSI service providers;
- Support to National Export Council (NEC) (institutional and training).

41. In the interview, it was noted that the GTEX project has more focus on TSIs, which have to provide the services to SMEs. There are therefore less seminars and workshops for SMEs.

Organization

42. The program is implemented by ITC, who has a national program manager on the ground and two other staff. The implementation is guided by the project steering committee in Kyrgyzstan, which includes relevant stakeholders (e.g. relevant ministries, representatives from the Swiss Co-operation Office).

43. The GTEX project also has a global project coordinator, as well as a regional coordinator, who have direct counterparts at the SECO headquarters. They help to facilitate the exchange between the various country projects.

Results

- At **micro** level, outputs for company-level activities exceeded the original plans, both in terms of number of companies and number of activities. In terms of results, the economic crisis in Russia in 2014 caused a large decrease in T&C exports, but while at national level *“apparel exports have fallen by 75% and production by 55% between 2012 and 2015...in stark contrast, the core beneficiary SMEs lost only 2% each of their production and exports.”* The loss in employment was larger (13 percent), reflecting an increase in productivity at these companies. (KEK-CD Consultants, 2016)
- At **meso**-level, the project succeeded in developing the institutional structure and operating documents for a Trade Promotion Office (TPO) and expanding the functions of the Single Window Center (a trade facilitation unit of the government) to include additional TPO functions. Also consultants and universities seem to be able to provide the services after the support received. Despite these positive results, the evaluation after the second phase notes that the use of the services is limited, mainly because of a **limited willingness to pay**. In terms of capacity building, less progress has been made with respect to the business associations. *“The organizational capacity of associations in terms of SMEs support and export promotion is presently weak (mainly due to limited funds). Despite significant exposure of their staff to ITC trainings, they remain focused on policy advocacy and trade fairs and have not been interested in integrating additional services in their structure.”* (KEK-CD Consultants, 2016)
- At **macro** level, ITC supported the development of the National Export Strategy (NES) 2013-2017, adopted later as Export Development Plan (EDP) 2015-2017 as well as the set-up of the National Export Council (NEC). While this is an important achievement, the evaluators of phase 2 note that there is lack of implementation. (KEK-CD Consultants, 2016)

End of Phase evaluation 2016, KEK-CDC Consultants (2016)

44. **Relevance:** The T&C sector intervention is considered **highly relevant**, as export competitiveness can contribute to job creation, but also to sustained social impact, such as by addressing the gender and urban-rural gap in employment and incomes. Also because several donors decided to move out the sector, the project is considered relevant.

45. The possible **link with the organic cotton project of Helvetas** has been investigated in the project, but the evaluators question the relevance of this activity to reach the project objectives, given the absence of a strong textile sector in the country (most textiles are imported, there is for example no spinning, weaving capacity) and since the main constraints in the sector are related to accessing new markets, not to sourcing textiles..

46. The project also supported handicraft companies. This could be justified *“from a standpoint of job creation, income generation and rural community development and the obvious links (e.g. in pattern making, embroidery, etc.)”* but at the same time, the important differences in terms of different market access issues and approaches, **prevented the creation of synergies and efficiency**.

47. **Effectiveness.** The participating companies seem to have been able to **better to cope** with the changing market conditions. Especially the diversification of client base helped them to maintain production levels.

48. The evaluators note that while sample companies have shown a better performance than the sector as a whole, ITC **deliberately chose to work with market leaders**, which may be expected to have an above average performance. Part of these companies also received support from projects of USAID or the EBRD.

49. An important impact of the project is the **level of networking achieved**. This concerns networking between the participating companies, reflected for example in joint marketing efforts, joint planning of sourcing trips and fairs,

exchanging market information, sharing urgent orders that exceed capacity to other companies. But also the networking between companies and business service providers has increased, with more recognition of the mutual benefit.

50. With respect to the **Export Development Plan (EDP)** the evaluators note that while the plan is a positive achievement, it falls far below the original intentions under NES, which had a specific sectoral emphasis, and is under-resourced as no state budget funds were allocated for implementation. At the same time, they note that *“the meso and macro level impacts of assisting government in defining strategic priorities of export and facilitating growth of exports is likely to take longer than three years to materialize and cannot be assessed confidently”* but *“the project played an extremely useful role in maintaining the political attention of the GoK for the T&C sector.”*

51. **Efficiency.** The Bishkek Project Implementation Unit (PIU) operated by ITC implemented and **achieved more than it would be expected from such a small team** comprised of a national manager, two project assistants and a public relations officer, and in relation to the activities implemented, overhead is considered to be low. There have been some efficiencies due to the fact that a similar program was implemented in Tajikistan at the same time (e.g. savings on travel costs of experts).

52. **Sustainability.** Many stakeholders seem to be committed to continue their current performance and activities, and these **results therefore seem to a large extent sustainable**. However, in terms of market conditions, the evaluators point to the increased competition in the global market, and that companies need to be able and adjust to changing conditions in order to survive. This is difficult to predict (both a positive and negative scenario is presented in the evaluation). At macro level, while there is continued donor support and political attention, limited state budget funding and low capacity are likely to persist due to root causes, which are beyond control of the project. At the meso level, many structures are in place and people are committed, although sustainability will partly depend on the willingness to pay. An exception are the sectoral associations, which are still weak and have *“systemic threats to their existence, such as low level of paid memberships.”*

Stakeholder observations

- ITC explained that **business associations have very few members**, which are very opportunity-driven. For example, if there is an issue to be resolved by government, they want to lobby through the business associations, but as soon as the issue is resolved they are no longer interested to be a member of the association. The business associations are also very small in terms of staff, all three involved in the project have 2 to 3 staff. They also have close ties to government, and given the frequent government changes, this has also implications for the BSOs.
- In the previous project, there was **cost-sharing** of activities of about 50 percent.
- **The main challenge for the future for TSIs is to convince companies** that they are able to provide high-quality consultants, as currently there is more trust in international experts (practitioners). In addition, they have to convince companies to pay fees for services and to become a member.
- **The current project works with 53 companies** (all those that applied to the project). Not all of them are already exporting. There is no information of the total number of companies in the sector, an estimate is 4,000 companies. Most companies are small.
- Trainings often take place at companies which helps to create **demonstration effects and to create networks**. As most companies have their own niche in the market, there is no strong competition between them but an incentive to work together.
- **Distance and lack of a national quality infrastructure** will make it very difficult to export to Europe.

I. Vietnam

I.1. Introduction

1. This annex describes WEHU's work in Vietnam and the context in which it operates. The data stem from a review of project documentation and country-specific external literature, as well as telephonic and field interviews with key informants. The following topics are covered:

- the political-economy and development cooperation context;
- three WEHU interventions, namely:
 1. Sustaining Competitive and Responsible Enterprises (SCORE) Program;
 2. Decentralized Trade Support Services Program;
 3. (Regional) BioTrade Project – Phase 1 and 2.

I.2. The political-economic and development cooperation context

2. **An open economy.** Vietnam's total trade in goods, i.e. exports and imports, represented 189% of GDP in 2017 (EIU, 2018). This makes Vietnam one of the most outward-oriented economies globally. Vietnam has 16 free-trade agreements, including with the US and Europe.

3. **Rapid growth.** Vietnam's economy grew, on average, by 6.5% per year since 2000 – down from 7.6% per year in the nineties (EIU, 2018). Vietnam's economic growth over the last 30 years rests on the rapid mobilization of labor and the policy-induced structural transformation of the economy (based on trade and investment liberalization). The World Bank and the Ministry of Planning and Investment in Vietnam reckon that the potential contribution to economic growth from labor accumulation and economic reform are nearly exhausted. Future economic growth has increasingly to come from labor productivity growth. (World Bank and MPI, 2016)

4. **Stagnating labor productivity.** Labor productivity growth – in the long-run, the bedrock for improved standards-of-living – fell from an annual average of 5,2% in the nineties to 3,8% between 2000 and 2013. Current growth rates are well-below the 5,8% growth per annum needed to reach a GDP per capita level of USD 18.000 in 2035 (in purchasing power of 2011), which would be roughly equivalent to Malaysia's per capita income in 2010. (World Bank and MPI, 2016)

5. **An inefficient domestic private sector.** The World Bank and the Ministry of Planning and Investment in Vietnam (World Bank and MPI, 2016) point out three main reasons for the lack of labor productivity growth:

1. *'domestic firms are small, which prevents productivity gains from scale economies, specialization and innovation';*
2. *'foreign-invested firms [80% of which are 100% foreign-owned] have led the country's rapid growth in manufacturing and exports, but links with domestic firms have been lacking ... impeding productivity growth through enhanced transfers of technology and management practices. ... Only about a quarter of inputs in FDI are purchased in Vietnam of which a significant portion from other foreign-invested firms.'*
3. Vietnamese people show lower levels of confidence in their entrepreneurial abilities and the enabling business environment than citizens in Thailand, Indonesia and Philippines.

6. **A comprehensive reform agenda, including value-chain development.** The World Bank and the Ministry of Planning and Investment in Vietnam (World Bank and MPI, 2016) propose four major reforms – the two relevant for this evaluation are:

1. *'creating an enabling environment for a more productive and competitive domestic sector',* including protection of property rights, enforcing competition policies and opening up of capital and land markets;
 2. *'improve the links between more productive exporting firms and local suppliers, enabling domestic firms to increase productivity'.*
7. *'Vietnam could profitably expand into the production of supplies ... [and] capture larger parts of the value-chain and look for the emergence of some domestic lead firms at the head of global value chains.'* Growth in domestic value-added is already growing faster than in China, Malaysia, Thailand and Korea in agribusiness, textile & apparel, transportation equipment and electronics & ICT. (World Bank and MPI, 2016)

8. Vietnam could also benefit from '*functional upgrading*' or developing services industries (where Vietnam lacks behind), including sourcing, supply chain management, design, product development, finance, insurance, communication, marketing and branding. (World Bank and MPI, 2016)

9. **A government priority.** The government is aware of above challenges. A myriad of laws, policies and initiatives support SME development, value-chain development and export promotion – see Textbox 12.

Textbox 12. Vietnam – Relevant government laws, policies and initiatives

a) Strategy on exports and imports for 2011-2020, with visions to 2030 (Decision 2471/QĐ-TTg, 2011). Overall objective: The total export turnover in 2020 should triple, with a per capita average of over US\$2,000; the trade balance is secured. This was followed by the scheme on development of regional markets in the 2015- 2020 period, with a vision toward 2030 (Decision No. 1467/QĐ-TTg, 2015). This scheme aims to strive to increase the export value to USD 300 billion by 2020, and an average annual export growth rate of 11%-12% from 2015 to 2020; and to achieve a stable trade balance by 2020 and sustainable trade surplus in subsequent years.

b) The National Trade Promotion Program (Decision 72/2010/QĐ-TTg). This aims to promote trade activities in both domestic and export markets; improve competitiveness of domestic businesses, and link with trade promotion, investments and tourism. The National Trade Promotion Program in 2018 is supporting key sectors, markets and prioritizing the development of brand names of some key products. With the total budget of US\$4.5 million, the program focuses on developing markets and export products, such as organization of exhibitions both inside and outside the country, welcoming foreign importers and providing trade information. Recently, the government issued the Circular 28/2018/ND-CP, stipulating some solutions to develop foreign trade. The circular clearly defines contents, budget and support principles for the national trade promotion program. Products and sectors which have the potential for exports will be given support through the program.

c) SME development: The law on supporting SMEs (Law No. 04/2017/QH14) has been effective since January 2018. Under the Law, support for SMEs includes loan provision, credit guarantee, preferential corporate income tax, land rental preferences, technology renewal, training, counseling, and human resource development. The Law also provides conditions and support measures for SMEs transformed from household businesses, innovative startup SMEs, and production and processing SMEs participating in industrial linkage clusters and value chains. This law was followed by the Decree 38/2018/ND-CP, providing detailed guidance on implementing the SME support law.

d) Restructuring of the agriculture sector: The Agricultural Restructuring Plan (ARP) was approved in 2013. The ARP aims to develop a more vibrant and diversified rural economy with sustainable agricultural growth, high value creation, compliance with international food safety standards, greater competitiveness, increased incomes, and more technology-intensive agriculture. In 2014, the government approved Resolution No.01/NQ-CP on the tasks and solutions to implementing plans of economic and social development and state budget. This Resolution gave more priority to trade promotion activities, especially export promotion of key agricultural commodities to potential markets. In 2018, The Ministry of Agriculture and Rural Development (MARD) submitted a draft Law on Crop Production for government review and approval. The legislation currently remains under consideration by the National Assembly. Among other things, the law regulates key elements of crop production relating to: i) the promotion of large-scale commercial production; ii) value chain linkages between production, processing and sales; and iii) guidelines on national food quality standards, food safety and environment protection. MARD will be responsible for establishing regional production codes to enable product traceability. In addition, Ministry of Industry and Trade and MARD will collaborate in the development of policies for product branding and the expansion of export markets.

e) Incentive policy for development of linkages between production and consumption of agricultural products (Decree No. 98/2018/ND-CP): The Decree regulates that a linkage leader may receive a subsidy as 100% of cost of hiring consultants for establishing a linkage, including consultancy for formulating linkage contract, linkage project, business, production and market development plans. A linkage project may be eligible for getting a subsidy from state budget as 30% of total investment in machinery, equipment and construction of infrastructural facilities serving the linkage, including workshops, warehouses or yards serving the production, preparation, storage, processing and consumption of agricultural products.

f) Development of the supporting industry: The Decree No. 111/2015/ND-CP highlights the government's support to market expansion via the trade promotion program and supporting activities for prioritized products. This was followed by the Decision No. 68/QĐ-TTg (2017) on approving the supporting industry development plan for the period 2016-2025, aiming to promote participation of local products to the global supply chains.

10. **A fragmented government.** The Ministries of Agriculture, Industry and Trade, Natural Resources and Environment, and Health, as well as the national trade promotion agency VieTrade (itself part of the Ministry of Industry and Trade) all have parallel trade promotion programs running. Communication and coordination between the ministries and agencies are limited. An inter-ministerial working group on trade promotion was set-up, with SECO support, to improve coordination – in the end, it met twice (Como Consult, 2018).

11. **Swiss Economic Cooperation and Development.** The Vietnam Country Program is closely aligned to the Message on International Cooperation 2017-2020. It seeks to support *'inclusive and sustainable growth'* through, amongst others, *'fostering international competitiveness and market access of Vietnamese SMEs ... [through] the promotion of sustainable trade and investment ... including strengthening of value chains ...promoting environmental and social standards, training and trade promotion services'*. The available budget is indicatively CHF 80 million for four years. (SECO)

12. Two strategic choices in the Vietnam Country Program are to (i) pursue **an indirect approach** to its support, i.e. work with BSOs, rather than companies, to build up the requisite sector capacity; and (ii) take a bottom-up approach to policy influencing, i.e. **develop success stories** which can feed into the policy development process rather than engage in direct policy-focused support.

13. **Donor coordination.** Several donors and development agencies are active in private sector development and export promotion, including Australia, EU, GIZ, SNV and USAID. Donor coordination is weak – there exists no donor coordination group on private sector development or export promotion.

Table 18. Brief overview of programs of other development organizations

Agency	Scope of work	Relevant insights
Australia	Australia seeks (i) to enable and engage the private sector for development;(ii) assist the development and employment of a highly-skilled workforce; and (iii) promote women's economic empowerment, including ethnic minorities.	Key relevant outcomes: <ul style="list-style-type: none"> – With training support from the Women's Economic Empowerment through Agricultural Value Chain Enhancement project, 1,700 farmers (60 per cent female) acquired better farming techniques, improved their skills in business planning, financial literacy and bargaining power in 2017. – The Restructuring for a More Competitive Vietnam program helped abolish 3,299 ineffective business conditions and draft a strengthened competition law to increase productivity and competition in the Vietnamese economy. – Through the Australia-World Bank Strategic Partnership Phase 2(ABP2), DFAT supported sharing of research on how Vietnamese companies can effectively integrate with global value chains as a benefit of deepened economic integration.
Canada	Canada continues to support Vietnam to become more competitive and innovative, move towards a sustainable an inclusive economic growth model, and integrate the global economy. Canada is supporting SMEs and cooperatives to work effectively in global value chains.	
EU	Current focus of EU support to Vietnam aims to contribute to Vietnam reaching its overall objective of inclusive and sustainable growth, and integration into the world economy. <ul style="list-style-type: none"> – The EU Aid for Trade (AfT): support government agencies and private sectors to (1) reform economic process; (2) integrate with global market; (3) improve trade relationships and mutual benefits in trading. – The EU – Vietnam Free Trade Agreement (EVFTA): create a stable and predictable entrepreneurial environment, which in turn promotes growth and employment. 	<ul style="list-style-type: none"> – Improved opportunities for government agencies and local businesses in building and strengthening trade partnerships. – Improved business environment and market access opportunities for local businesses.

Agency	Scope of work	Relevant insights
	<ul style="list-style-type: none"> – The Multilateral Trade Assistance Project (MUTRAP) (value of €50M over 4 phases): The fourth phase (2012-2018) aims to help Vietnam further integrate into the global trade system and boost trade and investment ties between Vietnam and the EU. 	
GIZ	<p>Private sector development, value-chain development and export promotion through three regional initiatives:</p> <ul style="list-style-type: none"> – Support for Economic Cooperation in Sub-Regional Initiatives in Asia: developed detailed, step-by-step, guidelines for Vietnamese SMEs to exports four fruits to China under the ASEAN-CHINA Free Trade Agreement. Next step: training-of-trainer program for regional Trade Promotion Agencies. – ASEAN Sustainable Agrifood Systems: directly supports farmers/cooperatives, SMEs and the Ministry of Agriculture in the rice, shrimp and pepper sector. Capacity development support: management, production standards, increase value of production, certification processes, linking market players, linking SMEs to international buyers – Support to the Initiative for ASEAN Integration: supports Vietnamese tourism industry on sustainable tourism standards and participation in trade fairs to meet international tourism operators. – SME development within the ASEAN market (upcoming program) 	<ul style="list-style-type: none"> – The four fruits for which detailed export guidelines have been developed were selected on the basis of the Export Potential Assessment conducted under the SECO-funded Decentralized Trade Support Services Program. – There is a demand amongst SMEs for export promotion support – they see the market opportunities – which gives Trade Promotion Agencies an incentive to respond. – International wholesale buyers see compliance with sustainability standards as pure business.
SNV	<p>Value-chain development and export promotion in the agriculture sector (organic and deforestation free)</p> <ul style="list-style-type: none"> – SNV experts identify international market demand, e.g. organic coconut or shrimp. – Training, coaching and mentoring to smallholders and SMEs on organic standards, compliant production processes, and certification processes. – Foster market linkages: between smallholders and SMEs and between SMEs and international buyers. 	<ul style="list-style-type: none"> – Support a limited number of companies which show interest in the program support. – SMEs need to provide 51% of the funding – SMEs are motivated by profit – An indirect approach is fraud with (corruption) risks. Alignment of interests between a program and a BSO needs to be secured. – No working relation with SIPPO, CBI or VieTrade.
USAID	<ul style="list-style-type: none"> – Past: provided policy reform support and assisted Vietnam in WTO accession and FTA negotiations. – Ongoing: sponsors the annual Provincial Competitiveness Report (an art Doing Business Index) – Upcoming 1: USD 22 million trade facilitation program – Upcoming 2: USD 22 million program linking SMEs to global value chains (likely in the following sectors: metal, agriculture, footwear, furniture). Direct support to selected firms to meet international quality and reliability standards by industry experts. 	

14. **Domestic consultancy sector.** Business development and export promotion services can be provided by local consultants. It went beyond the scope of the field mission to assess the breadth and depth of the domestic consultancy sector. Most interviewees took a positive view, i.e. the domestic consultancy sector is increasingly able to provide high-quality business support services. The final evaluation of the SECO-funded Decentralized Trade Support Services project concludes: *'Private service providers will most probably step in more and more over the coming years, as SMEs will be willing to pay for their high-quality trade related services. Here, the program missed out the opportunity to work with them and through them'* (Como Consult, 2018). Some informants noted however the significant investment needed in building up an effective network of suppliers, SMEs, and international buyers to be able to provide effective export promotion services.

I.3. Three WEHU interventions under evaluation

16. This section briefly describes three WEHU interventions in Vietnam. We provide – per program – the overall objective, budget, organization, main activities, recorded results, stakeholder perceptions, and evaluation results.

I.3.1. Sustaining Competitive and Responsible Enterprises (SCORE) program

Description

17. SCORE is a global ILO program implemented in 11 countries. At the core of the SCORE program are **five performance improvement training modules** for SMEs on: (i) workplace organization and cooperation, (ii) quality management; (iii) productivity and cleaner production; (iv) workforce management; and (v) occupational health and safety. Each training module consist of a 2-day 'practical classroom training' and 4 half-day 'in-factory consultancies by industry experts'. The training and consultancies are marketed, offered and organized by BSOs and delivered by national experts. Participating SMEs generally are, but do not have to be export-oriented. (SECO, 2018e)

Objective

18. SCORE aims for 'SMEs in national and global supply chains [to] **improve productivity and working conditions and provide decent work ...[thereby] helping SMEs to benefit from market opportunities and create more and better jobs for workers**' (SECO, 2017e). The second phase of the program (2013 – 2017) had three immediate objectives (ILO, 2016):

1. industry associations and training institutions market, sell and organize SCORE training for SMEs on a cost-recovery basis;
2. service providers deliver effective SCORE training and consulting to SMEs;
3. increased awareness of responsible workplace practices at the local, national and global level.

19. The program's third phase (2018 – 2021) seeks to cement the achievements and ensure (SECO, 2017e; 2018e):

1. the program's national partners are capable to independently deliver the SCORE training, i.e. without external (financial) support;
2. up-take of the SCORE training by international lead buyers for their SME suppliers;
3. dissemination of the results and experiences of the SCORE training at the policy level, including through a SCORE training for policy makers.

Budget

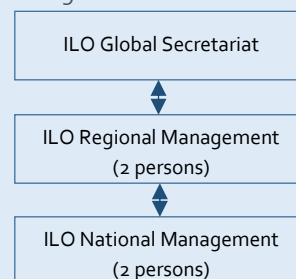
Phase	Total budget	SECO contribution	Vietnam country program
II	USD 18,5 million		USD 1,1 million
III	CHF 27,7 million	CHF 12 million	USD 1,994 million

Source: (SECO, 2018e; ILO, 2016; 2017b)

Global and country program management

20. The overall program is managed by the global secretariat at the ILO in Geneva. A regional program manager, together with an assistant program manager, are based in Hanoi and oversee the implementation of the SCORE program in South-East Asia. The Vietnam country program is implemented by a national country manager and an assistant national country manager.

Textbox 13. SCORE Organization



Vietnam partner organizations

21. For the first two phases, SCORE Vietnam focused mostly on the wood furniture sector where its leading implementation partners are the Vietnam Chamber of Commerce – Ho Chi Minh City section (VCCI), the Handicraft and Wood Industry Association (HAWA), the Binh Duong Furniture Association and the Forestry Product Association of Binh Dinh. The wood furniture sector was selected after a multi-sector study; **the wood furniture sector,**

concentrated in South Vietnam, is labor-intensive and contains a large number of SMEs. Recently, VCCI expanded the program to the **garment & footwear and the supporting industries sectors**; it also brought in a private sector consultancy to strengthen the trainer pool. (ILO, 2017a)

22. VCCI and HAWA are membership-based organizations which receive their income from **membership and service fees**. They participate in the SCORE program **to provide better and more relevant service to their members**. HAWA also receives some funds from the Ministry of Industry and Trade, albeit not on a regular basis.

Activities

- coaching and institutional capacity building of the program's national partners, i.e. BSOs who market, sell and organize SCORE training;
- training of trainers – there are now 4 national expert trainers (i.e. who can provide training of trainer courses) and 12 national certified trainers (who can provide training modules to SMEs);
- marketing, organization and delivery of the five training modules to SMEs;
- work with the College for Higher Technology to make the SCORE training part of their teaching curriculum.

Results

- SCORE created or retained **500 jobs and 270 jobs** in 2016 and 2017 respectively (SECO, 2018c).
- **Number of participants**. Between 2010 and 2017, 146 Vietnamese SMEs completed Module 1 of the SCORE training (Workplace Organization and Cooperation). 41% of these SMEs completed another module: Module 2 Quality Management (47 SMEs), Module 3 Cleaner Production (20), Module 4 Workforce Management (4) and Module 5 Occupational Health and Safety (18). (ILO, 2017a)
- **Participants' interests**. SMEs are in particular interested in Module 1 Workplace Organization and Cooperation. The introduction of business models like Kaizen and 5S allow SMEs – through a combination of improved organizational lay-out, worker empowerment and workplace cooperation – to streamline production processes and improve resource efficiency resulting in direct productivity gains. SMEs are generally less interested in Modules 3, 4 and 5 as less direct productivity gains and cost savings are perceived to be achievable through these modules.
- **User fees and cost coverage**. Over time, the program increased the tuition fees for SMEs. At present, the BSOs charge SMEs USD 700 per module. This covers 70% of the operational costs.

Stakeholder perceptions

- **Success rate**. ILO reckoned that 30% of the participating SMEs progress really fast and achieve significant productivity increases. Another 30% improves its business operations, but productivity gains are modest. The remaining 40% of businesses see few or no improvements.
- **Success factor**. The *condition sine qua non* is the buy-in and commitment of the business owner. He/she must see the performance improvement potential and have a drive to grow the business or make it more profitable. Moreover, any change process is led and implemented by the SMEs – external support is limited.
- **Productivity increase versus improved labor conditions**. There is little pressure on SMEs in the wood furniture sector from international buyers to improve their labor conditions. In contrast to the consumer goods business, most international buyers in the wood furniture sector do not have to protect a brand name (with IKEA being a notable exception). SMEs note however improved working conditions due to better cooperation and workplace conditions. SCORE does not '*empower workers for collective bargaining or improving industrial relations*'.
- **Institutional sustainability**. VCCI and HAWA have the capacity and skills to market and organize the SCORE training. They offer the SCORE training as '*it helps their members to improve their competitiveness*'.
- **Need for improvements**. The SCORE curriculum dates from 2010 and risks becoming outdated. SMEs also wish for more intense and tailor-made support, including the mobilization of trainers with industry expertise and more time for in-factory coaching.
- **Higher user fees**. The SMEs in our focus group discussion all participated in Module 1 only for which they paid USD 400. If the tuition fee would be raised to USD 1000, then they would source the support from the private sector consultancy market (which would offer more tailor-made and intensive support). ILO states that for

most countries a hybrid funding model is most realistic, i.e. combining user-fees, with corporate sponsorships and government subsidies.

Mid-Term Evaluation 2016 (ILO, 2016)

- The program is **'highly relevant'** as (i) SMEs are generally less productive than larger firms and have inferior working conditions; and (ii) the capacity of national institutions to support SMEs is limited.
- **'SCORE effectively helps enterprises to find a better road to productivity and growth from which both workers and employers' benefit ... testimonials show a high impact at company level.'**
- **'in most countries, it is not likely that SMEs will be willing to pay more than half of the training expenses.'**
- **'At the level of outcomes, the M&E system is not generating sufficient quality data ... data is erratic and incomplete'**.
- **'The results of SCORE are not used to build the case at the policy level to increase support to improve working conditions and productivity of SMEs'** – visibility and impact at national level is limited.

SCORE Vietnam Impact Assessment 2017 (Oldsman, 2017)

- **'SCORE training had a positive impact on enterprises.'** Most enterprises are cleaner and more orderly through the adoption of kaizen and 5S practices.
- **'The most significant impacts stem from kaizen programs under Module 1 and quality management systems implementation under Module 2'**
- **'Improved manufacturing practices resulted in better working conditions, lower defect rates, faster through-puts and lower production costs ... The impact on employment and worker income is limited.'**
- Enterprises **improved occupational health and safety risks**, but workers continue to face serious risks in terms of noise, dust and chemical exposure.
- The impact of **Module 4 is marginal at best** – there is no evidence of changed management approaches (recruitment, employer compensation, work organization, employee appraisal or other HR practices).
- **'Impact is contingent on the commitment of the owner/managers and the absorptive capacity of the enterprise.'**
- **'the total number of enterprises [in the wood furniture sector in the south-east provinces] is estimated at 1000'**
- **'SCORE does not provide an indicator specifically for productivity, nor does the program collect time-series data on sales, employment, output, capital inputs, payroll or cost of energy and purchased materials. Without these data it is impossible to measure the gains in productivity.'**

I.3.2. Decentralized Trade Support Services Program

Objective

24. This program sought to build Regional Trade Promotion Networks – consisting of regional trade promotion organizations, local government representatives and leading SMEs – to assist SMEs in raising their competitiveness and increase their exports. The **stated outcomes** are (SECO, 2011):

1. the effective use by provincial SMEs of professional trade support services provided by regional trade support networks;
2. a stronger national trade enabling environment through better oversight from and improved coordination within the central government, through the set-up of a National Export Council;
3. to build VieTrade's ability and capacity to support provincial trade promotion agencies, trade support institutions and product associations.

25. The credit proposal included the following **impact indicators**: (i) share of provincial SME exports in national exports; (ii) number of provincial SMEs involved in direct exports; (iii) export turnover of provincial exporting SMEs; and (iv) number of export products and export markets of provincial SMEs.

26. **Sustainability** of outcomes is sought through (i) the alignment of the program to the mandates of the beneficiary institutions, (ii) capacity building; and (iii) the gradual introduction of market principles in the regional trade promotion organizations (SECO, 2011).

Budget

27. The overall program budget is **USD 3.8 million**; SECO's contribution is USD 3.2 million (SECO, 2011).

Activities

28. We recorded the following, non-exhaustive list of key activities:

- export potential assessment of around 30 products;
- institutional assessment of trade promotion organizations (TPOs) in 40 provinces;
- development of regional export development plans for 6 product(s) (groups): tea, tuna, pepper, pangasius, fruits (lychee, pomelo, dragon fruit and mango) and handicraft;
- setting-up of regional trade promotion networks and supporting regular network meetings;
- training of TPOs on export promotion services (market research, trade fairs, marketing, e-business, etc.);
- development of export development plans with 8-10 SMEs per product group;
- participation in international trade fairs with selected TPOs and SMEs;
- set-up of an inter-ministerial working group on trade promotion.

Organization

29. **The program is executed by VieTrade**, the national trade promotion agency under the Ministry of Industry and Trade. VieTrade has several specialized '*centers*' in trade promotion, foreign-direct investment, technology and communications. These centers are 50% state-funded and 50% through user-fees.

30. The program has its own program management unit, placed outside VieTrade regular divisions and centers. Table 19 shows the program organization.

Table 19. Organization of the Decentralized Trade Support Services Program

Category	Positions (FTE)	Funder
Management	Director (20%), Deputy Director (100%), Assistant Director (50%)	VieTrade
International advisors	One resident advisor (60%), one non-resident advisor (30%)	SECO
National program coordinators	Two positions (100%)	SECO
Regional program coordinators	Three positions (100%)	SECO
Assistant regional coordinators	Three positions (100%)	Regional TPOs

Mid-Term Evaluation 2016

31. The program could, in theory, create a '**transversal Vietnam trade promotion system**' – horizontally, by linking ministries and government agencies; and vertically, by connecting VieTrade with the regions (Charbonneau & Tran, 2016). In practice, this was not achieved. The mid-term evaluation observed that:

- VieTrade continues to **lack a strategy** on how – with what kind of services and capacity – to support SMEs.
- Program Management Unit operates as a **stand-alone program** and does '*not really work together*' with VieTrade's regular divisions and specialized centers which are said '*to have their own work portfolio and agenda*' (quotes from key informant interviews). This prevents creating '*a new SME trade support division [within VieTrade] to anchor the program in the long-run*'. (Charbonneau & Tran, 2016)
- VieTrade '**does not have the expertise, nor any skills in SME related support and has never been exposed to the complex challenges of working with TPOs and TSIs**' (Charbonneau & Tran, External Mid-Term Evaluation of the Decentralized Trade Support Services for Strengthening the International Competitiveness of Vietnamese SMEs, 2016).
- the regional trade promotion networks **lack (i) a governance system** with clear roles and accountabilities; and (ii) a strategy, workplan and deliverables for boosting exports by regional SMEs (Charbonneau & Tran, External Mid-Term Evaluation of the Decentralized Trade Support Services for Strengthening the International Competitiveness of Vietnamese SMEs, 2016).

Final Evaluation 2018

32. The final evaluation (Como Consult, 2018) provides a mixed picture on the program's performance. It assesses positively:

- **The program is highly relevant.** It addresses pertinent development challenges (weak capacity of SMEs to export and limited capacity of the trade promotion system to reach out to SMEs with relevant services) and is aligned with / complements the National Import - Export Development Strategy 2011 – 2020, the National Trade Promotion Program and National Branding Program.
- **The firm-level export development plans 'proved effective in bringing well-trained SMEs to international markets and successful in helping them identify new export opportunities ... EDPs have been formulated for 41 companies and their implementation supported through international and national consultants, B2B events, trade fair participations and selected branding initiatives. ... Complete export data for either 2014-2016 or 2014-2017 are available for 26 of the 41 EDP companies. 4 of the 26 companies had no export in 2014 and had become established exporters by 2016 or 2017. As for the other 22 companies, the average export growth during 2014-2016 or 2014-2017 was 99%. In other words, on average, the SMEs doubled their exports.'**
- The **national execution model for program implementation**, i.e. the program used and sought to strengthen the existing structures within the Vietnamese government.
- The evaluation rates the program as **cost-effective**. Capacity building expenditures entailed (at least) 75% of the budget; with the other 25% going to '*technical leadership and program management*'.

33. The evaluation however:

- **did not / could not assess the extent to which 'provincial SMEs make effective use of the trade support services of the regional trade networks'** (i.e. the attainment of outcome objective 1).
- observed a **lack of political ownership** in Vietnam of the national export agenda and the SECO program. This prevented (i) a marked improvement in the national trade enabling environment and inter-ministerial coordination (i.e. the attainment of outcome objective 2); and (ii) integration of the SECO program (benefits) into the VieTrade organization⁸².
- observed that – whilst the in-house capacity of VieTrade increased⁸³ – it remains unclear to what extent it can / will deliver trade support services in the future due to a **lack of an overall corporate strategy** for the delivery of such services (i.e. the sustainability of outcome objective 3 is at risk).

⁸² The program was implemented by a dedicated project management unit outside of VieTrade regular departments.

⁸³ It is unclear on what evidence this statement is based. The development and delivery of training packs for TPOs, product associations and SMEs does not necessary mean that VieTrade's institutional capacity has increased.

- notes that '*If SECO was to withdraw its assistance completely, it is rather **improbable that the actors of the ecosystem for trade promotion would carry out the same assistance to SME in the future, unless other donors would fill the gap, which is becoming less realistic given Vietnam's middle income status***'.

Stakeholder observations

- The Hanoi Trade Promotion Agency forms part of the city government. Its **funding** comes for 50% from the Peoples Committee and 50% from fees-for-services from enterprises. It supports, amongst others, SMEs in trade fair participation, trade mission, B2B matchmaking and training (in product design, packaging and branding).
- The Hanoi Trade Promotion Agency (i) received training under the program on trade fairs (5 days) and e-commerce (5 days), and (ii) subsequently trained provincial TPOs on these topics (2 x 2 days). The agency was **'too busy' to provide more training**.
- The Vietnam Tea Association qualifies the training and **technical assistance of VieTrade 'too shallow'**. The association is 100% funded by members but requires permission for its work program from the Ministry of Agriculture.
- One of the consultants who provided trainings to SMEs noted that these activities have **helped to create networks between SMEs**, which have facilitated information exchange between companies and sometimes joint activities.

1.3.3. (Regional) BioTrade Project

Introduction

34. **Biotrade Vietnam.** Between 2012 and 2015, SECO supported a BioTrade program in Vietnam. The objective was 'to develop several pilot Natural Ingredients value-chains along ethical BioTrade principles'. The program supported 'four companies from among the largest manufacturers of traditional medicine and (para) pharmaceutical products' to introduce Good Agricultural and Collection Practices (GACP) and achieve membership of the Union for Ethical BioTrade (UEBT). The program originally focused on accessing international markets, but 'under pressure from the government counterpart' and the firms' expectations that 'the domestic market was growing very fast' the program shifted its effort to the '**domestic market**'. (Noyelle & Tran, 2015)

35. **Regional Biotrade Program.** In 2016, SECO started a follow-up, regional BioTrade program (covering Lao PDR, Myanmar and Vietnam).⁸⁴ In response to the previous BioTrade program in Vietnam, SECO reinserted the trade-link. The follow-up program's objective is 'to promote the conservation of biodiversity **through sustainable trade in natural ingredients** that increases the competitiveness of local exporters/producers and the livelihood benefits of the rural population taking into account all relevant BioTrade principles and criteria' (SECO, 2015). The envisaged outcomes are:

1. Competitive BioTrade companies (circa 14) are competing in regional and international markets;
2. Value-chains (circa 10) operating along BioTrade principles have been developed to supply companies with products in demand in international markets;
3. Government has taken steps to implement an ethical BioTrade policy-friendly and supportive environment;
4. An effective and efficient knowledge management ... that facilitates the sharing of national and international expertise and experience.

36. Although two independent programs, we refer in this chapter – for the sake of clarity and simplicity – to both programs as the first phase and second phase program.

Relevance

37. **SECO** committed to support the implementation of the Convention on Biodiversity, as well as the Cartagena and Nagoya Protocols (Noyelle & Tran, 2015). Moreover, Switzerland has committed to 'double its financial disbursements on biodiversity protection' (SECO, 2015).

38. **Vietnam** is party to the Convention on Biodiversity and the Cartagena and Nagoya Protocols. The Vietnamese government has also given Natural Medicine priority-sector status and, through Circular 14/2009/TT-BYT of the Ministry of Health, aims to introduce GACP in all natural ingredients value chains (Noyelle & Tran, 2015). '**The ASEAN states already adopted regional GACP to facilitate integration and trade**' (SECO, 2015).

39. **Vietnam beneficiaries** (1st Phase). The participating firms in the first program expected that the implementation of GACP would become a government requirement and that the certification against the UEBT standard 'may provide a competitive advantage'. The participating farmers in the first phase expected greater financial benefits from BioTrade than other value chains. (Noyelle & Tran, 2015).

Budget – Regional BioTrade Program (Phase 2)

Period	Total	Vietnam	Lao PDR	Myanmar
2016-2020	USD 4,95 million	USD 2,5 million	USD 1,2 million	USD 1,2 million

40. The Credit Proposal foresees a **cost sharing mechanism** with the supported companies / value-chains. Helvetas does not apply a strict matching fund policy, but phases its support, with each phase dependent on progress made by the companies, to maintain the ownership firmly with the supported companies.

⁸⁴ The program's formal start was September 2016. An extended inception phase lasted until Spring 2017. Program implementation started properly in July 2017.

Organization and efficiency

41. **Phase 1.** The program was implemented by Helvetas and governed by a Steering Committee containing the National Institute for Medicinal Materials, Helvetas, SECO and the 4 companies. The final evaluation judged the governance structure to be **too top-down organized**, where a bottom-up approach would have been more appropriate as success depends on the ability and interests of companies and farmer groups to adopt best practices. Helvetas was *'cautious and frugal'* in its spending and generally delivered the activities on-time. (Noyelle & Tran, 2015)

42. **Phase 2.** The program is implemented by Helvetas and governed by an overall Program Steering Committee and country-level consultative groups (SECO, 2015). The **program management** unit (5 persons) consist of a director and deputy director and a three-person administrative support team. Four-person country teams contain a country manager, value-chain officer, a project / M&E officer, and a finance and administrative staff member (50%). The total program implementation team consists of **about 17 persons**.

Activities Phase 2 (SECO, 2015)

- **Export promotion services**, including technical assistance on product development, certification, UEBT membership, e-marketing, participation in trade fairs, direct matchmaking with international buyers, market prospect missions, working with e-platforms like Alibaba and Amazon.
- **Value-chain development**, including technical assistance on BioTrade principles, standards, product development, market linkages, benefit sharing, risk allocation, market transparency, etc.
- **Access and Benefit Sharing (ABS) schemes**, partner with public and private stakeholders to develop and implement ABS schemes.
- **Communication and networking**, to facilitate resource mobilization for capital investments.
- **Advocacy**, through success stories at the company and product level to facilitate greater understanding amongst government officials and engage them in developing sector development plans.

Results Phase 1 (Noyelle & Tran, 2015)

- *'The four participating companies were successfully audited ... and admitted as UEBT members'*. This means that the targeted value-chains of the four firms were **UEBT compliant**. Moreover, *'most stakeholders felt they had gained some value-added from the project ... and saw significant, positive, unexpected benefit from the project in terms of awareness-raising about ethical BioTrade. ... The program produced positive demonstration effects for private sector firms and policy makers.'*
- Helvetas stated during our field mission that in the meantime all four firms had let their membership lapse, with one firm potentially wanting to renew it.
- As noted in the introduction, the program's focus **shifted from foreign to the domestic market**. *'No international sales had been recorded [at the time of the evaluation]... and no data exists on whether the turnover from domestic sales increased'*. The evaluation notes the difficulty in becoming internationally active, i.e. it requires market knowledge, client outreach, and sales infrastructure amongst others. Moreover, access to international markets requires broadening *'the range of value-chains from traditional medicine and related products to a broader spectrum, including essential oils, wood-based resins, sea weeds, herbs & plants used a food additive, as medicine for livestock and aquaculture or ingredients of a broad range of household products'*.
- The **sustainability** of the program is limited to the four companies which are now capable of organizing their value chains according to BioTrade principles and standards. Still, *'sustainability depends on the ability of the companies to create more stable, long-term demand for higher quality products that command higher prices'*. This will be challenging given that the Vietnamese market for natural ingredients is *'characterized by a clear downward pressure on quality and price... as a result of significant influence of Chinese informal importers and exporters.'* Moreover, the sector has limited capacity to apply a sector-wide approach to introducing the GACP. A BioTrade Interest Group was formed within the sector association VIMAMES. It was envisaged that the BioTrade Interest Group built up a service portfolio on standards, certification and export promotion; as the BioTrade market is thin – few companies are active – this proved an unviable business model. There is no cooperation in the second phase of the program as the interests and needs of the regional BioTrade program and the BioTrade Interest Group diverged.

- 'A major challenge ... [was] the establishment of sustainable and fair relationships between companies and farmer groups. ... **[increasing] the livelihood benefits of rural population** ... turned out to be far more demanding than had been anticipated. A follow-up project would need to adopt a more balanced dual focus on enterprises and farmers/collectors' groups.'

Intermediate results Phase 2

- **Direct approach.** Phase 2 continued to focus on the companies as they are the 'key driver of the whole value-chain' (Helvetas, 2018). The program works with a select number of companies – deemed to be 'thought leaders' – to showcase the how and prospects of BioTrade value-chains and products. The program currently works with 30 companies regionally (of which 11 in Vietnam). The companies were / are selected based on their products' BioTrade characteristics, their interest in developing BioTrade value-chains, and the export potential of the products.
- **Indirect approach.** The program wants to move towards an indirect approach, i.e. support market system actors which can provide business development and export promotion support to SMEs. For two reasons. First, there are limits to the number of companies that can be supported by the program. Second, to ensure sustainability and upscaling of the program benefits. In Vietnam, the program is working with the Vietnam Organic Agriculture Association.
- **Value-chain development versus export promotion.** Although the Regional BioTrade program is an export promotion program, it has to also work with companies – either directly or indirectly – to strengthen the management, production processes and value-chains of the companies as all these are under developed and the companies are not yet export ready.
- **Impacts.** One-year into the program no quantitative results can be measured yet, nor have any targets been set (Helvetas, 2018). The program will monitor the following impact indicators:
 1. Number of maintained or created jobs in rural areas;
 2. USD increase in natural ingredients exports;
 3. Number of government reforms related to the conservation of biodiversity.
 The program also tracks the farmers involved in the supported value-chains and how their income develops.
- In Vietnam, **5 value chains** in Shantea, star anise, cassia and cinnamon have been developed that comply with appropriate sustainability standards (GACP, Fairwild, etc). Four new BioTrade products were included in the companies' export portfolio.

Stakeholder perceptions

43. Nam Duoc, **beneficiary of Phase 1**, adopted GACP in its value-chain which increased profit due to lower production costs and improved practices (less use of pesticides and fertilizers) and higher sales prices (the result of higher product quality). It participated in international trade fairs in Germany and France. This was not effective as the company (i) had limited capacity (a.o. language) and knowledge (of procedures) to start exporting; and (ii) international markets demanded high quality standards and product safety procedures (which the company could not yet fulfill. It may start exporting in 3 years' time.

44. Helvetas drew several **first-year lessons** in its Annual Report 2017 (Helvetas, 2018), including:

- 'many companies ... find that consumer-facing certification such as **organic and Fairtrade are minimum requirements** to enter high-end markets for natural ingredients ... **few clients ask for BioTrade compliance** [with] the UTZ/UEBT shared certificate for organic herbal tea ingredients being the exception to this trend. ... Only when the BioTrade commitment is based on intrinsic company values, or when clients specifically ask for adherence to BioTrade principles do companies remain committed. [The program] agreed that success cases are needed and that this would require working on specific market opportunities with Western buyers in a buyer-led approach. [Once successful, the program] can transition to a more export promotion-oriented approach.'
- BioTrade requires significant upfront investments. Neither farmers, nor companies will make these investments based on market-prospects only. **There needs to be a buyer upfront.** The international market for BioTrade products is 'thin': 5 – 10 firms dominate the global trade in genuinely BioTrade products, as opposed to other sustainability standards. EU retail firms are mostly a member of UEFT or the Natural Resource Stewardship Center. North American firms more commonly participate in other sustainability and

corporate responsibility schemes, particularly ForLife, which shares many similarities to BioTrade. International buyers generally demand organic/Fairtrade, not BioTrade compliance.

45. Motivation. Companies are motivated by **idealism and successful entrepreneurship**. BioTrade products commence higher prices than regular agricultural products. The BioTrade Program helps the companies to:

- professionalize their businesses and value-chains;
- built in-house capacity on international standards and certification processes;
- support their farmer suppliers in meeting international standards;
- participate in international trade fairs;
- link with international buyers;
- advocate with the government to organize and protect the BioTrade and organic market.

Donor coordination

- **Phase 1.** Helvetas helped two companies link to the Vietnamese Business Challenge Fund (financed by UKAid and implemented by SNV) to access funding for investing in farmer infrastructure. *'Possible synergies [with other programs] were limited by the lack of actors in the sector. Nevertheless, it might have been possible to build stronger linkages between the program (with a strong focus on cultivated value-chains) and the Traffic⁸⁵ project (with an exclusive focus on wild collected value-chains). [A next phase] should ensure closer cooperation with other donor supported programs, like Traffic or the GEF-funded UNDP program on implementing the Nagoya protocol, by piloting ABS schemes.'* (Noyelle & Tran, 2015)
- **Phase 2.** Synergies were easiest and most productive when other projects focus on production, processing and local marketing, whereby the BioTrade program can concentrate on export development and promotion. Such arrangements are being worked on with SDC-funded LURAS and TABI projects in Laos, a GIZ-funded tea value-chain project in Myanmar and potentially with a USAID-funded ginger value chain project in Myanmar. (Helvetas, 2018)
- **The EU-funded, Helvetas-implemented, € 2 million, four-year BioTrade program** is active in the natural ingredients / traditional medicine sector and works with farmers to comply to international BioTrade and or other standards. The opportunities for co-operation between this EU program and the BioTrade program may be limited as the EU program focuses on medicines, while this is no longer the focus of the BioTrade Program. An important reason for this shift in focus of the BioTrade Program was the more complex rules and procedures related to imports of medicines, especially in more developed countries.

⁸⁵ A joint IUCN-WWF NGO focusing on wild collection.

J. Global Programs

J.1. Introduction

1. This annex describes three global programs from WEHU. The data stem from a review of project documentation, as well as telephonic and field interviews with key informants. The three global programs are:

1. Swiss Import Promotion Programme (SIPPO);
2. Transparency and Innovation of Sustainability Standards (TISS);
3. Corporate Sustainability and Reporting for Competitive Business (CSRCB).

2. This first part of the Global Programs case study report describes the Swiss Import Promotion Program (SIPPO). We provide the overall objective, budget, organization, main activities, recorded results, stakeholder perceptions, and evaluation outcomes.

J.2. Swiss Import Promotion Programme (SIPPO)

Description

3. *'The Swiss Import Promotion Programme (SIPPO) promotes sustainable and inclusive trade and strengthens the competitive position of companies in 11 partner countries'* (SECO, 2017h): Albania, Bosnia-Herzegovina, Colombia, Indonesia, Macedonia, Morocco, Peru, Serbia, South-Africa, Tunisia, and Vietnam.

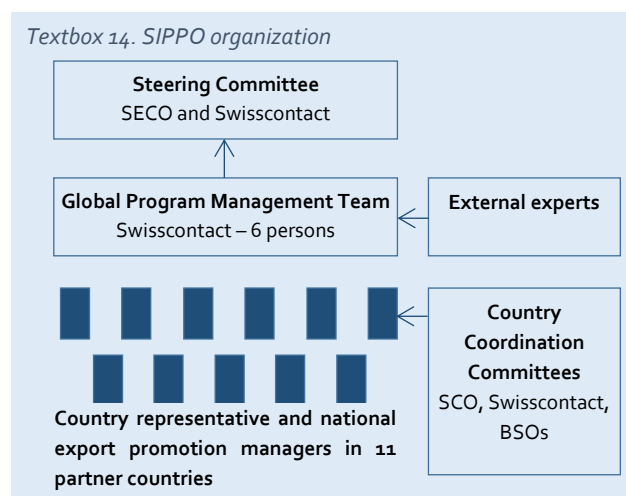
4. Since 2009, SIPPO increasingly focused its support to business support organizations (BSOs) (SECO, 2016e). Since 2017, with the start of a new program phase, **SIPPO's mandate is to support business support organizations rather than individual companies**: *'SIPPO enhances the performance of selected BSOs in order to enable them to provide targeted export promotion services [to companies] to improve exports in specific economic sectors and contribute to increased income and more and better jobs'* (SECO, 2017h). By pulling BSOs *'into the center of the program'* SECO wants to enhance the sustainability of the program benefits (SECO, 2016e; 2017h): whereas the benefits of SIPPO's support to individual companies will, more or less, only be enjoyed by these companies, BSOs can continue to give-on their acquired knowledge and skills to new companies thus enhancing both the effectiveness and sustainability of SIPPO's work. SIPPO takes a broad definition of what constitutes a BSO which could entail government agencies, business associations, sector organizations and NGOs.

5. SIPPO focusses in the 2017-2020 program on **6 sectors** (reduced from previously 10 sectors): fish & seafood, processed fruits and vegetables, natural ingredients, technical wood, value-added textile, sustainable tourism. Within these sectors, SIPPO **targets value-added services** such as manufacturing and processing. (SECO, 2016e).

6. Finally, **'SIPPO shall create synergies** by delivering export promotion services to other trade related Swiss development initiatives' (SECO, 2017h).

Organization

7. SIPPO is implemented by Swisscontact. A 6-person, global project management team is located in Bern. For each country, Swisscontact has recruited a national country representative and, for about half the countries, an export promotion manager. **The total SIPPO team encompasses 22 persons**. In addition, they make use of external consultants. A Global Steering Committee of SECO and Swisscontact representatives oversees the program implementation. At the country level, coordination committees ensure alignment between the SCO, Swisscontact and the BSOs.⁸⁶



⁸⁶ Source: (SECO, 2016e) and www.sippo.ch/about/SIPPO-Global-Team

Components and objectives

8. SIPPO 2017-2020 consists of three components, each with their own objective (SECO, 2016e):

1. **Last mile approach to import promotion.** *'the final objective is that BSOs are strengthened so as to be able to deliver the last mile approach to export promotion effectively and efficiently to an increasing number of members (SMEs) with a view to generate additional jobs and income.'*
2. **Last mile approach to SECO value-chain programs.** *'The objective is that SIPPO enters into co-design arrangements with a number of existing and new trade related value-chain projects from the beginning and provide last mile services... Also with an eye to tackle the next-generation of exporters [not only export ready SMEs]. SIPPO could also complement Swiss EP and SDC projects.'*⁸⁷
3. **Deliver selected needs-based SIPPO tools and assistance services in the context of complementary measures** (e.g. FTA negotiations and non-priority country special requests).

Budget

Period	Total	Coordination	Component 1	Component 2	Component 3
2017-2020	CHF 19.4 million	CHF 4.3 million	CHF 13.6 million	CHF 30,000 ⁸⁸	CHF 301,600
		<i>Permanent staff costs</i>	CHF 8.4 million		
		<i>Third party services</i>	CHF 2.6 million*		
		<i>External services</i>	CHF 2.6 million*		

*These two budget lines effectively constitute SIPPOs operational or activity budget which translates into roughly CHF 120.000 per year per country.

Source: (SECO, 2016e; SIPPO, 2018)

Impact and outcome indicators

Impact	<ol style="list-style-type: none"> 1. Increase in trade/GDP in beneficiary countries 2. Increase in import to CH/EU from selected countries and sectors 3. Change in market shares of CH/EU imports from selected countries and sectors
Outcomes	<ol style="list-style-type: none"> 1. Number of additional jobs created or retained in BSOs/SMEs (target: 13000 – 16000) 2. Increase in export turnover created by the program in SMEs (target: CHF 320 – 400 million) 3. Number of BSOs improving their classification 4. Number of supported SECO trade related value-chain projects (target: 10) – Note: <i>These projects will be tendered out by SECO with the explicit condition to use SIPPO market access services.</i>

Source: (SECO, 2016e)

Services

9. SIPPO provides the following services to BSOs (SECO, 2016e):

- Market intelligence
- Organization of screening / buyer missions
- Trade fair presence, preparation, roll-out and follow-up
- Facilitating matchmaking
- BSO development through institutional strengthening packages
- Online solutions: e-platforms, e-trade tools, e-learning and buyer/seller databases, amongst others.
- Licensing of SIPPO tools and services to third parties (such as BSOs).

⁸⁷ The 2015 external evaluation of SIPPO provides the following rationale: *'Agencies and NGOs who run trade development programs most often concentrate on building the productive capacity of producer groups or SMEs in export value chains. Although these programs often include a market linkage component, the expertise available is not that strong. SIPPO could come in advantageously to provide the market linkage expertise to Europe and possibly other markets (preparation and attendance to trade shows, etc).'*'

⁸⁸ SECO and SIPPO have in the meantime reduced this further to zero. They have now defined synergies of SIPPO with SECO value chains project as follows: *'Synergies can occur e.g. through collaboration with the same (BSO) partners and regular exchange and alignment of the implementation of program activities. However, cooperation between SIPPO and value chain projects with additional contracts are not foreseen and expected. When realizing synergies, SIPPO shall especially maintain the principle to support BSOs (and not directly SMEs). Realizing synergies should be primarily the task of SIPPO field offices and do not lead to separate arrangements.'* Source: SECO

Activities

- Institutional strengthening of BSOs: offer tools for internal and client management.
- Train BSO staff – on-site and through e-learning – in last-mile export promotion support: product design, product marketing, trade fair participation, contract negotiations, etc.
- Support BSOs in preparing, participating and follow-up on trade fairs, including relationship management with international buyers.
- Financially support trade missions to the European Union, i.e. cover local costs.

External Final Evaluation SIPPO 2012-2016 Mandate (Charbonneau, Gessl, & Monrosier, 2015)

- **SIPPO's expertise lies in so-called 'last-mile services [which] facilitate market access for exporters (of developing countries) by connecting them with importers (in Switzerland/EU or regional markets) mainly through matchmaking'.**
- *'The program has **demonstrated its ability to prepare and bring SMEs to Europe** and for such enterprises to establish lasting positions ... the program produces excellent results at enterprise level'*
- Value-chain development receives significant support from other SECO / bilateral aid programs. **SIPPO should concentrate on its comparative advantage, i.e. last mile export promotion services.** *'The attempt to provide value-chain expertise ... goes beyond the mandate.'*
- *'SIPPO has taken the right decision to look at BSO as focal point for wider-scale dissemination of market linkage expertise. ... **BSO development is important for scalability and sustainability.**'*
- *'SMEs and BSOs ... confirmed the important contribution of SIPPO ... to behavioral changes⁸⁹ ... i.e. true **systematic change**'.*
- **BSOs vary in institutional capacity:** *'Some countries have performing BSOs (e.g. Colombia, Peru and Vietnam). In other countries, BSOs are non-existent or weak'.*
- *'Developing BSO infrastructure ... where no other ODA program are really active puts the entire capacity building effort on SIPPO, which is **a last-mile connector and not an institutional capacity builder**'.*
- *'SIPPO can be **a useful asset for large trade development programs** if and once linked to / integrated with them'.*
- The evaluation recommended to **'redefine the SIPPO program so as to focus on and leverage the Last Mile dimension of the export process with a strong BSO institutional strengthening component'**.

Results

- In 2016, SIPPO contributed to the creation of **1651 jobs** and an **USD 16,3 million increase in export volume.** (SECO, 2018c)
- **'Many SMEs increased their turnover, production capacities and created additional jobs. The shortcoming with SME support is the market distortion (even though criteria based, at the end some SMEs get support and some of their competitors don't), and the limited impact as the number of SMEs supported is limited (over the 5 year program period 850 SMEs participated at SIPPO / Country Pavilions in trade fairs and 129 SME of 13 countries / 9 sectors completed a 3 year [training] cycle)'** (SECO, 2017g).
- *'The relatively **low number of supported SMEs** and the there-fore limited scale and impact of the Programme always remained unsatisfactory for SECO'* (SECO, 2017g).
- *'SIPPO has not set up the monitoring systems to audit its impact at enterprise level over the long term'.* (Charbonneau, Gessl, & Monrosier, External Evaluation and State-of-the-Art of Import Promotion Study of the Swiss Import Promotion Program (SIPPO) 2012-2016 Mandate in SECO priority countries, 2015)

⁸⁹ Reported changes in attitude and behavior include (i) Understanding customer needs and demands are like in Europe; (ii) Seeing how competition behaves and serves the market; (iii) Getting to know the way to select and present a distinct Value Proposition; (iv) Getting ready to approach potential buyers; (v) Managing successfully the transaction process from prospect to sale; (vi) Learning about patience and perseverance; (vii) Learning from peers and keeping in touch with them.

- *'On the one hand there are private mostly member-fee financed BSOs (e.g. in the Balkan) that remain weak able to deliver only limited trade promotion services to their members, on the other hand there are well financed state BSOs (e.g. Peru, Indonesia) taking advantage to include some SIPPO-SMEs at their booths'* (SECO, 2017g)

Vietnam

- **Support.** SIPPO mostly provides technical assistance and only very limited financial support (e.g. 20% of booth at a trade-fair).
- **Sector and client focus.** SIPPO focusses its support on product associations – not to overlap with the national trade promotion agency VieTrade which supports regional trade promotion agencies. SIPPO selected three sectors for support: wood, textiles and natural ingredients (whereby the support to natural ingredients has been postponed until a strong enough sector organization emerges through which SIPPO can provide its support) .
- **Synergies 1 – Regional BioTrade Program.** SIPPO decided not (yet) to work in the natural ingredients sector as the BSOs were deemed too weak, i.e. do not meet SIPPO requirements. If the Regional BioTrade Program is however successful in building up the Vietnam Organic Agriculture Association, then SIPPO can reconsider this decision. As both the Regional BioTrade Program and SIPPO are implemented in Vietnam by Helvetas, there is a close contact between the responsible program officers. Moreover, the Regional BioTrade Program uses some SIPPO products, such as the CRM system and online training courses.
- **Synergies 2 – SCORE.** SIPPO and SCORE work with the same product associations in the wood sector. In practice, SIPPO can thus support export-ready firms from the SCORE program with last mile services. So far, this has not happened. Most firms supported by SCORE already export however.
- **Weak BSOs.** *'The product associations in Vietnam are very weak – both in capacity and money... there will be a time-lag before results are achieved at the SME level.'* BSO members are entrepreneurs, who are not experienced in setting up a product association. Membership contributions are small (e.g. USD 200 per year). This observation, which applies to the BSOs that are currently supported, contradicts the findings from the SIPPO evaluation that BSOs in Vietnam are generally strong.
- **Textile sector.** SIPPO works with three partners. The Association of Garment, Textile and Knitting of Ho Chi Minh City and the Vietnam Textile and Apparel Association are weak – they have few staff and have no history of providing services to SMEs. The third partner, the Vietnam Chamber of Commerce of Ho Chi Minh City, is well-staffed and organized and service-oriented.
- **Stakeholder perceptions.** In the wood sector, VCCI and HAWA welcome SIPPO's support – it allows them to expand their services to SMEs (and in HAWA's case expand their membership). At present, VCCI's export promotion is limited to networking and logistical support. SIPPO offers VCCI the opportunity to build up the skills and capacity to support member SMEs in product design, product marketing, preparation, participation and follow-up of trade fairs, negotiation of contracts, and online match-making with international buyers. Due to SIPPO's support, HAWA also enjoys a larger network of relevant partners, including VieTrade and the Korean export promotion agency.
- *'SMEs recognize need for last-mile support ... the need for good market information ... and that they cannot rely on the government to provide this information. Still, many SMEs are passive ... there is a need for a mentality shift. ... Need to expose BSOs and their members to buyers ... **the SME members need to realize the market opportunity and the value-added of last-mile support services provided by their product association.'***
- *'The last-mile approach is only possible when everything is ready ... it assumes that only the connection with the international buyer is missing. In practice, more is often missing ... sometimes work needs to be done however in the first-mile.'*

Colombia

10. **Synergies with other WEHU programs.** As stated above, SIPPO's second component/objective is to *'enter into co-design arrangements with a number of existing and new trade related value-chain projects from the beginning and provide last mile services... Also with an eye to tackle the next-generation of exporters'* (SECO, 2016e).

- **Colombia+Competitiva** supports – under the first round of its competitive grant window – seven value-chain development initiatives which all are explicitly export oriented, i.e. their outcome goal is to enhance

export of the commodity at hand within 18 – 24 months. Moreover, these initiatives partly involve BSOs (namely Red Cacaotera and the Bogota Chamber of Commerce) which are also supported under SIPPO's first component/objective to strengthen BSO's ability to provide last-mile export promotion support.⁹⁰ These initiatives thus offered the opportunity 'to enter into co-design arrangements' and prepare 'the next generation of exporters'.⁹¹ This opportunity for co-design arrangements has not (yet) been picked up, despite the fact that Swisscontact is the implementing agency for both Colombia+Competitiva and SIPPO.

- **Cocoa.** SIPPO will organize a buyers' mission to Bogota one week before the international cocoa trade fair Chocoshow in November of this year in Bogota. SIPPO's counterparts in Colombia active in cocoa sector – Red Cacaotera, Fedecacao and ProColombia – will participate in this mission. Red Cacaotera is also beneficiary of the Colombia+Competitiva program.

The difficulty of forging synergies

11. Many key informants recognized the difficulty of forging synergies between SIPPO and other WEHU trade promotion programs. The interviews identified numerous reasons for these difficulties:

- **SIPPO had to be set-up new**⁹². Until 2017, SIPPO has been implemented by the Swiss Global Enterprise (or its predecessor organization). For the current phase, SECO decided to select the implementing agency through public tender. Swisscontact won this tender. Swisscontact subsequently required time to set-up the organization (from staff recruitment to defining operating procedures, from setting country strategies, selecting BSO partners to developing new implementation tools) (SIPPO, 2018). As a result, limited on-the-ground support has been provided until now.
- **Independent organization.** Whilst SIPPO is implemented by Swisscontact, SIPPO has – by design – been placed outside the Swisscontact organization and operates – both formally and in practice – as an independent organization. This prevents the natural exploitation of synergies – stemming from collegial cooperation – between SIPPO and other Swisscontact implemented programs.
- **Centrally managed.** SIPPO is managed relatively centrally by a dedicated program team from a separate Swisscontact/SIPPO office in Bern. The national country representatives possess relatively little autonomy. This hampers in-country cooperation between SIPPO and the implementing agencies of other WEHU programs. This also holds true for Colombia where SIPPO and the Colombia+Competitiva program are both implemented by Swisscontact.
- **Mismatch between SIPPO's mandate and program needs.** SIPPO's mandate is to support BSOs, whereas programs require direct export promotion services (such as expert advice, trade fair participation, or market intelligence). A capable BSO may not be available to provide such export promotion services.
- **Timing 1.** In some instances, WEHU beneficiaries in other programs first require support in organizational or value-chain development to become export-ready. Last-mile support may only become relevant some years down the line.
- **Timing 2.** Colombia+Competitiva started before SIPPO [Red. SIPPO could have been involved in the design and selection of the second selection round of initiatives under the competitive grant window.]
- **Mismatch in incentives.** The impact and outcome statements and targets differ between SIPPO and bilateral trade promotion programs. Moreover, the terms of reference for the implementation mandates of the bilateral trade promotion programs do not make cooperation with SIPPO mandatory.
- **Limited / no dedicated funds.** SIPPO has CHF 30,000 of operational funds for 4 years for outcome component 2: support (at least) 10 trade-related value chain programs from SECO (SIPPO, 2018). As far as we could assess, WEHU's trade-related value-chain programs have no earmarked funds to source SIPPO support⁹³.

⁹⁰ SIPPO supports Red Cacaotera in upgrading its management information system.

⁹¹ Forging synergies between SIPPO and other WEHU trade promotion / value chain projects will be difficult when SIPPO does not support a relevant BSO – either because this BSO is (still) too weak or not a priority partner of SIPPO.

⁹² Some informants noted that (i) the switch in implementing agency and mandate constituted a paradigm shift; and (ii) both SECO and Swisscontact may have underestimated the severity of this shift and its operational implications, if only the time it takes to set-up the organization and operations.

⁹³ Moreover, the competitive grant window under the Colombia+Competitiva program (component 2) does not finance last-mile export promotion support.

- **SIPPO has a limited activity / operational budget.** SIPPO's operational budget in Colombia for the year 2019 is CHF 80,193 spread over 5 BSOs: ProColombia (CHF 25,306), Bogota Chamber of Commerce (CHF 14,790), Fedecacao (CHF 14,790), Red Cacaotera (CHF 14,790) and Acotur (CHF 10,516).

12. **SIPPO is engaged with the Global Reporting Initiative** to assess possible cooperation. SIPPO is developing a number of new tools, which may of interest to the Global Reporting Initiative, including (i) a tool for SMEs in the natural ingredients sector to self-assess compliance with sustainability standards; (ii) an e-learning tool for field staff on B2B matchmaking; and (iii) a e-learning tool on corporate social responsibility.

13. SIPPO's first progress report (SIPPO, 2018) states that '*SIPPO maintained partnership and / or implemented joint [matchmaking] activities with the following projects*':

Table 20. SIPPO partnerships / joint activities with SECO trade-related programs

Country	Name of project
Albania	✓ RisiAlbania, Albinspect, Swiss EP, S4J, C4EE
Bosnia and Herzegovina	✓ FARMA 2, GIZ pro local, i-dijaspora (SDC)
Colombia	✓ C+C, SEN
Indonesia	✓ Smartfish (F & S sector)
Macedonia	✓ IME (NI sector and ST sector), Swiss EP
Marocco	✓ GTEX (VAT sector),
Peru	✓ PAI, AL-Invest 5.0, Probosques, Swiss EP
Serbia	✓ Swiss EP
South Africa	✓ GIZ ABS Initiative (NI sector) ✓ UNIDO Global Quality and Standards Programme GQSP (NI sector)
Tunisia	✓ PAMPAT (PF sector and NI sector),
Vietnam	✓ SCORE (TW sector)

Source: (SIPPO, 2018)

Stakeholder observations

14. **BSO focus.** The support to BSO's '*is the way to go, but maybe it should have been formulated as the end-goal*'. Many BSO's are '*weak*' and set-up as '*political representation*' rather than business service provider. There are however exceptions, such as the national trade promotion agency ProColombia (see Textbox 15) which may however already be too well-developed, i.e. SIPPO may have little to add in terms of capacity building.

15. **SIPPO's impact and outcome statements and targets are export-focused.** SIPPO notes that this is not in line with SIPPO's mandate, which effectively constitutes capacity-building of BSOs and involves no direct export promotion work.

16. **Devolution.** The Credit Proposal foresaw a more decentralized program implementation approach for SIPPO compared to previous program phases. This intent is underscored by the recruitment of national country representatives and, for about half the countries, export promotion managers. In practice, the **country teams have limited autonomy**; decision-making within SIPPO remains headquartered-centered. SIPPO's first 2018 progress report (SIPPO, 2018) indicates that 2017 and 2018 are used to constitute the new SIPPO with decentralization (empowerment) envisaged for 2019.

Textbox 15. ProColombia and old versus the new SIPPO

ProColombia is an implementing agency of the Ministry of Trade, Industry and Tourism. Its mandate is to foster exports, foreign-direct investments and international tourism. The organization employs 500 people – 360 in Colombia and 140 spread over 30 representative offices around the world. ProColombia supports five broad sectors: Agribusiness, Industry, Textile & Apparel, Chemical and Life Sciences and Metalmechanics. It provides technical advice to companies (including training, organizational development, packaging, labeling, marketing, etc.); organizes study tours, trade missions and buyers' missions; offers B2B matchmaking, and provides coaching / facilitation during trade fairs and contract negotiations. ProColombia does not charge for its services. It also provides some financial assistance (e.g. for participation in trade fairs), but companies always need to contribute financially.

SIPPO's value-added for ProColombia is the market and sector expertise it offers on the Swiss and European markets. SIPPO and their experts have better contacts and knowledge about these markets (and their requirements) than ProColombia has. Moreover, the Swiss market is hard to penetrate – SIPPO thus offers a useful jumping board to access the Swiss market. Finally, SIPPO complemented ProColombia scarce financial resources (effectively extending ProColombia's reach).

The old SIPPO was – by extension – more useful for ProColombia than the new SIPPO. The old SIPPO offered direct support to companies which benefited from the resources, sector experts, market knowledge and contacts of SIPPO. The results, according to ProColombia were very good: it empowered the companies – many of which are active on the Swiss / EU market and continue to participate in international trade fairs on their own costs. ProColombia is uncertain what the new SIPPO can offer them. Whilst *'not being perfect'*, ProColombia does not know what the new SIPPO can offer them or on what issues they can ask for help: e.g. SIPPO is developing a CRM-system*, but ProColombia has a CRM system in place.

Value added of trade promotion work. The old SIPPO expertise is – to some extent – still available through private consultants. ProColombia could source this expertise and perform the role of the old SIPPO. The fact that they do not do so could mean either of three things. One, ProColombia does not have the financial resources to source this expertise themselves. Two, the sector and market specific expertise is not that valuable, i.e. does not warrant an investment on the part of ProColombia. Three, organizational or market imperfections prevent ProColombia from sourcing this expertise.

* SIPPO proposes to BSOs a CRM (with MRM capabilities) as core requirement for developing successful export promotion services. This is based on (i) an ITC assessment that the improvement of an institutionalized CRM is crucial for most of SIPPO's partner BSOs (with 50% of BSOs expressing interest to purchase an affordable, flexible and easy-to-handle CRM system; and (ii) SIPPO as a program needs efficient reporting on KPIs and manage its wide importer/buyer and expert network. (SIPPO, 2018)

J.3. Transparency and Innovation of Sustainability Standards (TISS)

Description

17. The Transparency and Innovation of Sustainability Standards (TISS) programme **encourages transparent and innovative sustainability standards** to effectively respond to the main challenges faced by the current system of Voluntary Sustainability Standards (see Textbox 16). It has the overall purpose of scaling-up of sustainability impact through the effective use of information and the improved efficiency of standards systems.

18. The programme is composed of two components; each linked to an existing initiative from the strategic implementing partner and working on a global level:

- The transparency component is linked to the **Trade for Sustainable Development (T4SD)** initiative of the International Trade Centre (ITC). T4SD is the globally leading database on sustainability standards, which are publicly available in the **Standards Map** website. SECO co-finances T4SD for the activities of (i) expanding the database; (ii) collection and analysis of market data on VSS; (iii) training TSIs in the field; (iv) further developing cooperation with Swiss stakeholders to allow the Swiss Consumer portal to draw on existing data from ITC; and (v) enhancing the Standards Map platform to include sustainability profiles and web applications, allowing users to diagnose their sustainability practices.
- The innovation component is based on the partnership with ISEAL, particularly its **Innovation Agenda**, 'The Future of Sustainability Standards'. SECO co-finances the implementation of this agenda, which includes activities of (i) redesigning standards that are outcome oriented and create economic incentives; (ii) redesigning assurance and traceability; and (iii) developing capacity building models for smallholders. These objectives are achieved through the **Innovation Fund**, which supports proposals focused on efficiency (improved audits), relevance (more certified smallholders) and effectiveness (increased productivity).

19. The Innovation Fund supports innovative ideas and pilot projects. Based on a discussion with ISEAL members (standards organisations) and other relevant stakeholders, future challenges and priorities for VSS are identified. Based on this intelligence, themes are defined for the calls for proposals, and members are invited to submit proposals for innovative projects around these themes. A Grant Committee (made up of SECO and other actors, such as the WWF but also companies) evaluate the proposal and award the grants. The amount of these grant are around CHF 75,000 each.

20. The funding provided by SECO for the Innovation Fund aims to specifically identify projects that focus on SECO priority sectors (such as agriculture, forestry, textiles and mining) as well as a group of SECO priority countries when it comes to the larger grants.⁹⁴ However, projects outside of these countries or sectors are not precluded from the funds. The proposals for the Fund come from ISEAL's members, which on one hand ensures that they directly target relevant VSS issues but on the other also means that the pool is limited, as ISEAL currently has 24 members.

Organization

21. TISS is implemented by ITC and ISEAL Alliance. As TISS is composed of pre-existing initiatives, these organisations have different coordination and decision-making boding in place. The two components also have separate contracts under the program.

Textbox 16. Voluntary Sustainability Standards

Voluntary Sustainability Standards (VSS) are standards specifying requirements that producers, traders, manufacturers of service providers could be asked to meet relating to a wide range of sustainability metrics.

Labels derived from VSS guide consumers in their decision making and help businesses to both improve their supply chains and their operational processes as well as to communicate their sustainability practices.

Strong increases in demand for sustainable production and consumption have led to an increase in the number and the usage of VSS, which in turn have raised questions on their transparency, impact and cost of certification.

Source: (UNFSS 2013)

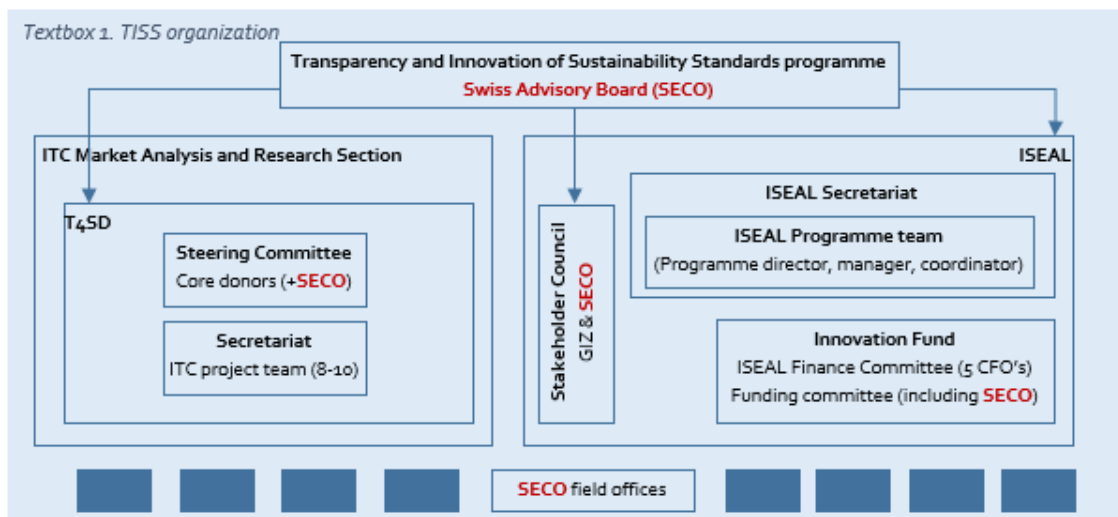
⁹⁴ Namely: Colombia, Peru, Vietnam, Ghana, South Africa, Morocco, Tunisia, Indonesia and Kyrgyzstan.

22. An annual Steering Mechanism meeting ensures a regular exchange between the two components. While the program does not have a budget-line dedicated to this exchange, there are natural complementarities, as all ISEAL standards contribute to the T4SD reports and are included in its database. Furthermore, the organisations involve each other in technical working groups, such as a Database Development Group. Initially the idea was to set up a Swiss Advisory Board, coordinated by SECO to 'ensure an effective cross-fertilization between the work of ITC and ISEAL as well as a fluid exchange with Swiss stakeholders'. (SECO, 2016f) In practice this has never been formalised. Exchanges with Swiss stakeholders have taken place, for example in the scope of the ISEAL Conference in Zürich in June 2017 and in the scope of the Funding Committee.

23. T4SD and ISEAL have their respective secretariats and programme teams. SECO holds a seat in both Steering Committees. It is also part of the Funding Committee of the Innovation Fund.

24. Monitoring and steering is in the hands of SECO HQ, which works closely with SECO's field offices for monitoring on local-level interventions, particularly in the countries where the Innovation Fund finances pilots.

25. T4SD works with Swiss implementing partners and local consultants to develop customised tools and analysis. ITC contributes with the tools and the know-how and the implementing partners contribute with the network and the local knowledge.



Objectives

26. The TISS programme outcomes are divided according to the components, where:

- The **ITC component on transparency** seeks to 'enable the effective use of the information provided on Standards map and related platforms regarding the content, requirement, costs and impact of standards in key global value chains.' This will allow users to make more informed decisions, ultimately reducing trade costs and enhancing market access.
- The **ISEAL component on innovation** seeks to 'contribute an increased market uptake of VSS in key global value chains as well as an improved efficiency of standards systems in cost and time saving, which will ultimately improve accessibility for smallholders.
- The two components are expected to **work together by building a framework for WEHU's work** in different value chains. 'By comparing standards used in the same sectors, T4SD has been an effective driver to foster efficiency among VSS. Increased transparency can stimulate and fuel the innovation agenda set by ISEAL.' In addition, the pilot projects resulting from the Innovation fund grants are expected to be scaled up and replicated in future SECO value chain projects.

Budget

Time period	Program component	SECO Contribution	Local contribution (ITC/ISEAL)	Other donors	
2016-2020	A. ITC/T4SD	CHF 3.0 million	CHF 1.0 million	CHF 8.0 million	
	B1. ISEAL Facilitation of Innovation Agenda	CHF 1.731 million	CHF 6.0 million	CHF 4.5 millions	
	B2. ISEAL Innovation Fund	CHF 5.0 million			
	Reserve	CHF 0.25 million	-	-	-
	Total	CHF 9.987 million	CHF 7.0 million	CHF 12.55 million	

Source: (SECO, 2016f)

Impact and outcome indicators

Type	Indicator
Impact	Sustainability impacts of VSS on certified producers/SMEs (with a focus on smallholders)
Outcome	1. Market penetration of credible standard in key global value chain
	2. Number of certificates issues to smallholders by ISEAL members globally
	3. Cost reductions, increased benefits and/or efficiency gains of ISEAL members
	4. Benefits accrued to smallholders through involvement with sustainability standards
	5. 100 000 visitors of Standards Map per year
	6. Number of smallholders reporting greater awareness of the opportunities and challenges linked to VSS as a result of T4SD's support
	7. Number of enterprises reporting improved ability to make assessments regarding adjustments and investments needed to meet sustainability requirements for improved international competitiveness as a result of T4SD.

(SECO, 2016f)

Activities under Transparency and Innovation

27. TISS carries out the following activities under T4SD:

- Maintaining, updating and extending the **database** of standards across sectors and countries.
- Engaging with private sector partners to develop **customized tools and analysis** (see Textbox 17 for an example of a tool from a previous phase and for an illustration of the type of work T4SD intends to develop further).
- Publishing a **State of Sustainable Markets Report** on market trends in sustainability.
- Capacity building through **workshops** by the T4SD team or local experts. These are training to policymakers, TSOs and enterprise representatives mainly to raise awareness. However, this activity is becoming less prominent in the new intervention logic of T4SD.

28. TISS carries out the following activities under ISEAL:

- Developing and sharing strategic intelligence to help direct the standards Innovation Agenda through research into the credibility of standards systems and the possibilities of harmonization. This intelligence focuses on future challenges and guides the call for proposals under the Innovation Fund.
- Managing the **Innovation Fund** aimed at co-financing the practical development, piloting and refinement of innovations. Concretely, this Fund aims to coordinate and facilitate 24 small and 7 large pilot projects in the focus areas of **redesigning standards, redesigning assurance and developing capacity building measures**. A first call related to data management, a second call on how to scale the use of standards in certain geographic areas.
- Encouraging member **exchange and learning** through forums and partnerships between standards practitioners and experts. The learning feeds from the Innovation Fund projects, the established working groups and data managers and is disseminated through learning tools. One example of a learning tool is the Data Skills Lab, hosted online and available for any standards organisation. Its set of modules teaches best practices in data management.

Textbox 17. Basic Criteria for Sustainable Cocoa (LBCS) in Colombia

The LBCS tool is a good example of synergies between various SECO initiatives. LBCS is a joint effort between SECO, the Colombian Swisscontact team, T4SD from ITC and the National Cocoa Association, Red Cacaotera. Together, they developed the LBCS tool to prepare cacao organizations and their producers to perform better and to facilitate their communication with regional and international buyers that value sustainable production. It is designed so that organizations of smaller cocoa producers can focus on helping their producers implement better social, economic and environmental practices. It is a pioneering project for T4SD.

LBCS is a set of evaluation criteria applicable for organizations and their associated producers that allows them to see their improvements in the implementation of sustainable practices, while simultaneously identifying the existing gaps in their organizational set-up or productive program that need to be breached before being able to implement more complex certification processes. It is also a tool to communicate advances to clients that don't strictly require a sustainability standard but would like to know the type of practices a producer is implementing to reach that standard.

T4SD's Sustainability Map (launched in September of 2017) combines T4SD data with new ITC tools that increase its scope. LBCS is hosted on the Sustainability Map platform. One of the platform's tools is the Standards Map, which covers over 235 sustainability standards, codes and protocols and was used to develop the LBCS. This was done by identifying the 5 more common standards for the cacao sector and creating a matrix with every criteria of the standards judged according to factors such as implementation cost, productivity and quality improvements, possibility to scale up to more complex good practices.

The development of LBCS was done keeping in mind the type of barriers that small and medium sized producers and their associations often encounter in their certification processes. These are many of the same barriers identified as tackled by the ISEAL Innovation Agenda, such as that of cost efficiency in the processes from smaller organizations. The Red Cacaotera (created under the SECO's COEXCA project, implemented by Swisscontact) took on dissemination and implementation of the LBCS amongst its members. At the moment, 7 organizations have been involved in training their members and 500 producers have undergone the diagnostic step of the tool and are moving on to the implementation stage for standards improvement. Stakeholder feedback is that producers are particularly enthused when it is presented as a self-assessment tool rather than a certification process, as this is seen as less of a daunting task. Future development of the tool is looking into adding a quality module, to further connect sustainability standard to improved products. The model was replicated in another joint effort of T4SD and Swisscontact for Quinoa in Peru (LBQS) under SECO's project on Quinoa Value Chains.

Source: (Swisscontact 2017)

Trade for Sustainable Development (T4SD) Evaluation (2013 – 2016) Phase I

29. The previous phase of T4SD was evaluated as having made a significant contribution, with

- Strong results under the **VSS Repository** (database) component, which is considered to have '*easily accessible, reliable and neutral information contributing to achieving a variety of widely acknowledged trade-related policy objectives, such as better consumer information, improved market access information, and other elements of a sound market environment.*' The Report highlighted that the Repository is a public good and will require **continued donor funding**
- Strong results under its **T4SD Forum** component, which connected global stakeholders through a global event.
- Promising results under **technical assistance**, with interviews confirming the challenges SMEs face to comply with VSS and the high demand for capacity building.

30. As far as impacts go, the report concluded that since T4SD is in the process of creating an innovative public good and has newly endeavoured technical assistance projects, '*an attempt to assess T4SD's impact on the ground would be premature*'. The report did recommend a **continued focus on the database**, fixing errors and maintaining the platform as well as **promoting its use** in the public and private sectors. It also suggested mainstreaming capacity-

building efforts and further piloting technical assistance models such as that of the LBCS in Colombia (see Textbox 17).

Progress report on the Sustainability Standards Information System, 2018

31. Taken from ITC's progress report for SECO covering the period of the 1st of January to the 31st of December 2017, the results in the different activity areas are as follows:

- **Database:** extended by 12 new standards and 104 standards updated, bringing the total to 248 standards in over 90 sectors.
- **Private sector engagement:** 'the programme has continued engaging with private sector partners in developing customized tools and analysis based on the self-assessment and benchmarking instruments while ensuring that these tools serve a broader goal. It has continued developing LBCS in Colombia and LBQS in Peru.' Capacity building commitments have been exceeded, with workshops delivered by their the T4SD team of local experts. In the interview it was mentioned that success takes time to develop but will be measured by the uptake (number of companies using the tool) and subsequent change in practice (compliance with standards). Similar initiatives are now foreseen in Indonesia, Vietnam and Ghana.
- **Report:** the second annual State of Sustainable markets Report was published in June

The Future of Sustainability Standards - Intermediate operational report for SECO (2018)

32. Taken from ISEAL alliance' operational report for SECO covering the period of the 1st of January to the 31st of December 2017. Results in the different activity areas:

- **Intelligence:** 4 strategic intelligence products, namely: (i) a summary of external stakeholders' perception on how VSS need to evolve; (ii) a briefing note on standards and approaches; (iii) a report on ISEAL members and traceability; (iv) a paper on shifts in the landscape.
Lessons: important to more closely align the strategic intelligence work and the operations of the Fund. There needs to be tracking of members' priorities and challenges to have more detailed and systematic intelligence about developments in the standards community. This intelligence can subsequently inform the focus of the Fund challenge grants.
- **Innovation Fund:** 13 grants were awarded, and 2 grant projects completed.
Results: The funded projects cover the originally identified thematic areas (redesigning standards, redesigning assurance and capacity building). However, the overall assessment of the grant projects is mixed. On one hand, one follow-up grant has been issued and others are being considered for extension. On the other, not all have been brought to completion. One selected project was shut down quickly when it was determined that the idea is not feasible, before the grant money was disbursed. However, ISEAL stresses that these projects are also providing valuable information on what *doesn't* work. Finally, demand for the Fund also dropped, from 14 concept notes in the first round to 5 in the fifth round.
Lessons: The application process was changed into a two-step procedure, starting with a concept note, and if these looked promising, applicants were given recommendations on how their proposals could be strengthened. This way, applicants did not have to prepare full proposals immediately. There was an adjustment to launch more targeted calls for proposal, in order to make the projects more strategic and to keep a cohesive program portfolio.
- **Exchange and learning:** 1 innovation summit, 4 task forces and one strategic discussion of ISEAL donors.
Results: The task forces were well attended but did not achieve their originally intended purpose as they *'struggled to maintain continuity of attendance by specific individuals from meeting to meeting'*.
Lessons: While the task forces proved to be useful for strategic discussions on the focus, they did not become the driving force for generating proposals.

33. Overall, the report concludes 'the Innovations Programme represents a new way of working for ISEAL. (...) The initial ideas around how to go about sparking and funding innovation were not always correct. Numerous course corrections were made, and the delivery approach is now more flexible and agile.'

Textbox 18. Data-driven Assurance and M&E

One of the projects awarded under the Innovation Fund is the '*Evidence-based approach to Revolutionize Data-Driven Assurance and M&E*'. This project, implemented by the **Rainforest Alliance**, aims to develop a cost-effective solution to the need for certification to move behind simple compliance and collect and process more data for stricter assurance and better monitoring. Mock audits and field testing have been carried out and will be further formalized into tools and protocols.

Thus far, the project has found that data is indeed readily available (for example, while in the past only compliance with minimum wages was checked, now information on wage levels being paid on a farm were collected). This has benefits, as it provides information on impact over time, can help benchmarking data, etc. However, collection of these data would increase the costs of an audit. In a next phase, ways are investigated to keep the audit costs down, e.g. by using self-assessment tools by companies before the audit takes place. Efficiency can also be improved by developing easy to use mobile-based tools that allow auditors to quickly transcribe records in real time.

Source: (ISEAL Alliance 2018), interviews

Observations

34. The two projects have separate contracts and no targeted budget for cooperation exists. While synergies and complementarity are (briefly) mentioned in the credit proposal, this is placed in the greater scheme of SECO's future projects. Each of the component's progress report / intermediate operational report do not mention the other. However, the interviews revealed that there is regular exchange between the two organisations, as both teams have strong strategic and operational relations. An example of this exchange is that an ITC/T4SD IT expert is also part of the ISEAL funding committee, as resource person for IT issues.

35. T4SD is based on a pre-existing and continued project, which was well established. The Evaluation of the Trade for Sustainable Development (T4SD) Project (2013 – 2016) concluded that the project was still in the process of defining an articulated intervention logic. T4SD went through this process in 2018 and adjusted its model to become more effective. Looking forward, the Transparency component of the program will be implementing its new approach of maintaining the core work while increasing its presence on the ground through field work. It also intends to gear the marketing of its efforts towards climate change adaptation and mitigation.

36. The Innovation Programme and particularly the Fund are newer interventions and still going through this adjustment. Several aspects of the model proved not to work out as expected, such as taskforces potentially guiding grant projects and grant projects feeding the intelligence development component. In response, several adjustments have been made to improve the quantity and quality of proposals, and the increase the coherence and leverage of the portfolio.

J.3.2. Corporate Sustainability and Reporting for Competitive Business Program

Description

37. The Corporate Sustainability and Reporting for Competitive Business Programme aims to contribute to a better **integration of SMEs into Global Value Chains by encouraging sustainability reporting** by SMEs. Its focus is on building capacities in SMEs to start or to improve their sustainability reporting.

38. CSRCB is in its second phase, following Phase I (2012-2015), which focused on 'fostering local networks and dialogue in the target countries in order to raise awareness about the benefits of sustainability reporting and prepare the ground for promoting broader use of sustainability reporting.' (SECO, 2016c) This project was implemented by the Global Reporting Initiative (GRI) and United Nations Global Compact (UNGC) and reached 6,100 beneficiaries. To capitalize on the work done in this Phase and to scale up the results, Phase II focusses on the countries where gains were made in local networks and dialogue - **Colombia, Ghana, Indonesia, Peru, South Africa and Vietnam**. In both phases SECO was the only donor.

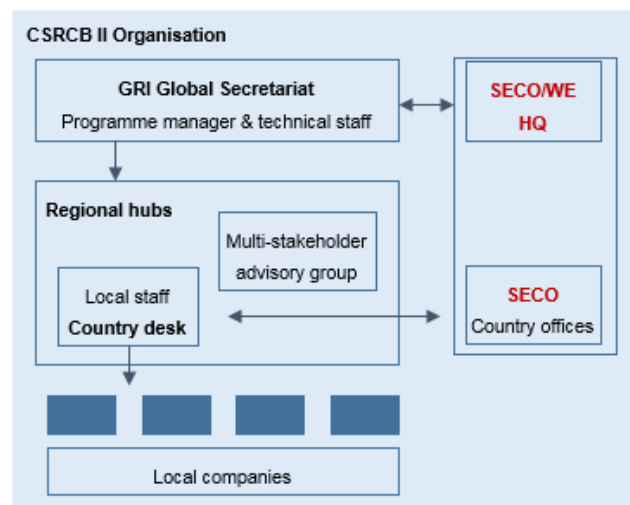
39. Phase II plans to achieve its objective through the three following components:

- **Pillar 1: develop SME capacity for reporting**, by ensuring these SMEs have the skills to develop reports on sector-specific sustainability issues. Pillar 1 is the bulk of the program, with 43% of the budget.
- **Pillar 2: enable a reporting environment** by supporting policies and regulations conducive to sustainability reporting by activities of dialogue, outreach and awareness raising.
- **Pillar 3: foster demand for sustainability data** by providing data users (civil society, government institutions and media) with the know-how to hold both multinationals as well as SMEs accountable for their sustainability practices.

Organization

40. Just as in Phase I, CSRCB is implemented by GRI. This time, GRI was not joined by UNGC, which are going through a strategy review. The programme is managed and supervised by GRI's Global Secretariat in Amsterdam. This Global Secretariat and SECO/WE headquarters from Bern have frequent communication and annual programme meetings for the strategic steering and governance of the project.

41. On a local level, GRI works through regional hubs (in Colombia and South Africa) or country desks, composed of locally recruited staff. The regional hubs are also supported by a stakeholder advisory group. The regional hubs and country desks receive coaching and guidance from the program manager to develop their annual work plans. The specifically designed programme country desks are the programme contact person for both the local companies as well as their SECO counterparts. The regional hubs are in charge of promoting sustainability reporting through advocacy and training and of ensuring knowledge is shared between the country desks and the global network.



42. The intensity of cooperation between GRI and SECO on a country-level depends very much on the country. The program is developed around two **implementation modalities**, namely: (i) developing a country specific approach with local offices; and (ii) working through scaling agents and creating a dedicated group of local trainers (ToT) among these scaling agents. In practice, there has been some flexibility in implementation (see below).

Textbox 19. Scaling agents in CSRCS

The program aimed to maximize sustainability and scale of its outreach through the use of 'scaling agents'. These agents receive knowledge, training and material from the implementer and further disseminate this to the end users. The scaling agents were split up into three groups:

1. First tier **suppliers of multinationals** that are interested in strengthening the sustainability reporting by their tier two SME suppliers in their value chains.
2. **Industry or trade associations** with a large SME membership that feel international pressure for sustainability reporting.
3. **International organizations** with a large SME network in their country for whom sustainability reporting can help them advance their mission.

The project initial goal was to engage at least 21 scaling agents, train at least 42 trainers and reach at least 2,900 SMEs. The program later changed the term scaling partners to Implementation partners and they no longer need to belong to one of the above three groups. These partners do not receive transfers and are only paid in kind, through training and materials.

Source: (SECO 2016)

Components and activities

43. The three previous identified pillars have their own objectives, to be achieved through a specific set of activities.

- **P1 (developing SME capacity)** through developing the SME sustainability reporting tools, reaching and training SMEs through the implementing partners and sharing knowledge among SME through a web-based SME Community platform and events.
- **P2 (developing a reporting environment)** by identifying partners and collaboration areas, creating policy briefs and analyses and engaging in policy dialogues. For local policy makers, the activities are mapping of local key policy makers, awareness raising of national implications of global and regional sustainability policies and engaging in policy dialogues, as well as advising national policy makers and agencies. Pillar 2 does not have defined outcome indicators.
- **P3 (foster demand)** by tracking and capturing case studies of how media, NGOs and investors use reported data and other awareness raising activities such as speaking engagements. In addition, data users are trained by developing training modules and materials, building capacity for each of the data user groups and finally, monitoring how data users apply the gained knowledge.

Budget

Type	Outcome	Budget	Percentage
Impact	1. Increased sustainability reporting in the value chain through enhanced capacity of SMEs to report on their sector specific sustainability impacts. *	EUR 2.24 million	43%
	2. Enhanced conducive environment for SMEs to start and continue sustainability reporting	EUR 0.24 million	5%
	3. Greater demand for increased transparency and accountability on sustainability impacts in the value chain, contributing to increased sustainability reporting.	EUR 0.30 million	6%
Other	Programme management / administration**	EUR 2.4 million	47%
Total		EUR 5.18 million	100%
		CHF 5.44 million	100%

*Including the costs of the development and maintenance of the Digital Reporting Platform.

** This budget line covers the staff costs of the people in the field in charge of coaching and outreach.

Impact and outcome indicators

Type	Indicator
Impact	1. Increase in the number of contracts between buyers and SMEs in the value chain.
	2. Increase in the number of jobs created and retained.
	3. Increase in SME sustainability reports.
Outcome	1. Number of SMEs confirming increased capacity for sustainability reporting.
	2. Number of SMEs indicating policies help them to report on their sustainability impacts.
	3. Number of data users indicating that sustainability report help them to demand for more transparency on sustainability impacts in the value chain.

CSRCB Phase II Progress Report June (2016-July 2017)

44. The 10-month progress report from September 2016- June 2017 identified several lessons learned, particularly around the implementation modalities. Firstly, the **country- and sector-specific approach were validated as being a key aspect of the programme**. The team encountered much variation in sustainability reporting readiness, with some countries' government agencies actively supporting sustainability reporting and their data users having both knowledge and interest in sustainability reporting and others viewing it as a new concept. Likewise, the sectors have different levels of maturity and hence, different priorities.

45. The third implementing modality of **working through scaling agents was not entirely validated**. Many of these scaling agents, later referred to as Implementations Partners, decided not to join the program for a variety of reasons. For intermediary organizations, these reasons were '*insufficient or no human resources to implement the program, unfamiliarity with sustainability reporting (and its benefits) and the presence of more pressing matters*'. For existing GRI reporters, the reasons were '*a full training agenda, the need for a program that would be relevant and accessible for all types of suppliers (including non-SMEs) and internal bureaucratic procedures from new programs for suppliers*'.

46. The mitigation measures put into place were to align recruitment planning with the planning cycle of potential IPs and use tool demonstration to improve IP recruitment to show the importance of sustainability reporting. GRI is now working with Heineken in Vietnam to train the SMEs in their supply chain in sustainability reporting. In countries where fully engaging IPs was most difficult the approach was changed to a strategic partnership, where IPs are now not in charge of providing the training but only make their existing network available to GRI.

Results (Based on Progress report Year 2 covering July 2017 - June 2018)

47. The SME Reporting Tool has been launched and rebranded as the **GRI Digital Reporting Platform**. Two manuals for the use of this platform were published - one for the SMEs and another for the IPs.

48. **Outreach to SMEs** in the form of training provided through IPs was very much delayed during Year 1 of the program. As of February 2018, **none had been trained due to the delays in engaging and training the IPs**. Year 2 however, was pivotal in beginning the training, with trainings starting in all countries. While results vary per country, the program has trained 310 SMEs in the Digital Reporting Platform, of which 165 have successfully finished the training cycle. Of these 82 have gotten to the reporting stage, all in Colombia and Peru. 215 sustainability reports are in the process of being developed in the program, of which the bulk are again in Colombia (47) and Peru (155).

49. The programme reached out to a total of 244 organizations to present the CSRCB programme, of which **19 have signed on as Implementation Partners**.

50. The **Training of Trainers** element of the program has been very successful, exceeding the year target in total participants, with **159 participants trained and an even gender split**

51. The planned publication of current existing policies has been delayed due to difficulties in data collection. However, the policy mapping exercises were completed for all program countries.

52. As for engagement, 99 **stakeholders have been engaged with**, of which 49 in Program Year 1, and 50 so far in Program Year 2. This exceeds targets in all countries for national policy actors engaged with, but falls short for non-government policy actors in most countries. In Vietnam and Colombia, the target for non-government actors was greatly exceeded (20 against the target of 2).

53. The engagement with data users has finalized its planning stages, GRI partnered up with Radio Netherlands Training Centre (RNTC) - a media training institute - and developed a course methodology and material. It includes a Training-of-Trainers program and a workshop for journalists, which can be rolled out as a Webinar or in person.

Stakeholder Observations

54. The programme did not foresee one basic business practice- that larger companies do not distinguish their suppliers according to the size of the company (SMEs or large companies). When approached to be potential programme partners these companies explained that *'an SME-specific tool rather than improving transparency would feel exclusionary'*, as it would mean they would treat their suppliers differently depending on their size. The strict SME focus was loosened by GRI and SECO beginning 2018.

55. In Phase I, CSRCB rated (very) satisfactorily on all criteria except for **sustainability**, where it was concluded that *'local support structures are not yet sustainable and no clear concept on how they are to become sustainable exists. However, some elements are present on the ground, such as experienced and well-trained certified training partners. Willingness of companies to pay for such services is nascent.'* This nascent willingness still seems uncertain at this point. One of the key lessons in the latest progress report is that *'the business case for sustainability reporting is not yet strong enough in the eyes of SMEs, would-be reporters and new reporters'*. This is one of the greater challenges of the programme.

56. The weak business case seems to have also applied to the initially named scaling agents, later changed to IPs. These seemed to either to be unfamiliar or unconvinced by sustainability reporting for SMEs. The **delay in engaging IPs** had a short-term consequence (the delay in training SMEs) but could also point towards the same sustainability problem already identified in Phase I, where there will be no **sustainable local support structure** if no IPs are sufficiently engaged to continue training.

57. The program development **varies greatly between the countries**. Most successes have been achieved in Colombia and Peru, where IPs have been able to generate revenue. Ghana has presented the largest challenges in getting IPs to devote time to playing a facilitating role. In this country the program has adapted its approach to a more "hands-on" work directly by GRI. For the countries in South East Asia results have been mixed. While the markets are more mature, it lacks the transparency culture found in Peru and Colombia.

K. Evaluation Synthesis Fiches

K.1. Indonesia/Peru: UNDP National Commodity Platforms to support sectoral transformation

Program description			
<p>This three-year program (September 2015 – August 2018) establishes National Commodity Platforms in Indonesia and Peru. Their objective is to <i>'provide safe spaces'</i> for public and private stakeholders to discuss and address sectoral challenges and thus to <i>'strengthen the enabling environment for the sustainable production in Indonesia's palm oil sector and in Peru's coffee sector and to organize collective action through multilateral partnerships'</i>. The program 'focusses on multi-stakeholder dialogue, consensus-building and building commitment to joint action ... These are frequently missing links needed to build an enabling environment for sustainable development'. The National Commodity Platforms are to coordinate <i>'the development and implementation of National Action Plans (NAPs)'</i>. The NAPs <i>'include coordinated investments and actions that are designed, implemented and monitored jointly by government, private sector, civil society and development partners'</i>. The program also, amongst others, provided, on a pilot basis, smallholder training and certification (Indonesia) and the development of national farmer support and credit systems (Peru). The program's budget is CHF 2 million for three years.</p>			
Sources			
<ul style="list-style-type: none"> – Mid-Term Evaluation of the National Commodity Platforms to Support Sectoral Transformation: Mid-Term Evaluation (SECO and UNDP, 2017) – http://databank.worldbank.org/data/source/world-development-indicators 			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Highly relevant	1	<ul style="list-style-type: none"> – Indonesia: The evaluation report qualifies sustainable palm oil production as <i>'almost without question ... [the country's] single most important development challenge'</i> due to the sector's major negative environmental impacts and the associated economic risks of facing export bans⁹⁵. The program also supports the on-going government process to strengthen the Indonesian Sustainable Palm Oil (ISPO) Certification. Continued relevance will depend on the program's ability to steer spending of the Sustainable Palm Oil Fund and the private sector towards implementation of the NAP. – Peru: The program proved an apt and timely response to <i>'a recent, poorly executed government support replanting program (to address coffee rust), a lack of inter-institutional co-operation and a static co-operative system'</i>. – The program also forms a stepping-stone for several UNDP-GEF programs (see Part 2, question2).
Effectiveness	Highly effective	1	<ul style="list-style-type: none"> – Indonesia: A NAP has been drafted, government takes ownership, close and active involvement of Indonesian and international private sector, platform enjoys broad support. – The program realized the first Indonesian Sustainable Palm Oil (ISPO) certified smallholders (#391) in Indonesia. – Peru: The program has mobilized public and private stakeholders and undertaken diagnostics studies. Work on the NAP was just starting.⁹⁶ The report is unclear whether a Peru Coffee Platform has been established (or that this was still work in progress). The evaluation positively assessed (i) the recruitment of experienced, well-known, and trusted project staff; and (ii) the stakeholder mobilization efforts.

⁹⁵ *'In April 2017, the European Parliament voted ... to ban biofuels made from vegetable oils including palm oil by 2020 to avoid contributing to deforestation.'*

⁹⁶ The NAP has in the meantime been drafted and launched. Source: SECO.

Efficiency	Efficient	2	<ul style="list-style-type: none"> – Indonesia: '<i>[Albeit] with restricted resources, ... the project has made substantial progress in establishing the Platform and in developing the NAP and therefore ... has been 'efficient'.</i> – Peru: '<i>the project appears both to have made good use of its resources and not have suffered overly from budgetary limitations.'</i> – '<i>Relatively slow progress has been a justified source of concern among some stakeholders—including local SECO offices and some Government partners.'</i> The slow pace is explained by delays in recruitment of project team and scheduling high-level meetings and change in government (Peru).
Sustainability	Moderately Likely	2	<ul style="list-style-type: none"> – Given the size of the development challenges and '<i>the limited timeframe and resources available ... the work will ... not be complete and ... will not be done in a way that ensures sustainability by the end of the project'.</i> – Indonesia: A major challenge is ensuring national ownership as the program may be seen as outside interference and the international sustainability concerns on palm oil as trade barriers. The evaluation underscores the importance of granting an executive role to the government and for UNDP to adopt a behind-the-scenes role. – '<i>Another important challenge and opportunity for sustainability relates to the sprawling range of activities and support to the sector, including a wide range of pilot activities being funded by an equally wide range of cooperating organizations.'</i> These sprawling activities are not detailed in the evaluation. – Peru: The project team has sought ownership through '<i>a careful series of consultations'</i> and revamping an existing institutional structure – the Coffee Council – rather than create a new one. – Both: Additional risks are: political volatility and capacity constraints (both human and financial).
Impact	n/a	n/a	–
Overall average score		1,5	
GNI per capita, USD current, Atlas method, 2017		World Bank Country Classification	
	Indonesia	USD 3,540	Lower-middle income
	Peru	USD 5,970	Upper-middle income
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
(I) BENEFICIARIES' REQUIREMENTS AND (II) PARTNER COUNTRY DEVELOPMENT PRIORITIES:			
– see above under 'relevance'			
(III) SWISS MESSAGE ON INTERNATIONAL COOPERATION 2017 – 2020:			
– Not discussed by the evaluation report. The program addresses framework conditions which can / should contribute to SECO's objective to improve the competitiveness and market access of smallholders and SMEs in both Indonesian and Peru.			
(IV) SDG 1 (NO POVERTY), 8 (DECENT WORK AND ECONOMIC GROWTH) AND 12 (RESPONSIBLE CONSUMPTION AND PRODUCTION):			
– Not addressed by evaluation report. The program works however towards the fair and sustainable production of palm oil in Indonesia and coffee in Peru.			
2. To what extent is the project coordinated with and aligned to the programs of other development agencies?			
Opportunities			
– Indonesia: ' <i>IDH, one of the largest players in sustainable palm oil in Indonesia, ... sees the project as an opportunity to bring together and enable learnings from the multiple actions taking place across the country at landscape level.'</i>			

<ul style="list-style-type: none"> – The UNDP-GEF Integrated Approach Pilot will rely on the platform methodology as refined under the program. Moreover, in Indonesia significant funding will go towards implementation of the NAP. It will also provide further support for smallholder training in Riau, North Sumatra and West Kalimantan. – The UNDP-GEF Strengthening Forest Area Planning and Management in Kalimantan project also includes support for provincial platforms in Central, East and West Kalimantan. – The UNDP-GEF project Sustainable Productive Landscapes in the Peruvian Amazon builds on, the UNDP-SECO Peru program and provides technical and financial support for rolling out multiple aspects of the coffee sector NAP, including development of financial mechanisms, technical assistance / extension systems and policy reforms.
<p>3. What synergies were realized with WEIF and SIPPO?</p>
<p>– n/a</p>
<p>4. To what extent is the Theory of Change verified, falsified or elaborated?</p>
<p>Success factors include:</p> <ul style="list-style-type: none"> – UNDP's convening power helped bring stakeholders together for cooperation and action planning. – The recruitment of experienced, well-known project staff trusted by a wide range of stakeholders in the sector. – Preparation of a detailed and participatory root cause analysis and stakeholder mapping allowed for an '<i>adaptive response ... to the unique set of circumstances that were unfolding</i>'.
<p>5. Have there been any unintended (positive or negative) effects?</p>
<p>– n/a</p>
<p>6. What role did the private sector play in the project (success)?</p>
<ul style="list-style-type: none"> – Indonesia: '<i>Key companies involved ... include IKEA, Mondelez, Tesco, M&S, Cargill, Wilmar, Musim Mas, Asian Agri, Agro Astra Lestari and Ferrero Rocher.</i>' Indonesian and international palm oil producers or processors actively participate in the National Palm Oil Platform (working groups) and/or provide written comments on the NAP. Some leading Indonesian palm oil producers (Golden-Agri Resources and Asian Agri) and the sector association (GAPKI) are members of the drafting team of the NAP. – Peru: '<i>The following major companies are interested to invest in projects related to the NAP: PERHUSA (Biggest Peruvian coffee export company); OLAM (international company with an office in Peru); PRODELSUR – VOLCAFE (international company with an office in Peru); ECOM (international company with an office in Peru), COINCA (Peru's third biggest coffee export company) and JDE (an international company with no office in Peru).</i>'
<p>7. Was the implementation model deemed efficient?</p>
<p>– '<i>The structure of implementation arrangements, with nationally-based teams linked to UNDP Country Offices and global-level methodological and operational guidance has functioned effectively. At country level, however, budgetary limitations and recruitment problems have slowed the pace of progress, while limiting the capacity of the teams. This has been especially evident in the case of Indonesia, the size and complexity of which demand a substantial, substantive and technically diverse set of skills be present within the team.</i>'</p>
<p>8. Was WEHU's monitoring and steering effective and efficient?</p>
<p>– The communications and institutional set up between UNDP and SECO could be improved. '<i>At the beginning of the project, the SECO offices were receiving limited briefings and monthly reports. However, it appears that, as the pace of each national component has increased, the existing systems for information exchanges have become insufficient.</i>' The evaluation recommends: quarterly progress meetings with SECO, as well as bi-annual steering committee meetings (in-country) and global review meetings (with SECO HQ).</p>
<p>Part 3. Quantitative data collection</p>
<p>1. Include data collection sheet or program specific key outcome data over multiple years if available</p>
<ul style="list-style-type: none"> – Evaluation is a Mid-Term Review and focusses on outputs. Little to no discussion on outcomes. Program has not defined medium-term outcome targets for, e.g. sustainable exports, nor longer term impacts such as living conditions. – Outcome 1 – Indonesia: multi-stakeholder dialogue and collective action for palm oil sustainability defined through a strengthened Indonesia palm oil platform (outcome indicators: (i) by the end of 2017, a national action plan (nap) will be generated and approved by government and key stakeholders in Indonesia; (ii) key activities of the national action plan are starting implementation in a collaborative manner by platform stakeholders.) <ul style="list-style-type: none"> • Results: '<i>The 5th draft of the National Action Plan of Sustainable Palm Oil has been produced and consulted to multi-stakeholders at the national level; (ii) Key implementers of relevant activities of the NAP have been identified and consulted; (iii) A sub-committee from Min of Ag, Min of Environment, Palm Oil Advisory Board and NGOs selected and agree to take ownership of drafting and finalizing the NAP.</i>'

– Outcome 2 – Peru: multi-stakeholder dialogue and collective action for coffee sustainability defined through development of a national coffee platform in Peru (outcome indicator: Before the end of 2017, a National Action Plan defining collective action is presented for endorsement by government and key stakeholders)

- Results: the **National Coffee Council** (NCC) has been strengthened, a first Plenary (of the Platform) was held on 16 June 2017 (more than 100 stakeholders participated), the formation of six Technical Working Groups was announced, local workshops were conducted as part of the root-cause analysis. (Red. Report is unclear whether the platform was established or not).

2. List and briefly comment other major outcomes and impacts.

– *'In a significant first for Indonesia, the project supported **the first ever ISPO certified smallholders in Indonesia**, who were certified in May 2017. A total of 391 smallholders in Riau Province have been certified with support from the project and in conjunction with plantation company Asian Agri.'*

K.2. Indonesia: Sustainable Cocoa Production Program 2012 – 2016

Project summary			
<p>SCPP aimed to reduce poverty by increasing the household income of smallholder cocoa farmers by 75%. It also sought to create 1400 additional jobs in the cocoa sector value chain. The program consisted of four components, namely: '(i) tangible improvements in the ecology and the socio-economic conditions of production (i.e. farming good practices and technology transfer systems); (ii) tangible improvements in sustainable markets (i.e. farmer organization, market access, and certification); (iii) effective collaboration and institutionalization at sector level; and (iv) knowledge on sustainability, efficient and effective supply chain approaches developed and shared.' The 2014 evaluation adds that the program aimed: 'to support a process of "market transformation" whereby the Indonesian cocoa market is transformed to become fully sourced from origins that are sustainably certified.'</p>			
Sources			
<p>Sustainable Cocoa Production Program 1. Completion Note (SECO, 2017f) Sustainable Cocoa Production Program 1. Mid-term Evaluation Report (SECO, 2014) http://databank.worldbank.org/data/source/world-development-indicators</p>			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Highly satisfactory	1	<ul style="list-style-type: none"> – 'Indonesia is third largest cocoa producer in the world with 15% market share mainly in mass market cocoa ... Cocoa production is an important source of income for approximately one million Indonesian households, whereby cocoa typically accounts for approximately 80% of the cocoa farmer's income. However, cocoa farmers face serious competitiveness challenges, particularly in terms of quality and sustainability of production. Increasing yield per hectare and improving quality of cocoa beans therefore would bring huge potential to raise the household income and alleviate poverty ... the project was also timely, at a point when Indonesia saw a continual decrease in its annual cocoa production ... [and] a growing global demand for cocoa ... thereby giving incentive for the private sector to join SCPP in order to help secure their supply chains.'
Effectiveness	Highly satisfactory	1	<ul style="list-style-type: none"> – 'At the outcome and output levels, most of the expected results have been fully or almost achieved, with some even exceeding targets ... At the impact level, actual results are below expectations because of over-estimation at the initial project design owing to a lack of long-term studies... SCPP is on the right track to achieving its goals [in 2020].' – 'By the end of 2015, SCPP reported an increased annual USD 7.6 million net attributable farmer income based on yield improvements and constant market prices from 2012. This is an average of USD 128/farmer/year net attributable income increase from cocoa.'
Efficiency	Highly satisfactory	1	<ul style="list-style-type: none"> – The project has delivered high-quality results with the available budget.
Sustainability	Satisfactory	2	<ul style="list-style-type: none"> – Little is said in the completion note on sustainability. See under Part 2, Question 4 Theory of Change for SCPP approach to sustainability. – CocoaTrace (monitoring software) has set up a good foundation for traceability, which will enable the work with the private sector to continue after the project ends. However, sustainability will ultimately depend on PT Koltiva taking over the CocoaTrace system during SCPP phase 2.
Impact	n/a	n/a	
Overall average score		1 ¾	
GNI per capita, Atlas method (current US\$), 2017			World Bank Country Classification
Indonesia		USD3,540	Lower middle income

Part 2

1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?

i - BENEFICIARIES - The project is aligned to the beneficiaries' requirements. The farmers' biggest struggle was a **declining productivity** (in part due pests and diseases), limiting their ability to compete in the international market. Farmers appreciated and benefitted from training delivered under the SCPP. Farmers' knowledge on good techniques for productivity improved.

ii-COUNTRY PRIORITIES: The SCPP's approach (i.e. improving income for farmers through production and post-harvesting training; certification; improving market linkages) is **suitable to the Indonesian cocoa policy context**. The Government has set a monthly export tax for unprocessed cocoa beans which has transformed Indonesia into a hub for cocoa processing and changed cocoa exports from 90% raw beans to 75% finished products. Processing companies were keen to see domestic production and quality levels increase: *'Swisscontact's approach [was] consistent with the business enabling environment created by the export tax'.*

iii- SWISS MESSAGE- The program is **well aligned** with the Swiss Message focus on economic growth and job creation.

iv- NO POVERTY: Within the cocoa sector in Indonesia there is **strong potential** to contribute towards poverty reduction through trade. There is strong global and regional demand for Indonesian cocoa: while global demand for chocolate products continues to grow dramatically cocoa only grows 10 degrees north and south of the equator so there are limited countries in which cocoa can be grown. However, as a source of poverty reduction and a national income earner the cocoa industry is constrained by declining productivity. Therefore, increasing farmer productivity is directly targeting poverty

DECENT WORK: Key Result Area 1 is focused on farmer training in good agriculture, nutrition, social, environmental and business practices for sustainable cocoa farming, the program is seen to be right on track. The project has **social components** and while not specially focused on decent working conditions, is aligned with this SDG.

ECONOMIC GROWTH- Well aligned. Through the program cycle, SCPP learnt that it was crucial for farmers to receive not only training on good agricultural practices but **also on good financial practices** in order to help entrepreneurial farmers/organizations grow their businesses and become financially viable. For this reason, SECO/WEIF approved complementary financing in 2014 for a component on agri-finance.

RESPONSIBLE CONSUMPTION AND PRODUCTION- *'Major players in the Indonesian cocoa industry have agreed to ensure that 80% of cocoa they source from Indonesia are certified until 2020 according to international sustainability standards.'* Through the Good Environmental Practices training, the SCPP is promoting more environmentally friendly farming methods, such as applying a mix of non-toxic chemical and organic fertilizers. It is also the first project in Indonesia to monitor greenhouse gas emissions.

2. To what extent is the project coordinated with and aligned to the programs of other development agencies?

- **SCPP attracted multi-donor funding from development agencies and international cocoa companies.** *'At its establishment, SCPP was co-funded by SECO and 3 cocoa companies (Nestlé, Armajaro, ADM Cocoa who are private-sector partners under the IDH initiative). Due to its excellent performance ... In December 2012, the Embassy of the Kingdom of the Netherlands joined SCPP to support community development and good nutrition practices for farmer households ... SECO/WEIF provided new funding in 2014 for a component on agri-finance (see below) ... IFAD joined in January 2015 to increase the number of farmer beneficiaries in Sulawesi province and in March 2015, SCPP received USD 15 million funding from the United States Millennium Challenge Account ... to expand implementation up to 2020. Between 2012 and 2015, SCPP attracted a total of nine companies, namely Nestlé, Armajaro (now Ecom), ADM Cocoa (now Olam), Mars, Mondeléz, Cargill, Barry Callebaut, BT Cocoa, and JB Cocoa whose financial [CHF 12 million] and in-kind contributions enabled SCPP to increase its targeted number of beneficiaries up to 60,000 smallholder farmers.*
- **Swisscontact is active participant in policy dialogue.** *'SCPP, represented by Swisscontact as the executing agency, is an active member in leading national and international cocoa stakeholder platforms ... [it] holds a leading role at the PISAgr⁹⁷ cocoa working group to pilot approaches that could be replicated by the cocoa sector in Indonesia. The SCPP also provides input for the central government's main support programme for smallholder cocoa farmers.*

3. What synergies were realized with WEIF and SIPPO?

- **A joint WEHU/WEIF program.** *'SCPP also learnt that it was crucial for farmers to receive not only training on good agricultural practices but also on good financial practices in order to help entrepreneurial farmers/organisations (e.g. cooperatives) grow their businesses and become financially viable. For this reason, SECO/WEIF approved complementary funding in 2014 for a component on agri-finance. Having such a component within the value-chain project supported the objective of the project much, given that growing businesses often goes hand in hand with larger*

⁹⁷ An Indonesian government-led platform established in 2012 as part of the World Economic Forum's initiative for sustainable agriculture. The platform membership comprises relevant line ministries from the Indonesian government, the private sector, and international development partners

investment decisions, which are relevant for small business to become competitive. This complementarity has been acknowledged by SECO, by approving a joint WEHU/WEIF project as the second phase of SCPP.'

4. To what extent is the Theory of Change verified, falsified or elaborated?

- 'The **plausibility of the linkages** between the intervention logic, the program activities, the key result areas and the impact level goal under the program is strong.'
- '**it takes more than 4 years** for a large number of farmers to reach the 1,000 kg/ha yield target ... [and] the expected income increase of 75%'.
- **Long term endeavor.** 'Interacting with farmer organizations and cooperatives helped in this example to build capacities of individual farmers. Farmer organizations and especially cooperatives are able to create better income for farmers and increase the bargaining position of farmers against other stakeholders within the supply chain of cocoa beans. It is important to note however that capacity building for farmers (as cooperative members and as board members in the cooperatives) is a long-term endeavor, needing at least 5-10 years.'
- **Sustainability strategy.** 'Rather than seeking market transformation toward certification, the project team are working on a more modest sustainability strategy focused on farmer level institutions and value chain relationships. The project team have supported the establishment of a range of institutions at farm/local level (Cocoa Producer Groups, Smallholder Cocoa Enterprises and District Cocoa Clinics) with the idea that these institutions can become financially viable independent institutions providing ongoing services to farmers such as extension advice, inputs, finance and collective marketing. The team's collaboration with cocoa market chain companies to facilitate them to provide extension services to cocoa farmers as a means of investing in their supply chains for improved profits is another strategy employed by the project to promote the sustainability of project benefits.'
- 'The **prior knowledge and strong field experience** of Swisscontact helped ... SCPP was designed based on sufficient contextual information and more than 5 years' worth of experiences built up by Swisscontact implementing projects in the Indonesian cocoa sector.'
- '**A systemic market approach** is needed to address all constraints, starting from better farming practices, the availability of cocoa seedlings and other agri-inputs, access to finance, and other additional supporting elements such as better nutrition for the cocoa farmers' households.'
- **Certification versus GAP.** 'Certification is the right way to create transparency and higher income for farmers, but good agricultural practices are no less important. Certification is a way for farmer cooperatives to build a solid capital base and member loyalty without relying from third parties (e.g. banks for working capital). Introduction of good agricultural practices however help farmers to really change their production patterns towards sustainable practices.'
- **Value-chain development versus market access.** 'There are no market access restrictions for Indonesian cocoa and Indonesia has good market access ... [the program] rather helps farmers to improve their income by increasing production and quality of cocoa ... and assists companies to invest in their supply chains.'

5. Have there been any unintended (positive or negative) effects?

- '**The received support** has allowed the program to exceeded expectations and go beyond the originally intended objectives. This has allowed for Swisscontact to assist smallholder farmers at a larger scale than intended, whilst maintaining a field presence like no other NGO has been able to in Indonesia. In addition, the project included new components that were not initially planned (agri-finance, nutrition, environment).'
- '**The CocoaTrace software**⁹⁸ has been developed in response to the need to manage a large agriculture project like SCPP. It is the first of its kinds in Indonesia and could potentially be adopted to other agri projects.'

6. What role did the private sector play in the project (success)?

- **Nine national and international cocoa companies participated** in the program (both as donor and partner): Nestlé, Armajaro (now Ecom), ADM Cocoa (now Olam), Mars, Mondeléz, Cargill, Barry Callebaut, BT Cocoa, and JB Cocoa
- 'Some companies, such as Nestle and Mars, already have some "development" capability but others are not yet set up with staff who could provide extension services to farmers. SCPP has contributed in this area by training 29 private sector extension workers.'
- The SCPP enjoys full support of leading private sector companies and **networking platforms** such as the Cocoa Sustainability Partnership, the World Cocoa Foundation, etc. Working with the private sector and the cross-sector platforms provides immense opportunities and synergies to achieve the objectives. **The project has mobilized a**

⁹⁸ 'CocoaTrace is a user-friendly, state-of-the-art software used by stakeholders on each level. Farmers receive an ID card with a barcode and use it when selling their traceable/certified production. Buying units scan the card, check the farmer profiles including farm data with exact location, record the transaction directly in the system and print the invoices. The same process applies when beans are sold by farmers or buying unit to certificate holders, cooperatives, warehouse or exporter. The calculation of bonuses and premiums and prices based on quality happens automatically in the program. All transactions with unique ID are available online and the whole process can be traced at any time, including historical records.'

<p>total of CHF 12 million of private sector funding from 8 different multinational and national cocoa companies to support and expand implementation.</p>		
<p>7. Was the implementation model deemed efficient?</p>		
<ul style="list-style-type: none"> – The implementing model proved effective. Swisscontact adjusted well to changes (two private sector partners foreclosed) and needs (separation of training content development and on-the-ground farmer support). – <i>'As SCPP continues to expand, there is a constant need to invest in the capacity building of Swisscontact and implementing partners' staff. Swisscontact finds it challenging to manage a fast-growing number of staff over the last years. At the end of 2015 there were 234 staff under SCPP, and meanwhile more than 40 partners.'</i> – The project's management information systems (CocoaTrace) allowed tracking of a large number of beneficiaries in an extended geography. – With respect to the CPQP component⁹⁹, there is an efficiency loss in channeling funds through a fund manager (IDH) and then to an implementing partner (Swisscontact) compared to providing them directly to an implementing partner. Working with five different companies is also intensive and time consuming. However, CPQP is beneficial due to the strong private sector engagement which can be a sustainable model as it is commercially viable for private sector companies to support farmers as "investment" in their supply chains. 		
<p>8. Was WEHU's monitoring and steering effective and efficient?</p>		
<ul style="list-style-type: none"> – WEHU has been flexible to accommodate necessary changes over the year. Due to SECO's high level of engagement with the project, information is always well communicated, which made the process smooth. Furthermore, WEHU efforts in bringing in high level visitors helped SCPP to further strengthen its relationship with local governments. – The SCO played a crucial role, providing good support to SECO Headquarter during staff rotation. – <i>'The CocoaTrace software is repeatedly highlighted as an excellent tool for results monitoring ... The software provides many more features, such as the registration of training participants, collection of farmer and farm data for an effective program management and (polygon) mapping via GPS. Measuring greenhouse gas emissions in each registered farm is also possible.'</i> 		
<p>Part 3. Quantitative data collection</p>		
<p>1. Include data collection sheet program specific key outcome data over multiple years if available</p>		
	Expected results	Actual results
Output	60,000 farmers trained in good agricultural practices	59,386 farmers trained in good agricultural practices
	40,000 household members trained in good nutrition practices	40,177 household members trained in good nutrition practices
	30,000 household members trained in good financial practices	30,319 household members trained in good financial practices
	33,818 ha of cocoa trees rehabilitated	28,762 ha of cocoa trees rehabilitated
	Yields increased to 1000 kg/ha/year [from a baseline value of around 450 kg/ha/year]	721 kg/ha/year + 7,775 farmers (10% of total produce more than 1000 kg/ha/year ¹⁰⁰)
	75% average production complying with quality standards	100%
	100% school attendance rate in the community	94%
	5 regional cocoa forums established	5
Impact	100% of the 59,386 cocoa farmer households trained have increased their income by at least 75%	43% (it takes four years to achieve the 75% increase)
	1,400 additional jobs created in targeted cocoa sector value chain	1,070 full, part-time and temporary jobs created.
<p>2. List and briefly comment other major outcomes and impacts.</p>		

⁹⁹ Cocoa Production and Quality Improvement Project: Global project that merged with SCPP. Swisscontact took over the coordination of CPQP projects with its associated partners in Indonesia (ADM, Armajaro, Nestlé, and Mars), under the umbrella of SCPP.

¹⁰⁰ **Productivity associated with Good Agricultural Practices (GAP)** can be as high as 1.5-2 ton/ha with the result that cocoa production can earn a rural household working a 1 hectare parcel of land up to \$3500 a year

K.3. Peru: Better Gold Initiative Phase I

Project description			
<p>Artisanal, small and medium-scale mining (ASMs) produce 25% of the world's gold but account for 90% of the sector's jobs. Due to a rising gold price, ASM activities have increased and the socio-economic situation and environment of the communities surrounding these activities have deteriorated. The project tackles these issues through four components:</p> <ol style="list-style-type: none"> 1. supporting producers through technical assistance and capacity building for sustainable gold 2. strengthening institutions and their certification schemes 3. supporting policy dialogue on ASM related issues 4. creating demand matching with a sustainable gold platform and buyers in Switzerland. 			
Sources			
<p>Completion Note of the Better Gold Initiative (SECO, 2017a) Better Gold Initiative Mid Term Evaluation Report (Baastel, 2015)</p>			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Highly satisfactory	1	Well aligned with the needs of the beneficiaries considering the social and environmental challenges in the sector, as well as the high number of people depending on the sector. Also reflects the development priorities of Peru. Also considered relevant for SECO because of the role of the Swiss refining industry.
Effectiveness	Satisfactory	2	Targets defined in the Logical Framework have been achieved and, in some cases,, surpassed. The initiative played an important role in establishing value chains between the small mines in Peru and consumers in Europe. However, in terms of policy dialogue the achievements were modest, with a low number of ASM operations at the end of the project.
Efficiency	Satisfactory	2	Project was efficient in costs and time, results were achieved without major delays and with low expenditure. Good management set-up, as well as good quality monitoring and financial reporting. If a scale-up is desired, there needs to be a more solid and professional implementation structure.
Sustainability	Satisfactory	2	Cannot yet be considered fully sustainable. The first value chains for responsible ASM gold with the Swiss market have already been established, but more commitment is needed to make sure more value chains are created in the future. Taking into account that this was a pilot, the result is still rated as satisfactory.
Impact	Satisfactory	2	The project objectives have been achieved and even surpassed.
Overall average score		2	
Country classification		GNI per capita	World Bank Country Classification
Peru		12,480 USD	Upper middle income
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
<ul style="list-style-type: none"> – BENEFICIARIES - The project is aligned with the beneficiaries' requirements, "taking into account the social and environmental challenges of the ASM sector." – (ii)-COUNTRY PRIORITIES- The formalization of the ASM sector is high on the agenda of the Peruvian government. It has prepared a set of legal measures to modify the formalization process. The evaluation points out that the "project start was one of the project's highlight and success factor linked to the fact that governmental attention to the ASM issues has been recently raised." 			

<ul style="list-style-type: none"> – (iii) SWISS MESSAGE: The project is well aligned with the Swiss Message on International Cooperation’s policy instrument on Economic and Trade Policy Measures. This policy instrument has the objective of reducing poverty in middle income countries through increased trade and greater competitiveness. The BGI approach of increasing trade and ASM competitiveness to tackle socio-economic objectives is therefore in line with the Swiss Message. – (iv) SDGs: POVERTY/DECENT-WORK/ECONOMIC-GROWTH/SUSTAINABILITY: The project is aligned with the SDGs. It improves the sustainability of the ASM processes and supports them seeking access to new markets, contributing to poverty reduction, economic growth and responsible production.
<p>2. To what extent is the project coordinated with and aligned to the programs of other development agencies?</p> <ul style="list-style-type: none"> – The project worked through interesting and useful synergies with other projects financed by other donors. <i>“The BGI has worked with many implementing organizations (ARM, Fairtrade, DAI, etc.) and collaborated with donors (e.g. DFATD, USAID, IDB and GIZ). An interesting result that was reached through synergy work with the European Union was the baseline study conducted with the national partner NGOs (Solidaridad and Red Social)”</i> The mines integrated in the baseline were benefiting from the BGI but also from another project, financed by the European Union, called “Oro Justo”. – Some synergies did not fully play out, as mainstreaming of the ASM certification schemes was not achieved. The ASM sector has 2 different certification schemes with their corresponding premium (additional payment per kilogram of gold if it is certified) that BGI works through: Fairmined and Fairtrade. These two worked together for a period but began working separately. <i>“The separation between Fairtrade and Fairmined certification schemes created confusion and problems among stakeholders and beneficiaries.”</i>
<p>3. What synergies were realized with WEIF, SIPPO, and other donors?</p> <ul style="list-style-type: none"> – No information on synergies with these donors.
<p>4. To what extent is the Theory of Change verified, falsified or elaborated?</p> <ul style="list-style-type: none"> – Verified. The final goal of increasing supply and demand of sustainable ASM gold was achieved. According to the mid-term evaluation: <i>“The BGI did contribute to an increase in trade in gold from sustainable ASM mining” and the SBGA members now want more certified gold as through the use of this gold, they can act on the issues facing the ASMs which they could not do before. This is what the public is starting to ask of them: to engage in gold trade in a responsible way.”</i> – The certification schemes were proven to lead directly to higher premiums for the miners and therefore more value traded. In addition, the communities around these certified mines benefited from the increased income. However, the certification schemes are costly and complex for small mining operation. The project’s Theory of Change encounters a bottleneck as the easily <i>certifiable</i> mines are few and in between. Identifying the mines with potential for formalization and introducing them to the project is a key component for the project’s development. Integrating the certified mines in the implementation structure of the BGI to help the smaller beneficiaries in assimilating better mining practices was a key factor for success, once the “low hanging fruit” had been certified. – The Policy Dialogue component proved to be more complicated than anticipated, as the team does not carry the necessary weight to impact national policy dialogues. This focus yielded better returns on regional government, as dialogue was carried on a more manageable scale.
<p>5. Have there been any unintended (positive or negative) effects?</p> <ul style="list-style-type: none"> – The MTE mentions a multiplier effect. As the miners received a better income, this helped contribute to the <i>“improvement of the living standards of their family and indirectly of the community as the miners can spend more in the community stores, increasing the stores’ owners income, etc.”</i> – The improved mining practices also improve the overall conditions for the community- such as less polluted rivers and air.
<p>6. What role did the private sector play in the project (success)?</p> <ul style="list-style-type: none"> – The private sector participated through the Swiss Better Gold Association, a non-profit association created by Swiss players of the gold supply chain including refiners as well retailers. The group still has institutional difficulties and <i>“the commitment of the private sector for the creation of sustainable value chains remains a challenge.”</i>
<p>7. Was the implementation model deemed efficient?</p> <ul style="list-style-type: none"> – The implementation was based around a small team with a support structure for activities on the ground, where the project was to work with a national NGO that would support them in the day to day administrative support but also in the direct work with national stakeholders. This <i>“small and lean”</i> structure was considered very efficient.
<p>8. Was WEHU's monitoring and steering effective and efficient?</p>

- STEERING - Just as with implementation, the steering model was considered lean and efficient. It was based on annual and ad-hoc general assemblies in which the members (SECO, implementing agency and SBGA) discussed the priorities, needs and issues of the project.
- MONITORING- Monitoring, done by SECO Peru and was considered efficient and effective. Their work also helped coordinate with other donors and visualize the results achieved by the projects to the government.

Part 3. Quantitative data collection

1. Include data collection sheet or program specific key outcome data over multiple years if available

- The project worked with 8 mining operations with a total of 1500 miners. Including their families, the number of beneficiaries is 7,500.
- 5 mines have been brought to certification with the support of the BGI.
- 2 mines benefited from direct market access to Switzerland, better terms of trade and a BGI premium.
- Between 2013 and 2016, a total of 1500 kg of gold was exported from Peru to Switzerland (this includes gold from outside the BGI chain)

2. List and briefly comment other major outcomes and impacts.

- Given the successful implementation of the BGI in Peru, the initiative was scaled up and extended to include Colombia and Bolivia. This second phase began in January of 2017.

K.4. Vietnam - BioTrade Activities within the Natural Ingredients Sector

Project description			
<p>The objective was to 'develop several pilot Natural Ingredients value chains along ethical BioTrade principles'. The project 'supported four companies from among the largest manufacturers of traditional medicines and (para) pharmaceutical products' in (i) introducing Good Agricultural and Collectors Practice based on the WHO standard; and (ii) achieving membership of the Union for Ethical BioTrade (UEBT) which requires the compliance with UEBT's ethical BioTrade standard. Moreover, the project sought to contribute to 'a national BioTrade sector that trades in local, national and international markets in accordance with BioTrade principles and criteria'; and (ii) create 'an enabling policy and regulatory environment for the development of BioTrade compliant initiatives'. The project was implemented by Helvetas.</p>			
Sources			
<p>Final Evaluation of the Development of BioTrade Activities within the Natural Ingredients Sector in Vietnam 2012-2014 (Noyelle & Tran, 2015) http://databank.worldbank.org/data/source/world-development-indicators</p>			
Part 1: OECD-DAC Rating			
<p>How does WEHU score on the OECD-DAC Evaluation Criteria? Note: the evaluation did not score the project on the OECD-DAC criteria. Below scores are our assessment of the project based on the evaluation report</p>			
	Rating	Score	Main reasons
Relevance	Highly satisfactory	1	<ul style="list-style-type: none"> – SECO has committed to support the implementation of the Convention on Biodiversity – Vietnam is party to the international Convention on Biodiversity and the associated Cartagena and Nagoya Protocols. The government aims at implementing the GACP-WHO standard in all Natural Ingredients value chains. The government also adopted a Master Plan for Traditional Medicine in support of its development as a priority sector. – Companies wanted to implement the GACP-WHO standard as they expected that this would become a government requirement and that UEBT membership 'may provide a competitive advantage'. – Farmers expected greater financial benefits than from other supply chains.
Effectiveness	Unsatisfactory	3*	<ul style="list-style-type: none"> – The four supported companies attained membership in UEBT and thus organized their value-chains according to BioTrade principles and criteria. The project also 'produced positive demonstration effects – a major contribution – for private sector firms and policy makers'. – However, 'no international sales have been recorded as of yet ... [and] no data exists on whether turnover from domestic sales exist'. – Limited support was provided to and consequently limited capacity exists with the farmer groups, the Biodiversity Agency and the Natural Institute for Medicinal Materials.
Efficiency	Satisfactory	2	<ul style="list-style-type: none"> – The project 'was cautious and frugal in its spending of overall project resources' and delivered the activities generally on-time. – The evaluator notes that 'a project with a strong focus on developing capacity in private sector firms and promoting inclusive involvement of farmers groups in value chains in a fair and sustainable manner should give those stakeholders a stronger say in the governance of the project'.
Sustainability	Unsatisfactory	3	<ul style="list-style-type: none"> – 'With the exception of the sustainability at the companies' level – reflected in the companies' ability to sustain GACP compliant

			<p>value-chains and to develop new ones - ... the capacity developed thus far is deemed too limited by stakeholders themselves to be sustainable. Stakeholders see limited capacity for the sector to continue and move forward without further TA.</p> <p>– 'The limited sustainability ... cannot be divorced from the broader context of the very ambitious goals outlined in the initial project Log Frame ... compared with the limited dollar and time resources of the project.'</p>
Impact	Not assessed		<p>– 'The initial period of implementation was too short to assess impacts in a meaningful way'</p> <p>– However: no data is collected on company sales or farmers' income and a major challenge is 'the establishment of sustainable and fair relationships between companies and farmers groups'.</p> <p>– Plus: 'increasing the livelihood benefits of rural populations in line with ethical biotrade principles turned out to be far more demanding than anticipated'.</p>
Overall average score		2¼	
<p>* WEQA's Evaluation Fiche rates the effectiveness as 'satisfactory' as 'most stakeholders tended to give [the project] a rating somewhere between medium and high'. The evaluator is however far more critical and notes that two of the three outcomes are not addressed or only to a very limited extent.</p>			
GNI per capita, Atlas method (current USD), 2017		Source: http://databank.worldbank.org/data/source/world-development-indicators	
	Vietnam	US\$2,170	Lower-middle income (World Bank Country Classification)
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
<p>– The project is well-aligned to the beneficiaries' requirements and partner country priorities – see above statement on relevance.</p> <p>– The project has effectively contributed to the sustainable production in four natural ingredient value-chains as developed and organized by four Vietnamese companies. The project also has a demonstration effect of how natural ingredient value chains could be organized based on BioTrade principles and criteria.</p>			
2. To what extent is the project coordinated with and aligned to the programs of other development agencies?			
<p>– Limited donor coordination and cooperation. No other donor project 'worked directly at the value chain level or [in the case of TRAFFIC] focused on different natural ingredients and districts'. No coordination was sought with TRAFFIC – a joint IUCN-WWF NGO. Helvetas helped two companies link to the Vietnam Business Challenge Fund (financed by UKAID and implemented by SNV).</p>			
3. What synergies were realized with WEIF and SIPPO?			
<p>– No mention of either in the evaluation report.</p>			
4. To what extent is the Theory of Change verified, falsified or elaborated?			
<p>– The selected sector was in principle export-ready ... the selected companies 'were strongly focused on the domestic market ... [which was] characterized by a clear downward pressure on quality and price ... as a result of significant influence of Chinese informal importers and exporters' ... [which] translates into a significant challenge to sustain a model focusing on higher quality, higher prices and better sharing of benefits with farmers and collectors groups'</p> <p>– 'opening up on international trade opportunities ... requires opening the range of value chains from traditional medicine ... to a broader set of products including essential oils, wood-based resins, sea-weeds, herbs and plants used a food additive, medicine for livestock or as ingredients in household cleaning products'.</p> <p>– The four companies did not participate in international value-chains and increase their exports as they turned their focus on the domestic market.</p> <p>– The project carried the potential of improved income for farmers, but no evidence was gathered that this potential was realized. Several farmer groups noted that they bear the risks of crop failure or lack of market demand (and not the companies).</p>			

<ul style="list-style-type: none"> – The evaluator noted the difficulty in '<i>the establishment of sustainable and fair relationships between companies and farmers groups</i>'. The groups were '<i>primarily set up with the goal of helping the companies develop stable and quality supply chains ... the process of creating the groups was externally led and top-down</i>'.
<p>5. Have there been any unintended (positive or negative) effects?</p>
<ul style="list-style-type: none"> – The project '<i>saw a significant, positive, unexpected benefit in terms of awareness raising about ethical Biotrade... it produced positive demonstration effects – a major contribution – for private sector firms and policy makers</i>'.
<p>6. What role did the private sector play in the project (success)?</p>
<ul style="list-style-type: none"> – Four private companies were supported to organize natural ingredients value-chains and become member of UEFT. Technical advisors of the companies helped establish the farmer groups.
<p>7. Was the implementation model deemed efficient?</p>
<ul style="list-style-type: none"> – The project team was deemed frugal, but perhaps also too cautious in recruiting international experts to support the four companies. – The Project Steering Committee consisted of the National Institute for Medicinal Materials, Helvetas, SECO and the four companies. The evaluator assessed that the 4 companies' influence in the committee was limited and noted that the farmer groups were fully absent. As the main beneficiaries and TA recipients, the evaluator thought a more prominent role for the companies and the farmer groups would have been appropriate and beneficial as they could have taken more ownership and steering of their own development.
<p>8. Was WEHU's monitoring and steering effective and efficient?</p>
<ul style="list-style-type: none"> – No separate mention of WEHU's monitoring and steering of the program
<p>Part 3. Quantitative data collection</p>
<p>1. Include data collection sheet or program specific key outcome data over multiple years if available</p>
<ul style="list-style-type: none"> – The evaluation contains no quantitative data on outcome indicators. As stated above: '<i>no international sales have been recorded as of yet ... [and] no data exists on whether turnover from domestic sales exist</i>'. Similarly, no data exists on the development of farmers income.
<p>2. List and briefly comment other major outcomes and impacts.</p>
<ul style="list-style-type: none"> – A Biotrade Interest Group was formed within the sector organization VIMAMES

K.5. Colombia: SAFE+

Project description			
SAFE+ provides technical assistance to the Colombian cosmetic sector, whose stakeholders seek to overcome technical barriers to trade hindering access to international markets. The programme was initiated in 2015 and aims to strengthen the national quality infrastructure, improve the trade capacity of the Colombian cosmetic sector, and to achieve international recognition of cosmetics manufactured using natural ingredients. This, in turn, is expected to stimulate the growth of the sector and generate employment for Colombians. This is to be achieved by strengthening: (i) the technical capacity of the national institutions in charge of Quality Infrastructure; (ii) the capacity of institutions in charge of conformity evaluations to offer internationally recognized services; and (iii) the cosmetics value chain's ability to comply with international quality and sustainability standards.			
Sources			
Evaluación independiente, Programa de Calidad del Sector Cosméticos (SAFE+), División de evaluación independiente, oficina de evaluación y supervisión interna, UNIDO (UNIDO, 2018) http://databank.worldbank.org/data/source/world-development-indicators			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?*			
*Based on the team's assessments drawn from the independent evaluation report from August 2018.			
	Rating	Score	Main reasons
Relevance	Highly satisfactory	1	– The project was designed as a result of cooperation between the Colombia Ministry of Trade, Industry and Tourism, UNIDO and SECO. It was designed to tackle a specific, identified problem and to fit within the government's national development plan.
Effectiveness	Highly satisfactory	1	– At the moment of evaluation, the project had an implementation rate of 97%, with 16 out of the 20 objectives reached. The report is confident that the remaining four will be finalized during 2018. Increased awareness of, attention for quality, and a more developed quality infrastructure is achieved through the project.
Efficiency	Satisfactory	1	– Budget has been spent efficiently and transparently. The program developed synergies with several national and international organizations, allowing it to make efficiency gains in technical and logistical support.
Sustainability	Satisfactory	2	– While the project's results are expected to last, the evaluation reports finds that several beneficiaries would benefit from additional support related to commercialization and marketing their products to fully benefit from the quality improvement. – Some of the national organizations need further institutional strengthening with regards to their internal organization. – The evaluation report points out that there was no explicit sustainability strategy drafted in the project set-up.
Impact	<i>Not assessed</i>		NA
Overall average score		1.125	
Country classification		GNI per capita	World Bank Country Classification
Colombia		5,830	Upper middle income
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
i BENEFICIARIES: The project responded to beneficiary needs. Its three-tier approach gave the three levels of beneficiaries the type of support required to develop and comply with a higher level of quality standards.			

<p>ii COUNTRY PRIORITIES: The project was designed keeping the countries' needs and priorities in mind. The National development Plan of the country of 2010-2014 emphasized the importance of improving the country's Quality Infrastructure to facilitate private sector development.</p> <p>iii- SWISS MESSAGE: The project directly fits into three of the Message's economic and trade measures, namely (i) effective institutions and services; (ii) more and better jobs; and (iii) increased trade and competitiveness. With Colombia also being one of the priority countries, this project is fully aligned with the Message.</p> <p>iv - SDGs: SAFE+ is focused on improving the quality infrastructure of the country to promote competitiveness in the international market. This is expected to push economic growth and, indirectly, poverty reduction. In addition, the measures introduced to improve the quality infrastructure promote decent work as well as responsible consumption and production. Therefore, while not the main goal, it is aligned with the SDGs.</p>
<p>2. To what extent is the project coordinated with and aligned to the programs of other development agencies?</p> <ul style="list-style-type: none"> - There have been synergies with other international organisms, such as with an electronic tool used by the export agency PROCOLOMBIA that is financed by UNIDO and the IADB. - The program has also widened its scope to supporting other similar initiatives (such as the global program QOSP and three others focused on natural ingredients).
<p>3. What synergies were realized with WEIF and SIPPO?</p> <ul style="list-style-type: none"> - The evaluation report does not mention these two.
<p>4. To what extent is the Theory of Change verified, falsified or elaborated?</p> <ul style="list-style-type: none"> - Overall, the project is evaluated very positively, with many positive achievements realized. - Nevertheless, it is noted that credibility of local institutions can be an issue: "there are Colombian companies that still prefer to carry out their quality certifications utilizing institutions outside of Colombia. The reason is due to the lack of confidence in Colombian laboratories and the capacities of the professionals and technologists of the sector." A follow-up project is recommended by the evaluator to further strengthen the public institutions and quality culture in Colombia. - For follow-up, the evaluation recommends greater emphasis on commercial activities, including export (current emphasis is mainly on quality infrastructure).
<p>5. Have there been any unintended (positive or negative) effects?</p> <ul style="list-style-type: none"> - While not explicitly incorporated in the project strategy, the project has had a strong focus on gender equality, maintaining a gender balance both in the project implementation team as well as in the TA recipients.
<p>6. What role did the private sector play in the project (success)?</p> <ul style="list-style-type: none"> - The private sector did not have a strong role in the project outside of its participation as a beneficiary (laboratories and companies of the cosmetics sector).
<p>7. Was the implementation model deemed efficient?</p> <ul style="list-style-type: none"> - Yes. Despite a slow start, the project quickly caught up and produced significant results. The evaluation attributes this to the technical expertise of the implementing team, its industry knowledge and commitment.
<p>8. Was WEHU's monitoring and steering effective and efficient?</p> <ul style="list-style-type: none"> - The project has been appropriately steered and monitored, with constant progress monitoring and Steering Group meetings every semester, Progress reports have been duly sent and reviewed and the project has been handled fully within budget. WEHU's role is not specifically addressed in the report, although the report notes SECO's positive role in the design and implementation of the project.
<p>Part 3. Quantitative data collection</p>
<p>1. Include data collection sheet or program specific key outcome data over multiple years if available</p> <p>WEHU's results sheet only indicates that 762 people have been trained in 2017.</p>
<p>2. List and briefly comment other major outcomes and impacts.</p> <ul style="list-style-type: none"> - SAFE+ trained 2,5% of the cosmetics industry workforce, 83% of the ONAC employees, 74% of INM and INVIMA employees and 19% of the laboratories. - Nine Colombian technical standards have been developed, four standards for sensory evaluation of cosmetic products and five cosmetics standards. - The metrology institute produced 39 certified reference materials. - 58% of the companies entered a new market (this is not further specified). 26 companies (out of 479 in the Colombian cosmetics sector) received support.

K.6. Tunisia: Textile and Clothes

Project description			
<p>The project, implemented by ITC, supports the textile & clothing sector in Tunisia to move up the value chain and to diversity export markets. The project works both at the company level and the institutional level. It is divided into two phases: in phase 1 (2014-2016), the focus is on company level, with strengthening the capacity of companies with respect to product development and sourcing, and with training of young professionals to integrate in the selected companies. In addition, business links with new export markets are established. There are 37 companies supported in the project. In the second phase, mentor relations would be established between advanced and less advanced companies, TSIs would be strengthened and sector stakeholders would be supported to update the sector strategy. The evaluation is a mid-term evaluation which covers phase 1.</p>			
Sources			
<p>Evaluation À mi-parcours Indépendante, Projet d'Appui à la compétitivité de la chaîne de valeur du secteur textile et habillement (COM-TEXHA) en Tunisie (Keller, 2016). http://databank.worldbank.org/data/source/world-development-indicators</p>			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Highly satisfactory	1	<ul style="list-style-type: none"> – The objectives and activities of the project are in line with the needs of companies, and consistent with Tunisia's government policies related to export promotion, industrial development and job creation. The objectives of the project are also aligned with the strategic priorities of Swiss cooperation in Tunisia as well as the key priorities and competencies of the ITC. – Although the focus on company level is considered to be good, stakeholders indicated that the enabling environment in the second phase will also be an important element.
Effectiveness	Satisfactory	2	<ul style="list-style-type: none"> – The activities are largely implemented according to plan, although there is some delay with the company-specific support (development of individual action plans). In terms of effects, it seems a bit early to tell, but there are the first signs of effects in sourcing (5 companies putting tenders out for their inputs), Egyptian suppliers visiting Tunisia), and in possibilities for sales (e.g. creation of a showroom, consortia of companies established) but results in terms of sales cannot be established yet. With respect to capacity building of young professionals and establishing business links with export market, activities have not advanced sufficiently to see concrete results, but activities are on track.
Efficiency	Not demonstrated	-	<ul style="list-style-type: none"> – ITC does not present the costs per activity or per objective, which makes it difficult to establish financial efficiency. – Own contributions from companies, the government and other relevant institutions, but the extent to which the own contributions covers costs is unclear. – The evaluators note that the budget implies that there is around CHF 80,000 available per company, which is lower than what SIPPO generally spends on companies, while according the evaluator their support is less complete and less profound. At the same time, they indicate that it would be more fair to compare not only costs but also results, which is not yet possible in this stage. ,

Sustainability	Not demonstrated	-	<ul style="list-style-type: none"> - Although the evaluator estimates the likelihood for sustainability to be satisfactory, there are a number of shortfalls and therefore SECO considers this assessment as premature. - 1) The project works with TSIs for the implementation of company-level support, but the financial, technical and institutional sustainability of TSIs, and therefore their ability to continue to provide their services for the industry beyond the Project is unclear, also given that TSIs (and most private consultants) in Tunisia are highly dependent on income generated by projects financed and implemented by international donors.. 2) value added services (such as platforms, showrooms, etc.) have been introduced but without a clear business model in the host institutions that would ensure financial sustainability ,. 3) The education plans for business trainings should have been approved in a more appropriate manner and at the beginning of the implementation phase.
Impact	Not assessed	-	-
Overall average score			Satisfactory
Although the evaluation assesses efficiency and sustainability, the accompanying text of SECO considers these as "not demonstrated."			
Country classification	GNI per capita	World Bank Country Classification	
	<i>Tunisia</i>	3,500	Lower middle income
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
The focus on youth employment, competitiveness and export promotion fits well with the partner country development priorities, the Swiss message on international co-operation and the SDGs (in particular 1 and 8).			
2. To what extent is the project coordinated with and aligned to the programs of other development agencies?			
The evaluators did not identify any overlaps and identified some use of other donor projects (e.g. ITC used the "mapping skills of Tunisia in technical textiles" prepared by UNIDO in its analysis of the sector, and invited Swisscontact (vocational training program) in the discussions on the new co-built license (professional and academic). At the same time, the evaluator identifies further opportunities for co-operation.			
3. What synergies were realized with WEIF and SIPPO?			
There is no explicit mention of this in the evaluation.			
4. To what extent is the Theory of Change verified, falsified or elaborated?			
Given the absence of clear results, it is difficult to draw strong conclusions on the theory of change. However, with respect to sustainability, the problems of the lack of business models to ensure financial sustainability is a point of attention.			
5. Have there been any unintended (positive or negative) effects?			
There is no mention of this. In general, it seems too early to identify effects.			
6. What role did the private sector play in the project (success)?			
The private sector was involved as beneficiary, and some private consultants were hired to implement some of the activities.			
7. Was the implementation model deemed efficient?			
The evaluator notes that the management of the project was not very-result oriented (e.g. no use of tools like log frames), but at the same time indicate that this had no negative impact on the implementation of the project. ITC has no presence on the ground in Tunisia and therefore works with the local organization RNP, which combines project management skills with technical expertise. The evaluator feels that this has been a key factor for successful implementation and he states that the management of this type of project only by missions from Geneva only would be inefficient.			

8. Was WEHU's monitoring and steering effective and efficient?

There is no explicit mention of this in the evaluation.

Part 3. Quantitative data collection

1. Include data collection sheet or program specific key outcome data over multiple years if available

The number of persons undergoing training is 32 in 2016 and 44 in 2017. With respect to funding, SECO provides 88% of the project budget.

2. List and briefly comment other major outcomes and impacts.

None identified.

K.7. Textile and Clothing projects in Tajikistan (component IV of TCP) and the Kyrgyz Republic

Project description			
<p>SECO has been implementing trade promotion projects through the International Trade Centre (ITC) in the Kyrgyz Republic and Tajikistan since 2002. The first two phases focused on agri-processing and in 2009 SECO decided to switch to the Textile and Clothing sector (T&C). Since then, two phases have been implemented.</p> <p>The overall objective of the Textile and Clothing Project (Phase II) in the Kyrgyz Republic was <i>“to contribute to income generation and job creation through the enhanced export competitiveness of sectoral enterprises and institutional capacity building. This included sector specific support to SMEs and relevant trade support institutions in the T&C and related handicraft sectors to diversify export markets.”</i> In Tajikistan, the project is part of a larger trade program (e.g. also focused on WTO accession) and aimed at <i>“contributing to income generation and job creation through the enhanced export competitiveness of sectoral enterprises and institutional capacity building.”</i> This Phase II of SECO’s Trade Cooperation Phase II supported “export-ready” core beneficiary Small and Medium Enterprises (SMEs) and other beneficiary SMEs and handicraft associations, built capacity of Trade Support Institutions (TSIs at meso-level); promoted better sectoral policies and export promotion at national level. The two projects were implemented by two small ITC country teams which made intensive use of international and national consultants.</p>			
Sources			
<p>Textile and Clothing projects in Tajikistan (component 4 of TCP) and the Kyrgyz Republic (Phase II), End-of-Phase Evaluation, KEK – CDC Consultants, October 2016 (KEK-CD Consultants, 2016)</p> <p>SECO Evaluation fiche January 2017</p> <p>http://databank.worldbank.org/data/source/world-development-indicators</p>			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Satisfactory	2	<ul style="list-style-type: none"> – The projects addressed national as well as SECO priorities in trade promotion and employment creation. Also in national policies the sector received specific attention. – Stimulating export competitiveness was important “not only for job creation, but also for sustained social impact, such as by addressing the gender and urban-rural gap in employment and incomes.” in addition, as export markets in Russia were in decline and other donors stopped activities in the country, the project was considered relevant especially in Kyrgyzstan. – In Tajikistan, there were fewer export-ready SMEs, and import substitution strategies were also observed. The sector is also more diverse, as companies are operating in different parts of the value chain (textile, clothing). The project also covered companies in handicraft and tourism (this happened to a lesser extent also in Kyrgyzstan), leading to a fragmentation of activities.
Effectiveness	Satisfactory	2	<ul style="list-style-type: none"> – Micro level: both projects achieved the output targets in terms of number of participants and activities. In Kyrgyzstan the performance of the beneficiary companies was better than the overall trend of the sector (which was downward due to the crisis in Russia), while in Tajikistan the picture is more mixed, with some companies doing better but also some companies doing worse (and had to close down). Due to the crisis, many companies were only trying to survive. . – Meso level: capacity of local consultants and universities was strengthened. Achievements with business associations are more limited, also because of their small

			<p>size and capacity. Lack of sufficient sector-specific knowledge with consultant and low levels of willingness to pay make results at this level mixed. In both countries there are clear results in terms of networking, also between companies (e.g. sharing costs of certain activities).</p> <ul style="list-style-type: none"> – Macro level: with respect to national strategies/policies, positive contributions were made, and in Kyrgyzstan with respect to the set up of a national export council. However, there are issues with implementation: <i>"in both countries, those strategies did only partially fit into the national planning cycles and procedures were reframed which diluted the impact of the strategies."</i>
Efficiency	Highly satisfactory	1	<ul style="list-style-type: none"> – Targets were achieved with minimal staff inputs and budgets. <i>"The project team implemented a complex set of activities resulting in a high-touch experience for beneficiaries with a comparatively limited budget of USD 2.5 million over three years. It means that the project overhead was reasonable"</i> – Project was well coordinated with the public and private stakeholders and other donors, the approaches selected were appropriate to reach the objectives and some synergies between the two country projects were achieved. – Co-financing of participation in trade fairs/exhibitions was limited in Tajikistan (20%) but better in Kyrgyzstan (54%).
Sustainability	Satisfactory	2	<ul style="list-style-type: none"> – The implemented changes are expected to last, especially at the SME level. Only the spinning companies in Tajikistan may not survive. However, sustainability is less certain at TSI and government level. – The capacities of the TSI were strengthened but remain fragile and the intended co-financing of TA by the TSIs was not achieved. – "Limited state budget funding and low capacity are likely to persist due to root causes that are beyond control and responsibility of ITC".
Impact	Not assessed	x	–
Overall average score		1.75	
Note: The evaluation report approaches the evaluation from three levels: micro (SME), meso (TSI) and the macro (sector strategy) levels.			
Country classification		GNI per capita	World Bank Country Classification Source: https://data.worldbank.org/country/vietnam
Tajikistan		990	Low income
Kyrgyz Republic		1,130	Lower middle income
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
i BENEFICIARIES: Well aligned- the project delivered a diverse mix of pinpointed activities clearly benefiting the supported SMEs. <i>"ITC's engagement was well-informed by knowledge of current realities faced by SMEs in daily production, technical regulation and export procedures."</i> Only in Tajikistan, not all companies seemed to be export-ready.			

ii COUNTRY PRIORITY: Well aligned- the **T&C sector is a central pillar of the National Development Plan in Kyrgyzstan**. Also, given the start of the economic downturn in Russia and resulting need for Kyrgyz SMEs to demonstrate resilience and adaptability, the importance of assistance to cope with the challenges had increased.

iii SWISS MESSAGE: The project is well aligned with the 2017-2020 Message. It directly tackles some of the specific objectives outlined in the framework credit of economic and trade policy measures, namely: **(i) effective institutions and services, through the TSI support; (ii) more and better jobs**. In addition, the project considers includes the **social dimension of sustainability**.

iv SDGs: Well aligned, as **the projects fosters export competitiveness of textile and apparel companies not just for job creation, but also for sustained social impact**, such as by addressing the gender and urban-rural gap in employment and incomes. As for responsible consumption and production, the project did not have a large focus on organic and fair trade products.

2. To what extent is the project coordinated with and aligned to the programs of other development agencies?

- There was **coordination with other development agencies**. The T&C sector enjoys significant attention, and some labor division was agreed upon with the other development agencies.
- GIZ, one of the main donors and implementing partners, decided to leave from the sector by 2015 and USAID's (US Agency for International Development) Local Development Project (LDP) was wrapping up its activities in 2013. SECO continued in 2012-16 with a group of export-ready SMEs at the moment that several donors reconsidered their approach or pulled out
- It would have been important to better collaborate and anticipate with GIZ and relevant line ministries on forms and timing of sectoral development strategies
- SECO is presently almost the only active donor in the T&C sector. However, some complementarity exists with the EBRD BAS programme that co-finances business advisory services for SMEs and which also covers SMEs that are beneficiaries in the SECO financed TPP.

3. What synergies were realized with WEIF and SIPPO?

- **No mention of either in the evaluation report**. SIPPO is not active in both countries. The report does recommend *"to better utilise synergies between the various SECO private sector and trade promotion projects in the policy dialogue. These should aim at making use of all available information (at all levels) in order to contribute to a better business environment through field based evidence from SMEs"*.

4. To what extent is the Theory of Change verified, falsified or elaborated?

- The overall approach – the Theory of Change (ToC) – to achieving positive change in the sector as outlined in the project plan made much logical and business sense. It was verified at a micro level but less so at a meso level. *"Theory of Change aiming at improving the export competitiveness of the T&C sector through technical assistance interventions with the multi-level approach linking SMEs with meso level TSI institutions and the policy level is coherent and clear. However, the meso level institutions appear to be still very weak."* *"The Kyrgyz Republic appears to have several organisations that provide some trade promotion or trade facilitation services for T&C companies – although these seem to be of only marginal relevance for the beneficiary SMEs and the latter usually approach ITC for advice."*
- *"Macro level interventions have proven to be challenging and require a longer term approach, adequate strong representation of the implementing partner in guiding and nourishing the policy dialogue. Good coordination (or co-steering) of the overarching strategic planning processes would also be necessary (e.g. proper interface and sequencing between sectoral and National Development Plans)."*
- *"The introduction of the Patent system in the Kyrgyz Republic in 2007 was a driving force to formalise and incentivise clothing companies and to generate a vibrant pool of export-oriented companies – often headed by female Russian speaking minority owners."*
- *"The diversification into new markets for the clothing companies was not possible on large scale and there are no real alternatives to Russia and Kazakhstan for clothing."* Within these two countries, the client base has become more diversified.

5. Have there been any unintended (positive or negative) effects?

- Spill-over effects: *"There is also evidence, that spill-over effects take place, namely that improvements in the T&C company (business management, quality management, marketing) is transferred to other companies."*

6. What role did the private sector play in the project (success)?

- Most activities were with SMEs, who needed to invest time and money into the activities, but also reaped the benefits of these investments. Also the the meso-level support to TSIs was especially successful in particular with the private consultancy companies.

7. Was the implementation model deemed efficient?

- The project is overall well managed by ITC, by an agile team that was able to provide project deliverables on time, ad able to source specific expertise when needed.
- *"The low targets (e.g. No. of trainings, fairs, etc. in the logframe) and the overachievement raises the question whether the logframe targets at SME level were formulated too modestly."*

8. Was WEHU's monitoring and steering effective and efficient?

- The M&E system of the project is comprehensive and a wide range of valuable data is collected, also from core beneficiary SMEs, which seem to be *"fairly reliable...though not all data is reported accurately."*
- No separate mention of WEHU's monitoring and steering of the program

Part 3. Quantitative data collection

1. Include data collection sheet or program specific key outcome data over multiple years if available

Comparison of key indicators 2012 / 15²⁶		
	Kyrgyz Republic	Tajikistan
Trend of T&C exports (in USD)	-74%	-36%
Trend of staff in core beneficiary SMEs	-2%	-39%
Change in production of core beneficiary SMEs (in USD) ²⁷	Approx. 0%	-41%
Change in exports of core beneficiary SMEs (in USD)	Approx. 0%	-29%
Average profitability of core beneficiary SMEs ²⁸	19.0% ->17.1%	5.5 ->5.8%

2. List and briefly comment other major outcomes and impacts.

-

K.8. Projet d'Accès aux Marchés des Produits Agro-alimentaires et de Terroir (PAMPAT), Tunisia and Morocco

Project description			
<p>This is a project implemented by UNIDO. It supports three value chains, the harissa, the Djebba fig and the Kasserine cactus / prickly pear, with a focus of improving market access (national and export) as well as the socio-economic conditions of operators within three value chains. These value chains were selected in earlier projects supported by SECO, as they are expected to make a positive contribution to economic growth, job creation, women's participation in economic development and poverty reduction, particularly in disadvantaged regions. Although specific activities differ per value chain, there is in general attention for improving/formalizing the links in the value chain, labelling of its local (geographical indications) and organic character, creating a local Commission for community development around the value chains, and improving the marketing mix. The project also aims to reinforce national capacities in the valorization of the certified agricultural products (e.g. training to support institutions, to the Technical Center for Organic Agriculture (CTAB). The evaluation is a mid-term review/ strategic reflection.</p>			
Sources			
<p>Projet d'Accès aux Marchés des Produits Agro-alimentaires et de Terroir (PAMPAT), Revue à mi-parcours/réflexion stratégique (Belletti, 2016)</p> <p>http://databank.worldbank.org/data/source/world-development-indicators</p>			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Satisfactory	2	– The project is consistent with the government's economic recovery program, which aims to increase investment and exports, and also with the objectives of promoting the private sector (small and medium-sized enterprises and primary producers) and assisting disadvantaged regions and vulnerable populations.
Effectiveness	Satisfactory	2	– The progress and first results of the projects are considered positive, although the evaluator indicates it is too early to assess effects at the level of the company or the value chain (e.g. additional sales). Some companies have been able to produce certified goods. Some local processing has been improved/expanded. In the three value chains focus on use of labels, but there are still issues that need to be resolved.
Efficiency	Satisfactory	2	– The results achieved versus the budget used are considered to be positive. The project implementation is a bit behind plan, especially as a result of the longer time needed to start up (due to procedure for setting up the framework for labelling, time needed to mobilise project team and safety situation in one of the regions).
Sustainability	Satisfactory	2	– It is too early to assess the project's sustainability. The logical framework in which there is attention for sustainability is still relevant. The evaluator notes that sustainability can be strengthened by " <i>intensifying activities training of trainers. Training in the fields of labeling, security food, promotion and marketing are to be continued.</i> "
Overall average score		2	
Please note that rating and scores are not in the evaluation report. We do not have a document of SECO reporting on this evaluation. The ratings and scores are therefore our own interpretation of the findings in the evaluation report.			
Country classification		GNI per capita	World Bank Country Classification
Tunisia		3,500	Lower middle income

Part 2. Qualitative inquiry	
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?	The project is well aligned with all four elements (see also under relevance above), as it is focused on sustainable economic development, involving all relevant actors. It should contribute to increased income, reduced poverty (disadvantaged regions), women empowerment, and with its attention for GAP and organic also contribute to sustainable production.
2. To what extent is the project coordinated with and aligned to the programs of other development agencies?	The project build on an earlier project of ITC, also funded by SECO. In addition, there were some joint efforts to reduce costs (e.g. with the Foreign Investment Promotion Agency to reduce costs for trade fairs) and other projects helped to build capacity of companies (e.g. the German IPD). Details on this co-operation are lacking in the evaluation.
3. What synergies were realized with WEIF and SIPPO?	There is no reference to WEIF or SIPPO in the documentation.
4. To what extent is the Theory of Change verified, falsified or elaborated?	<ul style="list-style-type: none"> – The fact that so many different stakeholders, all relevant along the value chain, were involved contributes to ownership and a common vision. – The use of geographical indications is challenging in the sense that it is accessible to all who comply with its criteria, also companies not part of a certain association. More generally, the evaluator also notes that labels must not become a goal in itself, as labels do not solve the structural and operational problems of the sectors and management problems, and that each label requires professional governance ("labels are not "stickers" that bring immediate benefits, but market access tools to exploit in a holistic way"). E.g. in Harissa The Food Quality Label Tunisia lacked a sufficient public budget and marketing strategy to make it well-recognized. In Djebba Figs, a change is needed in the procedures (third party certification), which will make compliance more complex. – In one of the value chains it was also explicitly acknowledged that the focus on one product, which is seasonal, is not sufficient to make support organization profitable. Other products should be targeted too.
5. Have there been any unintended (positive or negative) effects?	There is no explicit mention of this.
6. What role did the private sector play in the project (success)?	The private sector is involved, mostly as beneficiary but also partly as service providers (e.g. services provides through associations/co-operatives).
7. Was the implementation model deemed efficient?	UNIDO has a team on the ground for the day-to-day management. This is considered efficient.
8. Was WEHU's monitoring and steering effective and efficient?	There is no reference to the monitoring and steering of WEHU. Overall evaluation framework and monitoring is considered to be good in the evaluation.
Part 3. Quantitative data collection	
1. Include data collection sheet or program specific key outcome data over multiple years if available	The evaluation does not mention outcome data, and indicates it is too early to see results at company/value chain level. In the results sheets, there is only information on number of people trained: 651 in 2016 and 140 in 2017.
2. List and briefly comment other major outcomes and impacts.	A strategy for organic farming has been developed. Within the project, there was a learning experience with the Swiss for a competition on local produce. Based on an interview with the project officer, this has now been copied in Tunisia as well.

K.9. Kyrgyzstan: Organic Cotton Production and Trade Promotion Project

Project description			
<p>The Organic Cotton Production and Trade Promotion Project is a project that ran from 2003 to 2016 and consisted of three phases. In the first phase (2003-2006) the focus was on the development of the production and commodity chain of organic cotton and its by-products in both the domestic and international markets. In the second phase (2007-2011), two local organizations were set up: a producer organization (first called Biofarmer, later renamed as Agricultural Commodity and Service Cooperative (ASCS)) and a service provider (the Bio Service Public Foundation) and they gradually became closer involved in project implementation. The third phase (2013-2016) focused on consolidation and hand over phase, thereby achieving sustainability of the project results.</p>			
Sources			
<p>Study on: "Bio Cotton" project impact on improving farmers' life and on development of organic farming" (period 2003-2015) (Bioservice, 2015)</p> <p>Capitalization of the bio cotton value chain project, 2003 – 2016 (Lüthi & Kägi, 2016)</p> <p>http://databank.worldbank.org/data/source/world-development-indicators</p>			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Satisfactory	2	– The project is relevant for the farmers. While organic was not a priority for the government when the project started, it has become one of the priorities of the State program, and therefore also relevant from the perspective of the government, and other organic-related stakeholders in the country. .
Effectiveness	Satisfactory	2	– Most objectives have been achieved. There is a clear increase in organic cotton production and a sustainable value chain. However, there are shortcomings in production diversification, related to crop rotation. The focus was too heavily on the cotton value chains at the start of the project. Although attention for this has increased and there are some positive results, sales channels are not as sustainable as for cotton. The project has also contributed to
Efficiency	Satisfactory	2	– Although the founding and capacitating two whole new organizations (BioFarmer and BioService) was considered economically inefficient, this was addressed during the project duration.
Sustainability	Satisfactory	2	– Sustainability is assessed positively for cotton, although there are some risks, among others related to the dependency on one international buyer, the fact that the role of ACSC is still not strong enough for rotational crops (see also further below).
Impact (Note: overall rating)	Satisfactory	2	– The project achieved positive economic and environmental impact (for more details, see further below).
Overall average score		2	
It should be noted that the evaluation does not use the DAC criteria. The rating and scores are therefore our own interpretation based on the available documentation.			
Country classification		GNI per capita	World Bank Country Classification
Kyrgyzstan		1,130	Lower middle income
Part 2. Qualitative inquiry			
<p>1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?</p>			
<p>i BENEFICIARIES- The direct beneficiaries in this phase were the Producer Organizations. They were set up under the project to fulfill the objective of providing support to a growing organic farming sector. Therefore, the project was</p>			

aligned with their requirements. The project gave them the necessary tools to provide value chain services, but required additional support to strengthen the management and marketing capacities of the organizations themselves.

ii COUNTRY PRIORITY- No policies nor regulation concerning organic agriculture and trade were in place in Kyrgyzstan when the project started in 2003. This changed over the project life time, also because the project was itself involved in lobbying for this., and it became a priority for the government.

iii - SWISS MESSAGE- The project is aligned with the Swiss Message's framework credit for economic and trade policy measures, having the same objectives when it comes to increased trade and greater competitiveness, more effective institutions and services (in the form of POs) and more climate-resilient economies (in the form of improved farming practices).

iii- SDG- Poverty /decent work - The combination of improved value chains and increased exporting possibilities directly tackle rural population poverty. Furthermore, the local farmer organizations have a direct improvement of farmers' wellbeing. The project was also directly aligned with responsible production, one of the goals of moving to organic cotton is to tackle the deteriorating soil quality.

2. To what extent is the project coordinated with and aligned to the programs of other development agencies?

- There are other donors which have become active with respect to organic in Kyrgyzstan, especially GIZ, with which there has been co-operation in the area of policy advocacy. .

3. What synergies were realized with WEIF and SIPPO?

- No mention of either in the evaluation report. SIPPO is not active in both countries

4. To what extent is the Theory of Change verified, falsified or elaborated?

- The **long-term assistance and possibility to respond flexibly to emerging needs is considered as a key element of the project's success** (e.g. different regional coverage than anticipated, finding solutions to financing constraints). It helped to increase sustainability of the project.
- The **involvement of the Swiss company Reinhart**, a leading worldwide cotton merchant, who has been committed throughout the lifetime of the project and has bought all exported organic cotton from ASCS was a key factor to success. The company also helped to address certain constraints (e.g. providing pre-financing for certified cotton).
- Farmers clearly look at economic gain. If prices of other products than cotton show higher increases, they sometimes switch their production. This also means that their **loyalty to the co-operative depends on the economic benefits** they expect from it. In this respect, *"two risks were inadequately prioritized or mitigated: a) stable access to working capital to build stable trade relations between BioFarmer [later ACSC] and cotton producers; and b) the importance of marketing of rotational crops as a business strategy to reach economic sustainability at cooperative level."* With respect to the latter, it is noted that *. Rotational crops are grown on almost 75% of the certified organic land and represent a huge potential for economic growth, provided the cooperative gets a stake in either trade or processing of these alternative crop outputs. In contrast to cotton, **for the rotational crops no reliable and committed international buyer was identified**, while this could help strengthen the economic viability of the association."*
- The **set-up of the two organisations Biofarmer and Bio services turned out in practice not to be efficient**. *"Until the end of 2013, BioFarmer mandated the service provider BioService to provide rural advisory services, to organise the internal control and external certification, as well as to market organic cotton and rotational crops. Since 2014, BioFarmer Cooperative gradually internalised all support functions to cotton producers. This helped to optimise operating costs, quality control and to reach its financial goals defined in the business development plan."* *"BioService is nowadays a recognized and competent service provider for organic farming, organic and fair trade certification and sustainable agriculture and marketing in the country"*, working for the private sector and other donors.
- For promoting organic in the country, cotton is not the best choice: *"Organic cotton is not the most suitable "messenger crop" to promote and advocate for organic production at national level. **Selected organic rotational crops like fruits, vegetables or dairy products are more appealing messengers to promote organic agriculture products at a local consumer base."***
- *"sustainability is rarely on high priority of national governments and policy makers. Launching a policy dialogue is therefore time consuming and should start early on in a change process. The project started relatively late to systematically promote and advocate experiences, results and lessons from the organic cotton project at national level."*

5. Have there been any unintended (positive or negative) effects?

- Although policy advocacy was in the first phases not explicitly an objective, the law on organic farming was considered at least partially attributed to the lobbying of the project and of BioService.

6. What role did the private sector play in the project (success)?

- The organic and fairtrade cotton value chain project works directly with the private sector. Having the reliable international buyer for organic and fairtrade cotton was a key success factor both for the value chain as well as for BioFarmer. This cotton buyer provided prefinancing of the crop until the financial crisis in 2009.

7. Was the implementation model deemed efficient?

- The implementation model had to be restructured several times but eventually found an optimal set-up.
- Implementation was also affected by several external shocks (political upheaval, financial crisis, cotton prices, etc.) but the structure proved to be able to adapt and partly absorb these shocks.
- *"An adaptive management approach, backed by a pool of internal and external resource persons and experts, have helped to react and overcome several crisis situations."*

8. Was WEHU's monitoring and steering effective and efficient?

There is no explicit mention of WEHU in the documentation.

Part 3. Quantitative data collection

1. Include data collection sheet or program specific key outcome data over multiple years if available

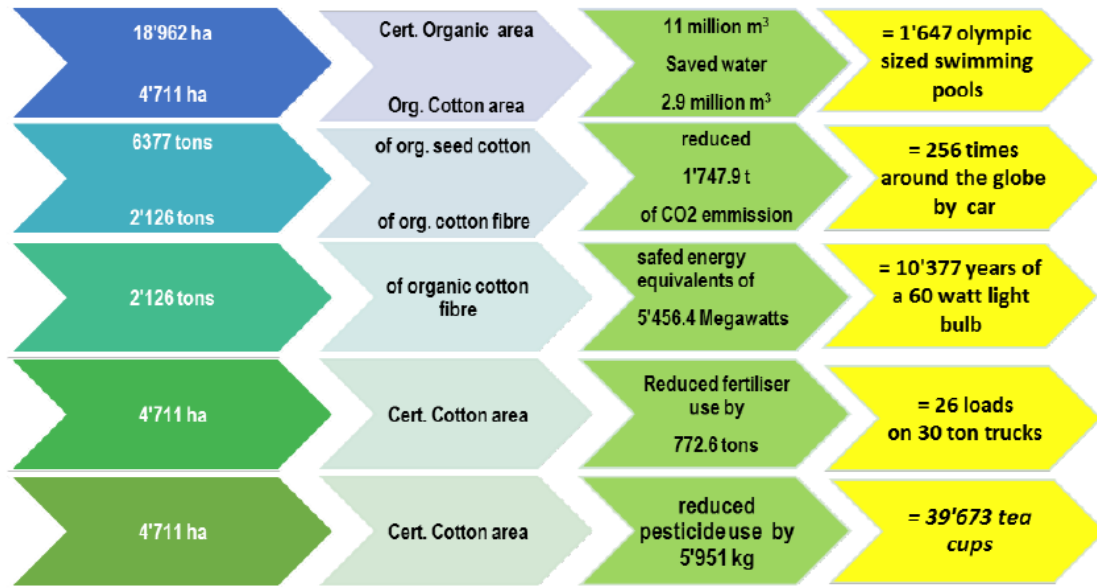
The following table summarizes the developments in cotton production, price premium and additional income per organic cotton farmer throughout the entire project duration (2003 – 2015)

Year / season	Sold seed cotton o/ft & in conversion at premium, tons	Price difference between organic & conventional, KGS/kg	Total additional income through o/ft cotton sales in CHF **	Nos. certified organic cotton producers	Additional income / farmer in CHF	Ha of certified cotton cultivated	Savings from not using fertiliser, insecticide and weedicide*** in CHF (converted ****)	Average savings per farmer in CHF (converted from USD)	Additional yearly income & savings in CHF (converted from USD)
2003	72		-	38	-	-			
2004	180	3.2	18'242	38	480	40	11'122	293	773
2005	264	3.2	26'755	225	119	100	27'805	124	242
2006	421	6.8	85'351	392	218	139	38'649	99	316
2007	750	7.8	176'553	649	272	257	71'459	110	382
2008	333	6.7	63'838	845	76	442	122'899	145	221
2009	133	6.0	18'953	765	25	1'198	333'106	435	460
2010	327	-0.3	-	986	-	514	142'919	145	145
2011	411	10.6	85'371	977	87	645	179'344	184	271
2012	591	4.8	54'694	1'172	47	531	147'646	126	173
2013	333	5.5	31'593	1'128	28	346	96'206	85	113
2014	1'371	4.7	97'285	1'035	94	644	179'065	173	267
2015	1'191	3.0	47'378	1'408	34	736	204'646	145	179
Total or average	6'377	6.2	706'012		134		1'554'867	172	295

In addition to the above, the WEHU Results sheet reports a 15 percent increase in trade volume in 2016.

2. List and briefly comment other major outcomes and impacts.

The project also has positive environmental impact, as presented in the figure below:



K.10. Burkina Faso – Mali: Organic and Fairtrade Cotton

Project description			
SECO financed a program for the promotion of organic and Fairtrade cotton in Burkina Faso and Mali from 2002 until 2016. The third and last 'consolidation phase' lasted from 2013 to 2016. The objective of the consolidation phase was to: 'contribute to improvements in the livelihoods of stakeholders in these value chains through promoting a diversified organic sector through efficient management, producer participation in decision making, access to local, regional and international markets and a favorable political environment'. The program was implemented by Helvetas Swiss Intercooperation together with the National Union of Burkina Faso Cotton producers (UNPCB) and Malian Organic Movement (MoBioM).			
Sources			
Completion Note. Organic Cotton Consolidation Program (SECO, 2017c) Mid-Term Evaluation of the Organic and Fairtrade Value Chain Program (Tovignan & Ferrigno, 2015) http://databank.worldbank.org/data/source/world-development-indicators			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?			
	Rating ¹⁰¹	Score	Main reasons
Relevance	Unsatisfactory	3	<ul style="list-style-type: none"> – 'The hypoththesized privatization of the cotton sector did not take place in Burkina Faso and Mali.' – 'The government ... prioritized conventional cotton over organic cotton.'
Effectiveness	Satisfactory	2	<ul style="list-style-type: none"> – 'Political and climate related circumstances are volatile in Burkina Faso and Mali and results achieved in one project year risked to be nullified during the following year.' – In 2015: 'The comparison of the Organic and Fairtrade Cotton (OFTC) yield with conventional shows that OFTC has not yet reached its potential. In Burkina Faso, current OFTC is 50% of conventional where in Mali, it is 47%. Good organic production practices could raise OFTC yield to 80% of conventional, 872 Kg/ha for Burkina and 746 Kg/ha for Mali.'
Efficiency	Satisfactory	2	<ul style="list-style-type: none"> – 'Project activities as such have been efficiently implemented. However, because of above mentioned volatile circumstances, certain activities in relation with the support and strengthening of local partner organisations had to be reorganised and repeated during project implementation.'
Sustainability	Unsatisfactory	3	<ul style="list-style-type: none"> – 'In Burkina Faso and Mali, the privatisation of the production and marketing would be an important requirement for the effective establishment of the organic cotton value chains. However, as mentioned, there has not been a policy change until now and governments remain strongly involved'. – 'the most important challenge for the sustainability of the value chains in both countries is to increase quantity and quality of production.' – 'Victoria's Secret (Burkina Faso) and Devcot (Mali) remain the only important commercial partners for the programmes. This is a threat to the sustainability of the programme.'
Overall average score		2 ½	
GNI per capita, Atlas Method (current USD), 2017		World Bank Country Classification	
	<i>Burkina Faso</i>	USD 610	Lower income
	<i>Mali</i>	USD 770	Lower income
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
(i) BENEFICIARIES:			
<ul style="list-style-type: none"> – 'The programme emphasises small, vulnerable producers (with smaller areas and limited access to agricultural equipment and labour). This group is made up of men and especially women who could not find a place in conventional 			

¹⁰¹ Based on Completion Note.

<p>cotton. Their livelihoods are the most basic in terms of income, which means the organic Fairtrade programme is an important opportunity to reduce poverty.'</p> <ul style="list-style-type: none"> – 'Organic and Fairtrade premiums allow for investment in social and community infrastructure, such as schools building, health centres, boreholes, storage, etc. These development initiatives allow the population to access infrastructure which would not have been possible without organic Fairtrade production.' <p>(ii) COUNTRY PRIORITIES:</p> <ul style="list-style-type: none"> – See above under relevance <p>(iii) SWISS MESSAGE</p> <ul style="list-style-type: none"> – Not addressed. <p>(iv) SDGs: POVERTY/DECENT-WORK/ECONOMIC-GROWTH/SUSTAINABILITY:</p> <ul style="list-style-type: none"> – Not addressed
<p>2. To what extent is the project coordinated with and aligned to the programs of other development agencies?</p> <ul style="list-style-type: none"> – 'There were several other donors involved but these relations were managed by Helvetas and there was no contact between donors.' Other donors were: West African Monetary and Economic Union, French Development Agency AFD, the Catholic Relief Service and the United States Department of Agriculture.
<p>3. What synergies were realized with WEIF and SIPPO?</p> <ul style="list-style-type: none"> – Not applicable
<p>4. To what extent is the Theory of Change verified, falsified or elaborated?</p> <ul style="list-style-type: none"> – 'The diversification of the production base, which was rather successfully implemented at farmer level, as well as the capacity building of institutions fostering organic growing was also the right approach.' – 'The volatile context in these two countries was not sufficiently taken into account during the design phase ... The project (theory of change) might have worked out in a more stable [political] environment [and climate].' – 'The hypothesized privatization of the cotton sector did not take place in Burkina Faso and Mali ... an effective policy dialogue component is key for success in such value chain programs.' – In Burkina Faso: 'Lobbying has allowed a greater place for the OFTC sub-sector in state policy. Thus, negotiations between the private sector and the state led to a new protocol for cotton concessions between the state and cotton companies. Organic cotton benefited from this new protocol agreed for the next 12 years, and also gained exemption from the dues cotton farmers pay to the government for land use.' – 'organic cotton growing is certainly an alternative and chance for smallholder farmers with limited capacities for input financing.' – 'health and economic gains were the first and second greatest motives for producers. ... Farmers involved in the project also indicated that they were very motivated to produce organically because this method was having much less negative impact on their health¹⁰².' – 'In Mali, the governance crisis [financial management scandal] within MoBioM led to problems of authority ... the management of the crisis continues with a large number of cases in front of the courts.' – 'Both [program] partners, MoBioM and UNPCB have had severe internal crises. Despite this, we note progress and developments in the right direction, but autonomy for both organisations remains a distant prospect.' – 'MoBioM and UNPCB are organisations with a social and political character, characteristics that do not always fit well with an economic rationale (profit).'
<p>5. Have there been any unintended (positive or negative) effects?</p> <ul style="list-style-type: none"> – Not mentioned
<p>6. What role did the private sector play in the project (success)?</p> <ul style="list-style-type: none"> – 'Victoria's Secret (Burkina Faso) and Devcot (Mali) remain the only important commercial partners for the programmes.'
<p>7. Was the implementation model deemed efficient?</p> <ul style="list-style-type: none"> – 'High extension costs is a great cause of inefficiency which needs to be reviewed in Burkina Faso and Mali ... In each country there are zones where production per agent is quite low and less than proportionate to the costs incurred ... In these zones, it is necessary to either increase area sown per producer or reduce the number of field agents.'

¹⁰² [this is] especially linked to the **use of chemical pesticides** from which Organic Fairtrade cotton removes them. ... small producers use [synthetic chemical] pesticides in inappropriate conditions (overuse, non-use of personal protective equipment, eating of crops grown with cotton (contamination), lack of training on good practices) ... [which causes] nausea, vertigo, vomiting, skin irritation and eye irritation, and convulsions which can sometimes lead to the loss of life. The social and economic implications are enormous (loss of work days, increased costs of health care, never ending increases in the price of pesticides).'

- **Counter-productive premiums:** 'While in Mali there are no premiums to encourage field agents, in Burkina they do but are not distributed in some zones in a uniform manner. Premiums should go to the most deserving, and incentive criteria should be clearly defined. These criteria should take into account the number of producers, production results, certification results, the agent's disciplinary record, the area covered, etc.'

8. Was WEHU's monitoring and steering effective and efficient?

- 'Steering and input from SECO side remained difficult throughout implementation. One reason is certainly that SECO could monitor the projects in Burkina Faso and Mali only at arm's length: **The projects were never visited by WEHU** and because of resource constraints a proactive follow-up was often not as much possible as needed in relation with volatile contexts.'
- 'the **cooperation with and the representation by SDC colleagues** on the ground could not be established to a fully effective and efficient extent.'

Part 3. Quantitative data collection

1. Include data collection sheet program specific key outcome data over multiple years if available

- 'More than 20.000 farming families have profited from a diversification of the agricultural production system, increased income and improved their health and working environment.'
- 'During the 2014-15 season, Burkina Faso was the largest producer of organic-Fairtrade cotton in West Africa, with 2622 tons of seed cotton.'
- 'Mali produced 580 tons of seed cotton in 2014 (following a dramatic fall in organic and Fairtrade cotton production after a severe governance crisis at the Mali Organic Movement).'

Production and yield 2014-2015	Burkina Faso	Mali
Production OFTC (Tonne)	2622	580
Production Conventional cotton (Tonne)	710000	445000
Share of OFTC compared to conventional (%)	0,37	0,13
OFTC yield (Kg/Ha)	536	435
Conventional yield (Kg/Ha)	1090	933
Ratio of OFTC compared to conventional yield (%)	49,17	46,62
Potential yield of OFTC (80% of conventional -Kg/Ha-)	872	746

2. List and briefly comment other major outcomes and impacts.

- 'organic cotton growing proved to be an alternative to conventional growing in an environment, where farmers have very limited resources for input financing.'

Impacts as reported by producer groups during focus group discussions

- 'In both countries, the programme's impacts were greatest in health improvements. All producers asked recognised that joining the organic programme led to a net improvement in their own and household health ... due to the non-use of chemical pesticides in farming. The other benefit is a net reduction in input costs which leads to an increase and a stabilisation of household farming income. Other positive impacts are ... a reduction in debt and increased socialisation of producers, noted specifically in Mali, and improvements in household food security most notably in Burkina Faso.'

Impacts on	Average score by country	
	Burkina Faso	Mali
Agricultural income (level and stability)	4,70	4,50
Level of goods owned by households	2,30	2,38
Household food security	4,60	4,25
Debt reduction	3,67	5,00
Household health	5,00	5,00
Children's education	4,17	3,75
Representation with institutions and networks	4,00	4,50
Gender aspects (role change, contribution by women to income, and to decision making)	4,42	3,63
Producer socialization (contribution to resolving others' problems, etc.,)	-	5,00

K.11. Projet Organisme de gestion de la destination (Destination Management Organisation (DMO Tunisie): « Région Djebel Dahar » dans les gouvernorats de Médenine, Tataouine et Gabès

Note. This project has been evaluated at the end of 2018. The new, end-of-phase, evaluation report, which offers a positive assessment of the program, was not included in this evaluation synthesis.

Project description			
The project aims to establish a Destination Management Organisation to promote the Berber region (Djebel Dahar) to increase income and create employment. The DMO would be established by a group of regional associations, the administration and the private sector. Specific objectives are: (i) The coordination of local actors and the professionalization of communication on the tourist product Medenine-TataouineGabès; ii) The professionalization of existing on-site accommodation (cottages and guest houses) and places of restoration; iii) The valorization of the Berber heritage; (iv) Enhancement of hiking tourism and geological and palaeontological heritage; (v) Improvement of the quality of artisanal products; (vi) Efficient waste management (cottages and restaurants)			
Sources			
Projet Organisme de gestion de la destination Destination Management Organisation (DMO Tunisie) : « Région Djebel Dahar » dans les gouvernorats de Médenine, Tataouine et Gabès-Evaluation externe à mi-parcours sous l'angle des critères DAC et appréciation relative aux aspects de sécurité dans la region, Jean-Paul Minvielle, Mohamed Chérif Abrous, 20 mai 2016 (Minvielle & Cherif Abrous, 2016) http://databank.worldbank.org/data/source/world-development-indicators			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Satisfactory		– The project is in line with Tunisia policies, in terms of decentralization, local development, promotion of new forms of alternative tourism and emphasis on the most disadvantaged regions of the country.
Effectiveness	Unsatisfactory		– While the project achieved some positive results in terms of improvements in the tourist offering and marketing, the establishment of the DMO is not (yet) realized , and also received relatively less attention during implementation. This objective is considered extremely ambitious by the evaluators , especially to get clarity on the roles and responsibilities of the different actors involved.
Efficiency	Unsatisfactory		– The lack of attention for the key objective of the project, as well as some weaknesses in organization make the project score unsatisfactory. The project is implemented with significant delays, and the operational plan to reach the objectives lacked detailed steps.
Sustainability	Highly unsatisfactory		– An operational DMO is considered essential for sustainability but not achieved. The coordination of actors is still far from being achieved. Several structures have been created or integrated into the project (e.g. steering committee, technical committee platform, task force), but the coordination structure that should constitute the future DMO is not clear.
Impact	<i>Not assessed</i>		–
Overall average score			Unsatisfactory
Country classification		GNI per capita	World Bank Country Classification
<i>Tunisia</i>		3,500	Lower middle income
Part 2. Qualitative inquiry			

1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?
<ul style="list-style-type: none"> - The project is in line with the country strategy and its priorities - The focus on employment and income in a relatively disadvantaged region, with attention to sustainable tourism fit with the Swiss message on international co-operation and the SDGs.
2. To what extent is the project coordinated with and aligned to the programs of other development agencies?
The DMO project reports contacts with projects of other donors in the region (TITAN project, JICA, Hifswerk International, etc.). These projects also focus on local and regional development. Although there are no true partnerships, the evaluators find that their actions complement each other (no further details).
3. What synergies were realized with WEIF and SIPPO?
These are not explicitly mentioned in the evaluation.
4. To what extent is the Theory of Change verified, falsified or elaborated?
<p>Although the project implemented (successfully) various more technical micro projects (e.g. garbage collection project, or hosts improving their supply through better mattresses) the overall cohesion of the activities and overall objective of the project was not clear to most stakeholders. Also government stakeholder are waiting for concrete achievements in accordance with the DMO model presented to them as compared to micro actions and results.</p> <p>The project is very ambitious with many objectives, and the evaluator indicate it would probably have been better to be more explicit about the hierarchy of actions to be conducted and their sequencing, as well as about the development of realistic operational plans. As the evaluators observe some disappointment with the progress and results achieved, they note that it would have been preferable, both strategically and operationally, to promise less in the formulation of the project.</p>
5. Have there been any unintended (positive or negative) effects?
The evaluator has not identified any.
6. What role did the private sector play in the project (success)?
The private sector participates in meetings, seminars, trainings and various workshops, but there is no clear involvement or ownership of the project.
7. Was the implementation model deemed efficient?
The project is understaffed, also due to the dispersed implementation with many micro projects. In terms of financials, there is also much less invested in setting up the DMO than foreseen (38 percent). The fact that after two years an additional outcome indicator was added (diversification of tourism is considered as a factor contributing to further disbursement of activities. On the other hand, the revised logical framework was more specified in 2016 as compared to 2014.
8. Was WEHU's monitoring and steering effective and efficient?
There is no explicit mentioning on this , although the evaluator questions if Swisscontact and SECO had sufficiently explicit exchange on the arguments of each other.
Part 3. Quantitative data collection
1. Include data collection sheet or program specific key outcome data over multiple years if available
The number of persons trained was 55 in 2016 and 85 in 2017.
2. List and briefly comment other major outcomes and impacts.
None reported.

K.12. Vietnam: Decentralized Trade Support Services

Project description			
<p>This program sought to build Regional Trade Promotion Networks – consisting of regional trade promotion organizations, local government representatives and leading SMEs – to assist SMEs in raising their competitiveness and increase their exports. The program pursued: (i) the effective use by provincial SMEs of professional trade support services provided by regional trade support networks; (ii) a stronger national trade enabling environment through better oversight from and improved coordination within the central government, through the set-up of a National Export Council; and (iii) the build-up of VieTrade's ability and capacity to support provincial trade promotion agencies (TPOs), trade support institutions (TSI) and product associations (PA).</p>			
Sources			
<ul style="list-style-type: none"> – Final Evaluation Report. Decentralized Trade Support Services for Strengthening the International Competitiveness of Vietnamese SMEs (Como Consult, 2018) – Credit Proposal. Decentralized Trade Support Services for Strengthening the International Competitiveness of Vietnamese SMEs (SECO, 2011) – http://databank.worldbank.org/data/source/world-development-indicators 			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Highly satisfactory	1	<ul style="list-style-type: none"> – The program is highly relevant. It addresses pertinent development challenges (weak capacity of SMEs to export and limited capacity of the trade promotion system to reach out to SMEs with relevant services) and is aligned with / complements the National Import - Export Development Strategy 2011 – 2020, the National Trade Promotion Program and National Branding Program. Moreover, the program is consistent with the Swiss Message on International Cooperation 2017 – 2020.
Effectiveness	Unsatisfactory	3	<ul style="list-style-type: none"> – <u>Objective 1: the effective use by provincial SMEs of professional trade support services provided by regional trade support networks.</u> The evaluation did not / could not assess the extent to which provincial SMEs make effective use of the trade support services of the regional trade networks. <i>'The regional hubs and their coordination with and outreach to other TPOs appear to be little effective.'</i> A 2015 survey of 110 SMEs (presumably conducted by the program) concluded that about half of the SMEs qualify the services from the trade promotion offices or sector associations as good to very good. A 2017 survey <i>'showed some shifts in respondents' ranking of services towards very good and good'</i>. These survey results do not say whether the SMEs make effective use of such services. – The evaluation concludes, apparently based on the delivery of outputs, that the ecosystem 'increased their knowledge on SME export related issues and ... their capacity to provide respective services to SMEs.'¹⁰³ – 'EDP activities proved effective in bringing well-trained SMEs to international markets and successful in helping them identify new export opportunities.' (See also Part 3, question 1) – <u>Objective 2: a stronger national trade enabling environment through better oversight from and improved coordination.</u> The envisaged National Export Council was not set up. Instead, the government created an Inter-Ministerial Working Group on Export and Import Issues (chaired by the Vice-Minister of the Ministry of

¹⁰³ The development and delivery of, example given, training packs for TPOs, product associations and SMEs does not necessary mean that the ecosystem players' institutional capacity has increased.

			<p>Industry and Trade). The Working Group met only twice. The evaluation observed a lack of political ownership of the national export promotion agenda and this SECO program in Vietnam.</p> <p>– <u>Objective 3: the build-up of VieTrade's ability and capacity to support provincial TPOs, TSIs, PAs. The evaluation concludes that Vietrade 'increased its in-house capacity for providing trade promotion related support and services'</u>. It is unclear where this assessment is based on.¹⁰³ The program developed 2 export-promotion related training packs' for TPOs, TSIs and Pas, 'five training packs' for SMEs, rolled out the training packs, SME-level Export Development Plans have been developed, and guidelines for EDP and Technical Working Groups have been prepared.</p>
Efficiency	Satisfactory	2	<p>– The evaluation rates the program as cost-effective. Capacity building expenditures entailed 75% of the budget; with the other 25% going to <i>'technical leadership and program management'</i>.</p> <p>– Limited capacity of the PMU and ownership in VieTrade slowed the program implementation down.</p>
Sustainability	Unsatisfactory	3	<p>– 'Vietrade's strategy to sustain and further enhance service delivery to both of its target group (TPOs and TSIs as well as SME directly) is not clear.' Although VieTrade has increased its in-house capacity (according to the evaluation) for providing trade promotion services, it remains unclear to what extent it can / will deliver such services in the future due to a lack of an overall corporate strategy for the delivery of such services.</p> <p>– <i>'Services by supported TPOs/TSIs have been upgraded, especially those of sector associations, but [they] remain mostly dependent on outside support ... for offering services that go beyond a training course, basic market information and match-making.'</i></p> <p>– <i>'If SECO was to withdraw its assistance completely, it is rather improbable that the actors of the eco-system for trade promotion would carry out the same assistance to SME in the future, unless other donors would fill the gap, which is becoming less realistic given Vietnams middle income status.'</i></p>
Impact	n/a	n/a	
Overall average score		2¼	
GNI per capita, Atlas method (current USD), 2017		World Bank Country Classification	
Vietnam		US\$2,170	Lower-middle income
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
(I) BENEFICIARY REQUIREMENTS AND (II) PARTNER COUNTRY PRIORITIES:			
<p>– The program addresses important development issues of Vietnam, namely: (i) the weak capacity of SMEs to export; and (ii) the limited capacity of the trade promotion system to reach out to SMEs with relevant services.</p> <p>– The program is aligned with the National Import - Export Development Strategy 2011 – 2020 which targets a tripling of the total export turnover in 2020 compared to 2010, with a growth rate of export of 11% - 12% per year.</p> <p>– The program complements: the National Trade Promotion Program (NTPP) and National Branding Program.</p>			
(II) SWISS MESSAGE ON INTERNATIONAL COOPERATION 2017 – 2020:			
<p>– <i>'The program is consistent with SECOs Country Strategies 2013-2016 and 2017-2020, contributing to objective 2 "A competitive and resource-efficient private sector". It is in line especially with SECO's division for trade promotion (WEHU) and its business line on competitiveness and market access.'</i></p>			
(III) SDG 1 (NO POVERTY), 8 (DECENT WORK AND ECONOMIC GROWTH) AND 12 (RESPONSIBLE CONSUMPTION AND PRODUCTION):			

<p>– The evaluation does not assess the program's contribution to these SDGs. The program has supported 41 SMEs to export their goods. As such, the program contributed – to some extent – to Vietnam's economic growth and SDG 8.</p>
<p>2. To what extent is the project coordinated with and aligned to the programs of other development agencies?</p> <p>– 'There have been selected joint activities with the EU-MUTRAP project, GIZ regional trade projects and UNIDO. ... missed opportunities are the potential cooperation with ... projects implemented by GIZ and its private partners (including a project with a large pepper exporter) or with UNIDO ... (funded by Finland) for selected fruits and vegetables.'</p>
<p>3. What synergies were realized with WEIF and SIPPO?</p> <p>– 'There has been little cooperation with other SECO funded projects like the Swiss Import Promotion Program (SIPO) or the Regional Biotrade Program, despite the fact that all three programs intent to support SME in the "last mile" towards exports. SIPPO started only in 2017 when the program was already in its final stage and the Biotrade program is supporting a very specific niche. Nevertheless, cross-cutting issues with regards to the trade promotion environment and services could have been explored jointly. The SECO office in Hanoi facilitated several meetings, but no joined actions were developed. The Sustainable Trade Initiative (IDH) which is strongly supported financially by SECO is also operating in Vietnam, working on some of the value chains that the trade promotion program also is working on (pepper, tea and pangasius). Here, a great opportunity was missed to align the trade promotion program with value chain projects that focus on overcoming trade development is-sues that often are a precondition for exports.'</p>
<p>4. To what extent is the Theory of Change verified, falsified or elaborated?</p> <p>– The evaluation is descriptive, not analytical; it provides no direct insights in the validity of the causal mechanisms in WEHU's Theory of Change.</p>
<p>5. Have there been any unintended (positive or negative) effects?</p> <p>– n/a</p>
<p>6. What role did the private sector play in the project (success)?</p> <p>– 'There was limited involvement of the private sector in the design, implementation (trade promotion services), and review of project activities, although the private sector did participate in the PCC meetings.</p> <p>– 'Private service providers will most probably step in more and more over the coming years, as SMEs will be willing to pay for their high-quality trade related services. Here, the program missed out the opportunity to work with them and through them. ...A mechanism for the engagement of professional private service providers ... has not been developed.'</p>
<p>7. Was the implementation model deemed efficient?</p> <p>– The program was executed by VieTrade, i.e. under a so-called national execution regime. 'Having VIETRADE as implementing agency for all project activities did slow down project implementation to some extent. This is mostly due to the limited capacity of the PMU and the lack of ownership created for the implementation of project activities within other VIETRADE departments or within TPOs and TSIs at regional level.'</p>
<p>8. Was WEHU's monitoring and steering effective and efficient?</p> <p>– 'A log-frame was developed at the beginning of the program and changed after about two years. Reporting was not done according to the set of indicators, but rather according to the written objectives of outcomes and outputs. This gave the reports a tendency of reporting on good cases and success stories, rather than also admitting that some indicators could not be achieved. An online M&E system was built ... but was not used.'</p>
<p>Part 3. Quantitative data collection</p>
<p>1. Include data collection sheet or program specific key outcome data over multiple years if available</p> <p><u>Impact indicator 1: Export turnover of EDP-SMEs increased by at least 20% over the period 2015-17</u></p> <p>'On company level, EDPs have been formulated for 41 companies and their implementation supported through international and national consultants, B2B events, trade fair participations and selected branding initiatives. ... Complete export data for either 2014-2016 or 2014-2017 are available for 26 of the 41 EDP companies. 4 of the 26 companies had no export in 2014 and had become established exporters by 2016 or 2017. As for the other 22 companies, the average export growth during 2014-2016 or 2014-2017 was 99%. In other words, on average, the SMEs doubled their exports.'</p> <p><u>Impact indicator 2: Number of Certificates of Origins issued in 17 provinces increased by 20% during the program period</u></p> <p>'Certificates of Origins for exports from Vietnam to ASEAN increased on average by 22.84% over the 2015-2017 period in the 17 provinces where data were collected. Certificates of Origins for exports from Vietnam to China increased on average by 15.19% over the 2015-2017 period in the 11 provinces where data were collected.'</p>
<p>2. List and briefly comment other major outcomes and impacts.</p>

K.13. Tanzania: UN Trade Cluster Project

Project description			
<p>The program seeks to improve the overall competitiveness and market integration of Tanzanian goods and services. It has three components: (i) the development of a competitive and sustainable tourism industry; (ii) the strengthening of backward linkages from the hotel industry to the horticulture and organic agriculture sector; and (iii) facilitating exports to regional markets and meeting international requirements. The program is coordinated by an International Coordinator based at the UN Resident Coordinator Office. UNOPS is the fund manager. Component parts are implemented by ITC, UNIDO, ILO and UNCTAD. The program integrates various core competencies of SECO's trade related technical assistance and partners: export promotion (ITC), standards and environmentally sound production (UNIDO), improvement of working conditions (ILO) and trade policy (UNCTAD).</p>			
Sources			
<p>End of Phase Evaluation of SECO UN Trade Cluster project in Tanzania (Laaksonen, 2016) http://databank.worldbank.org/data/source/world-development-indicators</p>			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Highly relevant	1	<ul style="list-style-type: none"> – The program was designed to meet the development needs and/or priorities of the program beneficiaries, the government and SECO. See Part 2, Question 1.
Effectiveness	Effective	2	<ul style="list-style-type: none"> – The evaluation rates the program as effective. The evaluation does not substantiate this rating through a comparison of planned and actual outcomes. In fact, the evaluation assesses the program principally at the output level. – Some concrete results from establishing market linkages are listed in Part 3, Question 1. – <i>'Three years of project implementation ... is not enough to change mind-sets, institutionalize Responsible Tourism and ensure progress in its advancement be sustained.'</i>
Efficiency	Efficient	2	<ul style="list-style-type: none"> – <i>'Project resources have been managed and provided as planned but delivery at the start was behind schedule; it has, however, picked up and is set to meet its target by the project closure. Resources were sufficient to meet the project requirements.'</i>
Sustainability	Sustainable	2	<ul style="list-style-type: none"> – Institutional capacities have been strengthened. – <i>'In many cases financial sustainability has been achieved ... [e.g.] the Small Industries Development Association SME Platform and the Ministry of Trade's Market Information System'. In other cases, the prospects of achieving financial sustainability in a follow-up phase are good, e.g. the eRegulations platform and National College of Tourism Centre of Excellence.</i>
Impact	n/a	n/a	
Overall average score		1,75	
GNI per capita, Atlas Method (current USD), 2017		World Bank Country Classification	
Tanzania		US\$ 910	Low income
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
<p><i>Beneficiaries</i></p> <ul style="list-style-type: none"> – <i>'all stakeholders [stated] that the project is relevant in terms of priority needs and potentials/resources of the beneficiaries and local partners'</i>. This statement is not elaborated in the report. <p><i>Partner country priorities</i></p> <ul style="list-style-type: none"> – <i>'The project, at the design phase, was fully embedded in the national development priorities and strategies of the government, i.e. the National Trade Policy (2003), the MKUKUTA II (the second national development strategy, 2010/11-</i> 			

<p>2014/15), the Tanzania Trade Integration Strategy (TTIS, 2009-2013) and the Government-Development Partner coordination and collaboration platforms, i.e. the Joint Assistance Strategy for Tanzania (JAST) and the Trade Sector Development Programme (TSDP).'</p> <p>Swiss Message on International Cooperation 2017-2020</p> <p>– 'The project is aligned with the following two SECO Impact Objectives: 1) More and better jobs, and 2) Strengthening trade competitiveness. Moreover, the project corresponds with SECO Action Lines of 1) International competitiveness of SME's and access to markets strengthened, 2) Improved framework conditions for sustainable trade, and 3) Dynamic entrepreneurship strengthening technical competence and adaptation to changing labor markets.'</p> <p>SDGs</p> <p>– SDG 1 (no poverty): poverty impact neither measured nor assessed.</p> <p>– SDG 8 (decent work and economic growth), SDG 12 (responsible consumption and production): thematically part of the activities of UNIDO and ILO.</p>
<p>2. To what extent is the project coordinated with and aligned to the programs of other development agencies?</p> <p>– 'The project, at the design phase, was fully embedded in ... the MKUKUTA II (the second national development strategy, 2010/11-2014/15) ... [and] the Government-Development Partner coordination and collaboration platforms, i.e. the Joint Assistance Strategy for Tanzania (JAST) and the Trade Sector Development Programme (TSDP).'</p>
<p>3. What synergies were realized with WEIF and SIPPO?</p> <p>– 'The Tanzanian association, Responsible Tourism Tanzania (RTTZ), is a partner of the SECO UN Trade Cluster Tanzania-project but does not receive funding from the project. RTTZ has, however, benefited from a SECO financed intervention as it is ... modelled according to a sister set-up in South Africa, which, indeed, has benefited from SECO funding under the Fair Trade in Tourism South Africa-project. Now RTTZ, in turn, is helping the nascent Responsible Tourism Rwanda and similarly nascent Responsible Tourism Uganda.'</p>
<p>4. To what extent is the Theory of Change verified, falsified or elaborated?</p> <p>– The evaluation is descriptive, not analytical; it does not provide insights which either verifies or falsifies WEHU's Theory of Change.</p>
<p>5. Have there been any unintended (positive or negative) effects?</p> <p>– None are mentioned</p>
<p>6. What role did the private sector play in the project (success)?</p> <p>– Private sector processing firms and hotels were beneficiaries and partners in the project, including Tanga Fresh Ltd., Darsh Industries Ltd., Jombe Milk Factory, ASAS Dairy, Nature Ripe and Masasi Foods, Melia Hotels, and Southern Sun Hotel.</p>
<p>7. Was the implementation model deemed efficient?</p> <p>– 'All partners fulfilled their mandate in the national management and overall coordination well. ... virtually all stakeholders praised the International Coordinator for his extraordinary capacities, accommodativeness and responsiveness in coordination and adding value to the project partners' work.'</p> <p>– 'From UN Delivering as One perspective as well as from EIF in-country partner implementation perspective, the project can be seen as an example of best practice. From a very practical point of view, even more could be there in the form of joint activities (obligation to collaborate) and facilitation of working together (tools for collaboration). ... some of the technical level staff may not have been fully made aware of the expectations nor the opportunities for coordination and collaboration. ... [the] recommendation is made to institute a platform for technical level collaboration between the UN agencies as well as to facilitate coordination and collaboration between all project partners (UN agencies and local partners).'</p> <p>– 'Top advantage of the UN Inter Agency Trade Cluster approach is coordination, including avoidance of overlaps, possibility for synergies and for bridging the gaps. Top risk (that only partially materialized as a disadvantage) is that ... ownership by the Government is made a bit more challenging than [when the project] is embedded into a Ministry.' A future phase should allocate more activities to the Ministry of Trade to ensure institutionalization and sustainability.</p>
<p>8. Was WEHU's monitoring and steering effective and efficient?</p> <p>– 'Monitoring and self-evaluation were carried out effectively. ... The project monitoring and reporting system is comprehensive and it has, quite apparently, been useful for PMU day-to-day monitoring, support to implementation and coordination. ... [Some stakeholders] felt that the monitoring and reporting requirements of the phase 1 were "too much" and this was on the grounds of the frequency, from the start, of the monitoring and reporting. ... [Given the time and effort involved, the evaluator recommends] to simplify the monitoring and reporting by suggest reducing the PMU monitoring from two to one exercise per year but, to better capture results and eventually impact, increase its depth and range of</p>

interviews. ... the UN Inter Agency Trade Cluster approach requires a lot of hard work to make the project internal coordination, and eventually collaboration, work and an extra mile to go to provide the Government/National partner(s) with sufficient ownership.'

Part 3. Quantitative data collection

1. Include data collection sheet or program specific key outcome data over multiple years if available

- 'Horti-Tengeru reports, some 7-8 months from the installation of their three greenhouses and the start of transplanting, very good crop performance and continuous harvesting, ... and **increase in income** to the Institute by successful sales of produce to supermarkets in Dar-es-Salaam through TAHA and by a middleman to hotels in Arusha.'
- '**Tanga Fresh Ltd. supplies** (i) Melia Hotels (Zanzibar) with yoghurt (56-84kg per week), butter (42-63kgs per week), cheese (10kgs per week); (ii) Southern Sun Dar es Salaam with fresh milk (50 litres per day), fermented milk product-sour yoghurt/mtindi (20 litres per day), yoghurt (5 litres). Tanga Fresh Ltd. did not supply to Southern Sun before the Business Linkage intervention. The volume delivered to Melia has doubled compared to before the Business Linkage intervention.'
- 'Darsh Industries is currently **supplying its products** to more than 35 supermarkets (total sales of about USD 95,200) and 41 hotels (about USD 28,600 per month).'
- 'According to UNIDO, Nature Ripe and Masasi Foods are currently in the process of **establishing linkages** with the tourism industry operators but require additional investments to complete their supplies to hotels and restaurants'.
- 'Improvements were possible because of **training** in Empretec (soft entrepreneurial skills) and FAAB (farming as a business) and follow-up received. They include: improved heifers, increased number of dairy cows per household, more quality cattle feeds, better services on Artificial Insemination and veterinary issues (drugs and consultations), better milk price paid by the processor -Tanga Fresh Ltd. - USD 0.35 per liter compared to USD 0.30 before. With all these improvements farmer's revenues increased potentially in line with expenses, however more profit were made after the intervention.'
- 'In the case of **coffee**, no direct link from producer through a partner to the hotel industry was observed. ... coffee is not the most relevant product for the SECO project since it does not currently have such direct linkages to tourism industry.'

2. List and briefly comment other major outcomes and impacts.

K.14. South Africa: Scaling up Fair Trade Travel

Project description			
<p>Since 2007, SECO has partnered with Fair Trade Tourism (FTT). The collaboration resulted in the first Fair Trade Holiday packages being sold in the Swiss, German and UK markets [in 2010 and 2011]. Since 2012, SECO contributes to the project 'Scaling up Fair Trade Travel' to expand FTT's scope to southern Africa. The project aimed at 'supporting the development of Fair Trade Travel as a promising framework for fair and sustainable development in tourism'. Specifically, the project sought to: (i) create a sustainable organization; (ii) increase and diversify the supply of FTT-certified products to improve geographic reach and attract new customers; (iii) apply FTT standards and principles to tourism value chains in order to develop the niche market and increase benefits to destination stakeholders; (iv) increase demand in international and domestic tourism markets; and (v) establish the basis for a global FTT system. The project was unsatisfactory for SECO (see below) – SECO has therefore decided 'to terminate [its] engagement in this project'.</p>			
Sources			
Completion Note – Scaling Up Fair Trade Travel (SECO, 2018d)			
Final Evaluation – Scaling Up Fair Trade Travel (Bureau Wyser, 2016)			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Unsatisfactory	3	<ul style="list-style-type: none"> – The program did not focus on the intended beneficiaries (tour operators) – Although South Africa is a frontrunner on responsible tourism, its National Tourism Sector Strategy does not focus on certification. – The program was aligned with SECO's Tourism Policy, but the intended cooperation with SECO's partner Fairtrade International Organization did not materialize.
Effectiveness	Unsatisfactory	3	<ul style="list-style-type: none"> – The main goals of the projects were not achieved, namely the organizational strengthening of the Fair Trade Travel organization and in increase in the supply, demand and value chains of certified tourism products, were not achieved. – <i>'Neither the supply of FTT products nor the demand in international tourism markets ... increased substantially.'</i> – <i>'The target of 363 directly certified tourism products was not achieved (result 98 products).'</i> – <i>'The inclusion of certified service providers into fair Trade Holiday packages is insufficient.'</i>
Efficiency	Unsatisfactory	3	<ul style="list-style-type: none"> – 'Project management was unsatisfactory ... There were major shortcomings [in] bookkeeping and financial reporting, a high staff turnover, tensions within the team, lack of leadership, disrespect of deadlines for reporting and inconsistent communication with SECO.
Sustainability	Unsatisfactory	3	<ul style="list-style-type: none"> – <i>'The FTT organization remained dependent on SECO' funds: project-funds constituted 80% of the organization's revenues. 'The income out of label use has not been secured.'</i> – The FTT organization displayed 'a lack of ownership and strategic leadership'. – The FTT organization lacks a 'convincing business case or a long-term strategy'.
Impact	N/a		
Overall average score		3	
GNI per capita, Atlas method (current US\$), 2017			World Bank Country Classification
South Africa		USD 5,430	Upper middle income

Part 2: Qualitative Inquiry

1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?

i- BENEFICIARIES – 'The actual beneficiaries [tourism businesses, tour operators and their workers] ... have not been the focus of the programme design. It was not designed around and/or together with these beneficiaries.'

*ii-COUNTRY PRIORITIES – 'Although the national strategies and tourism policies in southern Africa show similarities with FTT's mission (sustainability), **its emphasis on certification is not shared**'.*

*iii- SWISS MESSAGE- 'The project was based on the **SECO's tourism policy** of 2010 and they share a similar vision ... Moreover, **the link between FTT and the Fairtrade International Organization** made the program relevant to SECO ... but this link has never been materialized.*

*iv- NO POVERTY, DECENT WORK, ECONOMIC GROWTH: The certification scheme directly **targeted decent working conditions**.*

*RESPONSIBLE CONSUMPTION AND PRODUCTION- The certification scheme targeted **responsible consumption**.*

2. To what extent is the project coordinated with and aligned to the programs of other development agencies?

– *'The project was designed in a way that other donor agencies were expected to join... The implementation of the overall FTT business plan was budgeted at 10.1 million CHF ... The organization **did not secure sufficient donor funding and sponsorships** from other donor agencies to implement the FTT business plan.'*

3. What synergies were realized with WEIF and SIPPO?

– *'Project goal 4 is to increase demand for FTT in source markets 'through B2B marketing (trade fairs, workshops, road shows) and public awareness raising (e- and social marketing, consumer shows, consumer promotions), resulting in 6.5 million consumers reached annually. Main partners are South African Tourism (SAT) and other tourism boards, **SIPPO** as well as tour operators participating in the FTT system'. This is the only time SIPPO is mentioned in the evaluation report. It appears that no partnership with SIPPO was developed and that no joint work has been done.*

4. To what extent is the Theory of Change verified, falsified or elaborated?

– *'the project had a 'back to front' [**value-chain development**] approach, covering all aspects of certification, from standard setting to marketing in source markets, only the auditing has been outsourced to a certifying body.'*

– *A 'main challenge the project tried to address was to demonstrate a business case of the Fair Trade Tourism concept. It assumed that **once the business case was established and communicated** to members in the value chain, they would achieve benefits from the project.'*

– *'Ambition ... was probably too high taking into account **that FTT was a small and rather unexperienced organization** at the project start'*

– *'One of the strategies of the FTT project to become self-sustaining was to get a 'Label Use Fee' from each certified product. The amount of certified products is much lower than anticipated in the project document and the **willingness to pay appears to be rather low**.'*

– *'Our study shows that there could be a rather small niche of tourists interested in labels, but that there is no indication or evidence that certification can or will achieve an increased market share for responsible tourism ...'Destination, price, services and departure dates remain the tourists' key decision-making criteria for a holiday. **Certification does not attract tourists**. ... the needs and problems of both direct and indirect beneficiaries were not or hardly researched.'*

– *'most certified tourism businesses already practiced responsible tourism, and that they did **not attract more tourists after being certified**'.*

– *'tourists are more **open to sustainability during the experience phase** (being a service industry) than during the booking phase as where FTT and most other labels are focusing on' which suggests that the target market or strategic approach should be different, i.e. more focused on tourism service providers.*

– *'**the number of labels in sustainable tourism is excessive**, and not contributing to having a powerful movement of labels as an instrument that strives for sustainable tourism development.'*

– *'FTT was **not able to increase the number of certified tourism business** due to a number of factors, including the costs of auditing, lack of awareness of responsible tourism, lack of demand for FTT products, unsuccessful partnerships and not having a convincing marketing strategy of FTT towards the tourism industry.'*

<ul style="list-style-type: none"> – <i>'Tourism businesses – the majority – are not attracted by [labeling] alone and need also commercial arguments to become and stay certified.'</i> – <i>'The lesson learned is that FTT should have studied its actual added value to tourism businesses and included that in the certification programme.'</i> – <i>'The project was in need of various experts, for example: institutional development, fundraising, marketing supply, marketing demand, accounting, etc. Although human resource was clearly visible in the financial overviews ... A talented diverse team was not realized.'</i> – <i>'Remove the Development Fund [a premium fund benefiting workers and communities] contribution from the tourism value chain as it is extremely difficult for tour operators to administer, and is a barrier to the sale of Fair Trade Holidays'.</i>
5. Have there been any unintended (positive or negative) effects?
<ul style="list-style-type: none"> – <i>'Over time, FTT developed various manuals which are highly valued by tourism business and also other organizations in certification, such as GSTC and Travelife. Through these manuals, FTT also influenced and enriched the field of sustainable tourism labels.'</i>
6. What role did the private sector play in the project (success)?
<ul style="list-style-type: none"> – FTT is a non-profit organization registered in South Africa. – <i>'FTT has a strong, but rather small member base of already converted tourism businesses which find FTT's vision and mission appealing. Other tourism businesses ... are not attracted by that alone and need also commercial arguments to become and stay certified. FTT has not been able to develop strong commercial arguments to convince them.'</i>
7. Was the implementation model deemed efficient?
<ul style="list-style-type: none"> – The FTT organization was not up to the task. <i>'Accounting and bookkeeping has been done unprofessionally (as this evaluation and KPMG analysis shows) and leads to a blurry picture of the financial status of the project and raises questions about transparency as well. ... The Project Steering Committee was non-functional ... [and] the Advisory Board was absent.'</i>
8. Was WEHU's monitoring and steering effective and efficient?
<ul style="list-style-type: none"> – Steering Committee was non-functional. <i>'In the project document clear management and steering arrangements were indicated. However, in practice these were not always followed or where not even established. For instance, depending on the interviewee there was either no Project Steering Committee (PSC) or he/she was not aware of it, the PSC only met a few times, or the PSC was meeting frequently at the first years of the project.'</i> – <i>'the Board of Directors [of which SECO was a member] was not well informed throughout the project and SECO's offices in Bern did not had the necessary attention for FTT during crucial project periods in 2013 and 2014'</i> – <i>'The project has a very comprehensive logical framework, perhaps too comprehensive. The goals (which actually seem to be the objectives of the project), the large number of objectives (mainly activities), outputs and indicators, created an ambitious project, without clearly defined outcomes.'</i>
Part 3. Quantitative data collection
1. Include data collection sheet
<ul style="list-style-type: none"> – The logical framework lacked clearly defined and specified outcomes. The project document outlined three verifiable indicators (i) international partners expressing support for global FTT system; (ii) FTT standard aligned to GSTC and global best practice; and (iii) international stakeholder buy-in. All these three indicators have not been achieved. – 98 tourism products were certified (target: 363) – <i>'rough estimation would be that 100 holiday packages have been sold in the past four years, not the 5000 packages which is now considered as extremely ambitious and non-realistic by those interviewed'.</i>
2. List and briefly comment other major outcomes and impacts.
<ul style="list-style-type: none"> – <i>'The certification programme benefited tourism businesses especially by improving internal procedures, decreasing liability and understanding sustainable businesses and tourism practices. These benefits of the certification processes were highly valued by the certified enterprises.'</i> – <i>'FTT contributed to other tourism certification programs worldwide, especially with regard to the social component of sustainable tourism certification. Before, certification programs tended to emphasize environmental aspects of tourism, only. FTT has shown that it is possible and capable of implementing and certifying social related standards in tourism.'</i>

K.15. Colombia: Promotion of the Production and Export of Fine or Flavour Cacao

Project description			
The program sought to increase the competitiveness of the cocoa sector in two regions in Colombia (Nariño and Santander) through (i) production of fine or flavor cocoa at international standards by promoting Good Agricultural Practices and improved post-harvest handling processes; (ii) strengthening producer organizations capable of joining sustainable production certification schemes; and (iii) sustained access to international markets.			
Sources			
Completion Note. Promotion of the Production and Export of Fine or Flavour Cacao from Colombia (SECO, 2017d) External Evaluation of the Export Network Cocoa in Colombia Project (Como Consult, 2015) http://databank.worldbank.org/data/source/world-development-indicators			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Highly Satisfactory	1	<ul style="list-style-type: none"> The project was aligned with national policies for agricultural development and trade. It contributed to the National Cocoa Plan with an innovative approach. It was also politically relevant for being considered a 'peace crop' in former conflict (coca) areas. Project development showed that the country has a large export potential for fine or flavour cocoa. Partners and beneficiaries appreciated the innovative approach towards new income alternatives for smallholders. This also had a demonstration effect for other sectors.
Effectiveness	Satisfactory	2	<ul style="list-style-type: none"> The main objective of promoting fine or flavour cocoa production and enabling direct exports were met. The outcome targets were almost or fully achieved (see section 3 below). Importantly, the commercial dynamics were established: i.e. direct and medium-term commercial relationships between producer organizations and international buyers.
Efficiency	Satisfactory	2	<ul style="list-style-type: none"> The evaluation concludes that the program had an efficient allocation of resources. The flow of expenditures has been lower than expected, though mainly due to the late start of activities as well as a slower than expected development of the value chain and the weakness of the supported producer organizations. The project made efforts in coordinated and complementary actions with donors and projects with related goals.
Sustainability	Satisfactory	2	<ul style="list-style-type: none"> The creation of the Red Cacaotera (offering export services for producer organizations) is promising for long term sustainability. Likewise, the Cacao de Oro (golden cacao) contest for best fine or flavour cocoa is expected to continue over the years.
Impact	Satisfactory	2	<ul style="list-style-type: none"> The program contributed to the development of a new value chain for fine or flavour cocoa for international speciality markets. The program beneficiaries increased their incomes with USD 589 per year vis-à-vis the baseline (Above target: USD 500 per year).
Overall average score		1.8	
GNI per capita, Atlas Method (current USD), 2017		World Bank Country Classification	
Colombia		USD 5,830	Upper-middle income
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
(i) BENEFICIARIES:			

- The project was **well aligned with beneficiary needs**. The importance of this new alternative was particularly visible when international cacao prices dropped, and fine or flavour cocoa remained stable.

(ii) COUNTRY PRIORITIES:

- Colombian policies regarding the cocoa sector have been focused on increasing national production to cover growing necessities of the national industry, simultaneously recognizing the **opportunities in international specialty markets**. (...) [the program] is the first practical application of this alternative and has become an example for this sector and for public policy. Additionally, [the program] is particularly relevant to the country's priorities in the post-conflict setting, where the government has been looking for strong **crop substitutes for coca farms**.

(iii) SWISS MESSAGE

- The project is aligned to objective 4 of the Swiss Message on International Cooperation 2013 -2016 'Promoting sustainable economic growth'.

(iv) SDGs: POVERTY/DECENT-WORK/ECONOMIC-GROWTH/SUSTAINABILITY:

- The project is **aligned with the SDGs**. By strengthening the competitiveness of firms seeking access to new markets and improving the sustainability of value chains it contributed to poverty reduction, economic growth and responsible production. Improving value chains creates economic growth as a pre-condition to increased income while ensuring that additional benefits go towards the poorer groups. Labour rights and basic rights were included as indicators in the monitoring methodology.

2. To what extent is the project coordinated with and aligned to the programs of other development agencies?

- Other development agencies active in the field are USAID and UNODC. **These agencies focused on traditional cocoa**, whereas the SECO program targeted fine or flavor cocoa. Most agencies working with cocoa focus their efforts on one section of the value chain, whereas the **SECO program looked at all links of the value chain**, which allowed it to step into a leadership role in creating support strategies for the sector. Lately (and partly as a result of this leadership), more agencies have shifted their focus to the improvement of quality, looking at the post-harvest treatment of the crop.

3. What synergies were realized with WEIF and SIPPO?

- The completion note highlights **weak peer learning from previous SECO Cocoa projects**. Hardly any good practices were taken into account from the SCCP Indonesia Project. Experience exchange between SECO projects needs to be intensified.

4. To what extent is the Theory of Change verified, falsified or elaborated?

- The Colombian cacao sector was constrained by low levels of production, low quality of the grain and the practices in treating it and low producer associations' capacity in the direct commercialization to international markets. **The three lines of work were effective in overcoming these bottlenecks** through improving production, strengthening sustainable trade and promoting sustainable access to specialty markets.
- **Financing exports** (i.e. working capital for the purchase and export of cocoa) was a **critical factor** for producer organizations to achieve their commercial operations. This dimension was not sufficiently highlighted in the project design. Swisscontact developed alliances (beyond the scope of the project) with a financial institutions (IC) and with ICOFIN (Belgium financial company) for Red Cacaotera.
- Late 2016, early 2017, there was a significant drop in international prices for conventional cocoa. The prices for fine or flavour cocoa remained more or less constant: this confirmed that exports of **fine or flavour are more resilient to shocks** than conventional cocoa.

5. Have there been any unintended (positive or negative) effects?

- The program's management information system (COSA) initially meant for program management and monitoring eventually also **turned into an instrument to provide information to the sector**. The sector did not previously have up to date information on the value chain's performance. While COSA was used mainly to develop a base line for the project, its data-collection exercise had added value for the sector as a whole.

6. What role did the private sector play in the project (success)?

- One of the larger pitfalls in the project was its **informal and unsystematic approach of partnering with the private sector**. The evaluation concludes that the cooperation should be based on formal agreements (e.g. memorandum of understanding or contracts).
- However, **6 international chocolate companies** sourced fine or flavour cocoa from producer organizations supported by the program (Above target: 5). Four of these companies have established close relations with the producers and intend to continue doing business with them.

<p>7. Was the implementation model deemed efficient?</p> <ul style="list-style-type: none"> – The program spent its resources mainly through the producer organizations. This scheme did create some difficulties in the frequency and quality of spending. – Swisscontact's technical assistance empowered the producer associations to provide the same type of assistance to their members, creating efficiency gains. – The program supported the creation of the Red Cacaotera as a platform to facilitate exports from producer associations, which has been seen as a significant contribution from the program.
<p>8. Was WEHU's monitoring and steering effective and efficient?</p> <ul style="list-style-type: none"> – The program's innovative nature required a lot of coordination and communication with stakeholders within and outside the project as well as flexibility in the steering of the action to be executed. The team was capable of good administration for the different activities of the project. However, it was at times at the limits of its capacity. – The program had well-defined indicators that appropriately measured the causality and impact of the intervention strategy. They were monitored frequently and consistently.
<p>Part 3. Quantitative data collection</p>
<p>1. Include data collection sheet program specific key outcome data over multiple years if available</p> <ul style="list-style-type: none"> – Direct COEXCA beneficiaries increased their incomes with USD 589 per year vis-à-vis the baseline (Above target: USD 500 per year) – The mark-up for exported fine or flavour cocoa has been 8% on average between 2014 and 2017 (Below target: 15%). In 2017, more favourable terms were realized because of better quality and market conditions. – 479,3 tons were exported by the organizations to 11 countries directly supported by the project (below target: 600 tons/year). However, some well-known international buyers have committed through long-term buying contracts. – 6 international chocolate companies sourced fine or flavour cocoa from producer organizations supported by the program. (Above target: 5) – 3 producer organizations implemented traceability systems (below target: 7) – 2280 hectares were certified with UTZ, Fairtrade and Organic (above target: 1200 hectares) – 7 producer organizations had organizational development plans (on target).
<p>2. List and briefly comment other major outcomes and impacts.</p>

K.16. South-Africa: BioTrade Program

Project description			
<p>The program sought 'to foster Biotrade in innovative consumer products utilizing indigenous natural ingredients to create jobs, upgrade skills and technology and preserve the biodiversity'. Concretely, it sought the following outcomes: (i) to develop and expand the supply of products from the sustainable harvest of indigenous biodiversity, via product innovation and development, value addition and technology transfer in a sustainable manner; (ii) to increase the export readiness of South African brands in local and international markets that highlight the efficacy benefits to rural communities of Biotrade; and (iii) to bring Biotrade products to local and export markets, via support in trade regulations and exports. The program's budget was CHF 2,8 million for three years.</p>			
Sources			
<p>Mid-term Evaluation of the Biotrade South Africa Project (FiBL, 2014) Completion Note of the Biotrade South Africa Project (SECO, 2016b) Project Biotrade. Part 2: Administrative, technical and M&E reporting (Phytotrade Africa, 2015) http://databank.worldbank.org/data/source/world-development-indicators</p>			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Highly satisfactory	1	<ul style="list-style-type: none"> – '[Supported SMEs] benefit substantially from support to develop and launch successfully new biodiversity products.' – 'Harvesting communities – who benefit directly and – especially – indirectly from an increased demand for ingredients through improved incomes and incentives for environmental stewardship.' – The program is closely aligned to South-Africa's policy priorities (see Part 2, question 1).
Effectiveness	Highly satisfactory	1	<ul style="list-style-type: none"> – 'Evaluators perceive especially good results in business development and value chain development ... Less favorable is the assessment of achievements that relate to ... consumer awareness creation ... and ABS in regard to capacity building among [SMEs].' – 'the direct grants to [SMEs], with a total value of CHF 560,000, have contributed considerably to strengthen the business skills and market access of [the supported SMEs], and thus have been instrumental for their development and growth.' – The supported SMEs are highly appreciative of the received support 'for which they had not alternative funding (e.g. trade fair participation, development PIDs, package design etc.)'. – Supported SMEs see the following room for improvement: '(1) quicker response times to [their] queries, (2) better accessibility of Phytotrade's expertise, (3) greater business-mindedness, (4) more research to substantiate product claims, (5) a Phytotrade webpage that responds better to user needs, and (6) a less skewed distribution of grants to SMEs' – The share of direct grants to SMEs accounted for 'only' 20% of the overall project budget. One SME (Esse) received almost 50% of this amount. – The evaluation recommends backing up the grant scheme with clear and transparent procurement and tender rules. – 'There is significant opportunity within the specific strategies of Department of Environmental Affairs, Department of Science and Technology and Industrial Policy and Action Plan for Phytotrade to play an active role in promoting and helping to shape the development of the biotrade sector in South Africa. Yet, the

			<i>currently missing local presence in South Africa, hampers this endeavor ... There are no specific collaborations or partnerships.'</i>
Efficiency	Satisfactory	2	<ul style="list-style-type: none"> – 'evaluators favor the flexible project implementation approach in regard to the readjustments of activities to involve more [SMEs] as initially planned and respond functionally to their needs.' – 'the initially approved logframe was highly deficient, in both structure and content, missing out performance indicators and milestones. The lack of a baseline study and yearly workplans with a fairly detailed budget figure (respecting the logframe logic) challenge efficient project management'
Sustainability	Satisfactory	2	<ul style="list-style-type: none"> – The supported SMEs are highly professional, committed and have convincing business models and marketing concepts and consumer demand for natural products is strong. The program's benefits at the SME level are therefore likely to be sustainable. – 'At present, Phytotrade is still almost completely dependent from donor money. In this regard, Phytotrade's sustainability must be highly questioned – if not transforming in due time into an efficient, more member-driven and -supported sector association.' – 'Phytotrade should evolve its modus operandi towards a "facilitation approach", which relies on greater responsiveness to stakeholder needs, a focus on local capacities building, and thus lessens the dependency of member SMEs on external experts and improves Phytotrade's sustainability.'
Impact	n/a	n/a	–
Overall average score		1½	
GNI per capita, Atlas method (current US\$, 2017)		World Bank Country Classification	
South Africa		USD 5,430	Upper-middle income
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
Beneficiary requirements:			
<ul style="list-style-type: none"> – 'During interviews, the [supported SMEs] unanimously praised Phytotrade Africa for the high professional standards of its staff ... and appreciated [the (financial) support received] allowing them to do crucial functional investments into further developing their business and product range. In the case of Esse, the strongest [SME] in terms of international market penetration, ... funding was used for efficacy studies, access to trade fairs, Product Information Dossiers, brand and label development. The other [SMEs] used the grant support to meet specific and timely needs: either to consolidate their value chains (e.g. improvement of collection and processing activities, including development of new formula) or to access new markets (e.g. development of Product Information Dossiers and new product labels, participation in trade fairs).' 			
Partner country development priorities:			
<ul style="list-style-type: none"> – The program is aligned to key government policies (i) the Biodiversity Economy Development Strategy of the Department of Environmental Affairs on the 'sustainable commercialization of biodiversity'; (ii) the Bio-economy Strategy of the Department of Science and Technology which seeks to accelerate the development of bio-based services, products and innovations; and (iii) Industrial Policy and Action Plan which identifies cosmetics as a priority sector. 			
Swiss Message on International Cooperation 2017 – 2020:			
<ul style="list-style-type: none"> – 'The project's rationale to combine pro poor income generation and market-driven natural resource conservation ... is of great value to visualize SECO's commitment to sustainability and the impact it generates with its investment.' 			
SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production):			
<ul style="list-style-type: none"> – 'Although, average annual income earned by a single producer remained marginal at \$50 in 2013, Phytotrade data and literature suggest that collected raw materials may account for as much as 30-50% of cash income, which has been shown to positively impact on food purchases, school attendance and investments in small businesses.' 			

<p>– <i>'With the exception of devil's claw, all [natural] ingredients are derived from the fruits of trees that are harvested in a non-destructive manner ... Current tree populations in all Phytotrade countries are sufficiently large to satisfy demand even if sales were to increase manifold.'</i></p>
<p>2. To what extent is the project coordinated with and aligned to the programs of other development agencies?</p> <p>– Not addressed in the evaluation report</p>
<p>3. What synergies were realized with WEIF and SIPPO?</p> <p>– Not addressed in the evaluation report</p>
<p>4. To what extent is the Theory of Change verified, falsified or elaborated?</p> <p>– Sector focus. The program focused on 8 plant species and sources of natural ingredients: 'selected ingredients have good market potential in domestic and foreign markets owing to unique functional properties in cosmetics and food'. The selected ingredients are used for cosmetic applications. Most could also be used for food products, but this faces two constraints. First, the selected natural ingredients are relatively expensive (which is acceptable for cosmetic products but impedes the use as food ingredient). Second, (novel) food products require compliance with more strict food safety requirements which in turn necessitates considerable investments.</p> <p>– Value-chain. This program focuses on SMEs involved in the production and marketing of final consumer products using biotrade ingredients and is complementary to other (donor-funded) programs that focus on the collection and processing of natural ingredients. <i>'A particularly important support provided by Phytotrade Africa according to the supported SMEs is compilation of the [formal] Product Information Dossiers' (in part based on Phytotrade's own research).</i> Natural ingredient (product) research covers three levels: (i) determining the composition of seed oils and how it varies across regions and sub-species, (ii) testing of specific functionalities, and (3) evaluating the efficacy of the ingredients to specific functionalities. Phytotrade research focuses on level 1. <i>'Many of the [SMEs] emphasize the importance of having research results substantiating functionality and efficacy in order to sustain markets [shares] in an environment of fierce competition between substitutable ingredients... research regarding functionality and efficacy is prohibitively expensive for SMEs. Here, Phytotrade Africa's expertise and capacity to support research activities will be crucial, since research that substantiates functionality claims (for ingredients and their applications) is fundamental for market access and success!'</i></p> <p>– Causal mechanisms. <i>'Common to all [supported SMEs] is the visionary and pioneering entrepreneurship of owners and managers, their commitment to goals of sustainable use of biodiversity and social equity, ... their believe in the biotrade business model ... as well as the originality and innovation of their business models and products. ... the demand for business support services is high, and [SMEs] acknowledged the assistance in revising business and finance plans provided through Phytotrade Africa as extremely valuable and helpful. ... [SMEs] consider export markets to be the most promising owing to greater consumer sophistication and purchasing power in Europe and the US as compared to Southern Africa.'</i></p> <p>– The evaluation recommends Phytotrade to establish a local office to <i>'facilitate (a) stakeholder networking, (b) the provision of "tailor made" support services, (c) awareness creation within South Africa, (d) policy dialogue, and (e) establishment of sound local research partnerships.'</i></p> <p>– The evaluation recommends a more demand-driven approach to supporting the SMEs: <i>'PTA's work is too much driven by a conventional "research-oriented project approach", strongly influenced by a range of experts, most of which work from overseas. Inevitably, needs and capacities of members to guide the development of the association are relegated to second plane – although member ownership is a prerequisite for successful and sustainable sector institutions. ... Ideally, the SECO project manager would be in the position to functionally negotiate individual ToRs with experts based on needs and opportunities that are specified during the project period.'</i> The evaluators state that a stronger 'facilitation approach' linked to a local office would have yielded even better achievements.</p>
<p>5. Have there been any unintended (positive or negative) effects?</p> <p>– Not addressed in the evaluation report</p>
<p>6. What role did the private sector play in the project (success)?</p> <p>– The program provided direct support to 11 SMEs / private businesses.</p>
<p>7. Was the implementation model deemed efficient?</p> <p>– The logframe 'lacks specificity {and baseline} in terms of indicators and milestones ... No annual workplans to adapt and specify activities on an annual basis'.</p> <p>– 'The methodology used to select the benefiting [SMEs] and specify interventions is being perceived as pragmatic and efficient from supported [SME's] point of view, as these grants create relevant leverage in areas where they lack funds</p>

and/or capacity. Nevertheless, it will be essential to upgrade the grant scheme in regard to its transparency [as] donors ... require that the allocation of their funds is justified and transparent based on clear procurement and tender rules.'

8. Was WEHU's monitoring and steering effective and efficient?

- The program underwent several changes in log frame design, staffing and scope. *'These changes attest to motivation and flexibility on both sides (Phytotrade and SECO), to adjust the workplan and resource allocation in response to changing opportunities (e.g. expansion of the project's support to a wider range of companies) and needs (e.g. development of PIDs for different markets). SECO's flexibility in this regard is perceived as highly beneficial for the project.'*

Part 3. Quantitative data collection

1. Include data collection sheet or program specific key outcome data over multiple years if available

- *'The share of the natural cosmetics market relating to the [supported SMEs] is still tiny, but growth rates of [supported SMEs] are high if their products are being introduced and marketed successfully in different markets.'*
- The **11 supported SMEs vary in size and growth:**
 - Annual turnover: zero (for start-ups) to USD 1,5 million
 - Number of employees: 1 – 80 persons
 - Growth rates: zero (start-up or static turnover) to 100%.
- **Impact:**
 - **12,547 households** involved in collection of natural ingredients (exceeds target: 10,000)
- **Outcomes:**
 - Phytotrade members earned **gross revenue of USD 5.8 million in 2014**. 21% stemmed from organizations directly supported by the Biotrade project. (Target: USD 5 million – the logframe does not define whether these revenues need to stem solely from supported firms).
 - **10 companies were supported** in business development (exceeds target: 6).
 - **Turnover growth:** 4 companies > 100%; 2 > 200%; and 2 > 300%. (Target: turnover at supported companies increases threefold)
 - **Jobs:** the project created at least 583 primary producer seasonal jobs at the community level and 50 jobs at the SME level (target: 100 new jobs created by the supported companies).

2. List and briefly comment other major outcomes and impacts.

- Phytotrade Africa *'has been very successful in addressing [food safety requirements] for baobab powder (pulp) by obtaining EU market access authorization through its application in the framework of the EU Novel Food Regulation. Overcoming this non-tariff barrier for baobab has been widely observed, and the research undertaken in the process by PTA (approximate costs=US\$ 0.5 million) serves as a model for further food safety approval for biodiversity-derived products in export markets. Research must target products that can compete with their price in these markets – but currently there are no other PTA ingredients for which at this stage such investment would be justified'*.

K.17. Ukraine - Organic Market Development Program

Project description			
<p>The program sought to 'to contribute to strengthening the competitiveness of the country's organic sector and micro- and SMEs from the Ukrainian Carpathians' through four outcomes: (i) SMEs have increased the quality and trade volume of organic arable crops for export (wheat, soya) and of dairy products for the domestic market¹⁰⁴ (cheese, sour cream, kefir, yoghurt); (ii) Micro- and SMEs from the Ukrainian Carpathians benefit from a trademark for regional food products; (iii) Commercial services for the organic sector are improved; (iii) Conducive business environment for the development of the organic sector is improved.</p> <p>The approach taken for component 1 (value chain development) is 'to strengthen the capacity and skills of leaders as market openers for other SMEs. This occurs through the provision of personal consultancy for the Leaders, their agronomists and consultants, as well as other actors involved in the value chain, with regard to quality, storage, post-harvest treatment, processing and business development. The knowledge gathered among the Leaders is disseminated to the other beneficiaries by means of field visits, field days, workshops, study tours and specific training sessions.'</p> <p>Under component 3, the program 'supports different local service providers linked to the organic sector, in general, and specifically working in the field of quality improvement and quality assurance of arable crops and dairy products. They receive specific, demand-oriented training and technical backstopping ... the project prioritizes the cooperation with strategic service providers. Strategic service providers stand out from others because they are already in the market and have gained certain experience, professionalism and reputation ... Interventions are funded through three mechanisms: tendering, business development fund and project budget, with the cost-sharing principle being applied where suitable.'</p>			
Sources			
External Evaluation of Organic Market Development Phase II program in Ukraine (Günther, Vasylenko, & Malkova, 2015) http://databank.worldbank.org/data/source/world-development-indicators			
Part 1: OECD-DAC Rating			
How does WEHU score on the OECD-DAC Evaluation Criteria?			
	Rating	Score	Main reasons
Relevance	Highly satisfactory	1	<ul style="list-style-type: none"> – 'The project is fully aligned with national priorities and policies of Ukraine and the Ministry of Agrarian Policy and Food ... [as well as] with SECO's policy on trade with organic produce and supporting the goals of the Swiss Cooperation Strategies for Ukraine' – see Part 2, Question 1. – 'Ukraine has a great potential for export of organic arable crops which is not yet fully exploited.'
Effectiveness	Satisfactory	2	<ul style="list-style-type: none"> – 'While the project was highly successful in achieving results at output level, outcome and impact indicators are only partly fulfilled. Output and outcome indicators were found to be often disconnected. Although anecdotal evidence suggests that SMEs benefitted ... this is not sufficiently reflected in the outcome indicators and project documentation.' – see Part 3, Question 1 for details on results
Efficiency	Satisfactory	2	<ul style="list-style-type: none"> – 'Management and steering mechanisms in place for efficient implementation of activities' – 'The approach to implement project activities with national experts, application of the cost-sharing principle towards beneficiaries, low cost infrastructure (office, transport) and a strict "do not buy beneficiaries" policy (no per diems and no travelling cost paid to beneficiaries for participation in events, no payment of journalists for articles etc.) make the project very cost-efficient.'
Sustainability	Unsatisfactory	3	<ul style="list-style-type: none"> – Company-level results will continue in arable crops, not in dairy sector – the difference is the established business contacts, local institutions and capacities (service providers, facilitators, BMO) strengthened to sustain results.

¹⁰⁴ 'Interventions in the dairy sector focus on the internal market. The rationale is that milk is a promising entry product for organic market development since parents are more sensitive to the food quality issues involved in relation to babies. Another reason ... lies in one of the principles of organic production: achieving a balanced nutrient cycle on farms through the use of organic manure from animals.'

			<ul style="list-style-type: none"> – 'The Public Union "Carpathian Taste" and the service providers supported by the project have not yet achieved financial sustainability.' – 'While there are clear signals for an increased awareness of the Ministry of Agrarian Policy and Food ... implementation remains the weak point. Lack of political will to implement reforms and lack of human and financial resources are the main reasons for low development speed.'
Impact	n/a	n/a	–
Overall average score	2		
GNI per capita, Atlas Method (current USD), 2017		World Bank Country Classification	
	Ukraine	USD 2390	Lower middle income
Part 2. Qualitative inquiry			
1. To what extent is the project aligned to (i) the beneficiaries' requirements; (ii) partner country development priorities; (iii) the Swiss Message on International Cooperation 2017 – 2020; and (iv) SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?			
<p>(i) BENEFICIARIES:</p> <ul style="list-style-type: none"> – Under component 3, 'The project prioritizes interventions in those areas which were identified in a survey among 14 Ukrainian organic producers as most pressing needs: business networking; public awareness creation; technical support regarding seed, production, processing.' <p>(ii) COUNTRY PRIORITIES:</p> <ul style="list-style-type: none"> – Aligned with government policy. 'The Ministry of Agrarian Policy and Food has prepared a draft of a single and comprehensive Strategy for agriculture and rural development 2015-2020 ... The overall objective is to increase agricultural competitiveness and promote rural development in a sustainable manner in line with EU and international standards ... Organic agriculture is explicitly addressed in the strategy and priorities are: Adapt the regulatory framework on organic production, promoting equivalence with the major markets, and promote organic farming, in order to meet the increasing world global demand for organic products and contribute to solving environmental problems".' <p>(iii) SWISS MESSAGE</p> <ul style="list-style-type: none"> – The program is fully aligned with the Swiss Cooperation Strategy for Ukraine which seeks that (i) the private sector benefits from new trade opportunities, better access to finance and increased business skills; (ii) national authorities improve the economic policy and investment framework as a result of an inclusive reform process; (iii) national authorities improve the regulatory framework for the financial market and financial institutions are enabled to offer a wider range of services to the private sector, in particular to SMEs. 'Related interventions explicitly include certified organic production ... facilitating access to international markets strengthening entrepreneurs and SMEs via better services of Business Membership Organizations (BMO), new business / entrepreneurship skills, SME involvement into policy dialogue; business enabling environment and policy support.' <p>(iv) SDGs: POVERTY/DECENT-WORK/ECONOMIC-GROWTH/SUSTAINABILITY:</p> <ul style="list-style-type: none"> – Not addressed in evaluation report 			
2. To what extent is the project coordinated with and aligned to the programs of other development agencies?			
<ul style="list-style-type: none"> – 'So far there is no other project in the organic sector of Ukraine. Synergies with the upcoming organic agriculture project funded by the German Federal Ministry of Food and Agriculture and with the Danube Soya Project funded by the Austrian Government will have to be exploited.' 			
3. What synergies were realized with WEIF and SIPPO?			
<ul style="list-style-type: none"> – The evaluation report mentions neither WEIF or SIPPO. The program has matched supported organic business with German and Swiss buyers through B2B matchmaking, buyer mission, participation in trade fairs, events and conferences. 			
4. To what extent is the Theory of Change verified, falsified or elaborated?			
<ul style="list-style-type: none"> – Timely: 'In September 2014, the Parliament of Ukraine ratified the Association Agreement with the European Union. According to the estimates of Agrarpolitischer Dialog (APD, www.apd-ukraine.de/images/PolPap-01-2013-DCFTA_eng.pdf), reduction of EU import tariffs envisioned in the DCFTA could result in 18-20% increase of agri-food related exports ... [and] the agreement aims to (inter alia) facilitate and promote trade and foreign direct investment in eco-labelled goods and environmental products, services and technologies.' 			

- **Relevant sectors:** *'Supply chains were selected based on a demand analysis ... in the opinion of the evaluation team [and] available assessments confirm the high relevance of the selected chains for export and domestic market in terms of economic benefits.'*
- **Short supply chains:** *'The two selected sub-sectors (arable crops, dairy) are characterized by short supply chains. They are either closed productions or include a limited number of participants. Operators in the dairy sector either process their own raw material, or when in shortage buy the needed quantities ... from a limited number of other operators. Producer-processor relations ... are even lower scale in the arable crops sector as most output products are sold/exported as raw and unprocessed.'*
- **Direct approach:** *'The chosen direct delivery system (matching producers with buyers without intermediaries) contributes to trust building along the supply chain which is essential in mitigating the risk of fraud.'*
- **Value-chain development 1:** ***'The Leader-follower approach has successfully worked*** in the arable crops sector for several reasons: low competition, low entry barriers, understanding of potential common benefit. The cereals market is big enough, there is a non-decreasing demand for certain crops, and unmet demand for some other crops. Due to crop rotation, there is always a certain variability in terms of crops offered for export, producers/processors do not feel competition and are not reluctant to share knowledge. To some extent, companies even see a benefit in sharing experience and growing together as they can then offer bigger consignments.'
- **Value-chain development 2:** ***'The leader approach in the dairy sector is less effective*** than in the arable crops sector. Since the market is more or less saturated, emerging new players will create competition. Upscaling in the dairy sector is much more complicated ... as dairy production is a capital-intensive industry and access to loans is difficult, especially for SMEs. ... Coming to a dairy farm or a processing unit to learn from someone's experience is more difficult and less welcomed compared to arable crops because dairy farming and processing are, under hygiene / disease prevention aspects, more sensitive activities.'
- **Market dependency:** *'When the project started, there was sufficient unmet demand in Ukraine. In 2014, however, the situation in the dairy sector deteriorated mainly due to **the loss of the Russian market**, which accounted for about 80% of exports of dairy products.'*
- **Compliance** of the organic sector with basic national legislation (in terms of food safety and food hygiene) cannot be taken for granted (as it is in the EU countries)
- **Business Development Fund closed.** The program introduced a Business Development Fund to financially support innovative business ideas of the organic sector stakeholders. The fund was perceived as ineffective and closed mid-way through the program (see ... on page – at the end of this fact sheet)
- **Fee-for-service:** *'they gladly receive many services provided by the project through service providers, they would **not pay for them** if such services were provided on a fee-basis. This shows two important trends: first, during the project life the sector became used to receive services free of charge which makes it quite difficult for service providers to make the sector accept the shift to fee-based services. Second, it shows that not all services offered and provided to the sector through the project and the service providers are perceived by producers/processors as useful for their business. This reveals another important issue: many organic producers and processors do not realize the value of the services and how they indeed help to develop their business – **unless they receive a convincing monetarized explanation.**'*
- **Bottom-up approach to policy influencing.** *'... based on the assumption that the project will not be able to implement a "top down" approach but must work with an approach that creates effective contexts and appropriate mechanisms to enable key actors to interact.'*
- **Ownership:** *'The process of [creating] a real national platform would require a strong integrator and honest broker. So far, FiBL (especially the project manager) assumed this role. In the future, a joint solution has to be agreed to which all **the participants can give their assent.**'*

5. Have there been any unintended (positive or negative) effects?

- ***'The majority of organic stakeholders actively participate in the working group "Organic Agriculture" established by the Ministry.*** A detailed assessment of the sector, policy options and an action plan were delivered by the working group (Strategy Agriculture and Rural Development - Group 8.2 Basic material). This can be considered an exceptional unexpected project outcome... further amendments and adaptation to EU legislation of the Law "On organic production and trade of organic products and raw materials" are necessary ... The organic sector stakeholders have been invited to provide these amendments. A working group on adaptation of the organic law within the Agrarian Ministry was established with high representation of stakeholders from the organic sector. First ever in its history, the sector has got a chance to be heard by the Government.

6. What role did the private sector play in the project (success)?
<ul style="list-style-type: none"> – The program worked directly with private organic farming companies, as well as private consultants / consultancy firms / certification bodies / etc. – Consultancy market: <i>'there is a huge potential of qualified, technically and socially competent individuals capable to provide good services to their clients ... {having said that} among the more than 20 service providers (including business membership organizations) supported by the project there are approximately five service providers who can deliver competent services that are in demand and have a chance to become commercially viable'</i>
7. Was the implementation model deemed efficient?
<ul style="list-style-type: none"> – <i>'Management guidelines and procurement rules are strictly observed by the project management. The project itself does not have a big infrastructure (decent office, public transport and taxi instead of own cars) and makes prudent and economic use of the project budget.'</i>
8. Was WEHU's monitoring and steering effective and efficient?
<ul style="list-style-type: none"> – Not addressed in the evaluation report
Part 3. Quantitative data collection
1. Include data collection sheet program specific key outcome data over multiple years if available
<ul style="list-style-type: none"> – See table below
2. List and briefly comment other major outcomes and impacts.
<ul style="list-style-type: none"> – <i>'The Public Union (PU) "Carpathian Taste" was legally registered in 2013 as a Public Union ... It unites producers from the Ukrainian Carpathians and owns the 'Taste of the Ukrainian Carpathians' trademark, which was registered as an Individual Mark of Goods and Services on April 10th, 2014.'</i> – <i>'initial momentum could not be capitalized. The institutional capacity is weak, the PU suffers from a shrinking membership base and financial sustainability is currently 5 %. The reasons for the decreasing number of licensees are: 1. still no tangible added value felt by the licensees from the Public Union, 2. increase of membership fee in the year 2015, 3. economic situation in Ukraine. [the PU] has no convincing marketing strategy; the management is weak (high staff turnover, rotation of head of the board, charismatic leader is missing); and the underlying concept of regional development is not understood by the members of the PU.'</i>

Component 1. Increase quality and trade volume	Baseline	Target	Result
Quality - Gluten¹⁰⁵			
Soybean	0%	100%	50%
Cereals (milling wheat)	0%	30%	30%
Quality - BNN¹⁰⁵			
Soybean	0%	100%	100%
Cereals (milling wheat)	100%	30%	100%
Quantity			
Soybean	0	7.000 metric tons	790 metric tons ¹⁰⁶
Cereals (milling wheat)	4.500 metric tons	30.000 metric tons	20.000 metric tons ¹⁰⁷
Quality¹⁰⁸			
Dairy	25%	100%	55%
Quantity			
Dairy	1.1 million kg	16 million kg	7 million kg

¹⁰⁵ '100 % of soybean and 30 % of cereals (milling wheat) exported by participating SMEs meet the defined export quality standard (Gluten content in milling wheat no less than 26 %; protein content in soybeans no less than 36 %; 100% of traded produce compliant with the orientation value for pesticides (0.010 mg/kg for active ingredients authorized for use in the EU) set by Bundesverband Naturkost und Naturwaren (BNN).'

¹⁰⁶ 'significant growth is expected in the near future as more SMEs participating in the project are supposed to cultivate soya.'

¹⁰⁷ Unclear whether this is only from supported SMEs.

¹⁰⁸ 'meeting quality parameters set by EU regulations: total bacterial count (TBC) ≤ 100 000 per ml; somatic cell count (SCC) ≤ 400 000 per ml'

Textbox 20. Closure of the Business Development Fund (Organic Market Ukraine)

*'The Business Development Fund (BDF) was launched as **a flexible tool to financially support innovative business ideas** of the organic sector stakeholders that were difficult to plan ex ante. Applicants were obliged to present a business plan to ensure that the planned interventions enhance sustainability ... The Business Development Fund was considered an important flexible tool to functionally strengthen key market chain actors and boost the sector's competitiveness ... The BDF recipients were required to share the investments with the Project at 50/50 conditions.'*

***The decision to close the BDF** mid 2015 was taken for several reasons: (i) Rigid management guidelines prevented a flexible and demand oriented application of the funds; (ii) high transactions costs (developing individual contracts, ToRs, translation, internal approval, monitoring of activities); (iii) many times actors failed to keep deadlines; (iv) Many proposals were of poor quality in terms of idea/concept and writing.'*

*'**Pragmatic, more flexible and less time-consuming alternatives to the BDF exist.** In Albania, in the context of the SDC financed SASA project, the so called "Innovation Fund" was a project internal tool to agree on the allocation of project funding to specific activities of project partners on a cost-sharing basis. Overall, outcome of these projects investments was meaningful, time investment was reasonable, and the tool served as an important capacity development tool forcing actors to interact among themselves and with project staff and to think more about market relevance and development impact etc.'*

Source: (Günther, Vasylenko and Malkova 2015)

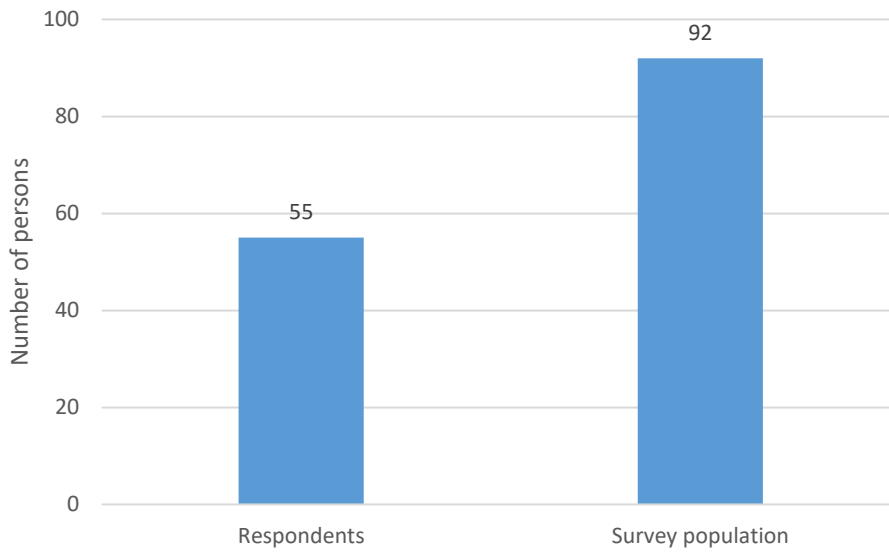
L. Evaluation Synthesis: Score sheet

Program	Country classification	Relevance	Effectiveness	Efficiency	Sustainability	Average Score per program
1 UNDP National Commodities Platforms (Indonesia/Peru)	Lower middle-income / Upper middle-income	1	1	2	2	1,5
2 Sustainable Cocoa Production II	Lower middle-income	1	1	1	2	1,25
3 Better Gold Initiative	Upper middle-income	1	2	2	2	1,75
4 Biotrade Vietnam	Lower middle-income	1	3	2	3	2,25
5 Safe+ Colombia	Upper middle-income	1	1	1	2	1,25
6 Textiles & Clothes (Tajikistan/Kyrgyzstan)	Low income / lower middle-income	2	2	1	2	1,75
7 Textiles & Clothes Tunisia	Lower middle-income	1	2			1,5
8 PAMPAT (Tunisia / Morocco)	Lower middle-income	2	2	2	2	2
9 Organic Cotton Kyrgyzstan	Lower middle-income	2	2	2	2	2
10 Organic Cotton Burkina Faso and Mali	Lower-income	3	2	2	3	2,5
11 DMO Tunisia	Lower middle-income	2	3	3	4	3
12 VieTrade Vietnam	Lower middle-income	1	3	2	3	2,25
13 UN Trade Cluster Tanzania	Low income	1	2	2	2	1,75
14 Fair Trade Travel South Africa	Upper middle-income	3	3	3	3	3
15 COEXCA Colombia	Upper middle-income	1	2	2	2	1,75
16 Biotrade South Africa	Upper middle-income	1	1	2	2	1,5
17 Organic Market Development Ukraine	Lower middle-income	1	2	2	3	2
<i>Average score per criterion</i>		1,5	2,0	1,9	2,4	1,9

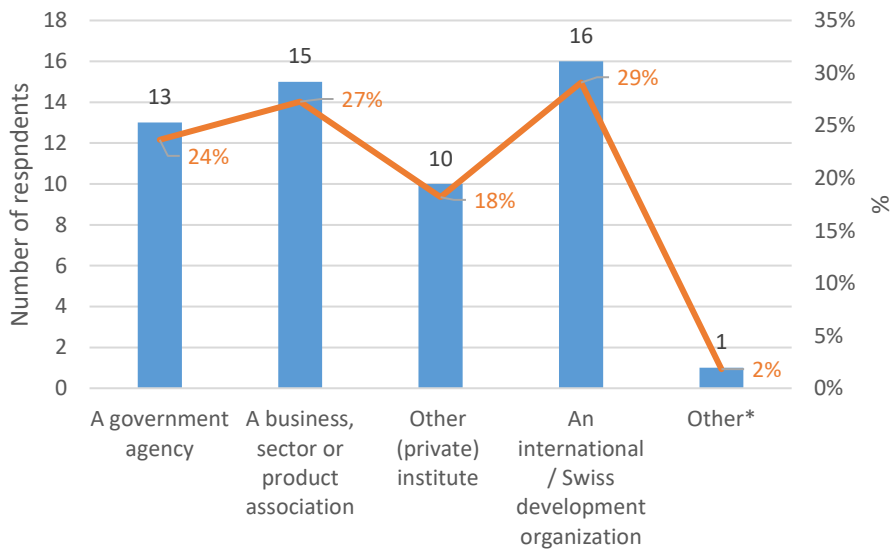
Program	Country classification	Relevance	Effectiveness	Efficiency	Sustainability	Average Score per program
13 UN Trade Cluster Tanzania	Low income	1	2	2	2	1,75
10 Organic Cotton Burkina Faso and Mali	Low income	3	2	2	3	2,5
6 Textiles & Clothes (Tajikistan/Kyrgyzstan)	Low income / lower middle-income	2	2	1	2	1,75
<i>Average score per criterion</i>		2,0	2,0	1,7	2,3	2,0
2 Sustainable Cocoa Production II	Lower middle-income	1	1	1	2	1,25
4 Biotrade Vietnam	Lower middle-income	1	3	2	3	2,25
7 Textiles & Clothes Tunisia	Lower middle-income	1	2			1,5
8 PAMPAT (Tunisia / Morocco)	Lower middle-income	2	2	2	2	2
9 Organic Cotton Kyrgyzstan	Lower middle-income	2	2	2	2	2
11 DMO Tunisia	Lower middle-income	2	3	3	4	3
12 VieTrade Vietnam	Lower middle-income	1	3	2	3	2,25
17 Organic Market Development Ukraine	Lower middle-income	1	2	2	3	2
1 UNDP National Commodities Platforms (Indonesia/Peru)	Lower middle-income / Upper middle-income	1	1	2	2	1,5
<i>Average score per criterion</i>		1,3	2,1	2,0	2,6	2,0
3 Better Gold Initiative	Upper middle-income	1	2	2	2	1,75
5 Safe+ Colombia	Upper middle-income	1	1	1	2	1,25
14 Fair Trade Travel South Africa	Upper middle-income	3	3	3	3	3
15 COEXCA Colombia	Upper middle-income	1	2	2	2	1,75
16 Biotrade South Africa	Upper middle-income	1	1	2	2	1,5
<i>Average score per criterion</i>		1,4	1,8	2,0	2,2	1,9
<i>Total average score per criterion</i>		1,5	2,0	1,9	2,4	1,9

M. Survey results

Response rate = 60%



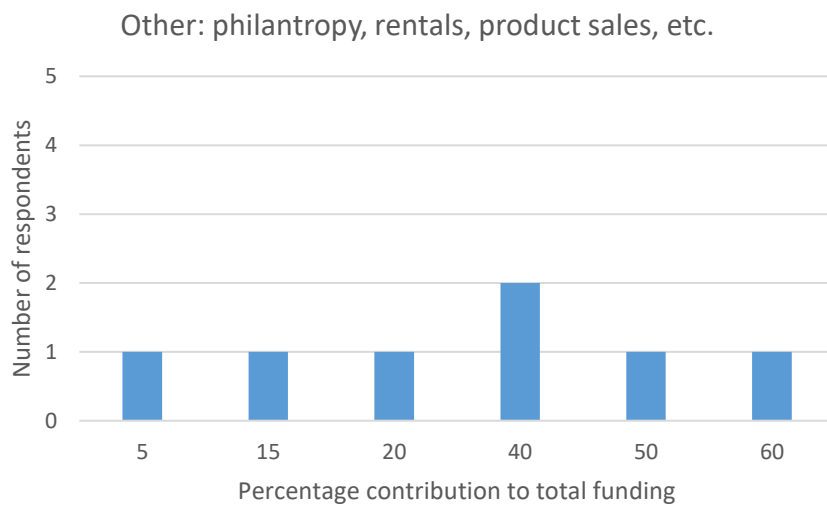
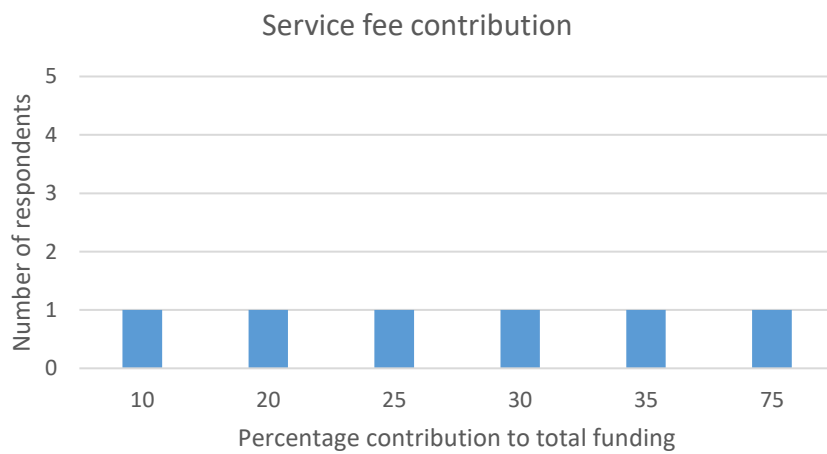
Question 1: Where do you work?



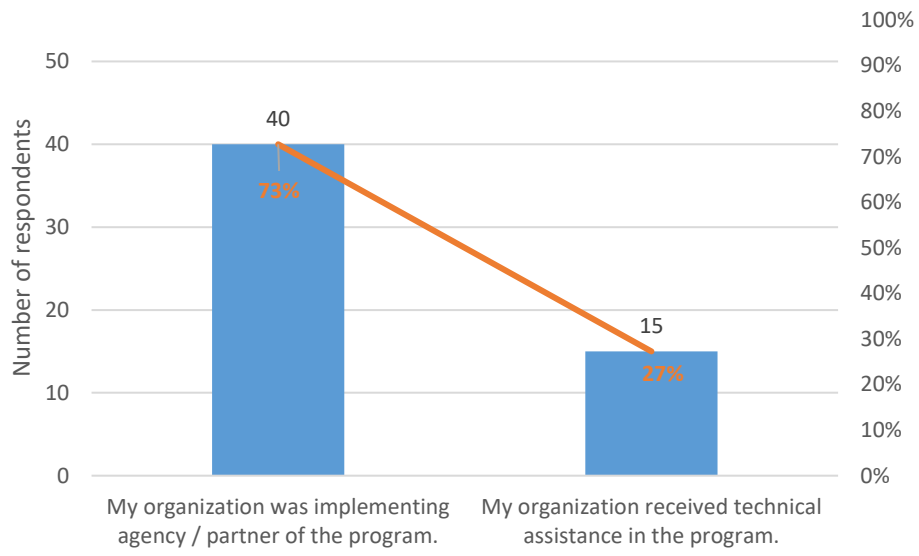
* Gite Rural / Rural cottage

Question 2: What are your organization's sources of income?

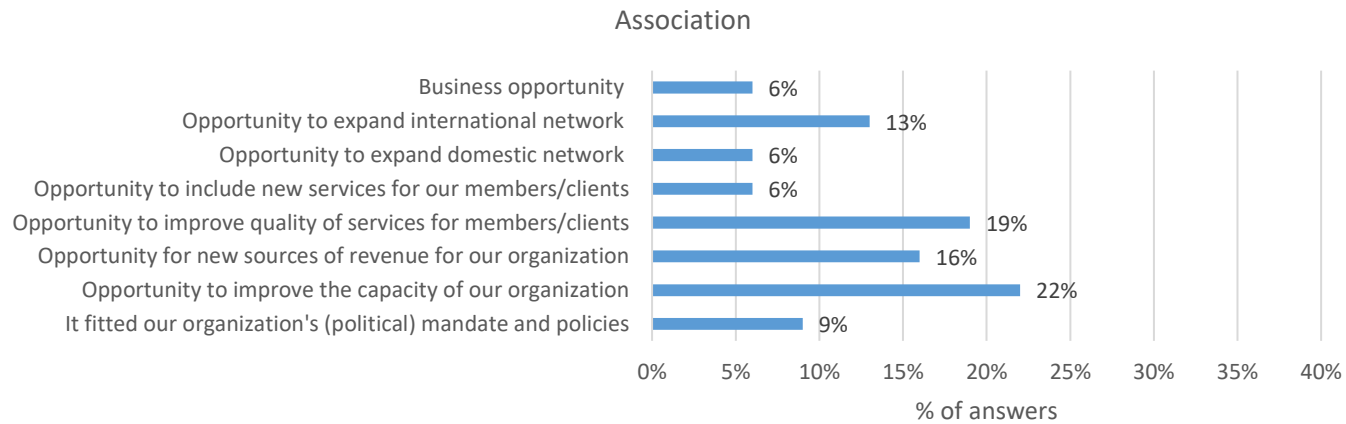
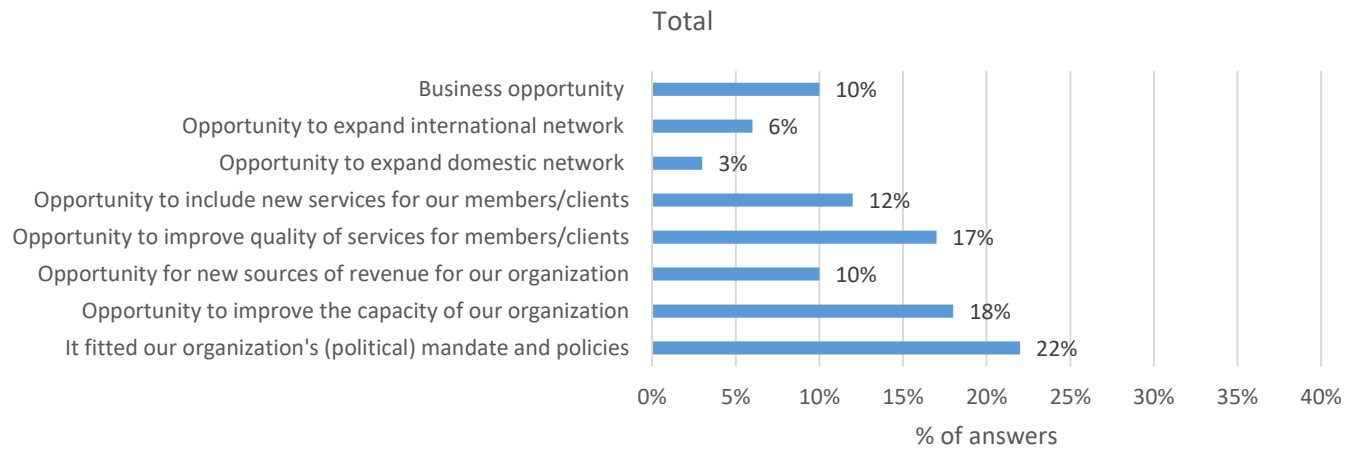
	Respondents		Funding range	Average contribution
Government funding	2	15%	40% - 50%	45%
Membership contributions	13	100%	5% - 100%	60%
Service fees	6	46%	10% - 35%; 75%	33%
Other, e.g. philanthropy, rentals, product sales, etc.	7	54%	5% - 60%	33%



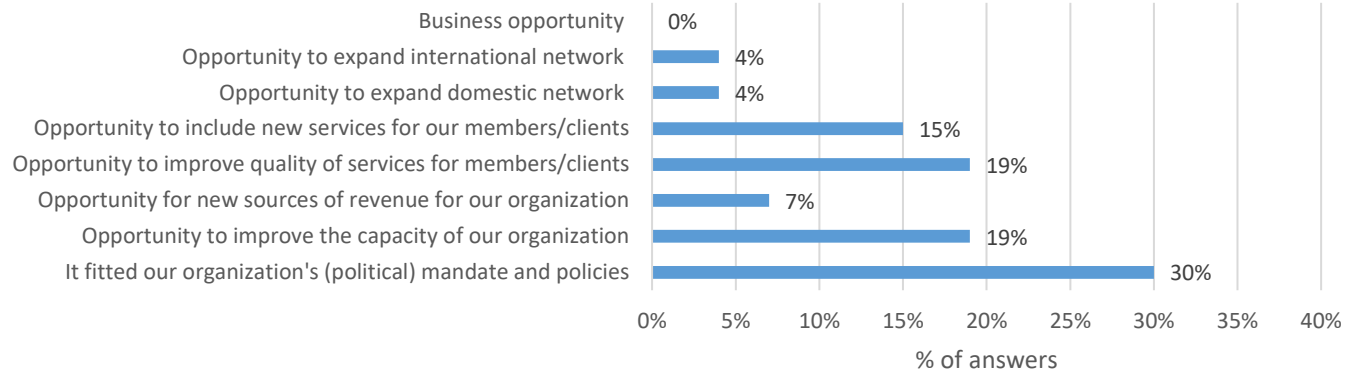
Question 3: How have you been involved in the SECO-funded program?



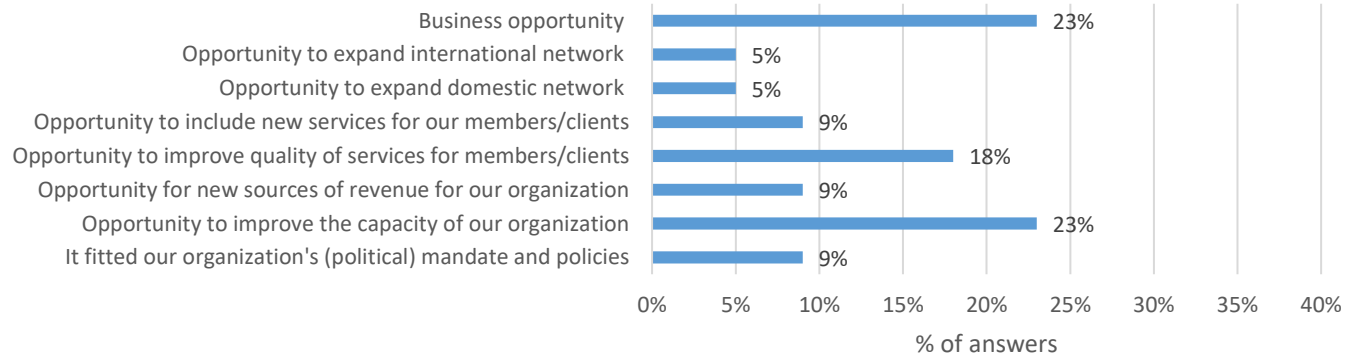
Question 4: Why did your organization participate in the SECO-funded program?



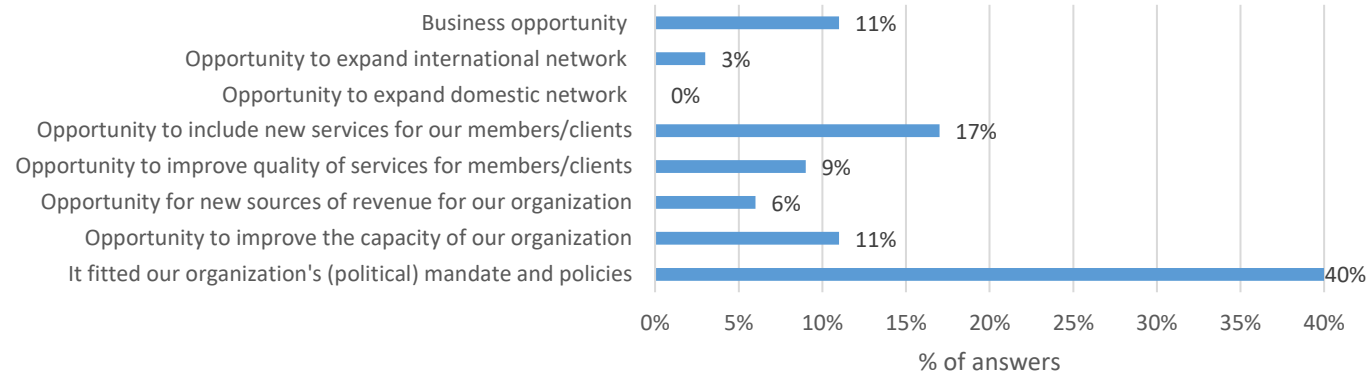
Government agency



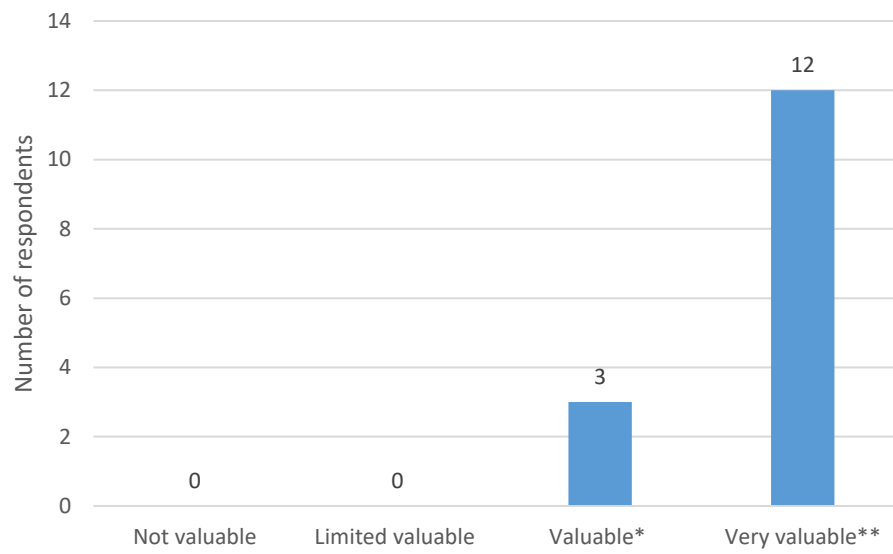
Private / NGO / CSO



International organization



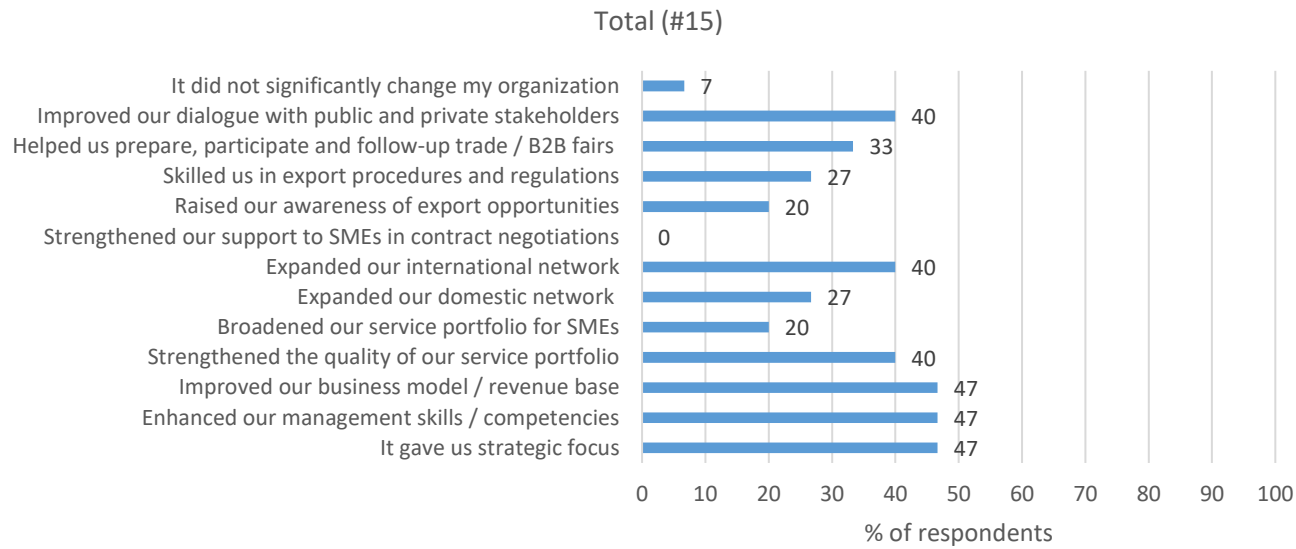
Question 5: How valuable was the program for your organization?



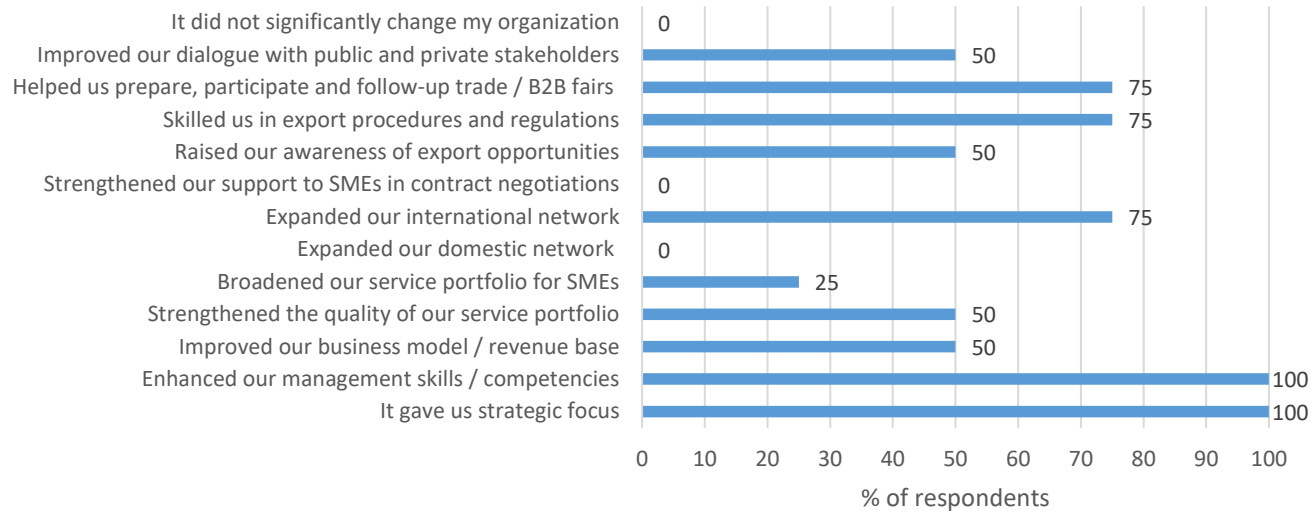
* The three respondents are: one government agency, one private institute and one respondent who qualified themselves as 'other' (see under question 1)

** The twelve respondents are: four associations, four government agencies, 2 private institutes, and 1 international organization

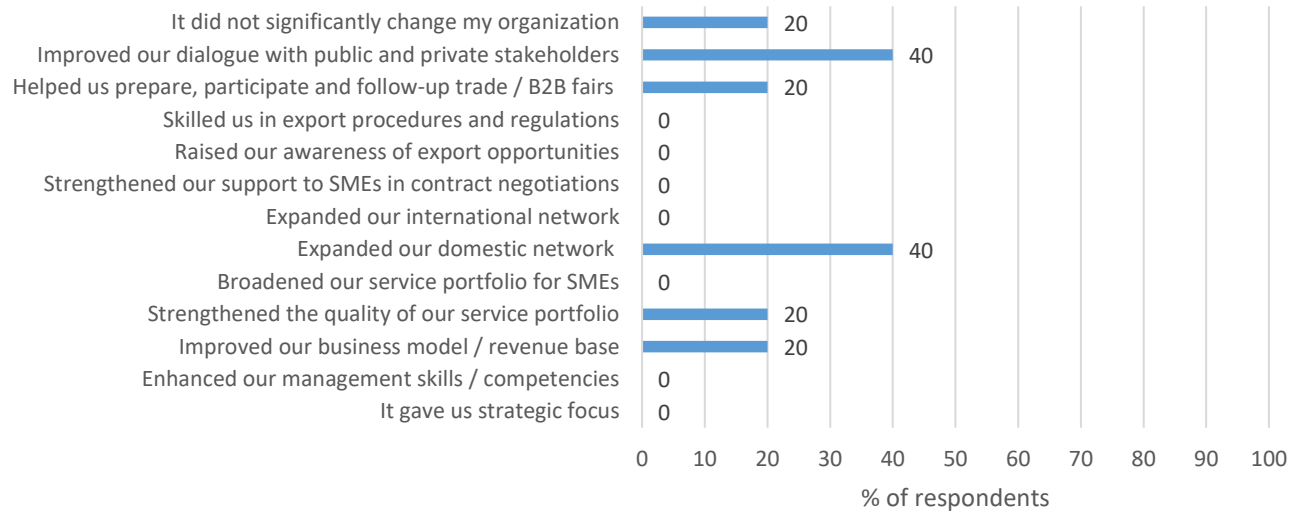
Question 6: How has the program changed your organization?



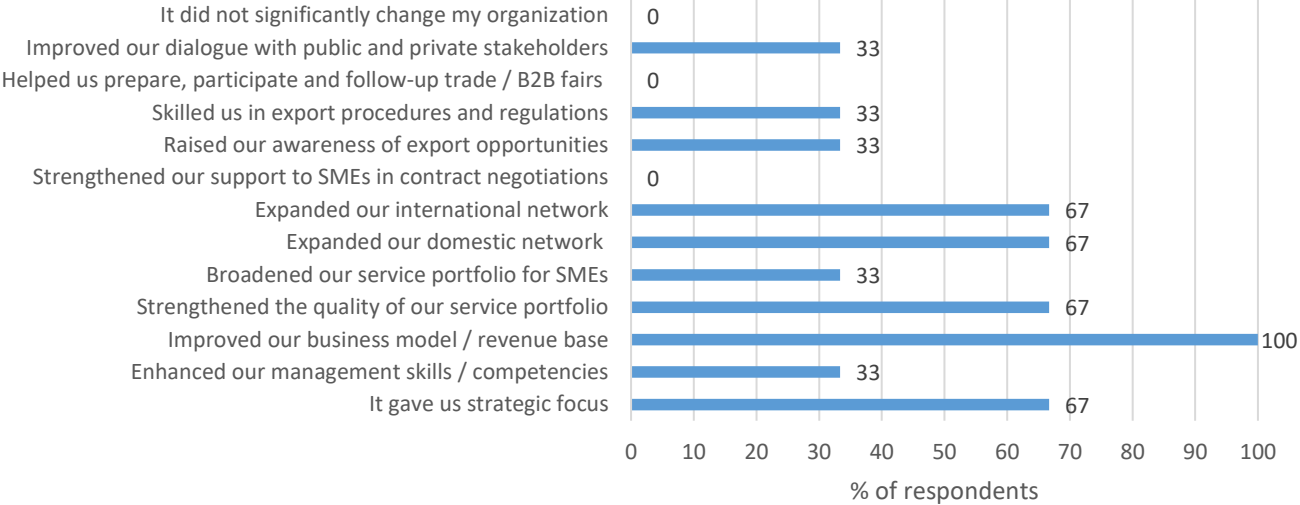
Association (#4)



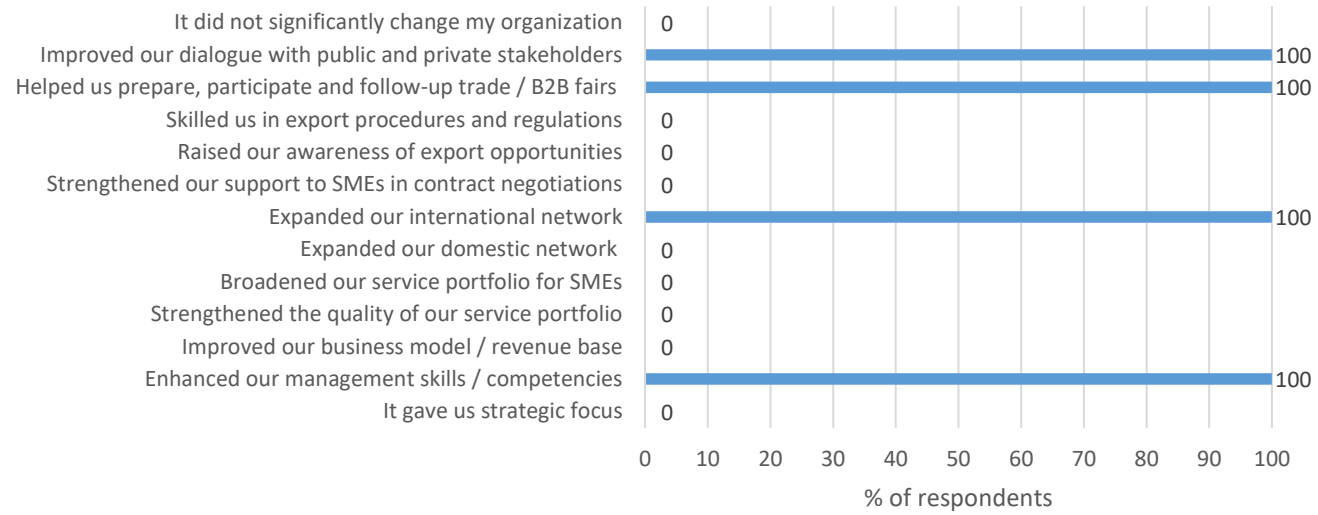
Government agency (#5)



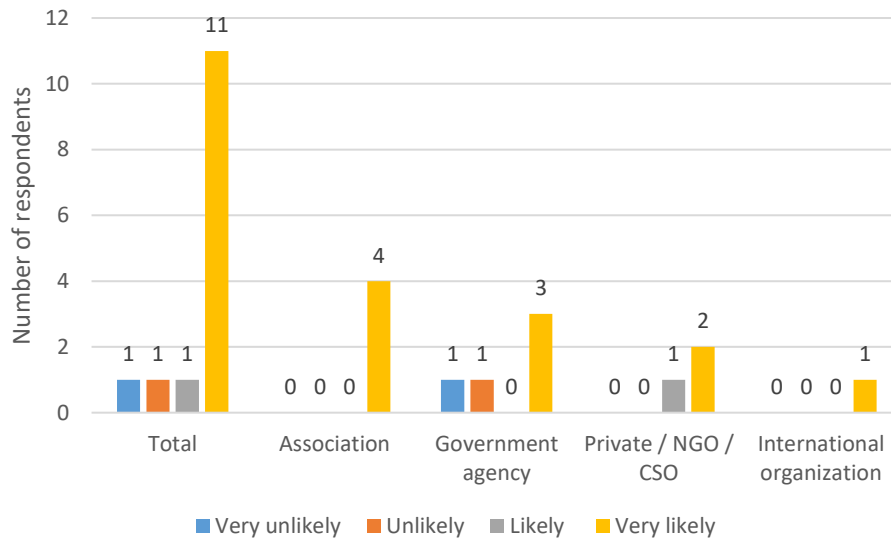
Private / NGO / CSO (#3)



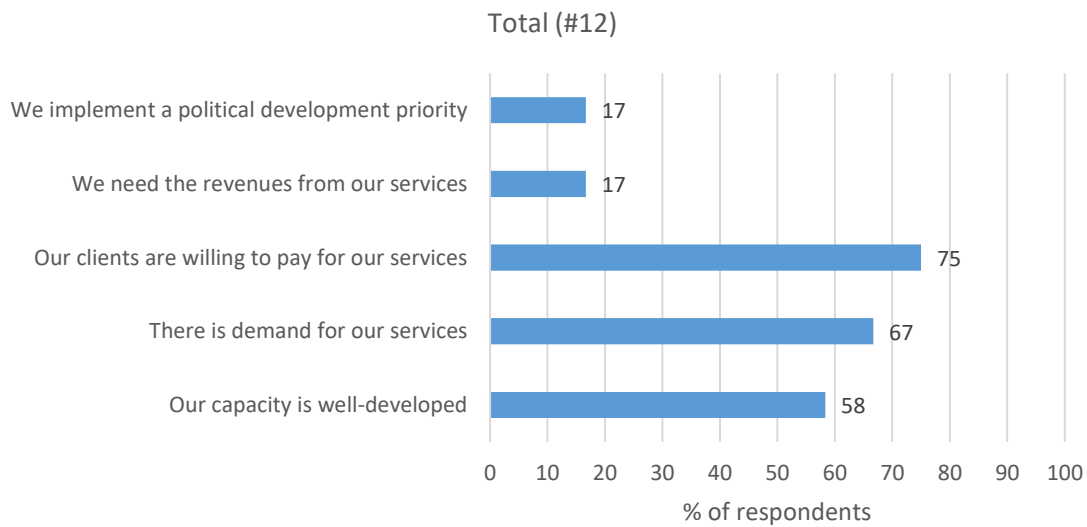
International organization (#1)



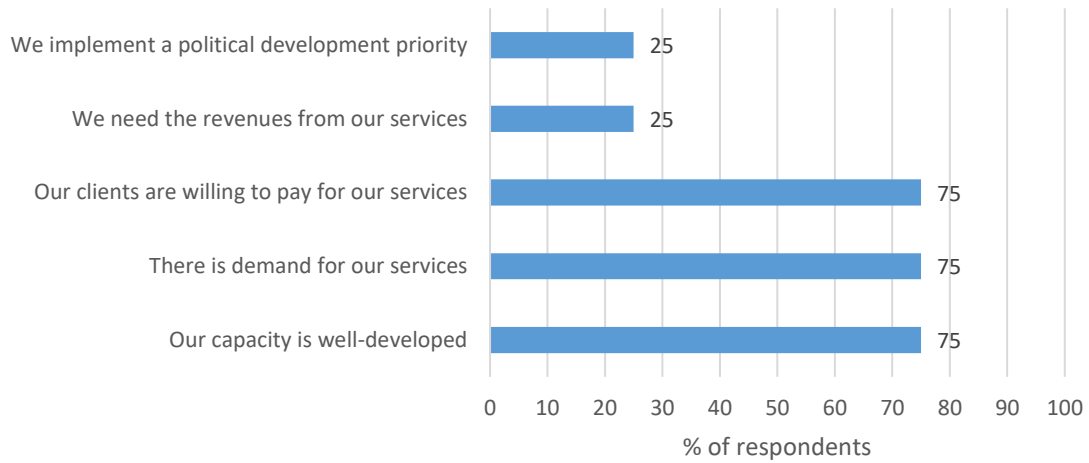
Question 7: How likely are the program's benefits for your organization going to continue after the program ends?



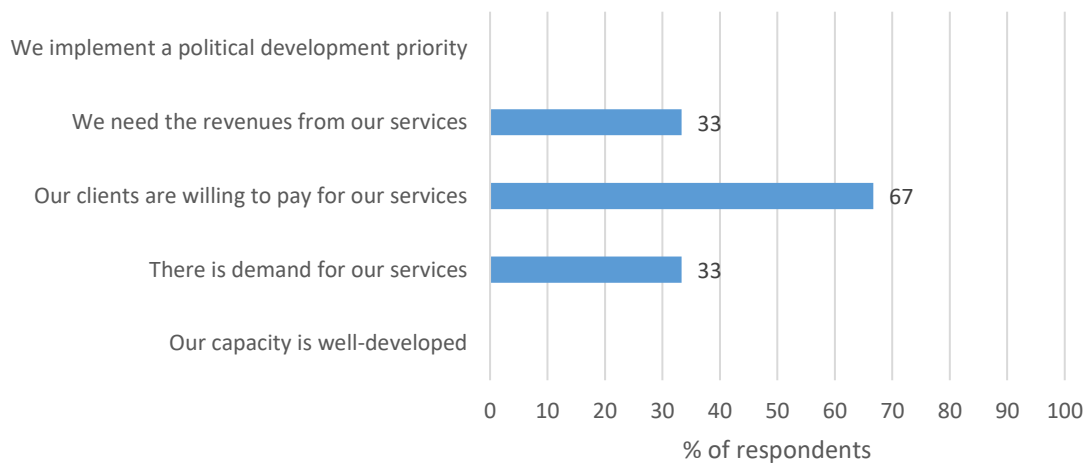
Question 8: Why are the program benefits **likely to continue** after the program ends?



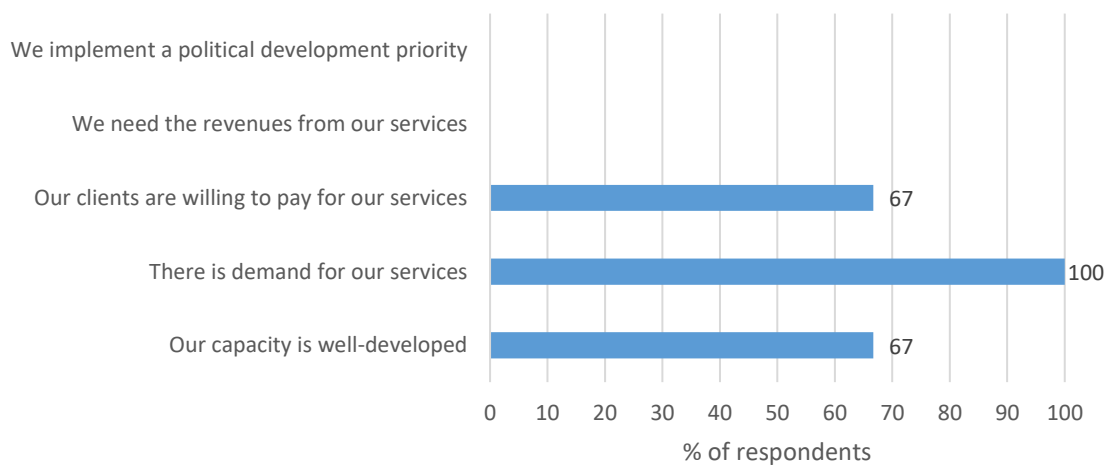
Association (#4)



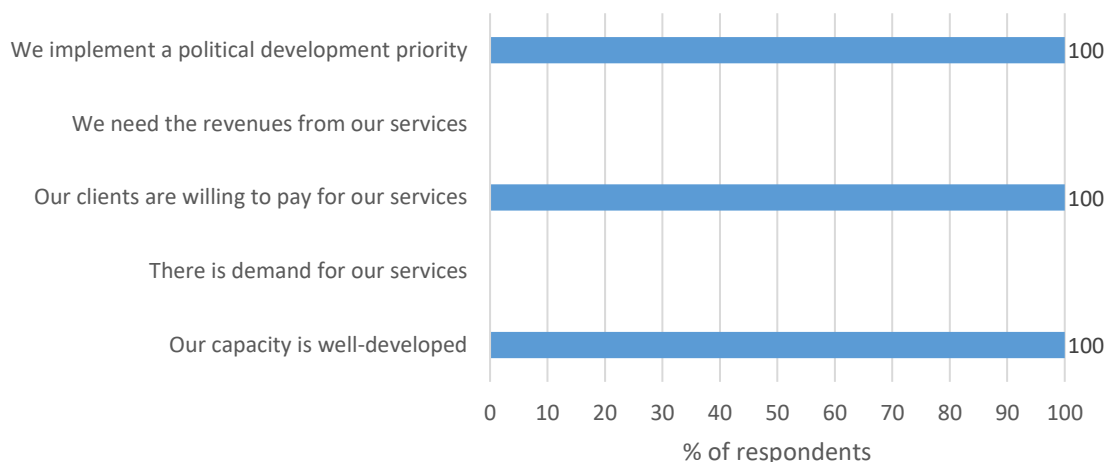
Government agency (#3)



Private / NGO / CSO (#3)



International organization (#1)

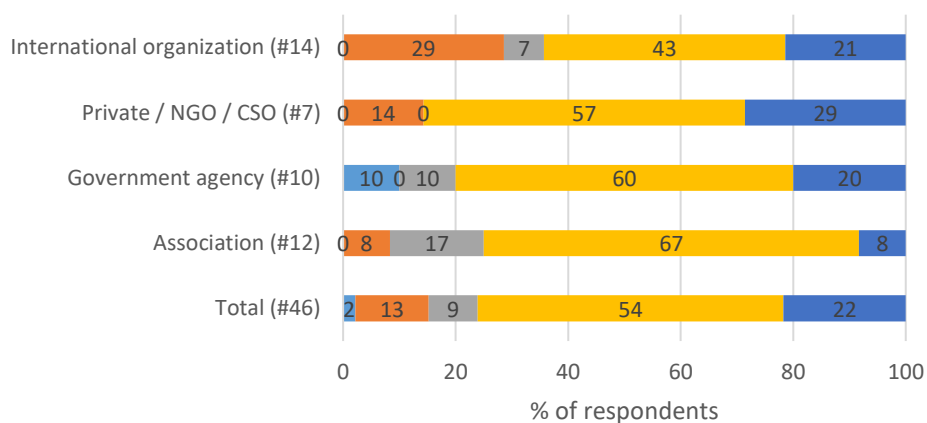


Question 9: Why are the program benefits **unlikely to continue** after the program ends?

Two government agencies indicated under question 7 that it was unlikely that the program's benefits for their organization would continue after the program ends. One agency provided a textual clarification: 'our work are not directly linked to the program'.

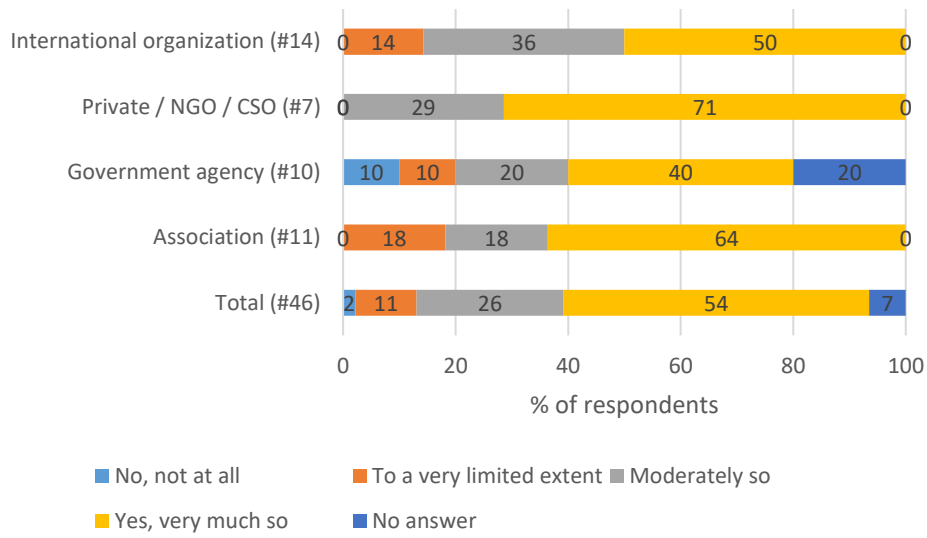
Question 10: To what extent did the program result in any of the following (medium-term) outcomes?

Professionalized the farmers / collectors groups

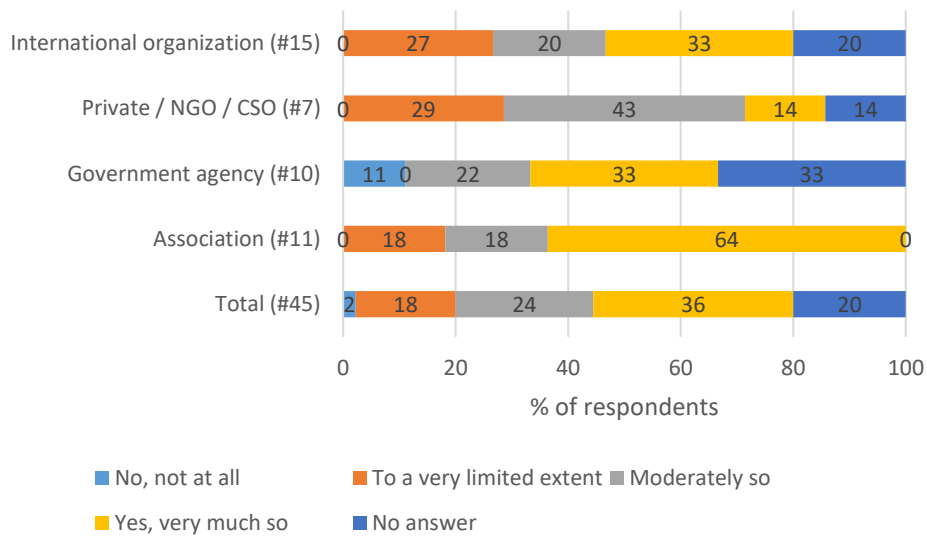


■ No, not at all ■ To a very limited extent ■ Moderately so
■ Yes, very much so ■ No answer

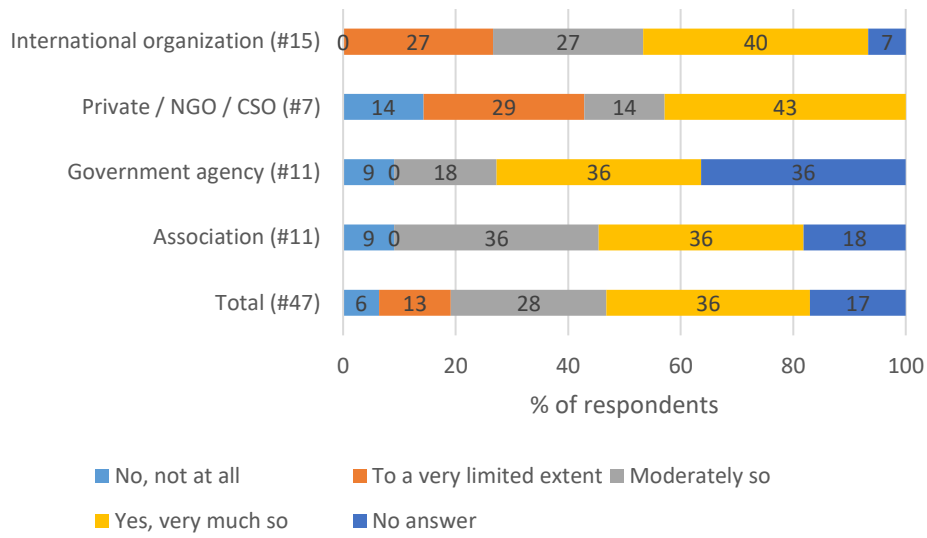
Increased the productivity of SMEs.



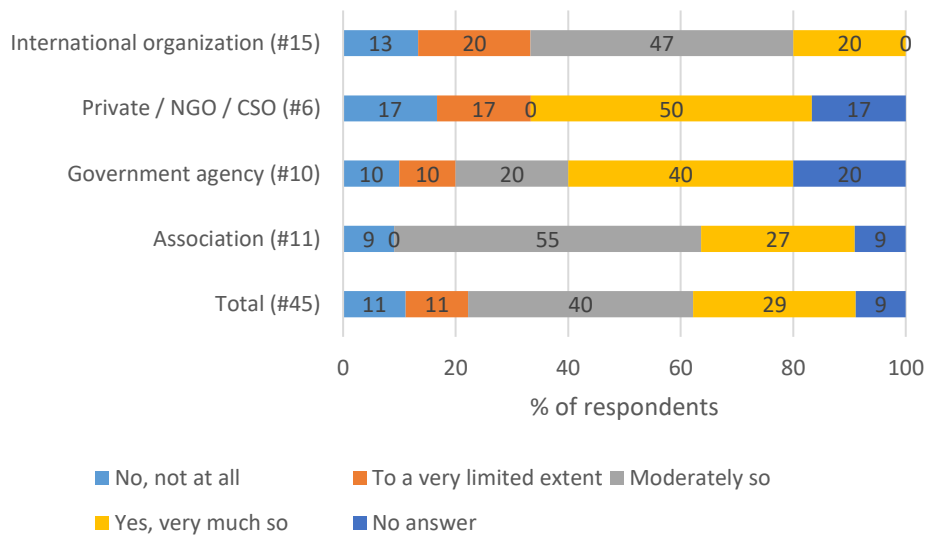
It enhanced the domestic sales of SMEs



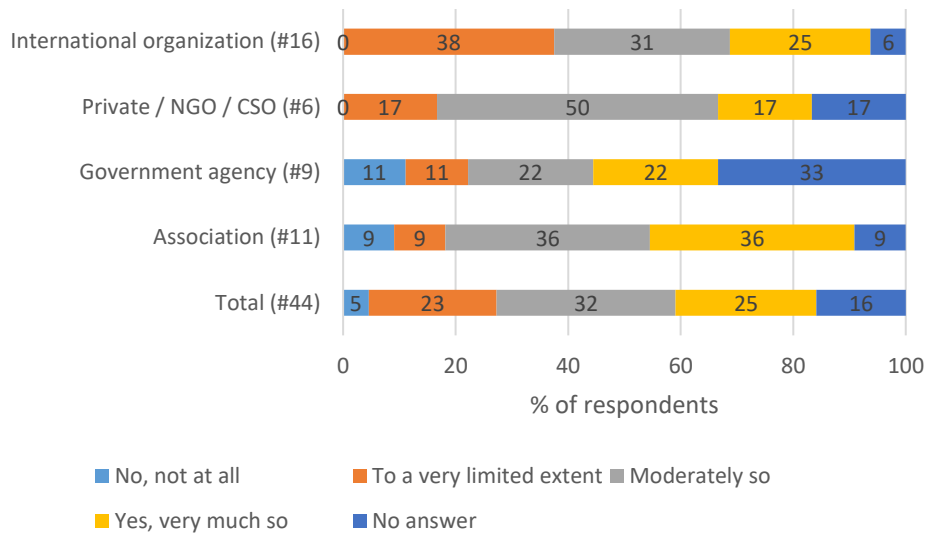
Expanded the exports of SMEs



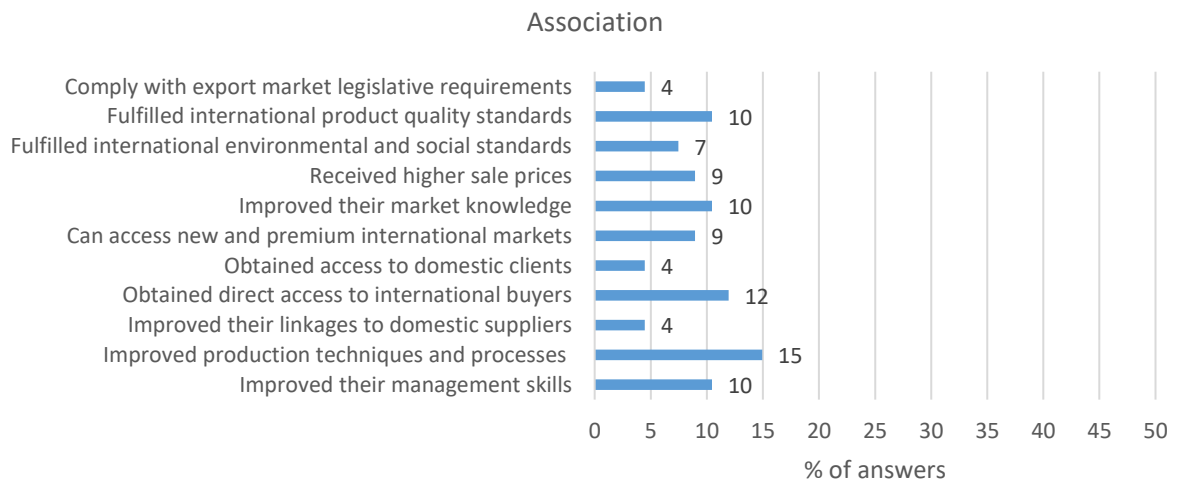
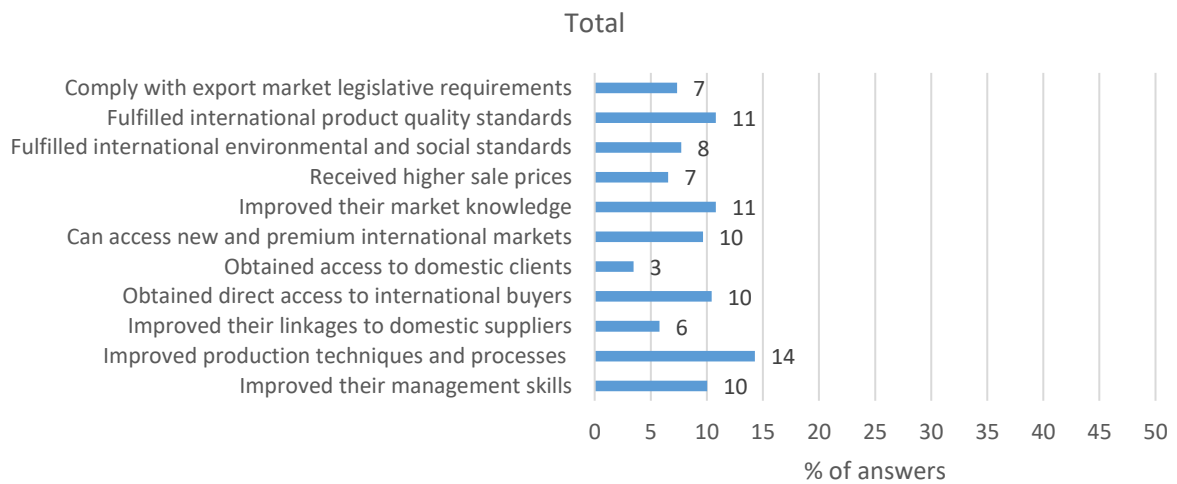
It enabled SMEs to participate in global value-chain



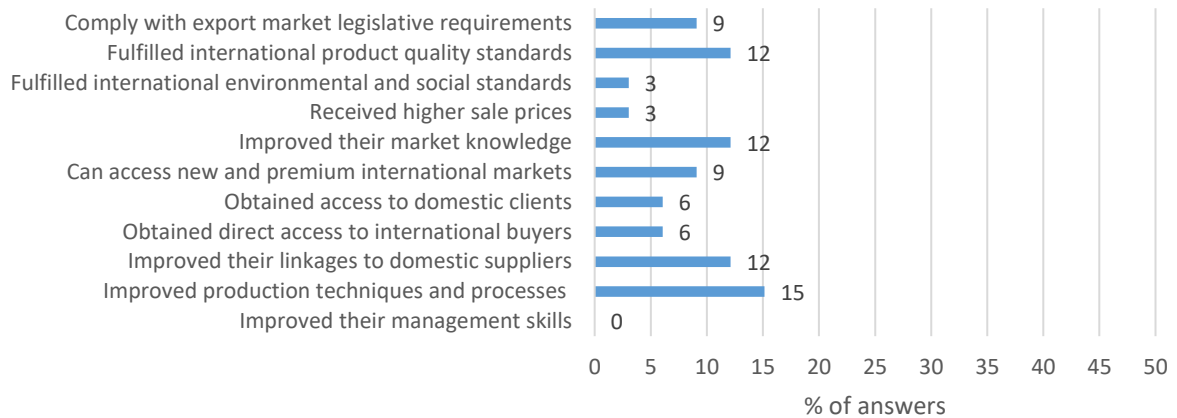
It increased the productivity of the (global) value-chain



Question 11: Why were these (medium-term) outcomes realized? The supported farmers or SMEs:



Government agency



Private / NGO / CSO

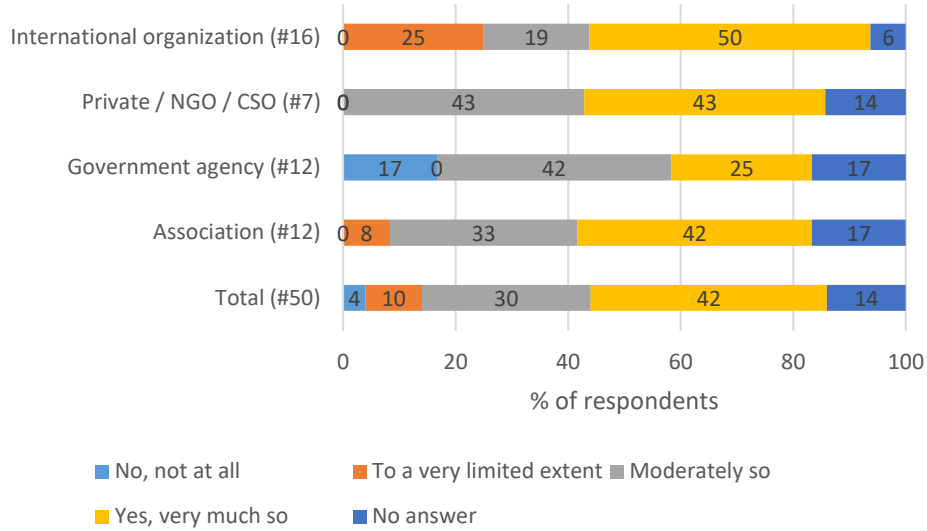


International organization

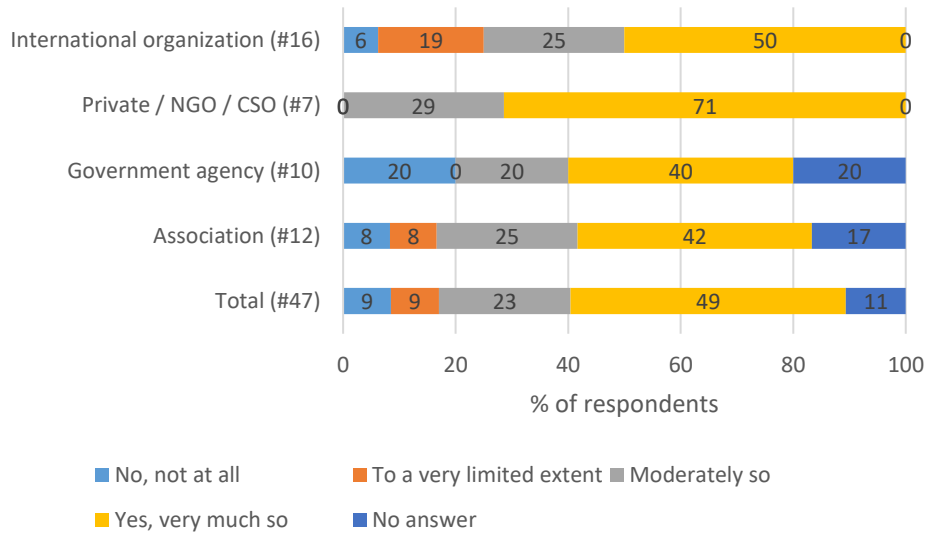


Question 12: To what extent did the program contribute to the following (longer-term) impacts?

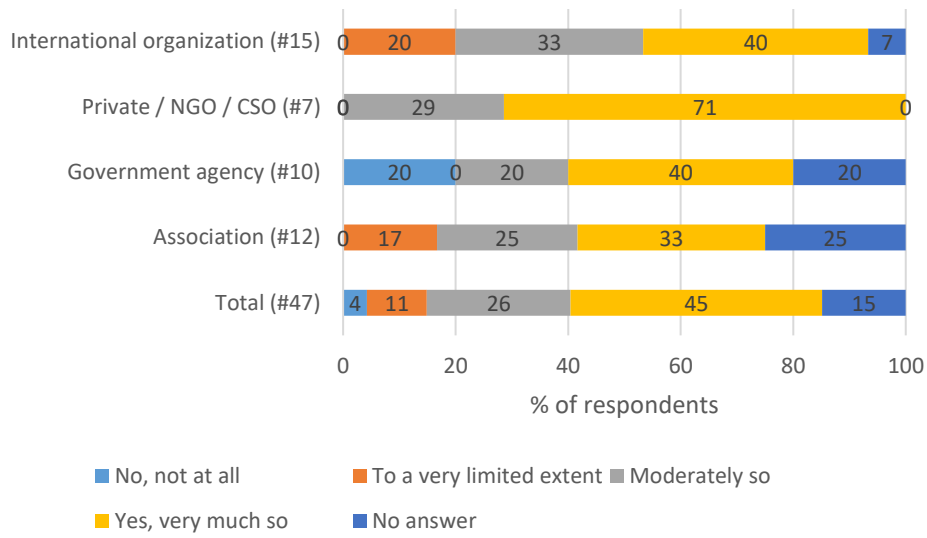
Increased or retained employment.



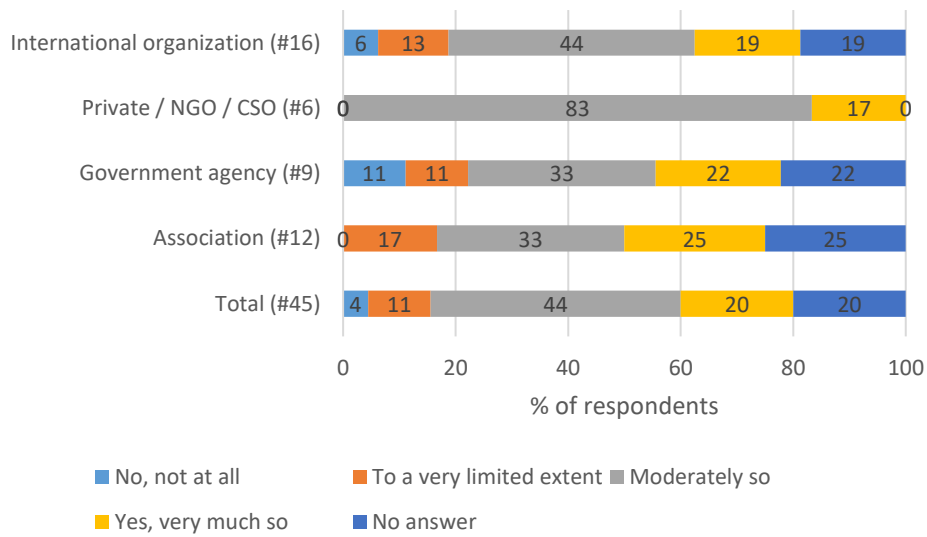
Better quality jobs.



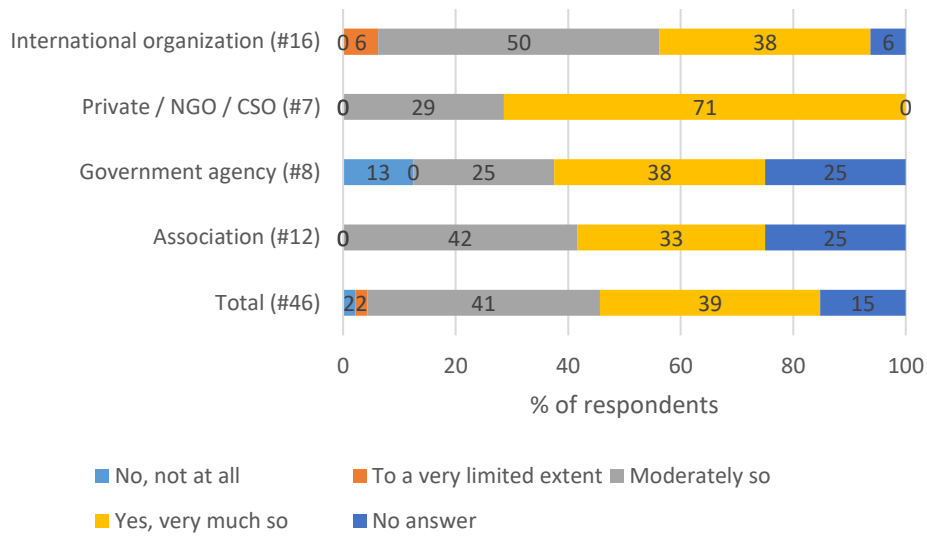
Improved working conditions for workers



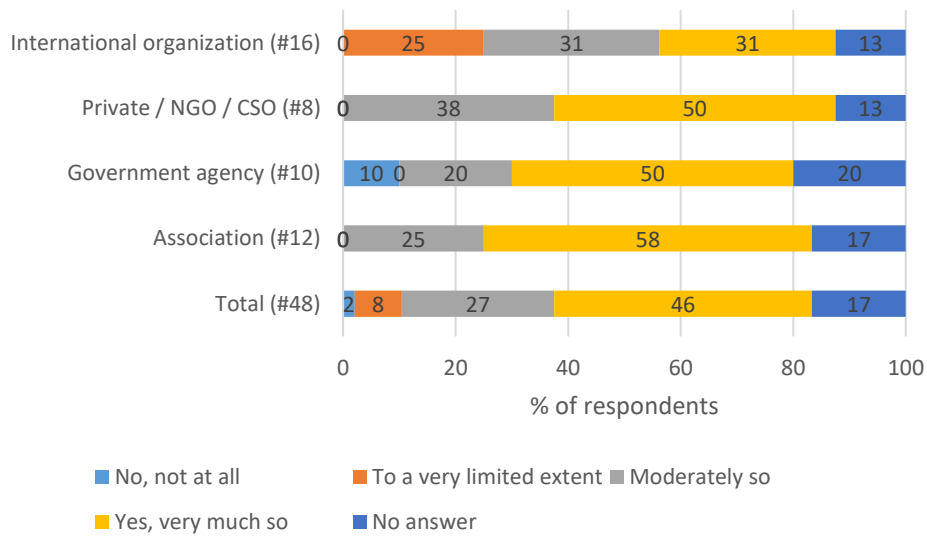
Improved income for workers



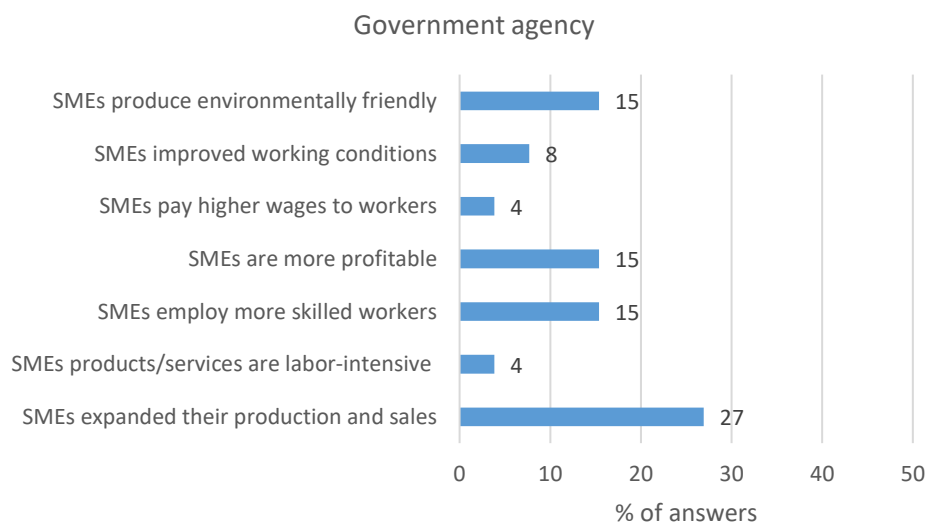
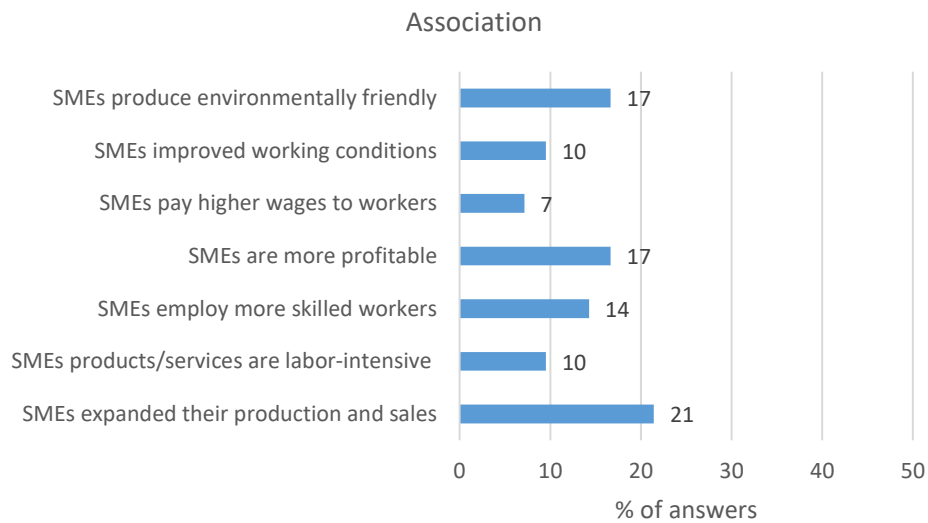
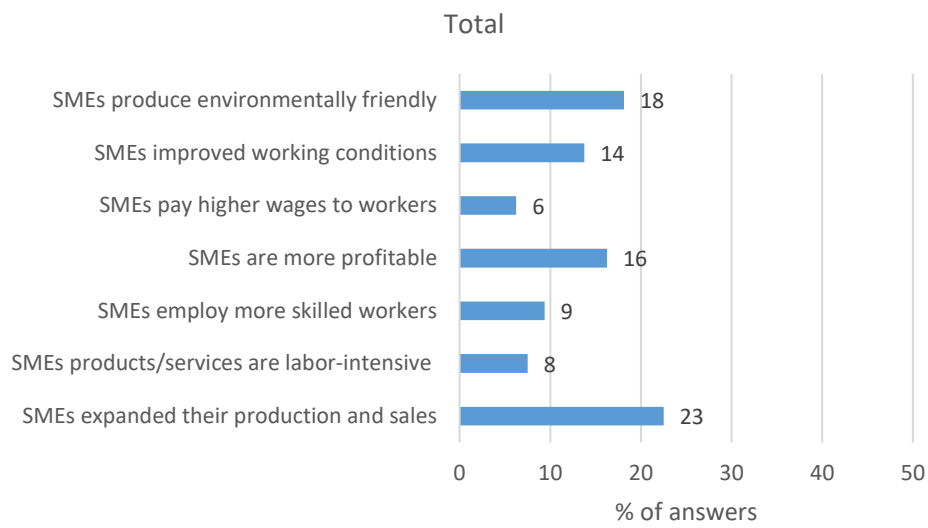
Improved income for producers / business owners



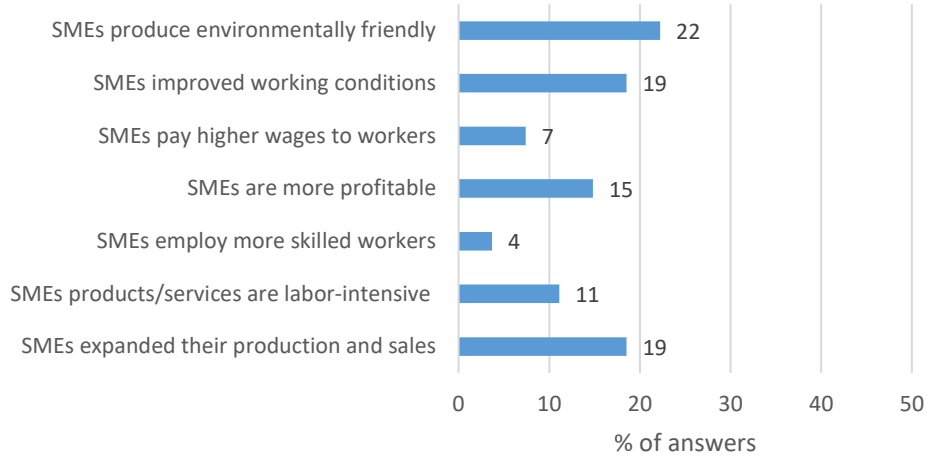
Traded commodities and products are produced more environmentally sustainable.



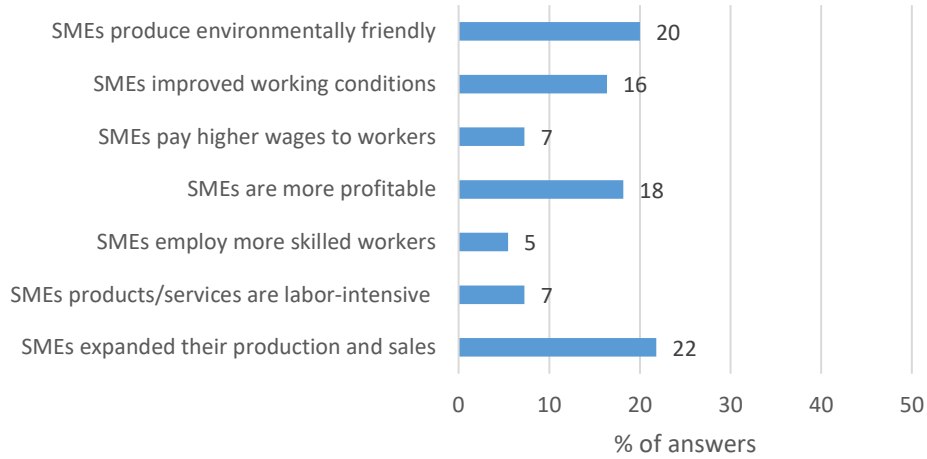
Question 13: Why were these (longer-term) impacts realized?



Private / NGO / CSO

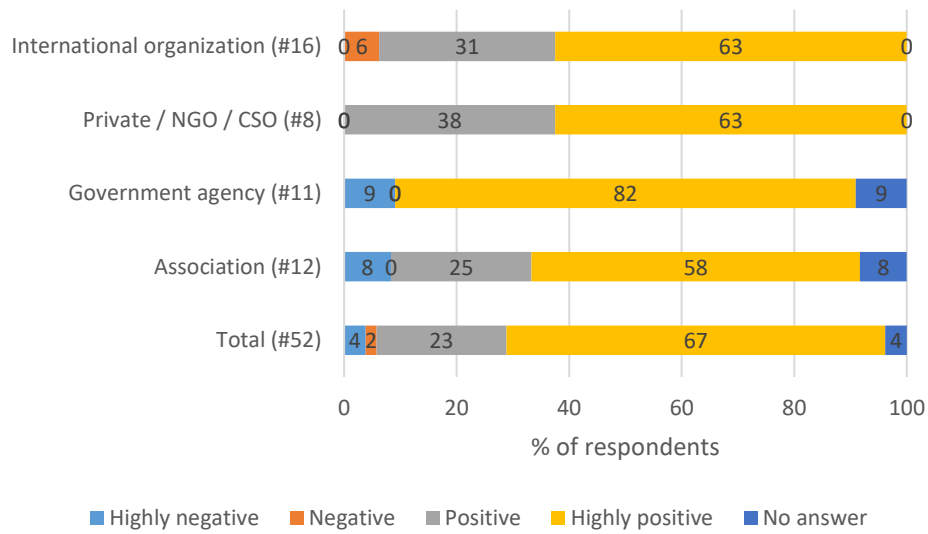


International organization

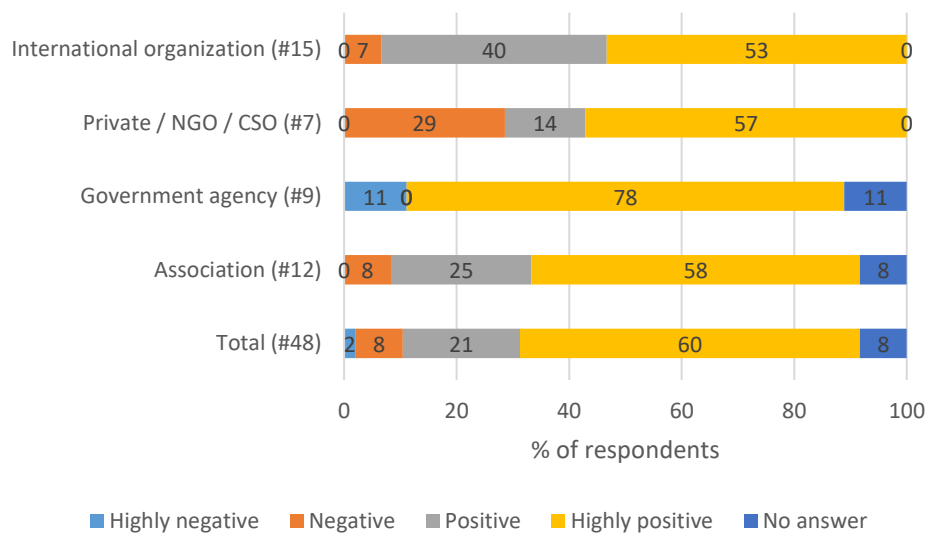


Question 14: How do you rate the program implementation on the following key aspects?

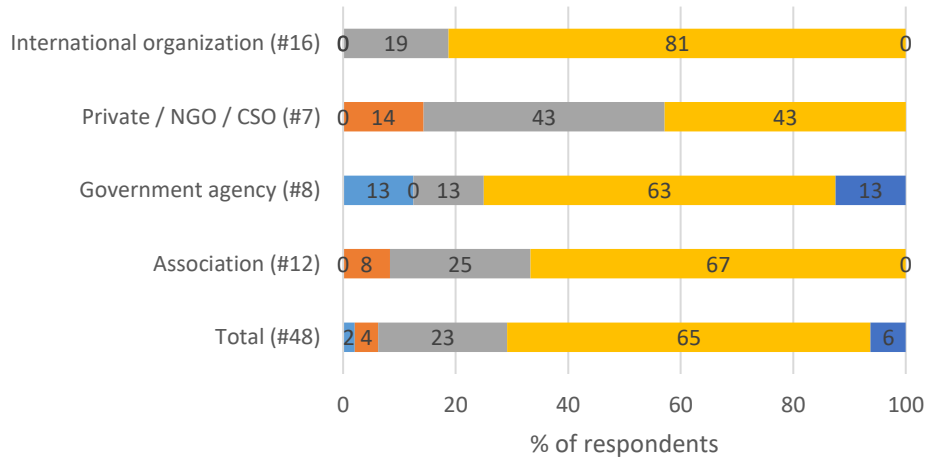
Program ownership by the beneficiary



Timely delivery

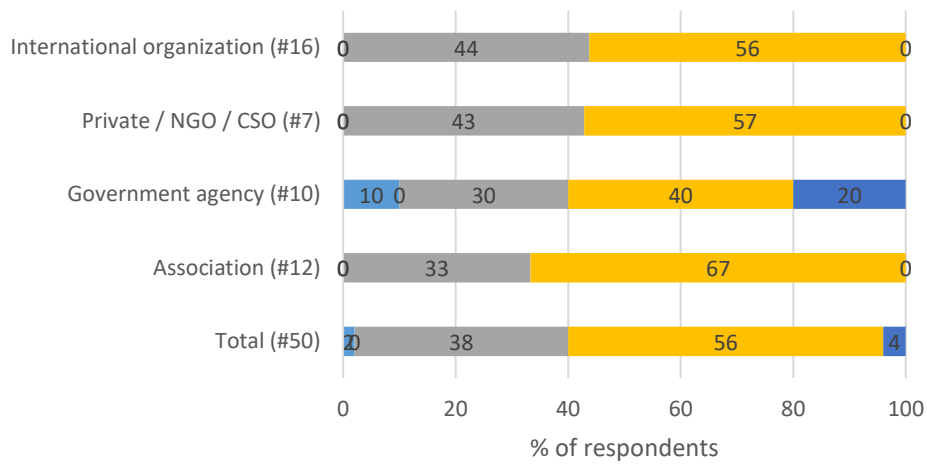


Prudent spending



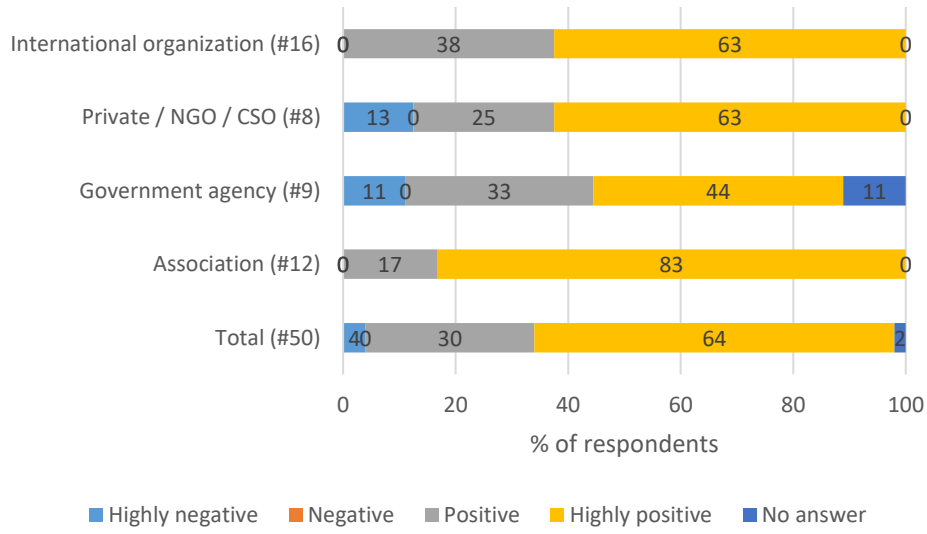
■ Highly negative ■ Negative ■ Positive ■ Highly positive ■ No answer

Program steering

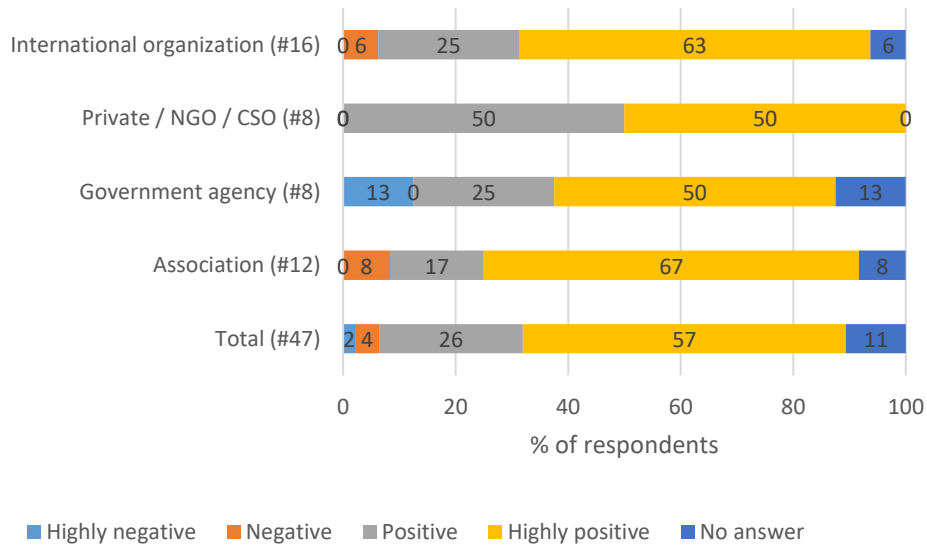


■ Highly negative ■ Negative ■ Positive ■ Highly positive ■ No answer

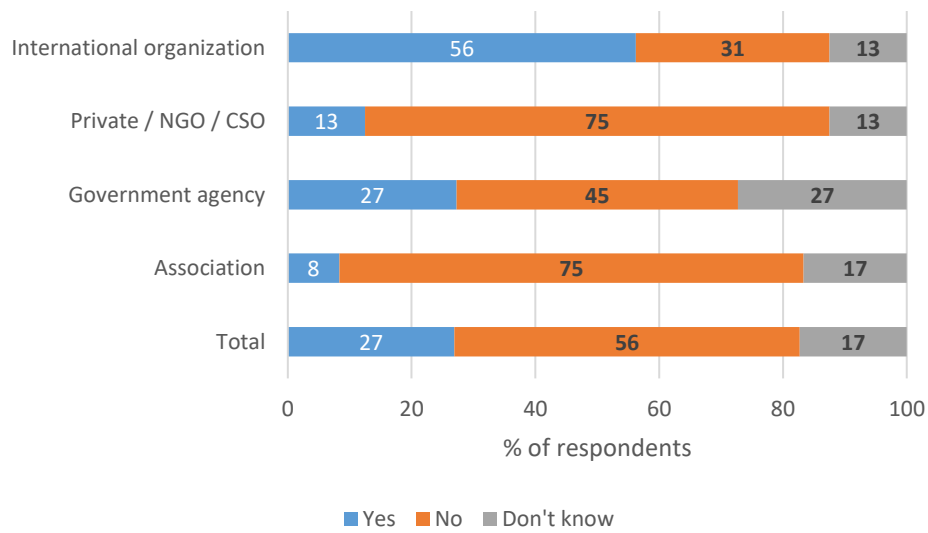
Results monitoring



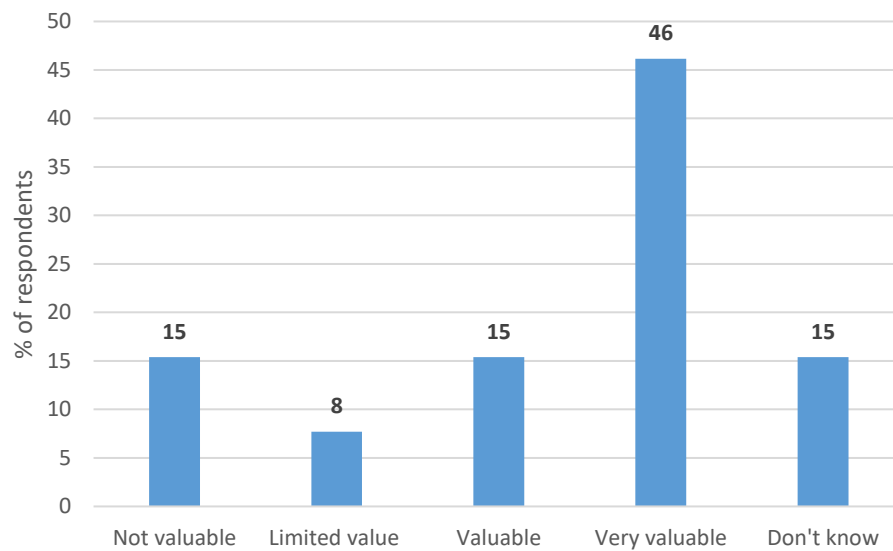
Value-for-money



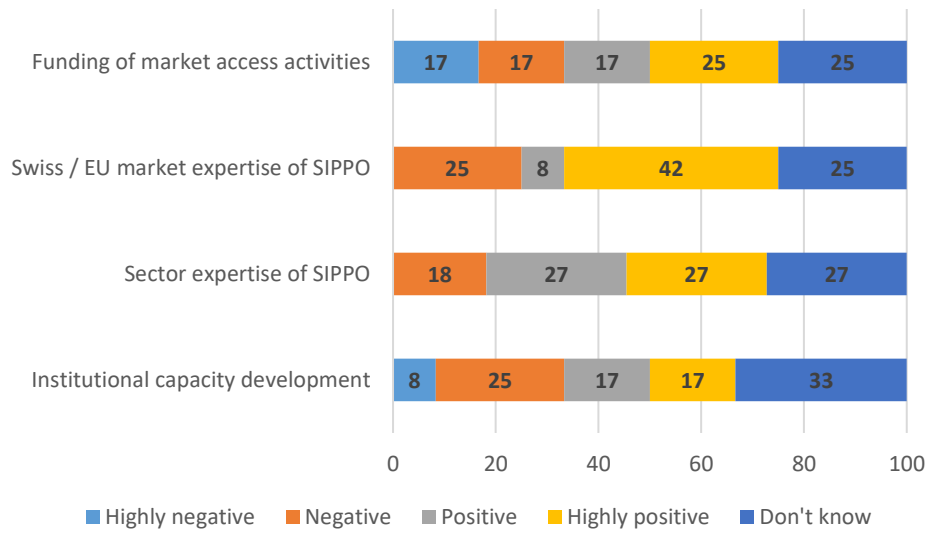
Question 15. Does or did your organization cooperate with the Swiss Import Promotion Program SIPPO?



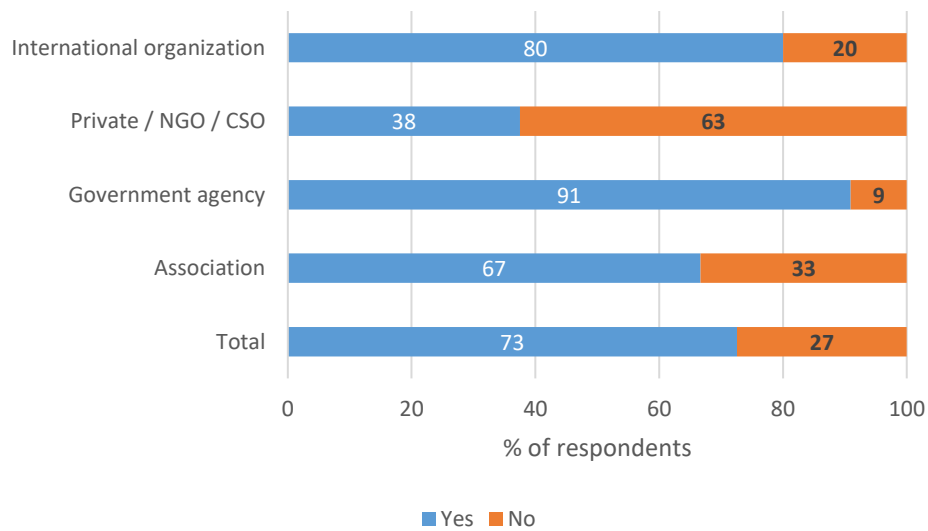
Question 16. How valuable was the cooperation with SIPPO for your organization?*



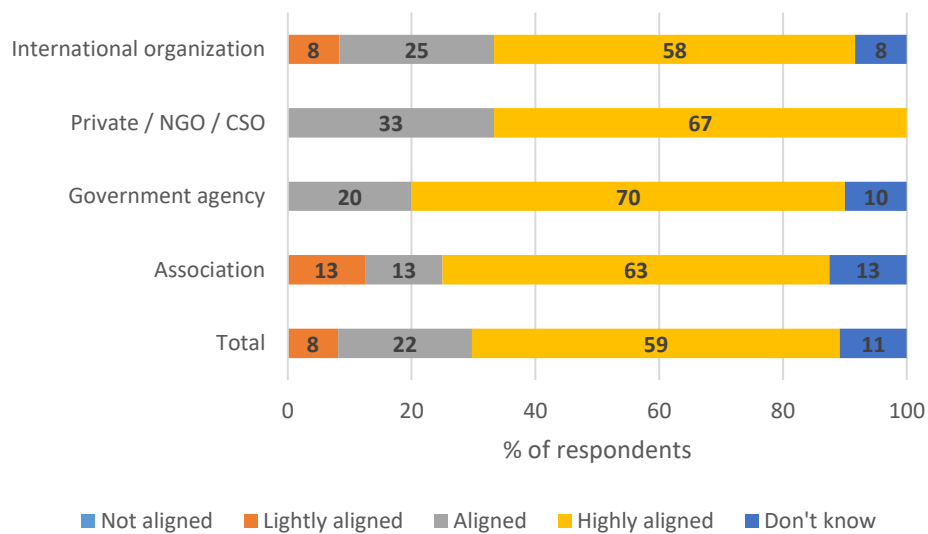
Question 17. What was valuable in the cooperation with SIPPO?



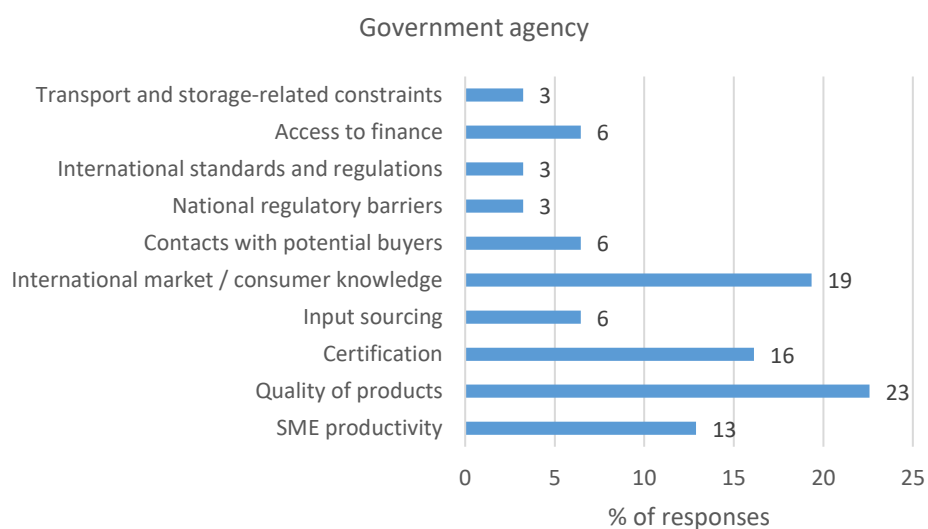
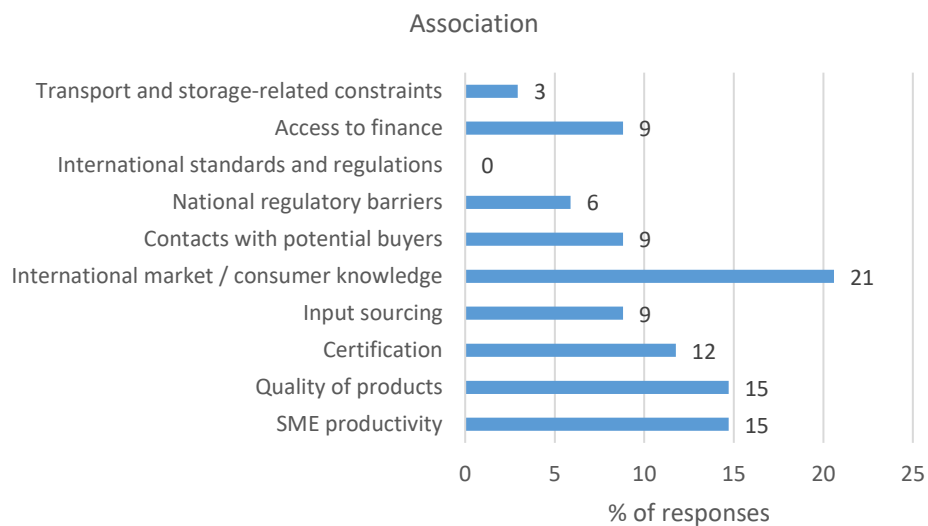
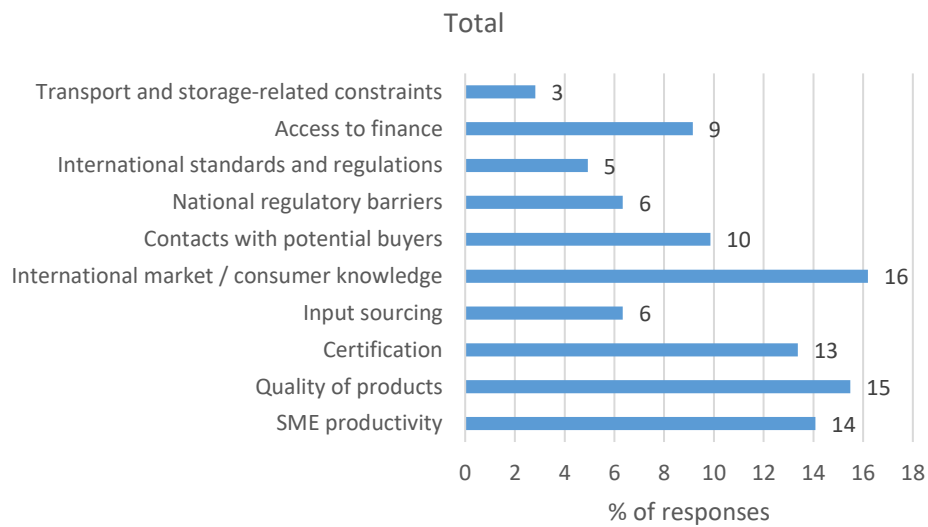
Question 18. Does or did your organization receive support from other international development organizations?



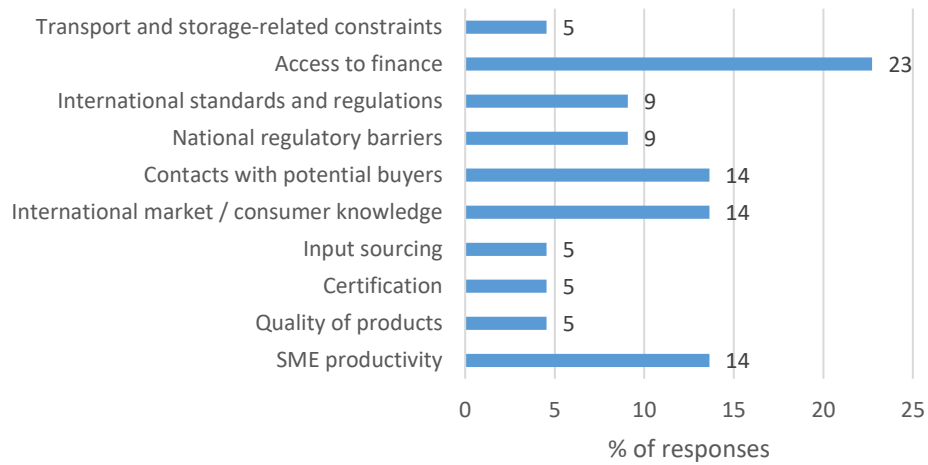
Question 19. How well-aligned is/was the SECO-funded program with the support your organization received from other international development partners?



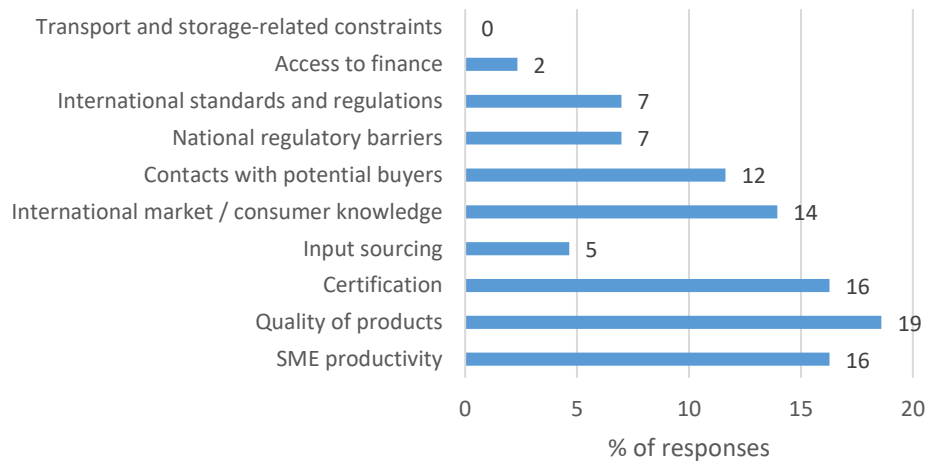
Question 20. What are the key obstacles for SMEs in your country to participate in global value-chains and international trade?



Private / NGO / CSO



International organization



N. Key informants

Name	Position	Organization
SECO		
Mr. Ivo Germann	Head of Operations	Headquarters Bern
Mr. Martin Baumann	Head of Evaluation Unit	"
Mrs. Valérie Sturm	Member of Evaluation Unit	"
Mrs. Monica Rubiolo	Head of Trade Promotion	"
Mr. Christian Robin	Deputy Head of Trade Promotion	
Mrs. Anne Schick	Program manager	"
Mr. Patrick Läderach	Program manager	"
Mr. Peter Huber	Program manager	"
Mrs. Anne de Chambrier	Program manager	"
Mr. Marco Kräuchi	Program manager	"
Mr. Philipp Ischer	Program manager	"
Mrs. Irenka Krone	Program manager	"
Mr. Jonas Gründer	Deputy Head Swiss Development Cooperation	SCO Hanoi
Mr. Do Quang Huy	National Program Officer	"
Mr. Christian Brändli	Deputy Head Swiss Development Cooperation	SCO Bogota
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Mr. Damir Bisembin	National Program Officer	SCO Bishkek
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Mrs. Leonor von Limburg	Trade development expert	GIZ
Mrs. Ana Margarida Fernandes	Senior expert trade and international integration, Development Research Group	World Bank
Mr. Shawn W. Tan	Trade and Competitiveness Global Practice	World Bank
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Mr. Markus Kupper	Senior advisor MRM	Swisscontact
Mr. Michael Fink	Head of MRM	Swisscontact
Mrs. Gabriela Schafroth	Program coordinator	Swisscontact
Mrs. Katrin Rosenberg	Program coordinator South-America	Helvetas
Mrs. Anniek Vollmer	Program manager	Helvetas
Colombia		
Colombia+Competitiva		
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Mrs. Claudia Sepulveda	Program Coordinator	Swisscontact
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Better Gold Initiative		
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Mr. Nils Krauer	Regional Advisor	Projekt Consult
Mr. Marcin Piersiak	Sub-Director	Alliance for Responsible Mining
Mr. Peter Doyle	Director	USAID Oro Legal
Export Network Cocoa		
Mr. Miguel Ángel Perez Beltrán	Cocoa and Chocolate Sector expert	Swisscontact

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Mr. Oscar Darío Ramírez	Technical Director	Fedecacao
Mr. Miguel Angel Vargas	General Manager	Red Cacaotera
SAFE+		
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Mr. Ivan Gonzalez	Director	Neroli Cosmetics Company
SCORE		
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Government agencies		
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Mrs. Mónica Grand	Director of Department of Formalization	Ministry of Mines
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Mr. Nguyen Le Nhat Thanh	Bureau for Employers' Activities	VCCI HCM
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Ms. Tran Thi Ngoc Hieu	Deputy Office Manager	HAWA HCM
Mr. Vo Van Vinh	Sales Supervisor	Nam Son Laser Tech Company
Mr. Nguyen Tan Phat	Vice Director	Hoang Vy Mechanical Co. Ltd.
Ms. Truong Thi Thu Tram	Production Director	Minh Man printing Co. Ltd.
Mr. Tran Ba Nguyen	Deputy Director General	SADACO Company
Decentralized trade support services for SMEs		
Ms. Nguyen Thi Minh Thuy	Deputy National Program Director	Vietrade, MOIT
Ms. Nguyen Thi Anh Hong	Vice Chairwoman	Vietnam Tea Association
Mr. Tran Nguyen Hai	Secretary	Vietnam Tea Association
Ms. Nguyen Thi Thuy	Staff	Hanoi Trade Promotion Center
Regional Biotrade Project Southeast Asia		
Mr. Andrew Wilson	Program Manager	Helvetas
Mr. Pham Van Luong	Country Director	Helvetas
Mr. Cuong Vien	Vietnam Country Program Manager	Helvetas
Mr. Nguyen Dinh Tuan	M&E staff	Helvetas
Mr. Pham Minh Duc	Vice President	Vietnam Organic Agriculture Association

Ms. Nguyen Lam Giang	Director	Center for Rural Economy Development
Mr. Tran Dy Ngu	Founder	Hiep Thanh Company
Mr. Tran Van Phu	Director	Duc Phu Company
Ms. Giap Thi Hoai Thanh	Secretary	Duc Phu Company
Mr. Tran Van Hieu	Director	DANCE Company
Mr. Le Van San	Deputy Director	Nam Duoc company
Government agencies		
Mr. Tran Van Cong	Deputy Director	AgroTrade, Ministry of Agriculture and Rural Development
Mr. Ta Quang Kien	Deputy Director	AgroTrade, Ministry of Agriculture and Rural Development
Mr. Doan Manh Cuong	Staff	AgroTrade, Ministry of Agriculture and Rural Development
Mr. Tran Huy Hoan	Staff, Planning Department	Ministry of Industry and Trade
Mr. Lang	Staff, Department of EU markets	Ministry of Industry and Trade
Ms. Cuc Nguyen	Manager of ABS project	Biodiversity conservation agency
Development organizations		
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Mr. Jasper Abramowski	Director	GIZ Vietnam
Mr. Tim McGrath	M&E Specialist	GIZ Vietnam
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Mr. Justin Baguley	Counselor, Economic & Development Cooperation	Australian Embassy
Mr. Michael Trueblood	Director, Office of economic growth and governance (EG ²)	USAID Vietnam
Independent experts		
Mr. Thomas Finkel	Independent expert	Como Consult GmbH
Mr. Tran Nam Binh	Independent expert	
Mr. Vo Tri Thanh	Deputy director	Ministry of Planning and Investment
Mr. Mai The Cuong	Lecturer (Department of International Business)	National Economic University
Kyrgyzstan		
Organic cotton project		
Damira Raeva	Deputy country director	Helvetas
G-TEX project		
Indira Kadyrkanova	National Programme Manager	ITC
Global case studies		
SIPPO		
Mrs. Rita Stupf	Program Director	SIPPO
Mrs. Fabienne-Alexia Müller	Deputy Program Director	SIPPO
Ms. Tran Nhu Trang	Vietnam Country Manager	SIPPO
Mr. Rafael Suarez	Colombia Country Manager	SIPPO

Corporate Sustainability and Reporting for Competitive Business		
Mr. Bastiaan van de Loo	Head of Sustainability Programs Management	Global Reporting Initiative
Mrs. Jimena Samper	Senior Manager Latin-America	Global Reporting Initiative
Transparency and Innovation of Sustainability Standards		
Joseph Wozniak	Manager of T4SD	ITC
Norma Tregurtha	Director of Policy and Outreach	ISEAL Alliance

O. Evaluation Design Matrix

Key evaluation question	Data collection approach	Data sources	Data analysis method
Relevance			
<p><i>To what extent are the objectives of WEHU's competitiveness & market access interventions (still) aligned to and relevant for:</i></p> <ul style="list-style-type: none"> – the beneficiaries' requirements; – partner country development priorities; – the Swiss Message on International Cooperation 2017 – 2020; – the SDGs 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)? <p><i>How have WEHU's interventions been harmonized/ complementary with similar initiatives of other donors for potential synergies?</i></p>	Document review	<ul style="list-style-type: none"> – National and sectoral development plans and strategies of the case study countries – Project documentation: <ul style="list-style-type: none"> – Credit proposals (including logical framework) – Ongoing projects: latest monitoring reports – Closed projects: project completion / evaluation reports – WEHU's strategy documents and policy papers (e.g. SECO's Approach to Partnering with the Private Sector) – Dispatch on International Cooperation 2017 – 2020 – SECO evaluations (e.g. Aid for Trade, Report on Effectiveness in the Field of Employment) – (Meta-)evaluations from other institutions 	Inductive and deductive analysis Comparative analysis
	Key informant interviews	<ul style="list-style-type: none"> – WEHU's project-level partner organizations in the case study countries and of the global initiatives – Projects' consultants (local and international, e.g. Helvetas) – Ministry of Economy and Trade in the case study countries – Regional governments representatives in the case study countries (when relevant) – Business associations – Development organizations (e.g. World Bank, GIZ, ADB, DFID, DCED and CBI) – Independent experts (academia, consultants, NGO's, etc.) – Swiss Embassies / Swiss Cooperation Offices (SCO) in case study countries – WEHU management and staff in Bern 	
	Meta-analysis	<ul style="list-style-type: none"> – Evaluation and completion reports of the portfolio under evaluation 	
	Online survey	<ul style="list-style-type: none"> – WEHU's local implementation partners and direct counterparts of the country projects under evaluation 	

Key evaluation question	Data collection approach	Data sources	Data analysis method
Effectiveness and impact			
<p><i>How well have the projects contributed to the overall objective of increasing participation of actors in the partner countries (e.g. SME's) in international value chains, the improvement of living conditions of target beneficiaries and the increase in productivity?</i></p> <p><i>Do WEHU's activities on competitiveness and market access contribute to achievement of SDG 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production)?</i></p> <p><i>Have there been unintended positive or negative effects (on the local economy) through SECO's interventions?</i></p> <p><i>Does the WEHU's Theory of Change hold up in practice and how can it be enhanced?</i></p> <p><i>In what way has the private sector been involved in attaining the development objectives and/or leveraging SECO WE's approach?</i></p> <p><i>To what extent are and can synergies be exploited between WEHU's global and country programs, between WEHU's and WEIF's work and between SECO and SDC?</i></p>	Document review	<ul style="list-style-type: none"> – Project documentation: – Credit proposals (including logical framework) – Ongoing projects: latest monitoring reports – Closed projects: project completion / evaluation reports 	<p>Reconstruct the Theory of Change Contribution Analysis Inductive and deductive analysis</p>
	Quantitative data collection	<ul style="list-style-type: none"> – Project monitoring, evaluation & completion reports – Project partner organizations (case studies only) – National statistical bureaus (case studies only) – Statistics from international organizations (e.g. UN Comtrade, UNCTAD, UNIDO, World Bank) (case studies only) 	
	Key informant interviews	<ul style="list-style-type: none"> – WEHU's project-level partner in case studies – Projects' consultants (e.g. Swisscontact or local experts) – Ministry of Economy and Trade in the case study countries – Regional governments in the case study countries – Business associations – Development organizations (see under relevance) – Independent experts (academia, consultants, NGO's, etc.) – Swiss Embassies / SCOs in case study countries – WEHU management and staff in Bern 	
	Meta-analysis	<ul style="list-style-type: none"> – Evaluation and completion reports of the portfolio under evaluation 	
	Online survey	<ul style="list-style-type: none"> – WEHU's local implementation partners and direct counterparts of the country projects under evaluation 	
Efficiency			
<p><i>Have the implementation modalities (including synergies between WE instruments) and WEHU's partnerships for bilateral as well as multilateral activities proven efficient in terms of cost and time to reach the objectives?</i></p> <p><i>Has the steering, monitoring and management of activities by the team been appropriate in order to allow smooth implementation of the activities and what are the reasons for it? What are important success factors?</i></p>	Document review	<ul style="list-style-type: none"> – Project documentation: – Credit proposals (including logical framework) – Ongoing projects: latest monitoring reports – Closed projects: project completion / evaluation reports 	<p>Inductive and deductive analysis</p>
	Key informant interviews	<ul style="list-style-type: none"> – Swiss Embassies / SCO in case study countries – WEHU management and staff in Bern 	
	Meta-analysis	<ul style="list-style-type: none"> – Evaluation and completion reports of the portfolio under evaluation 	

Key evaluation question	Data collection approach	Data sources	Data analysis method
Sustainability			
<p><i>To what extent do the benefits of WEHU's interventions in the field of trade and competitiveness continue or are likely to continue after donor funding has ended or will be withdrawn?</i></p> <p><i>What were the major factors which influenced the achievement or non-achievement of sustainability of WEHU's interventions?</i></p>	Document review	<ul style="list-style-type: none"> – Project documentation: – Credit proposals (including logical framework) – Ongoing projects: latest monitoring reports – Closed projects: project completion / evaluation reports – (Meta-)evaluations from other institutions 	<p>Inductive and deductive analysis</p> <p>Comparative analysis</p>
	Quantitative data collection	<ul style="list-style-type: none"> – Project monitoring, evaluation & completion reports – Project partner organizations (case studies only) – National statistical bureaus (case studies only) – Statistics from international organizations (e.g. UN Comtrade, UNCTAD, UNIDO, World Bank) (case studies only) 	
	Key informant interviews	<ul style="list-style-type: none"> – WEHU's partner organizations in the case studies – Projects' consultants (local and international, e.g. Helvetas) – Ministry of Economy and Trade in the case study countries – Regional governments in the case study countries – Business associations – Development organizations (see under relevance) – Independent experts (academia, consultants, NGO's, etc.) – Swiss Embassies / SCOs in case study countries – WEHU management and staff in Bern 	
	Meta-analysis	<ul style="list-style-type: none"> – Evaluation and completion reports of the portfolio under evaluation 	
	Online survey	<ul style="list-style-type: none"> – WEHU's local implementation partners and direct counterparts of the country projects under evaluation 	
Lessons learned and recommendations			
<p><i>Is WEHU doing the right thing, in the right way, and with the expected results? Is WEHU's work sufficiently focused? Are WEHU's sector choices and positioning in the value-chain appropriate?</i></p> <p><i>Is WEHU's work equally valid in countries at different development levels?</i></p> <p><i>What are 'good practices', 'success factors', and 'selection criteria for WEHU's partner structure'. Which are the most promising project designs (in terms of effectiveness and sustainability) in SME-competitiveness & market access projects?</i></p> <p><i>What is the potential of programmatic approaches (when public and private sector stakeholders are involved, also on related fields e.g. ensuring the adequate budget priorities and with regard to future challenges such as digitalization) to strengthen the impact of interventions and why is this so?</i></p>			<p>Inductive and deductive analysis</p> <p>Comparative analysis</p> <p>Based on all data collected</p>

P. Sustainable Development Goals

This appendix lists the main targets of the SDGs 1 (no poverty), 8 (decent work and economic growth) and 12 (responsible consumption and production).

Source: <https://sustainabledevelopment.un.org/sdgs>

SDG 1 No Poverty

1.1

By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day

1.2

By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

1.3

Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

1.4

By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

1.5

By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

1.A

Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions

1.B

Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions

SDG 8 decent work and economic growth

8.1

Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per

cent gross domestic product growth per annum in the least developed countries

8.2

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

8.4

Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead

8.5

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.6

By 2020, substantially reduce the proportion of youth not in employment, education or training

8.7

Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms

8.8

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

8.9

By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products
Number of jobs in tourism industries as a proportion of total jobs and growth rate of jobs, by sex

8.10

Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

8.A

Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-

Related Technical Assistance to Least Developed Countries

8.B

By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization

SDG 12 responsible consumption and production

12.1

Implement the 10-year framework of programmes on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries

12.2

By 2030, achieve the sustainable management and efficient use of natural resources

12.3

By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

12.4

By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6

Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

12.7

Promote public procurement practices that are sustainable, in accordance with national policies and priorities

12.8

By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

12.A

Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production

12.B

Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products

12.C

Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities

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Management Response

to the SECO Independent Thematic Evaluation on 'Greater International Competitiveness of SMEs and Facilitated Market Access'

conducted by JaLogisch Consulting GmbH, Graz, and Ecorys, Rotterdam

15 May 2019

1. Introduction

An essential part of the Economic Cooperation and Development Division's (WE) evaluation policy is to ensure an impartial assessment of its interventions. Independent thematic evaluations are therefore regularly conducted on WE's priority themes for accountability, as well as learning purposes. As part of this policy, an independent evaluation was mandated to analyse SECO's interventions in the area of competitiveness and market access.

The evaluation covers SECO's business line 'Greater International Competitiveness of SMEs and Facilitated Market Access'. This is one of three business lines of SECO contributing to the target outcome 'Enhanced Trade and Competitiveness'. The other two business lines support partner countries in establishing 'Favorable Framework Conditions for Sustainable Trade' and in creating an 'Efficient Business Environment'. The interlinkages between the three business lines, where part of the synergies between programs take place, have not been subject to the evaluation.

The company JaLogisch Consulting GmbH, Graz, was awarded the contract for this evaluation. The company teamed up with Ecorys, Rotterdam, and local consultants for the field visits in Vietnam and Colombia. The experts conducted the evaluation according to the OECD DAC evaluation criteria and elaborated corresponding recommendations based on their findings.

The methodology and process were defined in SECO's approach paper for the independent evaluation. The consultants applied a mixed method approach to data collection and analysis, and triangulated findings across data sources, data methods and evaluators. This included literature review as well as interviews with SECO staff, program beneficiaries and other stakeholders. In addition, a comprehensive survey was conducted among different stakeholder groups. The evaluators also analysed four case studies (on Colombia, Kyrgyzstan and Vietnam, as well as on three global SECO programs), and conducted two field visits to Colombia and Vietnam. Before providing the recommendations and finalizing the report, the evaluators led a full day capitalization workshop with SECO's 'Trade Promotion' and 'Quality and Resources' teams for triangulation and learning.

2. Overall Statement

The evaluation concludes that **SECO scores 'satisfactory' on all four OECD-DAC evaluation criteria: relevance, effectiveness, efficiency and sustainability. A 'satisfactory' rating is equal to 'good' on a scale of 4.**

The evaluators underline that SECO's interventions are largely aligned to the macro-economic challenges and policy priorities of the recipient countries, and fully aligned with the Swiss Dispatch on International Cooperation 2017-2020. Moreover, SECO positively contributed to the integration of producers and SMEs into global value chains such as cocoa, cotton, gold, textiles and natural ingredients. SECO's sector choice is informed by the development needs of the recipient country and Switzerland's economic and political interests, as well as comparative advantages of the Swiss economic cooperation.

The sustainability of results looks promising (most programs of the evaluated portfolio are ongoing). This because the underlying economics of SECO interventions are sound, the producers and SMEs are engaged and have a stake in their success. By establishing direct linkages between producers / SMEs and international buyers, they can sell their products and know that upfront investments are worthwhile. Consequently, they are intrinsically motivated to continue their international business. Sustainability ultimately also depends on favorable macro-economic and market conditions as well as on government buy-in and participation.

According to the evaluators, SECO is well positioned to work in different sectors, although they note that its current breadth hinders it from building up specific value chain expertise and metrics for usage across different programs. In several sectors, like e.g. cacao, gold, and tourism, abundant expertise is available in the Swiss private and public sector, providing a comparative advantage for Switzerland. In addition, the evaluators conclude that WEHU is right to target different stages within value chains.

The evaluation differentiates among lower and higher middle-income countries (MIC), and low-income countries (LIC). It underscores that SECO instruments are equally relevant and effective in both, a LIC and MIC environment. However, the evaluators noted that it is difficult to draw firm conclusions on the basis of a limited number of observations.

Position of SECO

SECO considers this evaluation a very positive example of how accountability and learning purposes can be combined in an evaluation exercise. In particular the Capitalization Workshop conducted with the whole team provided an excellent opportunity to discuss the main findings of the evaluation and identify bottom-up the main areas for further work.

SECO agrees with the overall statement of the evaluation. However, for some specific points SECO's position diverges from the evaluators' and the reasons are specified below:

- We are very pleased to see that various **instruments and approaches put in place by SECO over the past years are yielding the expected results**. Based on the above analysis, the evaluation confirms that SECO's business line 'Greater International Competitiveness of SMEs and Facilitated Market Access' is well aligned with the Swiss Dispatch on International Cooperation 2017-20 and with partner countries development priorities.
- WEHU's **storyline is coherent and relevant, and the program portfolio is well positioned** to contribute to SECO's strategic target outcome 'Enhanced Trade and Competitiveness' in the current as well as in the future Dispatch. In addition, the portfolio adequately considers Swiss economic and political interests.
- The evaluators consider the trade volumes covered by SECO interventions as small. This ignores, on one hand, the relative size of the Swiss market and, on the other hand, the fact that SECO has purposely designed **trade programs targeting often a specific market segment**. This has been a conscious choice to enhance the impact in terms of sustainability in a specific sector and to address further development objectives (e.g. gender considerations or regional disparities, see SECO position under 'effectiveness').
- We believe the evaluators took a too narrow stance when suggesting SECO to build up internally specific 'value chain expertise'. SECO needs certainly to have generic value chain expertise for selected sectors where operations reach a certain volume. However, when it comes to more specific expertise (at sub-sector or even product level) SECO

considers more appropriate to mobilize the expertise from the private sector, civil society or implementing partners for ensuring better results and impact.

Overall, we agree that there is room for further improvement, as rightly pointed out by the evaluators. We have already started to put in practice some of the lessons learned from this evaluation exercise (see recommendations).

3. Main Findings

The evaluation covered 22 bilateral/multi-country programs and 3 global programs. The evaluators could not conduct an in-depth review of all 25 programs. Consequently, the evaluation only draws conclusions at the portfolio level and does not pass judgement on individual programs.

According to the evaluators, SECO is well-regarded internationally. The evaluators quote one key informant putting it: "SECO's staff are 'smart, pleasant, cooperative, respectful and professional'. Moreover, SECO is considered to take an open-minded and clear-eyed view on its programs, is willing and able to adapt the program content or processes if the results, the development context or new knowledge requires it.

Below we provide the main findings as presented in the report and SECO's position to these findings. We would like at this stage to underline that, while SECO largely agrees with the findings of the evaluation, we do not agree with all the recommendations provided by the evaluators. SECO's stance on the specific recommendations and, where relevant, the reasons for disagreement are specified in Annex 1.

Relevance

SECO programs score 'satisfactory' on the relevance criterion (intervention suited to the priorities & policies of the recipient and donor). The evaluators state that SECO's business line 'Greater International Competitiveness of SMEs and Facilitated Market Access' is:

- Mostly aligned with the priorities and policies of the beneficiaries (individuals, groups, or organizations that benefit, directly or indirectly, from the development intervention). The evaluations distinguishes three types of beneficiaries: (i) producers / SMEs ; (ii) business support organizations; and (iii) government agencies;
- Fully aligned with the macro-economic challenges (i.e. productivity growth); and mostly aligned with the recipient governments' policy priorities, in the sense that the recipient governments have formal and budgeted policies in place and spend political capital on addressing the challenges at hand;
- Fully aligned with Swiss Dispatch on International Cooperation 2017-2020 in terms of objectives, approach and sector coverage;
- Harmonized with other development agencies in joint programs, but otherwise mostly stand-alone programs as few development organizations are active in value-chain interventions or target different sectors.

Position of SECO

SECO agrees with these findings. The evaluators confirm that SECO's interventions are well aligned with partner country development priorities; the beneficiaries' priorities; the Swiss Dispatch on International Cooperation 2017-20; and are complementary to the work of other donors. Especially for the alignment with beneficiaries, the evaluation delivers a useful framework, e.g. for further optimizing the selection (and phasing out) of relevant business support organizations. The strong coordination with other donors confirms that the evaluated portfolio operates largely in complementary value chains/sectors. This applies in particular with regard to the complementarities with the Swiss Development Agency.

Moreover, it is worth underlying that, on an individual program level, 65% of SECO's program evaluations are rated 'highly satisfactory'.

Effectiveness

On the effectiveness criterion (attaining program-level outcome objectives), SECO scores 'satisfactory'. The evaluation assessed SECO's development results, reflected on WEHU's theory of change, and reached the following conclusions:

- SECO positively contributed to enhanced trade by fostering the participation of producers and SMEs in global value chains in cocoa, cotton, gold, textiles and natural ingredients. At the same time, the evaluators note that due to missing data the size of increased trade is not clear for all programs;
- There are some indications that WEHU contributed to improved income and better living conditions for producers and SME business owners. External literature suggests that socio-economic impacts are generally small and dependent on the structural characteristics of a country and the economic context;
- SECO's own data for the evaluated portfolio, not verified by the evaluation, suggests 5851 jobs in 2016 and 6475 jobs in 2017 were retained or created with the contribution of (in large part three programs of) WEHU;
- The evaluation uncovered no negative unintended impacts in the recipient countries. One program reported positive unintended environmental impacts;
- The portfolio to some extent contributed to the attainment of several targets under the SDGs 1, 8 and 12;
- As for SECO's theory of change, the evaluators conclude it holds up in practice at least in terms of enhancing the competitiveness and trade of producers and SMEs. Swiss political interests and know-how influence the selection of development interventions;
- The private sector is central to most (if not all) WEHU interventions and pivotal to attain WEHU's development objectives;
- The exploitation of synergies is easier said than done. The evaluators found few examples for synergies because countries and program contexts are often too different for synergies to exist.

Position of SECO

SECO agrees with these findings. We are pleased that the evaluation underscores that establishing direct linkages between producers / SMEs and international buyers is recognized as a key success factor and that SECO's interventions contribute through these purposeful linkages to more sustainable production of goods and services. As pointed out by the evaluation, the cooperation with the private sector is at the centre of SECO's approach and for many years has been a centrepiece of SECO's interventions in this business line. SECO recognizes that trade programs target often a specific market segment (i.e. organic cotton, not the full cotton sector, artisanal and small-scale mining, not the gold sector in general, speciality cocoa, etc.). This has been a conscious strategic choice resulting from the consideration of several criteria (i.e. vulnerability, sustainability, inclusion, etc.), while acknowledging that the trade potential in such a niche may be more limited. Nonetheless, SECO agrees with the evaluators that further embedding systemic change mechanisms in program designs, scaling-up and engaging more in policy dialogues could increase the prospects for leveraging impact (see also recommendation 1).

Efficiency

SECO programs score 'satisfactory' on the efficiency criterion (outputs – qualitative and quantitative – in relation to the inputs). On the efficiency criterion, the evaluators conclude:

- The metrics fail to assess the cost-effectiveness of SECO's programs and portfolio. Results-management frameworks, as epitomized by the logframes, could be simplified and used better, more purposefully and conscientiously;
- The generic implementation model is lean with a clear governance structure and division of labour between WEHU, the Swiss Cooperation Office and the implementing agencies;
- The professionalism, competence and flexibility of WEHU and its implementation partners secure an efficient implementation of the programs.

Position of SECO

SECO agrees with these findings. A solid metric for better measuring efficiency but also envisaged outcomes remains important for accountability towards parliament, for steering, for ensuring a professional program cycle management (only what gets measured gets done) and for learning. SECO is determined to further strengthen its measurement of results. Nevertheless, it is important to acknowledge that in many cases the wider community of development partners is struggling to find the adequate metrics for measuring development impact. Indeed, SECO typically aligns its metrics to those currently used by other donor partners and multilateral agencies working in similar topics. Moreover, part of the interventions are jointly implemented with international organizations using their metrics. Therefore, we believe that further joint analytical efforts are required to improve data. We also agree that improvements in the existing framework can be done by requiring from implementing agencies more analytical (instead of descriptive) progress and evaluation reports and simplifying the results-management frameworks (see recommendation 4).

Sustainability

SECO programs score satisfactory on 'sustainability' (continuation of the realized outcomes and impacts). The evaluators underscore that:

- The few programs in the portfolio scoring (highly) unsatisfactory on the sustainability criteria do this mostly because the institutional framework at country level fails to make these programs effective, let alone sustainable;
- Where SECO successfully contributed to the integration of producers and SMEs into global value chains, the sustainability is or looks very promising as the economics make sense, direct commercial relations with international buyers have been established, the producers and SMEs invested in their success and are intrinsically motivated to continue their international business;
- Sustainability ultimately also depends on favorable macro-economic and market conditions as well as, for some programs, on continued political ownership of the program objectives;
- SECO is not only interested in the sustainability of benefits; it also seeks a sustainability of efforts and ideally to provoke systemic change. Its indirect approach can work but only with business support organizations which have the political mandate, the financial incentive and the capacity to provide value chain development and export promotion services to producers and SMEs and have the knowledge about the capacity they need to develop to deliver such services.

Position of SECO

SECO agrees with these findings. It is a reality on the ground that limitations in the institutional framework exist and the capitalization of efforts to induce systemic change need time and the appropriate framework conditions. A key element to achieve sustainable results is the selective choice of beneficiaries. On this point we agree with the evaluators that more selectivity is required, where a choice exists (see recommendation 3). However, often the choice of partners is limited and a long-term engagement over a multi-phased intervention may be still warranted to develop institutional capacities in a relevant sector. We share the opinion of the evaluators that, though the indirect approach of working through business

support organizations remains pivotal, it is not sufficient. A balanced approach, encompassing producers / SMEs, business support organizations, and government agencies, adapted to the specific context (concerned sector, status of institutional capacities, complementarity to other interventions, etc.) is required. SECO has started more recently to move in this direction.

The evaluators formulate five specific recommendations stemming from these findings. These recommendations and SECO's management response are outlined in Annex 1.



Ivo Germann

Head of Operations



Raymund Furrer

Head of Economic Cooperation
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Annex 1: Specific Recommendations and Management Response

RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPON- SIBILITY	TIMING	PRIO- RITY
<p>1. To support a selected number of international value chains and take an (even) more comprehensive and programmatic approach to the integration of producers and SMEs into these international value chains. Meaning:</p> <p>a) To concentrate WEHU's resources and portfolio under this business line on supporting a select number of global and/or regional value chains in sectors where Switzerland has a comparative advantage.</p> <p>b) To target in each country of intervention, simultaneously, the most pertinent impediments to integrating producers and SMEs into the respective global value chain; irrespective at which stage (upstream, downstream) or level (macro, meso, micro) the impediments sit.</p> <p>c) To replicate the programmatic approach of Colombia+Competitiva in other countries whereby the interventions at the macro, meso and micro level are even more aligned and complementary to each other.</p>	<p>SECO partially agrees with this recommendation.</p> <p>Since the previous dispatch 2014-17, WEHU started consolidating both, the number of value chains and the geographic scope, including for the business line 'Greater International Competitiveness of SMEs'. As a result, WEHU has concentrated its resources and portfolio, as suggested in a). This becomes evident when looking at the portfolio developed after the cut-off date of the evaluation. For instance, in the area of standards several bilateral initiatives have been grouped into one large global program. Another example is SIPPO's concentration from 16 to 11 countries and from 10 to 6 sectors. This consolidation process allowed SECO to further align its portfolio with its foreign economic strategy, to sharpen Swiss comparative advantages at sector, (e.g. commodities, tourism) and thematic level (e.g. sustainability, climate and governance), and to better address development needs of partner countries. SECO is determined to continue this process in the future. To this end adequate internal instruments shall be developed (e.g. orientation paper).</p> <p>SECO agrees that a more comprehensive approach (up- and downstream and including different levels) is often required, and repeated assessments are key to learn from experiences, as suggested under b). Such approaches have been developed in various countries where appropriate conditions exist, in some cases encompassing a full sector (such as Vietnam and Indonesia for the tourism sector). However, it is important to keep in mind that in many cases macro and meso level issues tend to be addressed through specific interventions outside the evaluated business line, because they typically belong to framework conditions.</p> <p>SECO also agrees that programmatic approaches like in Colombia can be replicated, as suggested under c). Indeed, similar approaches have been recently</p>	<p>WEHU / WEQA</p> <p>WEHU for strategic development and steering of program portfolio</p> <p>WEHU in cooperation with WEQA for quality control of program design (including logframe and theory of change)</p>	<p>Ongoing</p> <p>Q2 2020</p>	<p>1</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPON-SIBILITY	TIMING	PRIO-RITY
	developed in Peru and Ghana. However, such programmatic approaches require appropriate conditions, which cannot be found in all SECO countries.			
2. To continue mobilizing large national, international and Swiss companies into WEHU global and regional value chain interventions.	<p>SECO agrees with this recommendation.</p> <p>SECO agrees that the private sector is pivotal to all SECO interventions and to achieve the development objectives set by Switzerland. By linking producers, SMEs and international buyers SECO can effectively enhance the trade and competitiveness of its partner countries. This strategy has been at the center of SECO's interventions under this business line for several years and should be continued in the future. Moreover, SECO has started to support multi-stakeholder platforms in commodities and sectors where Switzerland has a strategic interest (e.g. cacao, gold, tourism). In order to further expand this approach, a clear support from parliament (through endorsement of the future dispatch) and continued leadership from SECO as part of the foreign economic strategy will be required.</p> <p>Nonetheless, SECO is aware of the challenges of working with the private sector, in particular those related to reputational risks (see SECO's orientation paper on this topic). Indeed, international large companies are particularly exposed to critics from civil society. A collaboration with these companies is thus under closer scrutiny and may be even perceived as a 'private sector subsidy'. Therefore, the case for SECO's intervention (e.g. to address market failure, additionality, subsidiarity, public good dimension) needs in all interventions to be very clear.</p>	WEOP & WEPO to emphasize this strategic dimension in next dispatch	Ongoing Q2 2019	2
3. To critically select and monitor SECO's 'boundary partners' in-country on their interest, incentive and the capacity to help integrate local producers and SMEs into the selected global value chain(s).	SECO agrees with the main trust recommendation, namely the need for selectivity and adequate monitoring. SECO, however, prefers to talk about stakeholders understanding by this individuals, groups, or organizations that either	WEHU Capacity development refresher for WEHU, in	Ongoing Q3/4 2019	2

RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPONSIBILITY	TIMING	PRIORITY
<p>Meaning: boundary partners are 'individuals, groups and organizations with whom the program interacts directly and with whom the program anticipates opportunities to affect change (Earl, Carden and Smutylo 2001).</p>	<p>benefit directly or indirectly from the development intervention, play an active role in program implementation, or have a stake in the program.</p> <p>This recommendation touches two levels: It can apply to the selection of implementing agencies, as to the selection of 'boundary partners' by implementing agencies in SECO programs.</p> <p>Regarding the first level, SECO works with NGOs, multinational, local government, and private sector implementing agencies, and has already started applying more strict selection criteria. Implementation agencies are typically selected through public procurement and based on relevant project criteria. Among others, SECO takes into account various suitability and award criteria for selecting partners, including country knowledge, local expertise or the capacity to integrate local producers. This elements have in our view helped to increase the selectivity of implementing agencies.</p> <p>As for the selection and monitoring of partners by implementing agencies, different mechanisms allow to fine-tune partner choices prior to embarking in the program implementation, such as program inception phases or partner's assessments. Moreover, in some programs adaptive program management is being used by program managers. The evaluation mentions that partners need – among other – sufficient capacities to be able to play their part in affecting change. In practice, this is often the reason why technical assistance is requested by partner countries. Where potential for development and ownership exists, SECO clearly needs to reserve sufficient resources and time for analysing, selecting and monitoring its partners. This may, of course, extend substantially the project preparation time. We thus recognize that perhaps more flexibility and openness is required regarding the specific selection of partners, at the time where projects are approved in SECO's operations committee.</p>	<p>collaboration with WEQA</p>		

RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPONSIBILITY	TIMING	PRIORITY
<p>4. To better articulate SECO's ambition and improve WEHU's accountability reporting, program steering and learning. Meaning:</p> <p>a) To clearly state in unequivocal terms what WEHU's ambition is under this business line (e.g. transformational change of how a sector operates or improved livelihoods of as many poor as possible)</p> <p>b) To simplify and improve WEHU's results management by selecting, per program, one outcome- and one impact-level indicators on which credible quantitative data can be collected throughout the program duration and in an ex-post evaluation.</p> <p>c) To adopt a theory of Change based approach to progress reporting and evaluation.</p>	<p>SECO partially agrees with this recommendation.</p> <p>Improving the accountability reporting is a cross-organisational issue, touching most if not all operative SECO sections, including WEHU.</p> <p>SECO is strongly committed to improve accountability across its entire organization. SECO thus agrees that metrics matter for measuring achieved results and that current metrics can be better defined and used to inform objectives, as stated in a). Moreover, SECO should continue applying a realistic ambition level when setting objectives.</p> <p>Sharpening objectives goes in line with reducing and simplifying indicators, as recommended under b). While SECO is currently committed to reviewing and consolidating the set of standard indicators for the next Dispatch (used for accountability purpose), it does not consider pertinent to limit itself to only one outcome- and one impact-level indicators per program. Furthermore, we believe it is important to pick additional indicators, also for facilitating program steering. In addition, SECO agrees to conduct, on an ad-hoc basis, comparative assessments between programs to analyse and complement available monitoring data and establish comparative benchmarking to encourage learning and best practice.</p> <p>Currently, SECO result measurement relies on logframes and SECO only applies theories of change on a case-by-case basis. Under this business line SECO is open to continue applying the theory of change approach, where appropriate. At a broader level, SECO will review and optimise the currently applied metrics in the course of preparing the next dispatch 2021-24, taking into consideration the issues raised in this recommendation, but also other independent evaluations.</p>	<p>WEHU with support of WEQA to select adequate metrics for programs</p> <p>WEQA in collaboration with operational sections to develop a M & E Framework for the next dispatch</p> <p>WEQA for theory of change training</p>	<p>Ongoing</p> <p>Q2 2019</p>	<p>1</p>
<p>5. To not push artificially for synergies between programs, but where they occur to design the synergies between</p>	<p>SECO agrees with this recommendation.</p>	<p>WEHU with WEIF</p>	<p>Ongoing</p>	<p>3</p>

RECOMMENDATIONS	MANAGEMENT RESPONSE	RESPON-SIBILITY	TIMING	PRIO-RITY
<p>programs and with WEIF into the re-spective programs and earmark funds for exploiting these synergies. Meaning/reason:</p> <p>a) Synergies are difficult to exploit; they have to be clear and significant to make it worthwhile to spend time and energy on exploiting them.</p> <p>b) Both programs need an incentive to exploit the synergy (even when designed into the program). This is best explained with a concrete example. SIPPO, either old or new style, offers economies of specialization to individual value chain interventions. SIPPO and individual value chain interventions will only exploit these synergies if (i) it contributes to the outcome and impact goals of both programs; and (ii) there are dedicated budgetary resources available. If either condition is not present, the synergies will not be exploited.</p> <p>c) We identified one example of possibly effective collaboration with WEIF (Colombia+Competitiva). There are likely to be more opportunities for cooperation (especially if recommendation 1 is followed)</p>	<p>We endorse this recommendation, which underlines the need to be pragmatic as well as realistic in terms of specific program goals. We however think that actual synergies do exist, in particular between interventions from different business lines, but were not analysed by the evaluation because of its specific scope.</p> <p>Regarding synergies between WEHU projects, we agree with the evaluators that synergies have to be designed from the outset and adequate resources need to be foreseen, in order to exploit them. Indeed, we concur that synergies typically materialize when the objectives of various interventions are aligned and resources available. Moreover, we believe that the main responsibility for identifying ex-ante potential synergies is on the ground and country offices can play a key role when projects are being developed. This is especially true for synergies with programs of the Swiss Agency for Development and Cooperation SDC in countries where SECO intervenes complementary to SDC. We think that the upcoming country strategy process for the new Dispatch will provide a window of opportunity to identify opportunities for synergies. We are also determined to better clarify the understanding of synergies within the team.</p> <p>With regard to opportunities for collaboration with WEIF, we believe that some of the recently approved projects, like in Peru (Secompetitivo) and Ghana (Competitiveness Program), prove the willingness to establish cooperative arrangements like the one applied in Colombia+Competitiva. Here again, country offices will play an important role in identifying new opportunities during the implementation of the next dispatch.</p>	<p>and country offices in Ghana, Colombia and Peru (eventually coordinating with WELG, for future country strategies)</p>	<p>Q2 2019 (especially on the occasion of new country strategies)</p>	

Position of the External Committee on Evaluation
on the
Independent Thematic Evaluation:
Greater International Competitiveness of SMEs and Facilitated Market Access
and
SECO/WE Management Response

1. Members of the External Committee on Evaluation (the Committee) discussed on 24 June 2019 the Public Report by JaLogisch Consulting / Ecorys “Independent Thematic Evaluation: Greater International Competitiveness of SMEs and Facilitated Market Access ” dated 31 March 2019 (the Report) as well as the Response by SECO-WE’s Management to its main findings and recommendations (the Management Response).
2. The objective of the Report was to perform a thematic assessment of SECO WE’s intervention in the field of SME competitiveness and market access. A portfolio of twenty-two (22) bilateral and multi-country programs and three (3) global programs for a total funding amount of CHF 143 million was included in the evaluation. They aimed to support sectors such as agriculture / commodities, services and manufactured goods, in countries in South America, Africa, Central Asia and East Asia.

The Report provides an analysis that follows the DAC¹ Criteria for Evaluating Development Assistance: Relevance, Effectiveness, Efficiency and Sustainability. The Evaluation team used a mixed method-approach to data collection, which included a project document and external literature review, phone and field-based interviews, an electronic survey, and quantitative data collection. The team also conducted a theory-based evaluation, in the sense that it reconstructed SECO-WE’s theory of change “ex-ante” and proceeded to seek evidence to confirm or adjust this theory throughout the evaluation.

3. The Committee is satisfied with the overall quality of the Report, which is particularly well written and is structured – with numerous sub-titles – in a way that contributes significantly to its readability. The Committee however recognizes that the complexity of the theme will not make it easy to grasp for a wide and diverse target audience, and supports SECO-WE’s decision to publish a summary factsheet alongside the Report. As is relatively common in recent evaluations, the Committee must note that the widely positive evaluation is accompanied by a series of recommendations that remain quite general and therefore rather difficult to use to steer the organizational learning process.
4. The Committee discussed in details the evaluation methodology, in particular the survey conducted with beneficiaries and the theory of change reconstruction. The survey conducted was particularly thorough and involved a substantial amount of work, even though in the end the number of participants to the survey remains low in comparison to the programs’ target population, and the

¹ Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD)

results by definition include some positive bias. Evaluating the programs “ex-ante” against SECO-WE’s theory of change is in the Committee’s view also a useful methodological approach. It would therefore be worthwhile applying both approaches more frequently in the frame of future independent evaluations. Notwithstanding the above, the Committee still recommends that SECO-WE continues to strive to generate baseline data whenever possible.

5. The Committee praised SECO-WE Management for the positive evaluation results. Indeed, the four DAC criteria were assessed as “satisfactory” (i.e. a 3 mark on a scale from 1 to 4, 4 being the best mark). Such an evaluation outcome confirms the strategic direction and operational rigor in this field, which is helpful ahead of the next Dispatch to Parliament.
6. The Committee understands that SECO-WE Management is fully aware of the reputational risks associated with working with large national and international companies in the frame of the programs under evaluation. The evaluation team positively assesses such involvement, which represents an important validation of SECO-WE’s work in the field of SME competitiveness and market access. The Committee’s view is that reputational risks should remain manageable provided private sector partners are carefully reviewed and assessed.
7. The Committee welcomes SECO-WE’s Management Response, which is detailed and exhaustive and generally endorses the Report’s recommendations. As mentioned above, it further notes that the general tone of those recommendations does not bring novel, critical challenge or point of view, but is nevertheless useful for SECO-WE’s Management to continue its internal thought process and refine the strategic thrust of the program portfolio. This is adequately reflected in the Management Response.
8. Looking at the future of SECO-WE activities in the area of SME competitiveness and market access, the Committee believes that the Report provides a strong basis for the continuation of a similar intervention logic in the frame of the forthcoming Dispatch for international cooperation 2021-2024.
9. In conclusion, the Committee recommends disclosure of the Report “Independent Thematic Evaluation: Greater International Competitiveness of SMEs and Facilitated Market Access”, as well as SECO-WE’s Management Response, an explanatory factsheet and the present Position of the External Committee on Evaluation on SECO’s internet website.

The Committee members:

Thomas Meyer (President)

Katharina Michaelowa

Tiana Angelina Moser

Bruno Stöckli

Daniel Thelesklaf (until July 2019)