



Ministry of Foreign Affairs

# Evaluation of CBI Integrated Programmes 2012-2018

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# Evaluation of CBI Integrated Programmes 2012-2018

## Final Report



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**Koninklijk Instituut voor de Tropen**

Rotterdam and Amsterdam, July 2019

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## List of Acronyms

ACA	Africa Coffee Academy
AGEXPORT	<i>Asociación de Exportadores de Guatemala</i> (Exporters Association of Guatemala)
APEN	<i>Asociación de Productores y Exportadores de Nicaragua</i> (Producers and Exporters Association of Nicaragua)
BSO	Business Support Organisation
CBI	<i>Centrum tot Bevordering van de Import uit ontwikkelingslanden</i> (Centre for the Promotion of Imports from Developing Countries)
CSR	Corporate Social Responsibility
COEXPORT	<i>Corporación de Exportadores de El Salvador</i>
COMRURAL	<i>Proyecto de Competitividad Rural</i> (World Bank co-financed rural competitiveness project)
DCCCI	Davao City Chamber of Commerce and Industry
ECP	Export Coaching Project
EEE	Export Enabling Environment
EEESP	Export Enabling Environment Support Project
FIDE	<i>Fundación para la Inversión y Desarrollo de Exportaciones</i> (Foundation for Investment and Export Development)
FPX	<i>Federación de Exportadores</i> (Federation of Exporters)
IHCafé	<i>Instituto Hondureño del Café</i> (Honduran Coffee Institute)
IICA	Inter-American Institute for Agricultural Cooperation
IP	Integrated Programme
MoA	Ministry of Agriculture
Mol	Ministry of Industry
MoT	Ministry of Trade
MoU	Memorandum of Understanding
NUCAFE	National Union of Coffee Agribusinesses and Farm Entreprises
OECD-DAC	Development Assistance Committee of the Organisation for Economic Cooperation and Development
OSSUP	Oilseeds Sub Sector Uganda Platform
PRIME	Pioneering Real-time Impact Monitoring and Evaluation
PUM	<i>Programma Uitzending Managers</i> (The Netherlands Senior Experts programme)
SAG	<i>Secretaría de Agricultura y Ganadería</i> (Ministry of Agriculture and Livestock)
SCAE	Specialty Coffee Association Europe
SEMP	Sector Export Marketing Plan
SIPPO	Swiss Import Promotion Programme
SMEs	Small and Medium-sized Enterprises
ToC	Theory of Change
ToR	Terms of Reference
UCDA	Uganda Coffee Development Authority
UCF	Uganda Coffee Federation
UCFA	Uganda Commercial Farmers Association
UNCTAD	United Nations Conference on Trade and Development
VCA	Value Chain Analysis
Vietrade	Department of Trade Promotion of the Vietnamese Ministry of Trade



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# Executive Summary

## Introduction

This report presents the findings of an external evaluation of three Integrated Programmes (IPs) of the Centre for the Promotion of Imports from Developing Countries (CBI). These IPs started in 2012 and dealt with agro-food products and food ingredients in Central America, East Africa and Southeast Asia.

The evaluation adopted a theory-based approach. It used a Theory of Change that explains how the programmes were expected to contribute to observed results, by defining assumptions about how activities were expected to lead to results. It used contribution analysis to test the assumed causal chain of results to verify whether expected changes happened. The evaluation was based on document review, key informant interviews, three country case studies (in Honduras, Indonesia and Uganda), and an e-survey among programme participants.

## Characteristics of integrated programmes

In principle, CBI's integrated programmes simultaneously target the different (downstream) key actors of the export value chain in a particular sector, i.e. exporters, importers, Business Support Organisations (BSOs) and government authorities/policy makers. They include support to selected individual companies and to BSOs. Support to BSOs aims at improvement of the export enabling environment and is meant to benefit entire sectors. CBI's support to a small selection of companies is discriminatory by character, distorting the level playing field among companies in the sector. The integrated approach could mitigate the discriminatory aspects related to supporting individual companies, because the support to develop the enabling environment should in principle benefit all actors in the sector, not just the ones participating in the programme. This evaluation shows however that in practice this support was particularly focused on marketing of the sector abroad, among others through participation in trade fairs, of which the companies that participate in the programme benefit most.

## Main findings

### Relevance

The criteria applied in the selection of companies were in particular focused on (potential) export performance and not on potential for poverty alleviation. At the national level, the programmes fitted in well with the objectives of the government policies of the three countries to increase the export of non-primary products. The three countries all aimed at stimulating value added creation within the national borders, with a view to generate more income.

There was a focus on sectors with a potential for exporting to Europe. The programmes tried to improve the export enabling environment in collaboration with (sectoral) business support organisations (BSOs). However, the range of agro-food products (or sectors) covered by the IPs in two out of the three evaluated regions was too wide, which limited the possibility to address the main export-related problems in all targeted sectors. The integrated programmes did address the needs of (potential) exporters to improve their knowledge of the EU market and their skills and working practices, to obtain required certifications (but not for all companies) and to meet other requirements (identified in value chain analyses and Business Cases) to enable exports to the EU.

### Efficiency

At the start of the programmes in 2012, the total allocated budget was close to €18 million. However, several budget adjustments were made during the period of implementation of the programmes. As a result, earlier ambitions of the programmes had to be lowered in two of the three regions.

CBI's average expenditure per export competent participant varied between approximately €54 thousand (El Salvador) and €205 thousand (Nicaragua), and was around €100 thousand on average in



the three regional programmes. Another proxy indicator of cost-effectiveness would be to relate the export and employment results to the programme expenditure. However, it is not clear to what extent the observed changes in exports and employment can be attributed to the programmes.

### Effectiveness

The main instruments applied by the integrated programmes were: (1) export coaching programmes; (2) support to BSOs in developing/improving services that help create an environment for SMEs that promotes exports, including advice on branding and promotion activities; (3) advice to government institutions with a view to create an enabling environment for exports; and (4) training of local consultants in support to local companies. However, the programmes implemented in the three regions focused less on instruments 3 and 4 than on the first two instruments.

Most of the output targets set for SMEs were achieved and some of these were exceeded. At the same time, a substantial part of the participants dropped out from the programmes and was not declared export competent. This intermediate outcome of all three programmes was formulated as having “successfully completed the export capacity building module and participated in at least one market entry activity”. The realised output contributed also to other observed intermediate outcomes related to SMEs, such as the number of participating companies with improved CSR practices.

Ultimate outcomes of the programmes were increased exports to Europe and – as of 2015 – employment. Cumulative growth of exports from Central America to Europe was €50 million between 2014 and 2017, which exceeded the target of €19.6 million. In Africa, the target was that, as of 2017, the annual exports to the EU and non-EU were together to be €11.5 million higher than in the base year (2014), while actually observed annual exports were €48 million higher in 2017 than in 2014. In Southeast Asia, exports were €85 million in 2017, compared to €33 million in 2014; the increase exceeded the target set for the programme implementation period. However, it is not clear to what extent observed export revenues can be attributed to the programmes. Analysis of general export data revealed that the export growth to Europe of some programme participants was stronger than export growth in general, but the evidence on the contribution of the CBI programmes to the ultimate outcomes – the certified results on exports and employment – is definitely weaker than that on contribution to the intermediate outcomes. Reported data on direct employment does in particular seem to be unreliable.

### Sustainability

Institutional sustainability of the programmes was limited due to changes in staff of some of the BSOs in the programme and lack of financial support. Nonetheless, some BSOs built their expertise and are expected to be capable to continue to provide trade promotion to (potential) agro-food exporters. In Asia, the Ministries and BSOs learned from the programme, and the Indonesian Ministry of Trade itself set up a training programme for companies inspired by the CBI programme and now runs similar courses based on CBI course material in other parts of the country.

With respect to technical sustainability, the companies that participated in the 2012-2018 programme are now better equipped for exporting their products (to regional/non-EU markets and/or Europe). They gained more knowledge of the EU market and improved skills and working practices and obtained required certifications or are on their way to achieve this. The CBI programmes provided the participants with skills, tools and insights which can be used by the participants to their benefit.

In Africa and Asia, some companies lacked the finance for investments required to achieve certification for exports to Europe. In Central America in particular, companies indicated they were willing to make a financial contribution for the provision of (more) export promotion services.

With respect to environmental and social sustainability, the majority of the participating companies elaborated CSR plans and adopted more environmentally and socially sustainable practices in their business, focusing on the export of biological/organic and/or fair trade products. With companies having acquired (fair trade) certification, it can be expected that they will remain committed to adopting these CSR practices (when they keep exporting to the EU). However, CSR was not a strong

component of all programmes and it is not clear to what degree the programmes contributed to making these changes.

## Main conclusions

1. CBI's support to individual companies was by definition discriminatory, i.e. it was granted to a limited number of companies. It is unclear whether the increased attention to the export enabling environment in the programme resulted in benefits to non-participating companies. In practice, the BSOs were mainly involved as service providers to the selected companies and in the organisation of participation in the trade fairs, limiting the sector-wide impact.
2. There was a potential trade-off between the effectiveness of the programmes in terms of export growth and poverty alleviation, as selected companies tended to be stronger SMEs, in some cases in more well-off parts of the country. There is, at present, no clear evidence on whether or not employment generated by growth among participating SMEs contributed to poverty reduction, as well as whether or not farmers supplying to participating SMEs were from lower income groups and that poverty reduction was therefore achieved among that group of indirect beneficiaries.
3. There was a lack of clear indicators of success at sector level and a clear strategy to strengthen the sectors as a whole. Although Sector Export Marketing Plans were drawn up for some sectors, it is often unclear to what extent they addressed sector issues, to what extent they were implemented and which local partners were responsible for their implementation.
4. Both the efficiency and effectiveness of the programme were negatively affected by the wide range of products covered in two of the three regions.
5. Upstream parts of the value chain were left unattended, which limited the effectiveness of the programme, as for example improved practices were generally not transferred to farmers supplying participating SMEs.
6. Some companies dropped out because they considered Europe's requirements for imports from outside Europe too burdensome. The programmes could not address such non-tariff barriers or only to a limited extent.
7. Companies were generally satisfied with the training and advice provided by CBI. Some companies noted that it lacked attention to the specific characteristics of the products (in particular where a large number and diversity of products was included).
8. The degree to which the programme contributed to CSR practices among participating companies is unclear.
9. The participation of BSOs in the programmes was often complex, partly because the expectations regarding the role of these parties had not always been formulated in detail at the start of the programme. Nor was it always clear in advance to what extent the problems in the value chain that were not tackled within the programmes were addressed by others.
10. The programmes contributed to the achievement of results at the output level, though this is less clear regarding the meso-level activities. It is also credible that the outputs generally contributed to intermediate outcomes such as the number of export-competent SMEs. However, some assumptions underlying the expected links between outputs and intermediate incomes did not prove to be valid in all cases. This relates to the degree to which wider sector issues could be addressed by the programme and by participating BSOs, whether SMEs were able to make the required investments to obtain certification to enter Europe, and whether knowledge and practices could be transferred further upstream in the value chain.
11. The efficiency of the programmes in terms of the average programme cost per competent exporter varied somewhat between the regions and the countries. Only in El Salvador and Honduras there were no national export enabling environment support projects, meaning that the cost of the programmes in these two countries basically concerned the activities of the national Export Coaching Programmes (ECPs); the average programme cost per competent exporter in El Salvador and Honduras were of the same order of magnitude as the average cost of ECPs found in the IOB evaluation of CBI activities in 2005-2012.

## Key recommendations

1. Design programmes in such a way that in principle all companies in a sector can benefit from the support. This could first be done by limiting the number of value chains that are covered by an integrated export promotion programme to at most two, by a greater focus on training of the BSOs (sector organisations or trade promotion organisations), and by stimulating the BSOs to roll out the programme to all companies in the selected sectors. Secondly, ensure that the participating companies share their experience regarding exports with their colleagues in their sector (where they function as a showcase) and let the BSOs play a role in the dissemination of the experiences.
2. Establish stronger partnerships with other actors in the value chain from the outset, to ensure that obstacles that were considered beyond the scope of CBI's IP programmes can be addressed. In this way all the relevant partners in the value chain based on the "from crop to shop" philosophy can be involved. This would be more consistent with what would be an "Integrated Programme" from a value chain perspective.
3. Improve the effectiveness of the programme in terms of poverty alleviation by selecting more companies from the more backward regions in a country.
4. To tackle the (potential) trade-off between effectiveness of the programme in terms of export growth and poverty alleviation, consider the development of a tiered approach, in which (a selection of) companies are first prepared for regional exports (or exports to other non-European countries with less stringent requirements).
5. Carefully screen the criteria for acceptance of companies in the programme, to avoid that only a few companies are selected, while many apply for the programme.
6. At the same time, take into account the financial situation and the commitment of companies in the selection of participants. Commitment could be increased by raising the own contribution by participating companies that are able to pay more.
7. Set targets meaningfully to be effectively used as management tools. Define the output and intermediate targets for SMEs in terms of a percentage of programme participants that have to be successful, instead of an absolute number of participants. Formulate the expected results in the export enabling environment more clearly.
8. Ensure that the knowledge of the international experts becomes embedded in the BSOs, and make sure that the BSOs are closely involved in capacity development of the SMEs.
9. Ensure that CSR issues are included from the start, both in the programmes' activities, their targets, and the baseline data.
10. Focus on indicators for direct employment only and do not ask companies to make estimates of indirect employment. Such estimates yield unreliable and incomparable statistics. Instead approximate the generation of indirect employment on the basis of the results of an in-depth study.
11. Harmonise data collection at the stages of application, export auditing and monitoring.
12. Make efforts to collect consistent data on exports and employment.
13. Improve the management of information about the financial aspects of programmes (direct costs and indirect costs), in order to get a clearer picture of the efficiency and the cost-effectiveness of the programme.
14. Give feedback on the evaluation results to the partner BSOs and participating companies and ensure that results are discussed among programme managers and are taken into consideration when designing new programmes and elaborating a theory of change for such programmes.
15. Regarding the focus of future evaluation research, take a somewhat longer-term perspective and collect data beyond the closure of the programme to capture longer-term changes and sustainability of change.
16. Include regional comparisons in future evaluations (as was done for the present one). This provides insights into the different approaches adopted.

# 1 Introduction

## 1.1 CBI

The Centre for the Promotion of Imports from Developing Countries (CBI) aims at the promotion of sustainable economic growth through the expansion of exports of its target countries.<sup>1</sup> It does so by supporting small and medium-sized enterprises (SMEs) in these countries with entering the European market. The Centre also looks at opportunities for reducing corporate social responsibility (CSR) risks.<sup>2</sup> CBI offers export coaching programmes and provides technical support to business support organisations (BSOs). It also collects and disseminates market information on potential sectors for exports to Europe. An important activity is the provision of information to and influencing of policy makers in the target countries with a view to improve the enabling environment for exports. Given its position in Europe and in the European business community, CBI is able to involve European importers in the development and implementation of its programmes.

## 1.2 Integrated Programmes

CBI introduced a new approach for its programmes, which was elaborated in its Programme Management Manual of 2012. The new approach was moving from product-oriented projects to so-called Integrated Programmes (IPs). IPs simultaneously target the different key actors of the export value chain, i.e. exporters, importers, Business Support Organisations (BSOs) and government authorities/policy makers.

With the new approach, CBI aims at the development of specific sectors, taking into account the local context. It therefore also addresses the export enabling environment, involving government institutions, trade promotion organisations, sector associations, etc. If necessary, CBI supports these organisations with the improvement of export services through capacity building. CBI's integrated approach is reflected in the following four steps in its programmes:

1. Value Chain Selection
2. Value Chain Analysis and Business Case Development
3. Implementation
4. Audit and Evaluation

The three regional Integrated Programmes selected for this evaluation focused on agro-food products and/or food ingredients in respectively Central America, East Africa and Southeast Asia. They were implemented during the period 2012-2018. Each of the three regional IPs covered multiple countries and focused on the export part of one or more value chains of agro-food products or food ingredients. The countries that were covered are Indonesia, Vietnam, The Philippines, Guatemala, Honduras, El Salvador, Nicaragua, Kenya, Uganda and Ethiopia.<sup>3</sup>

The three programmes were developed, set up and organised in different ways. For instance, in Central America, a part of the activities to improve the export enabling environment were organised at a regional level, whereas in Africa and Asia all those activities were organised and implemented at the national level.

CBI's integrated programmes include support to selected individual companies and to BSOs. Support to BSOs aims at improvement of the export enabling environment and is meant to benefit entire sectors. The support to the individual companies is discriminatory by character: some companies in

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<sup>1</sup> CBI is the abbreviation of the Dutch name of the Centre for the Promotion of Exports from Developing Countries, i.e. "Centrum tot Bevordering van de Import uit ontwikkelingslanden".

<sup>2</sup> See [www.cbi.eu](http://www.cbi.eu).

<sup>3</sup> Initially, the Central America Agro-Food programme also covered a sub-programme for Costa Rica to be financed from other sources. Costa Rica was covered in the preparation phase, but later on dropped from the programme.

the sector are supported in various ways, whereas (numerous) other companies in the sector do not receive such support. This latter category is left out of the programme for different reasons, among these the companies' lack of interest and/or lack of information about the programme, and inability to meet the criteria for participation, etc. The effect of the discriminatory character can be limited if all companies in a particular sector benefit from the improvements of the export enabling environment that result from CBI's support to the BSO's. Yet, in practice this support is particularly focused on marketing of the sector abroad, among others through participation in trade fairs, of which the companies that participate in the programme benefit most.

### 1.3 Evaluation of three regional Integrated Programmes

The current "evaluation is initiated by CBI and forms part of the multi-year evaluation planning agreed with the Ministry of Foreign Affairs".<sup>4</sup> Its timing is at a moment that CBI is preparing several new programmes. Since CBI wishes to continuously adjust and improve its approach and programme strategy, the results of the evaluation might provide input for renewal and adjustment of these new programmes.

Against the background of the introduction of the integrated approach and with a view to continuously improve its operations, CBI formulated the main purpose of this evaluation study of three regional Integrated Programmes as: "to determine a series of learned lessons and recommendations for current and future strategy and business case/programme development".<sup>5</sup> A secondary purpose was to identify gaps in evidence and information on performance of the projects and programmes in order to improve the monitoring & evaluation processes.

Given the focus of this evaluation study on identification of strengths and weaknesses of the integrated approach, the Terms of Reference (ToR) emphasise the need for communication and validation of the findings with the CBI management, Programme Managers and where possible and relevant with the main stakeholders of the programmes.

### 1.4 Structure of the report

The remainder of the report is structured as follows. Chapter 2 describes the context and preparation of the programmes, as well as the structure of the integrated programmes and the involvement of relevant stakeholders. Chapter 3 presents the evaluation methodology and gives a description of the research activities: data analysis, analysis of (policy) documents, interviews and e-survey, as well as validation. Chapter 4 describes the implementation and results of the programmes, with a focus on the three countries that were visited (i.e. Honduras, Indonesia and Uganda). Chapter 5 analyses the results and evaluates the programmes in terms of relevance, efficiency, effectiveness, sustainability and managing for results. This chapter draws heavily on the three in-depth country studies. Chapter 6 presents conclusions and gives some recommendations for future CBI programmes, as well as for addressing gaps in information and for future evaluations of CBI programmes.

Six annexes are attached to this report:

- Annex A provides the evaluation matrix;
- Annex B describes a number of context indicators of the IP countries;
- Annex C presents data about export and employment performance of the programme participants in the IP countries;
- Annex D contains the questionnaire of the e-survey among programme participants;
- Annex E gives the results of the e-survey among programme participants; and
- Annex F contains the list of persons that were interviewed.

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<sup>4</sup> Cit. Terms of Reference *CBI Programme Evaluation Integrated Programmes 2012-2018*, page 2, par 2.2.

<sup>5</sup> Ibid.

## 2 The three regional Integrated Programmes

### 2.1 Introduction

The programmes in the three regions were developed, set up and organised in different ways. For instance, in Central America, a part of the activities to improve the export enabling environment was organised at a regional level, whereas in Africa and Asia all those activities were organised and implemented at the national level. In this chapter, first a description will be given of the context in which the programmes were implemented and of the preparatory activities. Subsequently, the structure of the programmes is presented and the involvement of key stakeholders in the programmes is briefly described.

### 2.2 Context and preparation of the programmes

The ten IP countries are very different in terms of population, but in all of them the agricultural sector is still important in terms of its contribution to GDP and its share in total employment during the period of implementation of the IPs (Table 1). The countries vary in trade openness, as evidenced by the percentage shares of exports in GDP, with Vietnam being the most open country, and Ethiopia being the least open one. Food exports represent a substantial share of overall exports in virtually all the IP countries. Noticeable increases in that share can be observed in Honduras, Indonesia and Uganda, while the share remained virtually unchanged in the other countries. In the African countries, the share of food in total merchandise exports was higher than in Indonesia, Vietnam and the Philippines. In El Salvador, this share was much lower than in the other Central American IP countries.

**Table 1: Macroeconomic indicators of the IP countries**

	Agriculture, forestry, and fishing, value added (% of GDP)		Exports of goods and services (% of GDP)		Food exports (% of merchandise exports)		Employment in agriculture (% of total employment)		Population (million)	
	2012	2017	2012	2017	2012*	2017**	2012	2017	2012	2017
<b>Africa</b>										
Ethiopia	44	34	14	8	80	84	75	68	92	105
Kenya	26	32	22	14	46	46	38	38	44	50
Uganda	26	25	20	19	46	66	66	69	36	43
<b>Asia</b>										
Indonesia	13	13	25	20	18	23	36	31	249	264
Philippines	12	10	31	31	9	9	32	26	97	105
Vietnam	19	15	80	102	17	13	48	41	90	96
<b>Central America</b>										
El Salvador	7	6	29	28	23	19	21	19	6	6
Guatemala	11	10	25	19	44	45	32	29	15	17
Honduras	14	13	51	44	57	65	37	28	9	9
Nicaragua	18	15	47	41	54	52	32	29	6	6

Source: World Bank, *World Development Indicators*, update September 19, 2018

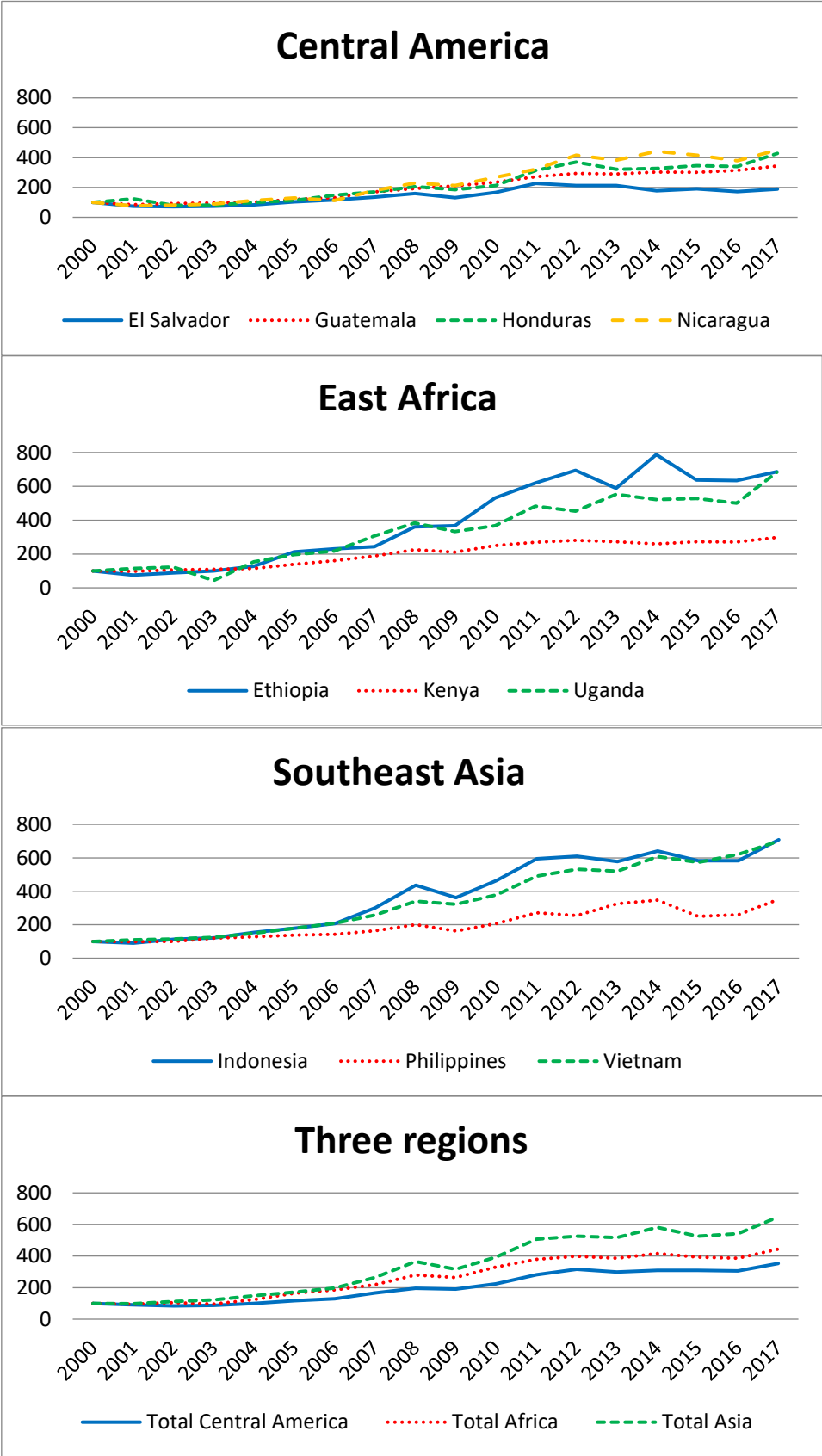
Notes: \* Kenya: 2013; \*\* Kenya: 2013; Vietnam, Guatemala, Uganda, Ethiopia: 2016

Figure 1 indicates that the growth of food exports tended to slow down after 2010. Comparing the three regions, it can be observed that the growth was highest in Asia. The food export growth in Asia mainly took place on account of the performance of Indonesia and Vietnam. In Vietnam, this occurred despite the drop in the food exports as a share of merchandise exports that was shown in Table 1. Figure 1 furthermore shows that the food exports grew faster in Ethiopia and Uganda than in Kenya.<sup>6</sup> The four Central American countries had similar growth rates of food exports between 2000 and 2010. Food exports from El Salvador virtually stagnated since 2011. Food exports of the other three countries

<sup>6</sup> In absolute terms, Ethiopia surpassed Uganda as an exporter of food products (see Annex B).

increased between 2011 and 2017, but growth was on average lower than in previous years, while food exports of Nicaragua and Honduras fluctuated substantially over time.

Figure 1: Food exports of the ten IP countries (Index 2000 = 100)

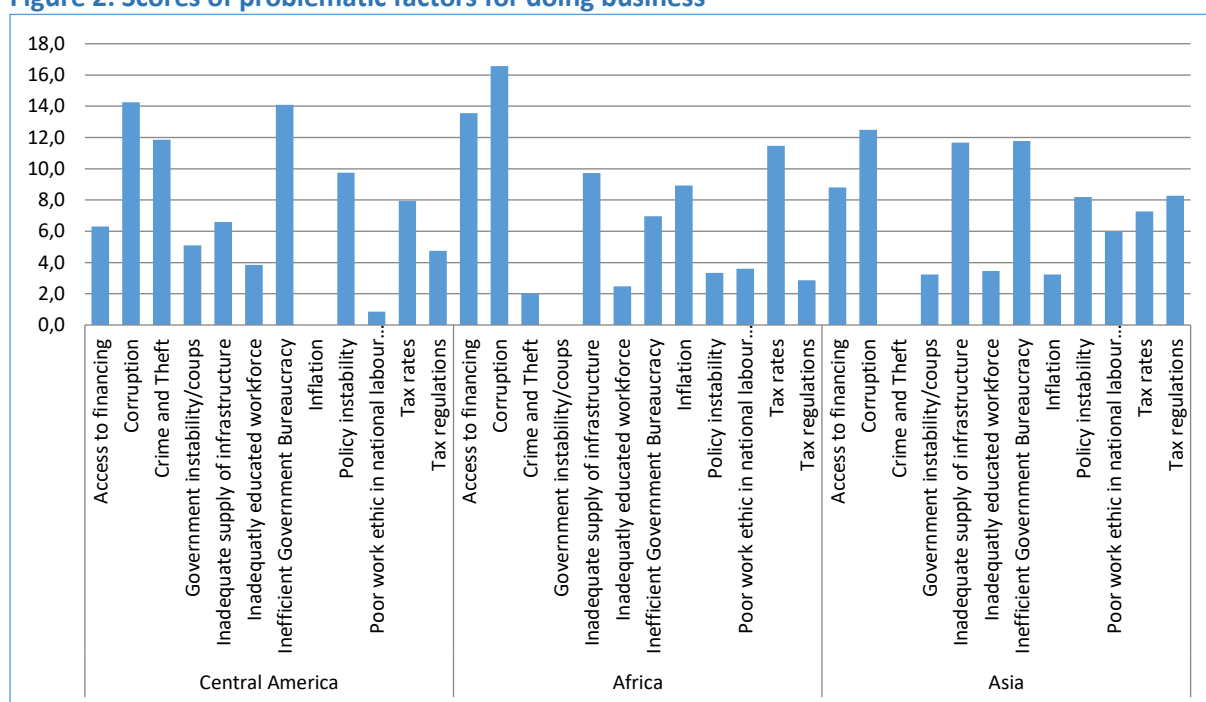


Source: Own elaboration based on UNCTAD data



While most of the IP countries managed to increase their food exports, there were still many factors hampering them in doing business. Figure 2 gives an overview of the scores of what are perceived to be problematic factors for doing business in the three regions. Corruption and inefficient government bureaucracy score relatively high, and so does crime and theft in Central America. A lack of adequate infrastructure and access to finance are also considered bottlenecks for doing business. Addressing these issues is generally beyond the mandate of CBI. Nonetheless, the integrated programmes aimed at tackling some of the bottlenecks in the value chain. For example, in the Central America programme, CBI attempted to improve the access to finance of some of the programme participants.

**Figure 2: Scores of problematic factors for doing business**



Source: World Economic Forum. The Global Competitiveness Report 2017-2018. (<http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf>).

Annex B contains a more detailed description of the context in which the programmes were implemented in the ten countries.

Prior to the start of the programmes, the countries in the different regions were selected on the basis of broad ideas about the local needs and potential successes of CBI's interventions. At the same time, a long-list of promising sectors was developed. For example, ten food ingredient sub-sectors were identified for the three countries in **South-East Asia**, varying between processed fruit and essential oils. These sub-sectors served as a starting point for the so-called Value Chain Analysis (VCA) completed in 2012, which analysed the sectors with a view to maximise the chance of success of the intended country programmes in terms of enhancing export volumes and overall turnover.<sup>7</sup> The main aim of these studies was that CBI would be able to target the most promising value chains with the integrated country programmes.

According to the VCAs for the Asian countries, the selection was based on:<sup>8</sup>

- (1) opportunities to unleash export potential based on current figures and future trends;
- (2) the ability of CBI to tackle bottlenecks in the export value chain;
- (3) the demand for CBI products by value chain actors; and

<sup>7</sup> See the CBI Food Ingredient VCA for Indonesia, Philippines and Vietnam, February 2012.

<sup>8</sup> Ibid.



(4) the possible significant contribution of the programme to sustainable economic development.

The value chain analysis identified a number of obstacles for exports and additional value added creation. These were not only related to individual companies, but in particular also to the (lack of an) export enabling environment. It also concluded that these obstacles should be addressed simultaneously, which perfectly fits in with the philosophy of CBI's integrated programmes.

The final choice of products was largely demand driven, based on companies that were eager to participate in the programme. It differed from the advice of the VCA. Within the broad category of food products and food ingredients, this resulted in the following product portfolio:

- *Indonesia*: specialty coffee, coconut sugar, essential oils, processed fruit, herbs and spices, Arenga Palm sugar, tea.
- *Philippines*: coconut sugar, processed fruits.
- *Vietnam*: tea, cashew nuts, honey, processed fruits.

For **East (and Southern) Africa**, a country and sectoral analysis was conducted in 2011 for five countries (as in addition to Ethiopia, Kenya and Uganda, also Rwanda and Mozambique were included).<sup>9</sup> For each country, a stakeholder mapping was conducted, and a short assessment was made of the export value of 29 sectors for each of the countries, and of the share of exports to the EU. For each country, a number of potential sectors for trade development and promotion were highlighted. However, the final products chosen for the IP did not fully match these sectors: they matched for oilseeds in Ethiopia and coffee and oil seed in Uganda, but not for tea in Kenya and coffee in Ethiopia. The field visits and expert meetings narrowed down the choices for the IP to three sectors: coffee & tea, oilseeds, and fruits & nuts. The programme started in 2012 with the first two product groups in three countries, with the intention to expand to other products and countries later on in the programme.<sup>10</sup> The final selection was as follows:

- *Ethiopia*: specialty coffee, oilseeds.
- *Kenya*: tea.
- *Uganda*: specialty coffee, oilseeds.

This selection was based on the existing potential for the development of exports of these natural ingredients and probably also on the basis of potential interest of companies.

Following an identification mission to **Central America** conducted in 2010, in which priority sectors were defined, as well as other initial activities in 2011 (such as trainings and workshops, as well as agreeing with main partners on a Plan of Action), the Terms of Reference were formulated for a Value Chain Analysis.<sup>11</sup> The Spanish consultancy firm *AVU Consultores* started the VCA for 26 product-country combinations in October 2011 and submitted an inception report in December 2011.<sup>12</sup> Separate documents with a detailed value chain analysis validated by stakeholders were submitted in March 2012.<sup>13</sup> Between October 2011 and March 2012, companies in Guatemala and Nicaragua could apply for the programme.<sup>14</sup> The Business Case of the Central America Integrated Agro-Food Programme was

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<sup>9</sup> CBI Sector analysis for selected East and Southern African countries (Activity code QM1199S001). Preliminary sector report for East and Southern African partner countries. Volume 1: Main Report. Prepared by Leon Tomesen, August 2011.

<sup>10</sup> CBI Business Case Natural Ingredients East & Southern Africa. Prepared by Patrick Gouka, May 2012.

<sup>11</sup> Account Management Central America Mission Report. Prepared by Erik Plaisier. August 2010; CBI, Ministry of Foreign Affairs. Terms of Reference Central American Agro-Food Export Value Chain Analysis & Programme Business Case Development. The Hague, 2011.

<sup>12</sup> AVU Consultores. *Agrofood Export Centroamerica. Inception Report*, 12<sup>th</sup> December 2011. The analysis also covered Costa Rica. It is not clear whether AVU Consultores later on submitted a separate final report.

<sup>13</sup> See e.g. CBI, Ministry of Foreign Affairs. *CV5 Cafés Especiales en Honduras. Análisis Cadena de Valor*. 23 Marzo 2012.

<sup>14</sup> PowerPoint Presentation of the Agro-Food Export Programme Central America. This means that the application process was started before the value chain analyses were completed.

presented to CBI and other partners in March 2012.<sup>15</sup> Costa Rica was covered in the preparatory phase, but was dropped from the programme when implementation started.

CBI set up a sub-programme in each of the other four countries, as well as a regional project in each of the value chains that were selected. Hence, the programme integrated the following elements:<sup>16</sup>

- Providing export coaching to SMEs;<sup>17</sup>
- Addressing sector-wide issues, by implementing Export Enabling Environment Support Projects (EEESPs);
- Assisting BSOs to improve their export promotion services; and
- Sharing specific market intelligence for different product-market combinations.

The majority of the analysed value chains in Guatemala, Nicaragua, El Salvador and Honduras were covered by the programme. The final selection of product (categories) was as follows:

- *El Salvador*: specialty coffee, cocoa and derivatives, fresh fruit and vegetables (FFV) and the category of processed food, honey and nuts.
- *Guatemala*: specialty coffee, FFV, processed food, honey and nuts.
- *Honduras*: specialty coffee, cocoa and derivatives, FFV, processed food, honey and nuts.
- *Nicaragua*: specialty coffee, cocoa and derivatives, FFV, processed food, honey and nuts.

The programme was officially launched during a regional conference held in Managua in September 2012.

## 2.3 Structure of the programmes and involvement of relevant stakeholders

The aim of the **Central American Agro-Food Export Programme** was to increase exports of agricultural food products from El Salvador, Honduras, Nicaragua and Guatemala. The programme was developed together with the following BSOs, which were CBI's main partners in the Central America IP:<sup>18</sup>

1. The Guatemalan Exporters Association (AGEXPORT)
2. Association of Producers and Exporters of Nicaragua (APEN)
3. Foundation for Foreign Investment & Export Development for Honduras (FIDE)
4. Corporation of Exporters of El Salvador (COEXPORT)

The programme consisted of:

- A regional Export Enabling Environment Support Project (EEESP) focused on four agro-food sectors – specialty coffee, cocoa and derivatives, fresh fruit & vegetables and honey (plus processed food and nuts) – and the establishment of a sustainable structure for regional participation in international trade fairs as a cross-sector component.
- Four national agro-food sub-programmes, which focused entirely on export coaching in Honduras and El Salvador and included both an export coaching project (ECP) and a national EEESP in Guatemala and Nicaragua.
- A pilot project on Access to Finance (added later on).

Figure 3 gives a schematic representation of the structure of the programme.

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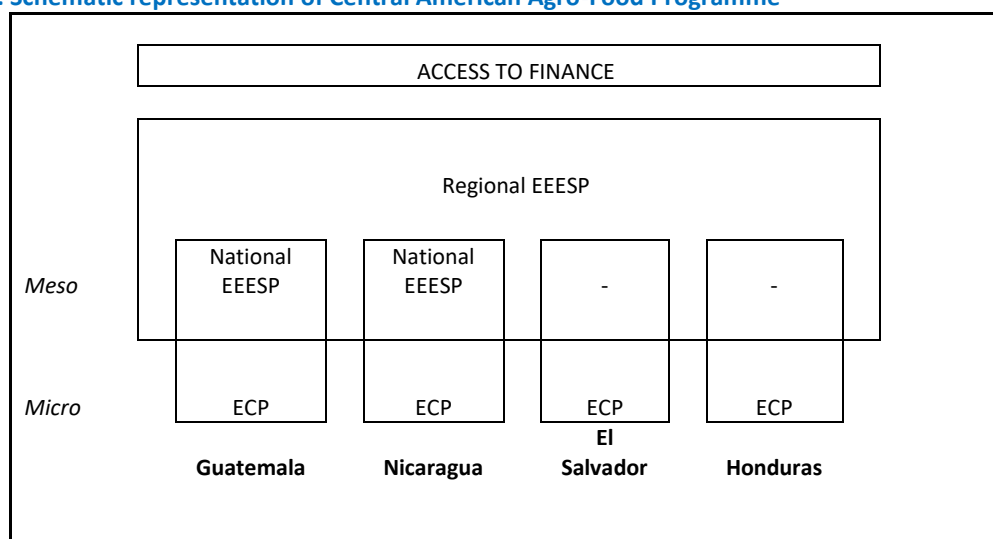
<sup>15</sup> Central American Agro-Food Export Programme. Making the EU – Central America Agro-Food connection. CBI Business Case. Written by Erik Plaisier and Arne Heutink. March 2012. The Business Case was revised in 2014. A final revision was made in 2015.

<sup>16</sup> See also the review of the 2012-2018 programme in EU/SIECA/CBI (2018). Multisectoral Value Chain Analyses 'Connecting Central America', page 8 ([https://www.cbi.eu/sites/default/files/multisectoral\\_vca\\_ca\\_-\\_final\\_report.pdf](https://www.cbi.eu/sites/default/files/multisectoral_vca_ca_-_final_report.pdf)).

<sup>17</sup> When reference is made to SMEs, these can be individual companies, associated companies or cooperatives.

<sup>18</sup> <https://www.cbi.eu/projects/central-america-agro-food-programme/>.

**Figure 3: Schematic representation of Central American Agro-Food Programme**



Source: Own elaboration based on programme documentation

CBI signed a Memory of Understanding (MoU) with a variety of co-implementing partners in each of the four countries, apart from the above-mentioned BSOs. The MoUs were signed at a regional conference held in Managua in September 2012 to officially launch the Central America programme. In the case of Honduras, the MoU was signed with FIDE, the Ministry of Agriculture and Livestock (SAG), the PymeRural Programme of the Swiss Development Cooperation (implemented in Honduras and Nicaragua in collaboration with Swisscontact), the Inter-American Institute of Agricultural Cooperation (IICA), the Rural Competitiveness Project (COMRURAL) and the Federation of Agro-exporters (FPX). In Guatemala, the Ministry of Agriculture and Livestock (MAGA) was the other important co-implementing partner. Apart from APEN, the Centre for Exports and Research (CEI) was an important partner in Nicaragua, while the Ministry of Development, Industry and Commerce and the national coffee institute also played a role. Other stakeholders in El Salvador were the *Fondo de Desarrollo Productivo* (FONDEPRO) and the Salvadoran Coffee Council (CSC).

However, some local partners stopped co-implementing the programme. In Nicaragua, for example, CEI ended the co-implementation in 2014, while the collaboration with FONDEPRO in El Salvador also ended in that year.<sup>19</sup> In addition, the export promotion task of ProNicaragua was moved to the Ministry of Development, Industry and Trade (MIFIC).<sup>20</sup>

The **Natural Ingredients East Africa programme** covered sub-programmes on tea in Kenya and specialty coffee and oilseeds in both Uganda and Ethiopia. This evaluation does not cover the specialty coffee sub-programme in Ethiopia, because it has not yet been finished. In the other four sub-programmes, CBI collaborated with several BSOs.<sup>21</sup> Key stakeholders included the directly participating BSOs and a few other stakeholders that also supported the selected sectors (Table 2).

The four sub-programmes were each made up of several 'phases' (projects), with varying coverage in terms of projects (Table 3). The oilseeds programme in Ethiopia was added on later and therefore had a slightly different structure than the other three. Certification was included as a logical next step in the process. HACCP certification is a critical requirement for access to the European market, and at the

<sup>19</sup> CBI (2015). *Programme Progress Reporting XB13. Year 3 – January-December 2014. Central-America Agro-Food Programme.*

<sup>20</sup> CBI (2018a). *Final Project Programme Report - Closing Template (Slotdocument) XB13 Central America Agro Food Programme.* The Hague July 2018.

<sup>21</sup> <https://www.cbi.eu/projects/natural-ingredients-south-east-africa/>.

same time an area in which SMEs in the oilseeds sector in Ethiopia had very limited understanding and knowledge.<sup>22</sup>

**Table 2. Stakeholders in the East & Southern Africa Natural Ingredients Integrated Programme**

Sector – country	BSOs	Other key stakeholders
Added value tea Kenya	Tea Directorate (TD) East Africa Tea Trade Association (EATTA) Export Promotion Council (EPC) Tea Research Institute (TRF) Kenya Tea Development Agency (KTDA)	
Specialty coffee Uganda	Uganda Coffee Development Authority (UCDA) NUCAFE Africa Coffee Academy (ACA) Uganda Coffee Federation (UCF)	African Fine Coffee Alliance (AFCA)
Oilseeds Uganda	Oilseeds Sub Sector Uganda Platform (OSSUP)	SNV
Oilseeds Ethiopia	Ethiopian Pulses, Oilseeds and Spices Processors-Exporters Association (EPOSPEA)	SNV, Agriterro, CDI-Wageningen, Embassy of the Netherlands, Netherlands-African Business Council

Source: Own elaboration based on programme documentation

**Table 3: Coverage of the East & Southern Africa Natural Ingredients Integrated Programme**

Sustainable export increase (start-up)	X	X	X	
Network Development & Intervention Design	X	X	X	
Intelligence, Auditing and Action Planning	X	X	X	X
Export Capacity Building & Development (Exporters and BSOs)	X	X	X	X
Market Entry	X	X	X	X
Certification				X
	Specialty Coffee Uganda	Added Value Tea Kenya	Oilseeds Uganda	Oilseeds Ethiopia

Source: Own elaboration based on programme documentation

The ***Sustainable Food Ingredients programme in Asia*** aimed at “connecting exporters of food ingredients from Indonesia, the Philippines and Vietnam with businesses in the European food industry.”<sup>23</sup>

At the start of the programme, the Ministry of Trade (MoT), the Ministry of Industry (MoI) and the Ministry of Agriculture (MoA) were considered the logical partners for the programme in Indonesia. However, MoA did not commit itself to the extent needed. MoUs were signed with MoI and MoT only. These main counterparts in Indonesia also acted as Business Support Organisations.

The participation of the ministries in the programme faced several uncertainties during the inception of the programme. According to the Indonesian regulations, MoI’s mandate is in particular on improvement of industrial competitiveness, which should result in larger export volumes. It should focus on upgrading (industrial) products to higher value-added products. CBI’s programme aims indeed to improve the competitiveness of a number of companies, but not explicitly through product innovation. MoT’s mandate is in particular focused on promotion of Indonesian products abroad. As such, it is active in organising general branding and promotion activities. This indeed fits in with CBI’s programme.

In the Philippines, it was decided in consultation with the authorities to concentrate the programme in the region of Mindanao. This region was considered to be in need for support to the private sector.

<sup>22</sup> CBI (2016) XC1339 / Project Plan Oilseeds Ethiopia: Certification oilseeds Ethiopia programme Progress Report.

<sup>23</sup> <https://www.cbi.eu/projects/food-ingredients-indonesia-philippines-vietnam/>.

CBI's partner BSO was the Davao City Chamber of Commerce and Industry (DCCCI).<sup>24</sup> In this country, the programme worked together with several counterparts, including government institutions and representatives of the local business community.

In Vietnam, the first contacts were with the Department of Trade and Industry of Ho Chi Min City. But in consultation with the Vietnamese authorities, it was replaced by Vietrade, which is the Department of Trade Promotion of the Vietnamese Ministry of Trade.

The principle of the programme was that it should not only be focused on the individual exporters, but that it would also address the main bottlenecks in the value chain of products. Considering this approach, meetings were organised in the three countries with the main stakeholders. In Indonesia, these were sector organisations active in the coffee sector. In the Philippines, an institutional network was established including the DCCCI, the regional branch of the Department of Trade and Industry, the Department of Agriculture Davao Mindanao, the Philippine Coconut Authority, the Food Processing Association and Philexport. In Vietnam, the department of Vietrade responsible for the programme was helpful in establishing the relations with the Ministries of Agriculture and of Industry and Trade and with the relevant BSOs, and managed to raise local funds for the programme.

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<sup>24</sup> Ibid.

### 3 Evaluation methodology

With this evaluation, CBI wishes to learn from the experience with the modality of Integrated Programmes (IP) introduced in 2012 and to assess its strengths and weaknesses. The evaluation is also to serve as an input for the comprehensive IOB evaluation in 2020. It follows a theory-based approach to generate an in-depth understanding of these IPs. In the absence of a clear counterfactual, as well as absence of solid baseline data, such an evaluation approach is both practically feasible and delivers a context-specific understanding of why and how observed results occurred. It uses a Theory of Change (ToC) that explains how an intervention or programme contributes to observed results, by defining how activities are expected to lead to results. In addition, a ToC describes the mechanisms of change, as well as the assumptions, risks and context that support or hinder results to be achieved. Using a ToC, **contribution analysis** can test the assumed causal chain of results to verify whether expected changes have happened. Contribution analysis examines and tests the ToC against logic and the evidence available from observed results and the assumptions behind the ToC, through feedback from stakeholders and other data sources. The aim of the analysis is to understand if and how the programme is contributing to observed and intended results and how other factors influence these results.<sup>25</sup>

During the inception phase of the evaluation, a generalised ToC applicable to the three programmes (presented in Figure 4), was developed based on available project documentation. This ToC was validated with CBI's programme managers, the M&E officer, and the evaluation's reference group. The ToC shows the main features of CBI's approach of the integrated programme, addressing in an integrated way bottlenecks faced by the (potentially) exporting SMEs, as well as the institutions responsible for improving the exporting enabling environment, such as the BSOs and the policy makers, as well as consultants who might replace CBI experts as soon as the inputs provided by CBI are phased out. In the end, this approach should result in higher exports to Europe and beyond, and well-recognised suppliers of food products and food ingredients which are stable regarding quality and quantity.

The instruments that are typically applied in the integrated programmes are:

- Export coaching programmes, among them support to individual companies in developing bankable business plans and export marketing plans; action plans for entering foreign markets, preparing the products for market requirements, etc.
- Support to BSOs in developing/improving services that help create an environment for SMEs that promotes exports, including advice on branding and promotion activities.
- Advice to government institutions with a view to create an enabling environment for exports, including advice on branding and promotion activities.
- Training of local consultants in support to local companies.

The contribution analysis was complemented with elements of **Outcome Harvesting**.<sup>26</sup> This approach collects evidence of what has changed, both positive and negative, intended and unintended, so as to subsequently determine whether and how an intervention has influenced these changes. This is a suitable approach because of the dynamics of the environment, and the focus on learning about what was (or was not) achieved and how (or why not). The aim of using both contribution analysis and outcome harvesting is to capture both the intended and unintended effects of the IPs.

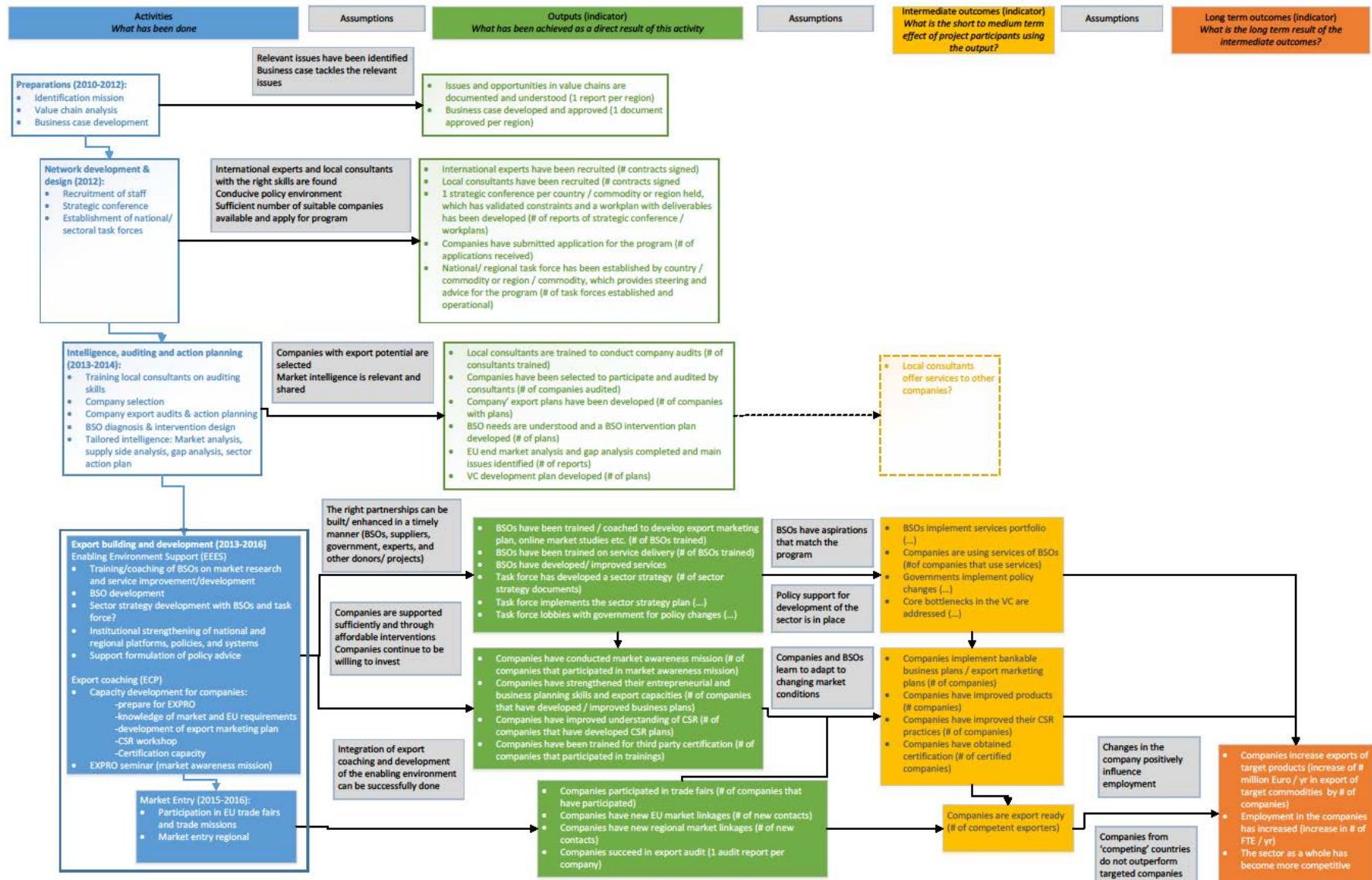
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<sup>25</sup> See e.g. Mayne, J., 2001. Addressing attribution through contribution analysis: using performance measures sensibly. *Canadian Journal of Programme Evaluation*, 16: 1-24; Mayne, J., 2012. Contribution analysis: Coming of age? *Evaluation*, 18(3): 270-280.

<sup>26</sup> [https://www.betterevaluation.org/en/plan/approach/outcome\\_harvesting](https://www.betterevaluation.org/en/plan/approach/outcome_harvesting).



Figure 4: Generalised Theory of Change of CBI's Integrated Programmes



The evaluation was also to be based on the principles of **Utilisation-Focused Evaluation**.<sup>27</sup> This means that the main focus of the evaluation is its usefulness to the key participants in the programmes, implying the engagement of the principal stakeholders in the evaluation process. This is among others reflected by meetings to validate the findings with the CBI management, programme managers/officers, beneficiaries and other stakeholders at various moments during the evaluation process.

Primary and secondary data were used to determine the degree to which expected outputs and outcomes were achieved and to understand how the programme contributed to them. The main sources of information are also presented in the evaluation matrix in Annex A. Secondary data sources include project work plans and progress reports, self-evaluation data from internal project audits, monitoring data, previous evaluations of CBI activities, CBI's certified results, and data from PRIME. Primary data was collected through interviews with programme staff and participants via phone/Skype and through country visits in Uganda, Indonesia and Honduras (i.e. one selected country per IP). The selection of fieldwork countries was based on a set of criteria that included budget spent by the programme, number of targeted SMEs and having more than one product per country (to allow for comparison across products). In addition, an e-survey was conducted among SMEs that participated in the programmes, in which a four-point Likert scale was used for the majority of survey questions (see Annex C).

The analysis was conducted in two stages. First, country reports were developed that assess the evidence available (and which are delivered as separate reports). The analyses focused on understanding how the integrated interventions and external factors in each programme contributed to (or limited) results achieved. Second, the country findings were brought together in a cross-commodity and cross-country comparison (see below). As the three programmes shared the integrated approach, but differed in terms of products, regions and project details, this offered opportunities to identify whether differences in performance were related to these programme differences. Three comparative perspectives were used: 1) a cross-commodity perspective within a country, 2) a cross-country perspective and 3) a cross-programme approach perspective. The comparison focused on the following: the programme results achieved in each sector/country, the programmes' activities and how these were implemented for each sector/country, the national contexts, such as business environments, ease of exporting, and market characteristics, and the role of the BSOs and other stakeholders, as well as the influence of these three aspects (i.e. activities, national context, and roles of stakeholders) on the results. Results (both positive and negative) were validated with CBI staff and other key informants.

An analysis/validation workshop was organised to elicit CBI staff judgement and self-assessment on the above analysis.

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<sup>27</sup> [https://www.betterevaluation.org/en/plan/approach/utilisation\\_focused\\_evaluation](https://www.betterevaluation.org/en/plan/approach/utilisation_focused_evaluation).



## 4 Implementation and results of the programmes

### 4.1 Introduction

This chapter discusses the application and selection process in the three programmes, as well as the programme activities at both micro-level (export coaching activities) and meso-level (activities related to the export-enabling environment). It subsequently presents the main results, whereby a distinction is made into output, intermediate outcomes and ultimate outcomes.

### 4.2 Application and selection of programme participants

Table 4 shows the number of SMEs (per country and per region) that applied for the programmes, that were audited and selected and that participated in the programmes, as well as the number of export-competent companies. It can be observed that there were large differences across countries in terms of the number of companies (SMEs) involved in different stages of the programmes. A particular difference between the three regions is that both the number of pre-selected companies that were audited and the number of selected companies were much higher in Central America than in the other two regions. Dropout of participating companies was also relatively high in this region and, hence, the proportion of programme participants that were declared export-competent was much lower than in Asia and Southern Africa. The selection criteria that were applied apparently led more often in Central America than in the other regions to the inclusion of companies that were either not sufficiently committed, or lacked the financial means to make investments, or that were less advanced and could not fulfil the requirements for becoming export competent.

**Table 4: Number of companies in different stages of the programmes**

	# applications	% audited	# audited	% selected	# selected	% participated	# participated	% competent exporters	# competent exporters
Indonesia	70	50%	35	40%	14	100%	14	71%	10
Philippines	27	48%	13	69%	9	100%	9	78%	7
Vietnam	57	47%	27	48%	13	100%	13	62%	8
<b>Total Southeast Asia</b>	<b>154</b>	<b>49%</b>	<b>75</b>	<b>48%</b>	<b>36</b>	<b>100%</b>	<b>36</b>	<b>69%</b>	<b>25</b>
Uganda coffee	29	76%	22	86%	19	74%	14	86%	12
Uganda oil seed	21	71%	15	73%	11	100%	11	91%	10
Kenya value added tea	21	95%	20	75%	15	80%	12	75%	9
Ethiopia oil seed	16	94%	15	80%	12	100%	12	75%	9
<b>Total East Africa</b>	<b>87</b>	<b>83%</b>	<b>72</b>	<b>79%</b>	<b>57</b>	<b>86%</b>	<b>49</b>	<b>82%</b>	<b>40</b>
Honduras	67	61%	41	100%	41	71%	29	55%	16
Guatemala	60	63%	38	89%	34	82%	28	79%	22
Nicaragua	20	85%	17	88%	15	87%	13	38%	5
El Salvador	34	59%	20	60%	12	58%	7	71%	5
<b>Total Central America</b>	<b>181</b>	<b>64%</b>	<b>116</b>	<b>88%</b>	<b>102</b>	<b>75%</b>	<b>77</b>	<b>62%</b>	<b>48</b>
<b>Total 3 Integrated Programmes</b>	<b>423</b>	<b>62%</b>	<b>263</b>	<b>74%</b>	<b>195</b>	<b>83%</b>	<b>162</b>	<b>70%</b>	<b>113</b>

Source: Own compilation based on progress reports, final project/programme reports and database provided by CBI

Results of the e-survey conducted among programme participants show that there were differences in the way that they received information about the programme and in the way that they applied for the programme. The majority of the SMEs got in touch with CBI via their sector organisation or CBI's local representative. However, it was most often a CBI expert who supported the SME with the formalities for the application for the programme (see Annex D).

Differences in the application processes may provide a partial explanation of differences in the numbers and percentages in Table 4. More generally, the differences between the countries and regions in terms of number of applications, audits and selected companies in the table is related to differences in marketing of the programmes and differences in the way the application, pre-selection, auditing and selection was done.<sup>28</sup> These differences are described in the following paragraphs.

Companies in Guatemala and Nicaragua could apply for the **Central American Agro-Food Export Programme** between October 2011 and March 2012, while companies in El Salvador and Honduras could apply for the programme in August-September 2012.<sup>29</sup> Like in the other Central American countries, CBI's main partner BSO in Honduras (i.e. FIDE) had published a call for applications. But in several cases, FIDE itself also identified potential candidates for the programme and informed them about the opportunity to participate in the programme. In some cases, FIDE also helped them to fill out the application form. CBI did not actively recruit companies, but occasionally the sectoral experts suggested a company to apply for the programme. Sometimes, a CBI expert helped a candidate with the application.

In consultation with the partner BSOs, the CBI experts made a pre-selection of interested companies in Guatemala and Nicaragua between March and September 2012. The pre-selection of applicants in the other two countries was made in the period September-December 2012.

After pre-selection, CBI experts carried out so-called Export Audit Missions in which they visited candidate participants to conduct a company audit, using a scoring on the basis of pre-defined criteria (in the form "CBI Export audit"), and an assessment of the potential in terms of product and company. Then the selection was made in consultation with the local partners. Most of the audited companies were selected for participation in the programme. However, not all selected companies did actually participate.<sup>30</sup>

It must be noted that a somewhat flexible approach for the (pre)selection of companies was adopted in Central America, in which sometimes a particular selection criterion was not strictly applied and which therefore allowed for including good candidates that would otherwise have been left out.<sup>31</sup> At the same time, the selection process was apparently not sufficiently strict to detect weaker and/or insufficiently committed companies that dropped out later.

In the case of the **Natural Ingredients East Africa programme**, companies and BSOs were informed about the programme through networking events and approached directly by the CBI experts to apply for the programme. In the coffee sector in Uganda, the local consultants carried out the audits, while in the oilseeds sector, this was done by international experts.

After the preparatory phase, the programme was implemented from 1<sup>st</sup> of June 2012. The programme was planned to end in December 2016. However, with the inclusion of the Ethiopia specialty coffee

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<sup>28</sup> Interestingly, a final remark made by one of the respondents of the e-survey that represented a company that had dropped out of the programme is that "the failure of the programme was not a fault of the programme but of our organisation. I think we should not have been selected in the first place".

<sup>29</sup> PowerPoint Presentation of the Agro-Food Export Programme Central America.

<sup>30</sup> For example, according to an interviewed stakeholder, approximately 72 Guatemalan companies applied for the programme, of which 32 were selected, but 4 of the selected companies decided that they would not participate in the programme (and did not pay the required entry fee).

<sup>31</sup> For example, a company could still be selected if no staff member of a company mastered the English language, but the company committed itself to send a staff member to an English language course.

sub-programme, it was extended until December 2019. The other four sub-programmes (i.e. specialty coffee Uganda, oilseeds Uganda, oilseeds Ethiopia and value-added tea Kenya) were completed at the end of 2016 or early 2017. This means that the implementation of the programme spanned about 4.5 years. It included Network Development (2012), Intelligence, Auditing and Action Planning (2013), Export Capacity Building and Development (2013-2015), Market Entry (2014-2016). The five sub-programmes went through more or less similar project stages, as described above, but with some variations based on the needs and reality in the sector.

International experts, guided by the programme manager, drove implementation. The experts were contracted shortly after the formal start of the programme (from September 2012).<sup>32</sup> Six experts were involved in the five sub-programmes: an enabling environment expert and a specific sector expert for each sub-programme. Two experts were involved in more than one sub-programme. The experts operated with a large degree of freedom, guided by targeted results rather than strict activity plans.<sup>33</sup> The oilseeds and specialty coffee sub-programmes in Uganda differed in two aspects: the maturity of the sector and the preferences of the international experts that implemented the sub-programmes.<sup>34</sup> As a consequence, the sub-programmes also differed in the involvement of local consultants – no satisfactory ones were available for the oilseeds sector – and the way that the experts worked (or failed to work) simultaneously with SMEs and BSOs.<sup>35</sup> The two sub-programmes in Uganda were implemented largely independently from each other.<sup>36</sup>

In the ***Sustainable Food Ingredients programme in Asia***, the counterparts of CBI in the three countries did in most cases perform the pre-audits of the companies in cooperation with local consultants. At a later stage, CBI experts audited the pre-selected companies and made the final selection of the participants.

The application process in Indonesia required a ‘road show’ in the country to market the programme among the potential candidates. The involved ministries in Indonesia supported the organisation of meetings in the country to introduce and explain the programme to the companies. The recruitment of the companies took place in two rounds, because the number of applicants was too small after the first round. In cooperation with the two ministries (Mol and MoT), meetings were organised at Java and Sumatra.

Out of the 70 applicants in Indonesia, 29 were rejected straight away, because they did not meet the basic requirements. The remaining 41 companies were pre-selected and audited, of which only 14 entered the programme. Another 14 of the pre-selected companies were subsequently rejected after an audit by the local experts, while the remaining 13 companies that were pre-selected were subsequently rejected after an audit by the international expert.

Similarly, the counterparts in the Philippines and in Vietnam facilitated the recruitment of the companies for the programme. Philexport Cebu – a foundation offering support to companies that wish to expand their activities to abroad – was contracted as local consultant in the Philippines. It pre-selected and audited 13 of the 27 companies that applied for the programme in the Philippines and subsequently rejected 4 of the audited companies. Likewise, Vietrade played an important role in the recruitment in Vietnam. It preselected and audited less than half of the 57 companies that applied for the programme in Vietnam. Subsequently, 14 of the 27 audited companies did not pass the test and, as a result, only 13 companies participated in the programme.

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<sup>32</sup>CBI (2018b). “CBI Final Project / Programme Report: XC13 - Natural Ingredients East & Southern Africa”, August 2018.

<sup>33</sup> Interview results.

<sup>34</sup> Interview results.

<sup>35</sup> Interview results.

<sup>36</sup> Interview results.

### 4.3 Activities

This section addresses the following evaluation questions listed in the evaluation matrix in Annex A: (1.1.1) What activities were organised at micro level (SMEs)?; (1.1.2) What activities were organised at meso level (Export Enabling Environment, EEE)?; and (1.1.3) What activities were integrated?

#### Micro-level activities

The Export Coaching Programme of the **Central American Agro-Food Export Programme** consisted of a Business Development and Export Capacity Development phase and a Market Entry phase. The Business Development and Export Capacity Development phase implemented between December 2012 and December 2016 included activities such as:

- Market Access Requirements workshops;
- Export Marketing Plan (EMP) training and development;
- Price risk management training (related to the coffee sector);
- Export Orientation Missions (EXPROs);
- Trainings and Technical Assistance Missions for GlobalGAP Certification;
- Certification;
- Workshops on CSR (with PUM); and
- Trade fair participations in 2014, 2015 and 2016

In the Market Entry Phase, the major activities of the programme were aimed at establishing new business contacts and delivering export competent SMEs.

The selected companies that became export-competent generally participated in all the activities.<sup>37</sup> Other selected companies that were not declared export-competent included companies that dropped out at the beginning of the programme and did not even participate in the EXPRO.

Among the programme participants there were 21 companies that applied for the Access to Finance pilot project that was added to the programme when it became clear that some of the participants faced a difficult financial situation and/or a lack of access to finance from local or international financial institutions. This group included companies with a financing need, but with an adequate financial position, that could be assisted in preparing applications to lenders. Other companies in this group were considered financially vulnerable and could first receive financial literacy training through the pilot project. Nonetheless, some of them dropped out from the programme because of their precarious financial status. The decision to drop out was either taken by CBI or by the companies themselves.<sup>38</sup>

Table 5 lists the most important micro-level activities in Honduras. CBI organised various workshops in Honduras, including workshops around the use of organic compost for improving soil quality and disease-resistant varieties of coffee plants. In September 2014, a two-day seminar on CSR was organised by CBI in collaboration with the Netherlands Senior Experts programme PUM. Furthermore, CBI delivered CSR training sessions in 2014 and helped to develop CSR action plans in 2015 and 2016. Hence, CSR was important as a cross-cutting topic in the programme.<sup>39</sup>

Similar export coaching activities took place in the other countries. AGEXPORT, for instance, was involved in the export coaching of individual companies in Guatemala. It also involved local experts who were available to assist companies in completing the tasks that the CBI experts asked them to carry out. Provision of training and other activities in Guatemala were also done in AGEXPORT.

A major activity of the programme in the years 2014 to 2016 was the participation of companies in trade fairs held in Europe, such as SCAE (specialty coffee), Salon du Chocolat and Fruitlogistica. The

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<sup>37</sup> Some activities were optional.

<sup>38</sup> CBI (2018a) op cit.

<sup>39</sup> Ibid.

partner BSOs and sector organisations, such as the national coffee institutes, accompanied participating companies in these trade fairs.

**Table 5: Micro-level activities in Honduras**

Period	Activities
January 2013-December 2016	Export Capacity Building CBI experts provided distance guidance <sup>a</sup>
June 2013-December 2016	CBI experts carried out several short Technical Assistance Missions (TAMs)
October 2013	EXPRO Training in Madrid of all Fresh Fruit and Vegetables companies and EXPRO Training in Düsseldorf of all coffee, cocoa and processed food companies. Companies received training and had to write an Export Marketing Plan
September 2014	CBI/PUM seminar on CSR
December 2012-December 2014	Coaching sessions
July 2015	Price Risk Management (PRM) coaching
March-July 2013	Individual exchange of the director of the Federation of Exporters (FPX)
December 2012-December 2016	CSR training and development of CSR action plans
2014-2016	Participation in three European trade fairs

Source: Own compilation based on CBI reports and interviews

<sup>a</sup> One of the fresh food and vegetables experts provided distance guidance only until the end of 2014. See also <Overzicht activities XB1304 Honduras.xlsx> provided by CBI.

In Nicaragua, APEN trained some 20 SMEs in a workshop on international trade fair participation. The ECP in Nicaragua involved training in, among others, sales, export marketing, risk management and business plan development.

Finally, participating companies were eligible for receiving a contribution from CBI of 50% of the cost of acquiring certification needed for EU market entry, such as GlobalGAP, UTZ, HACCP or ISO22000.<sup>40</sup>

Capacity development activities in Uganda as part of the **Natural Ingredients East Africa programme** consisted of training workshops with SMEs, sometimes joined by the BSOs and – in the case of coffee – the local consultants. Table 6 shows an overview of topics covered during workshops held in Uganda, which were held on a regular basis.

**Table 6. Overview of training activities and topics with SMEs and local consultants in Uganda**

	Specialty coffee	Oilseed
SMEs	<ul style="list-style-type: none"> <li>• Workshops, and one-to-one coaching</li> <li>• Development and implementation of audit action plans</li> <li>• Bankable business plan development</li> <li>• Preparations for trade fairs</li> <li>• EXPRO, trade fair participation (AFCA, SCAE)</li> <li>• Coaching on certification (6 SMEs)</li> </ul>	<ul style="list-style-type: none"> <li>• Action learning, distance learning and one-to-one coaching</li> <li>• Customer Profiling Tool (CRM)</li> <li>• Development of export marketing plan</li> <li>• Sales missions &amp; company visits (B2B)</li> </ul>
Local consultants	<ul style="list-style-type: none"> <li>• Auditing of SMEs</li> <li>• Business plan development</li> <li>• Export development skills: <ul style="list-style-type: none"> <li>- geographical indication export branding strategies</li> <li>- trade fair participation</li> <li>- coffee quality production</li> <li>- cupping techniques</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Auditing of SMEs (then collaboration was discontinued)</li> </ul>

Source: Own compilation based on CBI reports and interviews

In addition, missions were organised to Europe. In both sub-programmes this was done through the so-called EXPRO, an Export Orientation Mission, which included seminars to learn about the European market, visits to buyers, and a participation in a trade fair (for specialty coffee) or trade mission (for oilseeds).

<sup>40</sup> CBI (2018a). op cit. A given maximum was specified for the contribution.

The approach for the oilseeds sector was slightly different as there are no specialised trade fairs for oilseeds.<sup>41</sup> During the second mission for oilseeds, SMEs were expected to have one-to-one meetings with at least three potential buyers. They were coached beforehand to set these meetings up and prepare for them.<sup>42</sup>

The majority of the selected companies of the ***Sustainable Food Ingredients programme in Asia*** actively participated in all of the CBI programme activities during the 2014-2017 period (Table 7). Staff of the companies participated in the trainings and trade fairs facilitated by CBI. They attended training sessions on supply chain management, export marketing, risk management and corporate social responsibility (CSR). The training sessions took 1 to 3 days per year. Regular contacts by email or skype took place between CBI coaches/trainers and the staff of the various companies.

**Table 7: Micro-level activities in the Sustainable Food Ingredients programme in Asia (number of participating companies)**

Programme activities	Indonesia	Philippines	Vietnam
Export readiness: - Export coaching - Export marketing advice - Development of action plan	12	8	13
Market entry regional & EU:			
- Trade fair participation in region	5	-	-
- Trade fair participation in EU	22		
- Trade fair participation in EU	-	-	16 additional

Source: Own compilation based on CBI reports and interviews

During the programme, most of the participants visited three trade fairs in Europe. The costs of the programme for the participants were relatively low, yet some considered these still too high, in particular the cost of travel and accommodation related to trade fair participation in Europe were considered a constraint for some of them.

### Meso-level activities

A difference between the ***Central American Agro-Food Export Programme*** and the programmes in Africa and Asia is that several meso-level activities were carried out as a component of the regional Export Enabling Environment Support Project (EEESP). Table 8 shows the coverage of the EEESP activities.

Regional activities implemented between 2013 and 2018 were:

- Establishment of national/sectoral level task forces;
- Start of formulating EEESPs and holding a regional conference in 2013;
- Development of proposals for regional projects for several sectors in 2013;
- Start of regional and national EEESPs in 2014;
- Establishment of a regional honey board;
- Development of three coherent national specialty coffee marketing strategies;
- Adoption of a regional marketing strategy/regional brand for cocoa & derivatives;
- Conducting a 'minor crops study' for the fresh fruit & vegetables sector;
- Meeting on strategy for a common service (*Servicio Único*) regarding trade fair participation, resulting in a cooperation agreement between Central American BSOs; and
- Regional conference in 2018 to close the programme.

<sup>41</sup> Interview results.

<sup>42</sup> "CBI End of Project and Sub-Programme Report Oilseeds Uganda: Market Entry Oilseeds Uganda – XC1334", July 2016.

**Table 8: Coverage of EEESP activities in Central American Agro-Food Export Programme**

		Honey (+processed food, nuts, crushed chillies and all spice)	Specialty coffees	Cocoa & derivatives	FFV + roots & tubers	Cross-sectoral
Guatemala	Regional EEESP	X		X	X	X
	National EEESP: Support to Guatemalan Sanitary and Phyto-Sanitary (SPS) management system and AGEXPORT Coaching Programme (APC)					X
Nicaragua	Regional EEESP	X	X	X	X	X
	National EEESP: Support to APEN in establishment of an Export Academy					X
El Salvador	Regional EEESP	X	X			X
Honduras	Regional EEESP		X	X	X	X

Source: Own compilation based on CBI reports and interviews

As part of the regional EEESP, national specialty coffee marketing strategies were formulated for El Salvador, Honduras and Nicaragua in collaboration with the respective partner BSOs and national coffee institutes. This activity aimed to increase the coherence of exporters in presenting their coffee internationally. The strategy for Honduras was launched in 2014. For the formulation of this strategy, CBI, IHCAFé and FIDE signed a Letter of Commitment in May 2014.<sup>43</sup> Other activities of the regional EEESP concerned the adoption of a regional marketing strategy for cocoa and the development of a regional fine flavour cocoa brand, as well as a 'minor crops study' concerning the registration problems of crop protection products for cultivation of minor crops in Honduras, Guatemala and Nicaragua.

The aim of the activities regarding the honey sector was to tackle some major bottlenecks at a regional level. The activities concerned among others the formal establishment of a regional honey association, developing a regional marketing strategy and elaborating a honey sector characterisation study. The aim was also to initiate the application process to include Honduras on the third-country list of the EU, but this did not happen.

Another regional Export Enabling Environment activity was the *servicio único* project aimed at achieving agreement between participating BSO's in the four countries on a sustainable structure for participation of the region in trade fairs.

National EEESP activities were:

- Improvement/establishment Sanitary and Phyto-Sanitary (SPS) control system in Guatemala;
- Support to AGEXPORT in Guatemala for the development of capacity for its own ECP service; and
- Support to APEN in Nicaragua for the establishment of an Export Academy.

The integrated nature of the Central American Agro-Food programme is illustrated by the fact that relevant participating companies in the ECP were to form task forces for the regional EEESP activities in the sectors specialty coffee, cocoa and derivatives, honey, and fresh fruit & vegetables. The task forces were meant to jointly address bottlenecks identified in the VCAs. In the implementation of the programme, three task forces (for honey, cocoa, and SPS Guatemala) were established and became operational and CBI integrated various of its modules, such as export coaching, BSOD and market intelligence in the programme activities.<sup>44</sup>

In the **Natural Ingredients East Africa programme**, CBI identified four BSOs in the specialty coffee sector in Uganda – i.e. Africa Coffee Academy (ACA), Uganda Coffee Federation (UCF), National Union of Coffee Agribusinesses and Farm Entreprises (NUCAFE) and Uganda Commercial Farmers Association (UCFA) – for meso-level activities, which included an upstream activity regarding certification of

<sup>43</sup> Documentation provided by CBI, including the project plan for the specialty coffee component of the regional EEESP.

<sup>44</sup> CBI (2013). Project Plan Regional Export Enabling Environment Support Project.

exporters (Table 9). However, not all progressed at the same speed. In particular, activities with UCFA lagged behind.<sup>45</sup> With Uganda Coffee Development Authority (UCDA), a government body, a specialty coffee sector export market plan was developed.<sup>46</sup> However, in 2016 the UCDA was not much involved anymore in the implementation of the IP. For that reason, CBI asked UCF to take the Sector Export Marketing Plan (SEMP) on board and further implement the SEMF together with the Specialty Coffee Association of Uganda (SCAU), i.e. the consortium of SMEs that participated within the programme.<sup>47</sup> OSSUP was the only BSO in the oilseeds sector. As an oilseeds dialogue platform, it was the most relevant BSO in the sector, but its commitment and involvement reduced due to unclear and limited support by SNV.<sup>48</sup>

**Table 9. Overview of EEE activities and topics with BSOs in Uganda**

Specialty coffee	Oilseed
<ul style="list-style-type: none"> <li>• Development of farmer support services on certification for members (UCFA)</li> <li>• Development of strategic plan, improving dissemination of up-to-date market information (market intelligence), organising the SCAU (UCF).</li> <li>• Improving market development activities during the trade fairs (ACA)</li> <li>• Development of ISO 9000 quality management system (NUCAFE)</li> <li>• Development of the specialty coffee sector export market plan (UCDA)</li> <li>• Implementation SEMF (UCF and SCAU)</li> </ul>	<ul style="list-style-type: none"> <li>• Export Development skills (services to members)</li> <li>• Developing capacity for collection, analysis, processing and dissemination of market information (market intelligence for SMEs)</li> <li>• Build capacity for coaching and advisory services to SME members</li> </ul>

Source: Own compilation based on CBI reports and interviews

The major activities of the ***Sustainable Food Ingredients programme in Asia*** are listed in Table 10. Local counterparts played an essential role in the discussions between the relevant parties in the formulation of the sector export marketing plans for specialty coffee in Indonesia, for processed fruit in the Philippines and for honey and tea in Vietnam. According to an interviewed stakeholder, “the role of CBI was important, first as advocate of the programme bringing together the main partners and secondly in training and coaching them in the preparation of the SEMPs”. In Indonesia, a SEMF for coffee was formulated with contributions from the two Ministries and coffee sector associations. CBI provided capacity building support, among other things through training of staff of the two ministries in Indonesia, of the DCCCI in the Philippines and of Vietrade in export promotion and export development.

**Table 10: Meso-level activities in the Sustainable Food Ingredients programme in Asia**

Programme activities	Indonesia	Philippines	Vietnam
Service Industry development			
- Support to sector organisations	Local BSOs	Local BSOs	Local BSOs
- Development new services			
Quality, Standards and Traceability			
- Improvement presence of quality & standards	SMEs and BSOs	SMEs and BSOs	SMEs and BSOs
- Creating supporting network			
Trade Networks			
- Development of (inter-)national trade networks	SMEs and BSOs	SMEs and BSOs	SMEs and BSOs

Source: Own compilation based on CBI reports and interviews

<sup>45</sup> Interview results & Programme progress reports 2013, 2014, 2015.

<sup>46</sup> CBI (2018b). op cit.

<sup>47</sup> Ibid.

<sup>48</sup> Ibid.



In Indonesia, the lack of interest of some of the main stakeholders became visible in the process of formulating a Sector Export Marketing Plan (SEMP), which was a time consuming and cumbersome exercise. Ultimately, it resulted in a SEMP for the coffee sector, with which the two ministries and the participating coffee associations agreed. The lack of focus of the programme on a limited number of products played a role in Indonesia, but also in the two other countries. It was therefore impossible to draft SEMPs for each product in the programme's portfolio.

#### Integrated nature of programme activities

On paper, the three regional programmes integrate activities at micro- and meso-level. In practice, however, the extent to which these activities were actually integrated was limited. Compared to the experience in Africa and Asia, the IP implemented in Central America was the programme that achieved the highest degree of integration, shown by the activities related to the cocoa sector and the support to AGEXPORT and APEN for the establishment of national export coaching programmes that can benefit companies beyond the ones that were targeted by the export coaching activities of the IP. The e-survey results show that 89% of the respondents scored the integrated nature of the programmes as 'quite good' or 'very good'. It is however not clear how 'integration' was interpreted by the respondents.

## 4.4 Results

This section addresses the following questions listed in the evaluation matrix: (1) what were expected/planned and/or unexpected/unplanned results? And (2) next to KPIs, which qualitative results can be identified? The section first discusses output of the programmes and subsequently the intermediate and ultimate outcomes.

### 4.4.1 Output

All participants of the **Central American Agro-Food Export Programme** at least received some training and participated in workshops.<sup>49</sup> The quality of the training and workshops was generally perceived to be good or very good. Most companies also participated in at least one international trade fair. This is also confirmed by the results of the e-survey.

The majority of the output targets defined in the Business Case were met (Table 11). It is noticeable that the number of SMEs that participated in the Market Access Requirements training workshop by far exceeded the target. It can be observed in the table that 10 Central American companies received PUM assistance regarding issues that did not belong to the area of expertise of the CBI experts, compared to a target of 9 companies. In addition, in the end, 7 companies received Access to Finance funds in 2015, though the target was 20. Similarly, the target related to CSR plans was also not met.

Another output at the level of Central America was support to the establishment by 14 Central American cocoa companies of the regional cacao sector association AMACACAO in 2014 and the creation of its trademark Cunakakaw. With the help of CBI, a manual was elaborated on the traceability and post-harvest quality and processing for the certification of Cunakakaw.<sup>50</sup> In addition, CBI arranged a regional booth for the group of ECP participants and members of AMACACAO at trade fairs in 2015 and 2016.<sup>51</sup> Likewise, a honey sector study and three national specialty coffee marketing strategies were formulated as a component of the regional EEESP. Yet, especially in the case of the export

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<sup>49</sup> However, reports on technical missions in the Fresh Fruit & Vegetables sector indicate that the majority of the invited companies and organisations attended the workshops, but not always the full number of days of the latter.

<sup>50</sup> AMACACOA (2017). *Manual de Trazabilidad y Calidad Para Cosecha y Post Cosecha. Proceso para Certificación Cunakakaw*. Versión 1.0. Abril 2017 (<https://www.cunakakaw.com/wp-content/uploads/2018/08/Manual-CUNAkakaw.pdf>); see also <https://www.cbi.eu/news/chocolate-brand-cunakakaw-brings-together-sixteen-companies-central-america>.

<sup>51</sup> See e.g. <https://www.cbi.eu/news/fine-mayan-cacao-chocolate-cunakakaw-paris-salon-du-chocolat>.

marketing plan for the coffee sector in Nicaragua and the regional honey project, there were political issues that caused difficulties in the EEESP implementation.<sup>52</sup>

**Table 11: Selected Outputs of the Central American Agro-Food Export Programme (targets in parentheses)**

	Indicator <sup>a</sup>	Guatemala	Nicaragua	El Salvador	Honduras	Central America
<b>ECP</b>						
Business Development and Export Capacity Development phase	# SMEs that developed an EMP	24 (20)	10 (11)	6 (11)	22 (20)	63 (62)
	# SMEs that improved their business planning capacity	7 (5)	3 (5)	0 (-)	0 (-)	10 (10)
	# SMEs that completed MAR training (= understand legal and non-legal requirement implications for products)	36 (??)	10 (10)	30 (7)	48 (??)	124 (70)
	# SMEs with CSR plans developed	13 (20)	6 (10)	5 (7)	15 (15)	39 (52)
	# companies that received PUM assistance	..	..	..	..	10 (9)
Access to Finance	# companies that obtained Access to Finance funds	..	..	..	..	7 (20)
<b>EEESP</b>						
BSO service development	# BSOs with action plan developed to improve service delivery	..	..	..	..	6 (4)
Strategy development	# Developed sector strategies	..	..	..	..	2 <sup>b</sup> (4)
	# National coffee strategies					3 (4)
BSOD Explorative phase	# of National/Sectoral/Product-level task forces established and operational	..	..	..	..	2 (4)
	# of BSO diagnosis and intervention plans developed	..	..	..	..	6 (4)

Source: Own compilation based on CBI reports

<sup>a</sup> The CBI reports include numbers for individual countries for only a part of the output indicators; <sup>b</sup> Honey and cocoa

Furthermore, the BSOs AGEXPORT, APEN, COEXPORT and FIDE signed a MoU for the ‘servicio único’ project and, together with CBI experts, elaborated a manual for participation in international trade fairs.<sup>53</sup> However, it has been observed that the departure of key staff of the participating BSOs affected the implementation of the ‘servicio único’ project.<sup>54</sup>

APEN is also in charge of the Export Academy that was established in Nicaragua with support from CBI to the elaboration of a market study, business plan and training compendium. CBI had experience with providing similar support to AGEXPORT in Guatemala<sup>55</sup>

AGEXPORT and CBI made efforts to improve the Sanitary and Phyto-Sanitary System (SPS) in Guatemala, by elaborating a study document and holding meetings, but there was no political will to realise changes.<sup>56</sup> Hence, the national EEESP in Guatemala was less effective because of the lack of commitment for the SPS trajectory.

The output of the *Natural Ingredients East Africa programme* is described in the final programme report. Some output indicators for Uganda are presented in Table 12.

Interviews with companies in Uganda showed that the international experts involved in the programme followed a needs-based and tailor-made approach to capacity development. This was appreciated by participants and meant they were able to work on specific action plans for their companies. Participants consistently indicated that the challenges in the sector were well understood

<sup>52</sup> CBI (2018a).op cit.

<sup>53</sup> PowerPoint presentation ‘Servicio Integrado de Promoción Centroamérica en Ferias Internacionales’.

<sup>54</sup> For example, an experiment with the provision of the joint trade fair service could not take place, see CBI (2018a).

<sup>55</sup> Stakeholder interview.

<sup>56</sup> Stakeholder interview.

by the experts, and that the support provided by the experts was useful and that they had a high degree of specific knowledge on the sector. Participants also indicated that they could clearly see the added value of the CBI approach, even where they were receiving support from other organizations.

**Table 12. Selected outputs achieved in the Ugandan specialty coffee and oilseeds sub-programmes (targets in parentheses)**

Specialty coffee	Oilseeds
<p>SMEs:</p> <ul style="list-style-type: none"> <li>• 220 (120) new business contacts in the EU</li> <li>• 100 (30) new business contacts in the region</li> <li>• 10 (15) SMEs prepared for trade fairs</li> <li>• 9 (-) companies participated in AFCA exhibition in Nairobi in 2015</li> </ul> <p>BSOs:</p> <ul style="list-style-type: none"> <li>• 1 (1) Sector strategy developed and implemented</li> <li>• 4 (4) Services portfolio enhanced</li> <li>• Capacity of 12 BSO staff enhanced according to intervention planning</li> <li>• 8 (8) Trained consultants in action learning programme coffee sector</li> <li>• 3 (3) Consultants are working in other assignments (outside programme)</li> <li>• 3 (2) Geographical Indication seminars held</li> </ul>	<p>SMEs:</p> <ul style="list-style-type: none"> <li>• 108 (-) new business contacts between importers and exporters</li> <li>• 10 (10) exporters that have secured orders with importers</li> <li>• 10 (10) exporters have developed action plans and export marketing plans</li> <li>• 10 (10) exporters have visited a trade fair, a packing plant, a port and a warehouse in the Netherlands and have been trained prior to those visits</li> <li>• 31 (-) meetings conducted between exporters and buyers</li> </ul> <p>BSOs:</p> <ul style="list-style-type: none"> <li>• 1 (1) BSO trained</li> <li>• 0 (1) Sector promotion plan and implemented related activities</li> <li>• 0 (1) Collaborations to set up trade association</li> <li>• 1 (1) Facilitation of sales activities</li> </ul>

Source: "CBI Final Project / Programme Report: XC13 - Natural Ingredients East & Southern Africa", August 2018.

Examples of relevant output indicators of the ***Sustainable Food Ingredients programme in Asia*** are:

- Number of companies trained and coached. All companies received at least some training and coaching.
- Number of companies participating in workshops. Reports on technical missions indicate that the majority of the invited companies attended the workshops, but not always the full number of days of the latter.
- Number of companies participating in trade fairs. Virtually all of the companies in the programme participated in at least one trade fair.
- The number of new business contacts was 672 in Indonesia and 583 in the Philippines. No numbers have been reported for Vietnam.

The companies were in general satisfied with the contents of the training modules presented. There were however also some remarks. It was noted that the international trainers were in general experts in the field of export marketing and the related topics as supply chain management, etc. In a number of cases, however, they were not very familiar with the specifics of the companies. Some companies mentioned that it would have been better if the experts who did the audit at the moment that the companies were selected would also be involved in the training. The following citation from an interview with one of the companies illustrates this issue: "The expert visited the company 2-3 times during the period of the programme. However, the expert had limited knowledge regarding the company products. It is expected that the expert have knowledge and experiences related to the product of the company, so that they can give in-depth recommendation to the company. The expert should not only provide textbook inputs, but more contextual on the issues faced by the company".<sup>57</sup>

The interviews with the companies that dropped out of the programme also revealed that although the experts were knowledgeable in the field of general export promotion, they were not regarding the specifics of the company. Therefore, their training was considered too general, rather than also focused on the specific problems facing the companies. Since their expectations were not realised,

<sup>57</sup> During the programme, this remark regarding the coaching expert was conveyed to CBI, but no further action was taken.

they withdrew from the programme. Another topic mentioned, which is not covered in the programme, concerns the financial aspects related to the implementation of the activities suggested by the programme, such as measures to improve the supply chain management, costs related to certification of products required to enter the European market, costs related to branding and marketing, and costs for product innovation, investment costs, etc.

The support to the BSOs was in the opinion of local participants less adequately defined than the support to the companies. It lacked clear targets, actions and indicators for outputs.

An unexpected output, however, is that some of the training modules are (in simplified form) currently used by the Ministry of Industry to train companies that did not participate in the programme, illustrating the wider effects of the programme.

#### 4.4.2 Outcomes

In the general Theory of Change (ToC) presented in Chapter 3, a distinction was made between intermediate and ultimate outcomes. Selected **intermediate outcomes** of the **Central American Agro-Food Export Programme** reported in CBI (2018) are presented in Table 13.<sup>58</sup> It can be seen that the target set for the number of competent exporters was met in Guatemala and Honduras, but that in El Salvador and Nicaragua only half of the expected number of export-competent companies was achieved. The pattern of the results in terms of SMEs that have developed an Export Marketing Plan (EMP) is similar.

**Table 13: Selected intermediate outcomes of the Central American Agro-Food Export Programme (targets in parentheses)**

	Indicator <sup>a</sup>	Guatemala	Nicaragua	El Salvador	Honduras	Central America
<b>ECP</b>						
Market entry phase	# of competent exporters	22 (20)	5 (10)	5 (10)	16 (15)	48 (55)
	# companies with export growth to Europe					41 (55)
Business Development and Export Capacity Development phase	# SMEs that developed an EMP	24 (20)	10 (11)	6 (11)	22 (20)	63 (62)
	# SMEs that acquired certification	12 (20)	4 (10)	1 (-)	11 (-)	28 (30)
	# SMEs with improved CSR practices					76 (55)
<b>EEESP</b>						
BSO service development	# BSOs with new/improved service delivery					4 (4)
	# SMEs using new/improved BSO services	12 (..)	411 (..)	..	..	423 (500)
Strategy development	# of implemented sector strategies					2 <sup>b</sup> (4)
EEESP Guatemala	# ECP programme manuals developed and approved	5 (1)				
	# of AGEXPORT staff trained and coached re ECP methodology	23 (15)				
EEESP Nicaragua	# SMEs using training services of Export Academy		400-500 (50)			
	# trainers trained in European market-related topics		30 (6-8)			

Source: Own compilation based on CBI reports

<sup>a</sup> The CBI reports include numbers for individual countries for only a part of the output indicators; <sup>b</sup> Honey and cocoa

<sup>58</sup> Some of these results were classified as output in CBI's final programme report.

Eleven Honduran SMEs acquired certification with assistance from CBI for quality, safety, sustainability, but no explicit target had been set for this. In contrast, the target for certification was not met in Guatemala and Nicaragua.

Although the targeted number of Central American exporters that realised exports to Europe was not met, the target in terms of export growth was met in each of the four countries.

Another intermediate outcome is that 76 Central American SMEs improved their CSR practices, which exceeded the target of 55.

Finally, most of the targets of the EEESP were met or exceeded. Some exceptions are the number of SMEs that make use of new or improved services of BSOs and the number of implemented sector plans.

**Ultimate outcomes** concern the so-called ‘certified results’ of the programme, being exports to Europe and – as of 2015 – employment. An envisaged outcome of the programme were cumulative additional exports of €19.64 million to Europe (EU/EFTA). The target growth in Guatemala and Honduras was respectively €7.14 and €5.36 million, while the target for both El Salvador and Nicaragua was a growth of exports of €3.57 million. The targets of additional exports were met according to the calculations of CBI.

The actual exports from the participating SMEs in the Central American countries to the EU/EFTA rose from €42.9 million in 2014 to €52.8 million in 2017. Not surprisingly, this growth was dominated by the growth of specialty coffee exports (see Table E.1 in Annex E). The cumulative growth of exports to Europe over this period was according to the CBI calculations approximately €50 million.<sup>59</sup>

Direct employment reported by the participating SMEs increased between 2014 and 2017, both in terms of number of persons and in terms of FTEs, though the figures in 2017 were lower than in the previous year (see Table E.2 and Table E.3).

The outcomes of the *Natural Ingredients East Africa programme* are described in the final programme report. A selection of **intermediate outcome** indicators is presented in Table 14. Some other, more intangible intermediate outcomes were knowledge and behaviour change, marketing orientation and understanding, product upgrading/value addition, product marketing and labelling, capacity and procedures for quality management (e.g. traceability systems), improvement of HR policies. Interestingly, the e-survey results presented in Annex D indicate that the CBI experts provided quite some advice or staff training in some of these areas.

**Table 14. Selected intermediate outcomes of the Natural Ingredients East Africa programme (targets in parentheses)**

	Uganda Specialty Coffee	Uganda Oilseeds	Kenya Added Value Tea	Ethiopia Oilseeds	East Africa
# competent exporters that have successfully completed the export capacity building module and have participated in at least 1 market entry activity	12 (14)	10 (10)	9 (11)	9 (11)	40 (46)
# SMEs have implemented their export marketing plan	13 (14)	10 (10)	9 (11)	7 (11)	39 (46)
# SMEs have implemented measures (e.g. Certification) required by their target market (e.g. Quality, Safety, Sustainability)	2 (6)	0 (9)	2 (3)	0 (10)	4 (28)
# Sector export marketing plans developed	1 (1)		1 (1)		2 (2)
# Sector strategies implemented	0 (1)		0 (1)		0 (2)

Source: “CBI Final Project/Programme Report: XC13 - Natural Ingredients East & Southern Africa”, August 2018.

<sup>59</sup> CBI (2018a). op cit.

In the East African programme, the CSR component was only part of the KPIs for the Ethiopia specialty coffee sub-programme which was added later. As CSR activities were not budgetted from the start for the other four sub-programmes it was considered difficult to add these on later.

The target for one of the **ultimate outcomes** of the East & Southern African integrated programme was to achieve a 'sustainable export increase of specialty coffee, added value tea and oilseeds from Kenya, Uganda and Ethiopia to the EU and non-EU markets with €11.5 million per year from 2017, as a result of directly and indirectly supported companies in the programme'. This target was formulated for the initial four sub-programmes, and an additional €3 million was added as the target for specialty coffee in Ethiopia later on. For the Uganda specialty coffee sector alone, the target was to achieve an annual increase of €3 million by 2016 and the target for the Uganda oilseeds sector was €2.5 million. Table E.4 in Annex E shows the EU and non-EU export data for 2014-2017 based on CBI's certified results. This includes only the data from companies that had a complete set of data for all years. Data for 2011 at the start of the programme were not available.

For the four sectors together, the SMEs with complete data exported almost €185 million in 2017 (of which 18% went to the EU), compared to almost €137 million in 2014 (with a 20% share of exports to the EU). Overall, the additional annual exports generated by the participating companies amounted to almost €48 million (i.e. the difference between exports in 2014 and 2017), which by far exceeded the target of €11.5 million for the East Africa IP as a whole. Growth of annual exports to the EU was 18% comparing 2014 and 2017, and to non-EU countries 39%. However, these figures mask substantial differences between the sub-programmes.

The annual exports to the EU of the participating SMEs in the specialty coffee sector in Uganda (for which there is a complete set of data) grew by 40% between 2014 and 2017, but partially at the expense of exports to other regions, resulting in an overall increase in annual exports of only 6%. In the Ugandan oilseeds sector, only one company achieved EU exports in 2016 and 2017. Annual exports to EU and non-EU increased almost threefold between 2014 and 2017. The participating oilseeds SMEs in Ethiopia saw a decline in annual exports to both the EU and non-EU in 2014-2017. Similarly, participating SMEs in the added value tea sector in Kenya reduced their export to the EU, although overall exports substantially increased.

The other ultimate outcome of the programme is the generation of employment. Annex Table E.6 presents a partial overview of direct employment data generated from CBI's certified results. As some companies did not report the number of jobs for some of the years, data were only presented for those companies with complete data across all four years. These data suggest that overall the number of jobs increased among the participating SMEs with complete data, but that this increase was only on account of seasonal employment, because overall full-time and part-time employment reduced. However, as no data were reported on part-time and seasonal jobs in 2014 and 2015, it is also possible that this is just because employment was recorded as full-time initially, while it was actually part-time or seasonal. The number of jobs in SMEs in the Ugandan oilseeds and specialty coffee sectors increased most, but again mainly due to a major rise in number of part-time or seasonal jobs reported.

The data suggest that among the specialty coffee SMEs the number of full-time jobs remained virtually the same for men, while those for women declined. The reverse was the case for part-time jobs. In the participating oilseeds SMEs in Ethiopia, full-time and part-time jobs decreased in number for men and women alike, while the number of seasonal jobs rose especially for women.

In terms of FTEs, the data demonstrate that employment in the two sectors in Uganda increased in 2014-2017, while it reduced in both value added tea in Kenya and oilseeds in Ethiopia (Table E.7).

Relevant indicators of intermediate outcomes of the *Sustainable Food Ingredients programme in Asia* reported in CBI (2018) are presented in Table 15.<sup>60</sup>

**Table 15: Selected intermediate outcomes of the Sustainable Food Ingredients programme in Asia (targets in parentheses)**

	Indonesia	Philippines	Vietnam	Total
<b>SMEs</b>				
# competent exporters	10 (14)	7 (9)	8 (10)	25 (33)
# that have:				
1 improved social responsibility practices	10 (-)	7 (-)	5 (12)	22 (-)
2 secured orders with importers	10 (20)	7 (-)	9 (10)	26 (-)
3 developed Export Marketing Plan	10 (-)	7 (-)	12 (12)	29 (-)
4 implemented Export Marketing Plan	10 (-)	7 (-)	10 (10)	27 (-)
5 implemented measures (e.g. certificates)	7 (-)	5 (-)	- (-)	- (-)
6 understand sustainability risks and opportunities	10 (-)	7 (-)	- (-)	- (-)
7 attained sufficient CSR level	10 (14)	7 (9)	8 (10)	25 (33)
8 improved their internat. marketing skills	10 (-)	7 (-)	- (-)	- (-)
<b>BSOs</b>				
Sector export marketing plan	1 (?)	1 (?)	- (?)	2 (-)
Local trainers able to provide EMP training	1 (?)	1 (?)	2 (?)	4 (-)

Source: Own compilation based on CBI reports

As was shown in Table 4, 25 Asian companies were declared export-competent. This was approximately 75% of the target and nearly 70% of the number of companies that participated in the programme. The success rates for Indonesia, the Philippines and Vietnam were respectively 71, 78 and 62 percent.

During the programme, 11 selected companies dropped out for various reasons. The main reasons mentioned during the interviews were the inability to meet the cost consequences of continuing their participation in the CBI programme, among these the costs for certifications and participating in trade fairs, and that CBI's programme was considered no longer being relevant. It was furthermore mentioned several times that the training of CBI was excellent in general terms, but often lacked knowledge about the specific products. For that reason, some interviewees mentioned that they were not advised about upgrading of the products, whereas they expected to receive such advice at the start of the programme. For at least one company this was the main reason to leave the programme.

Another intermediate outcome indicator in the ToC's result chain is the number of supported SMEs that improved their CSR practices. CBI (2018) reports a number of 25 directly supported companies for the three Asian countries together. This number is equal to the number of export-competent companies. Interviewed representatives of companies in the three programmes reported various CSR practices, varying from paying at least the minimum wage, providing lunch facilities for employees and allowing employees to take home part of the produce, to training for associates of a cooperative,

<sup>60</sup> These results were classified as output in CBI's final programme report (see CBI 2018a op cit.).

scholarships, support to local schools and health facilities. It is not clear to what degree this can be attributed to the CBI programme.

The participating SMEs in the three Asian countries increased their exports to Europe from €33 million in 2014 to over €85 million in 2017, while their exports to non-European countries rose from €77 to €110 million. Hence, the relative increase of their exports to Europe was higher than that of the exports to the rest of the world. The Philippines had the best export performance, followed by that of Indonesia. However, participating SMEs in Indonesia more than tripled their food ingredients exports to the EU. At the same time, there was a decline in Indonesian specialty coffee exports to the EU, compared to growing coffee exports to other countries (see Table E.8 in Annex E).

Employment in terms of FTEs only marginally increased in Indonesia in the period 2014-2017, while it decreased in both Vietnam and the Philippines. Employment also fell in Indonesia, if the number of FTEs in 2017 is compared with that in 2015 (see Table E.9). Some companies indeed mentioned that the management advice of CBI did improve the productivity in the company, resulting in more production with less employees. However, it is not clear whether these observed changes in the number of FTEs point at genuine developments of employment in the participating companies, or whether they are caused by errors in the reporting of the 'certified results'.



## 5 Evaluation of the three programmes

### 5.1 Introduction

This chapter evaluates the three regional integrated programmes by considering the OECD-DAC criteria of relevance, efficiency, effectiveness and sustainability, as well as the criterion of managing for results.

### 5.2 Relevance

According to the ToR, relevance concerns the extent to which the objectives of a CBI programme are consistent with the needs of the exporters and importers, country needs, and the policy priorities of the Ministry of Foreign Affairs of the Netherlands and CBI.

In general, the regional integrated programmes were relevant for the exporters. This was expressed in face-to-face interviews and is also evidenced by the e-survey results that indicate that CBI's support addressed various constraints faced by the companies (see also Annex D).<sup>61</sup> The programmes were also relevant for European importers, because they provided opportunities to meet and establish business contacts with exporters and in several cases resulted in imports of agro-food products from these exporters, of which the origin is known, which is information that consumers in Europe increasingly request.

The programmes were also relevant for CBI and the Ministry of Foreign Affairs of the Netherlands, given the Ministry's agenda on aid and trade, although it appears that they were less relevant in terms of the Ministry's objective of reducing poverty, given that, particularly in Asia, the programmes tended to be focussed on more developed regions within the countries. Hence, there is possibly a trade-off between export performance of the integrated programmes and poverty alleviation. The selection of companies that participated in the IPs was normally based on their financial status and potential for exporting to the EU. Companies that were relatively well off and that already had experience with exporting tended to be preferred above companies that were only active domestically. Companies that were financially relatively weak, were in an early stage of development and located in the more backward and poorer regions in the countries were less likely to be accepted for the programme. As a result, the programme tended to be biased to the more established companies in the better-off locations. A clear example is Indonesia where the programme was focused on the more-developed regions (Java and Sumatra), rather than on the poorer regions in the eastern part of the country. This approach might be effective in terms of raising export volumes, but is probably less effective in terms of poverty alleviation.

The lesser emphasis on the objective of poverty reduction in favour of a stronger focus on success in terms of exports is also revealed in the change in the relationship between the Ministry and CBI.

There was intensive coordination between the Ministry's Department of Sustainable Economic Development (DDE) and the representative of CBI. The steering by DDE of the promotion of imports from developing countries delegated to CBI was stronger than in the past.<sup>62</sup> With the new approach, there was a stronger focus on a more limited number of sectors with a larger scope for exporting to Europe and more to improving the export enabling environment in collaboration with sector organisations (BSOs). The expectation of the Ministry was to increase the rate of success of CBI's

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<sup>61</sup> In comparison, in the evaluation of ECPs in a wide range of sectors implemented between 2008 and 2015, it was found that the main objective of the majority of the surveyed EVCP participants was to export to the EU. Other companies focused on more intermediary objectives. So for companies, the participation in the ECP was considered relevant, see Ecorys (2018). Evaluation of CBI Export Coaching Programmes 2008-2015. Final report, p. 49.

<sup>62</sup> Stakeholder interview. Insufficient steering in the past was mentioned as an issue in the evaluation of CBI 2005-2012, see IOB (2016).

interventions and to be able to better measure results, for which DDE and CBI worked together on defining CBI's objectives and result indicators, also to improve the comparability between CBI's programmes.<sup>63</sup> Nonetheless, as observed earlier in this report, the range of agro-food products (or sectors) covered by the regional IPs was still rather wide.

The integrated programmes addressed the needs of (potential) exporters in the agro-food sectors to improve their knowledge of the EU market and their skills and working practices, to obtain required certifications and to meet other requirements (identified in value chain analyses and Business Cases) for being able to export to the EU. For example, one of the bottlenecks for exporting to the EU is the GlobalGAP certification in the case of Fresh Fruit and Vegetables. The programme implemented in Central America was started at a good moment, given the region's Association Agreement with the EU signed on 29 June 2012, of which trade is one of the pillars.<sup>64</sup> An interviewed company representative in Honduras qualified the CBI programme as "the most appropriate to the interest of the company to export to Europe". Similarly, the integrated programme in Vietnam also fitted in well with the recent trade agreement signed between that country and the European Union.

The **Central America Agro-Food programme** was relevant for the beneficiaries, because it addressed their need to increase their capacity to export agro-food products. The programme was furthermore relevant because it complemented other projects and programmes, such as COMRURAL in Honduras and PymeRural in Honduras and Nicaragua that addressed more production-related issues in the value chain. A product for which the programme was perhaps less relevant for Honduras was honey, as the necessary government support for developing the sector was lacking. For the other three countries, however, the activities related to this sector were relevant.

The two sub-programmes of CBI's **Natural Ingredients East (& Southern) Africa** integrated programme was appreciated by participants and meant that they were able to work on specific action plans for their companies. Interviewees consistently indicated that the issues were well understood by the experts and that the programme was addressing the right issues. The coffee and oilseeds sectors also received attention from government and development programmes. The Business Case document explains the trends in international coffee markets going towards more certified and branded coffee, which the programme addressed. For the oilseeds sector, there was a question whether SMEs would have been better off targeting local and regional markets, as the national demand for vegetable oil could not be satisfied by local production, and the sector was not yet mature. The latter finding could at the same time precisely be a motivation to target this sector. Anyway, participating SMEs were positive about the relevance of the programme, as the skills developed can be applied in any market. While also other programmes were implemented in both the coffee and the oilseeds sectors in Uganda, participants were clear on the uniqueness of the CBI approach and topics covered.

The participating companies considered the **Sustainable Food Ingredients programme in Asia** relevant for their overseas activities and ambitions, because the programme addressed the constraints that they experienced when they wished to enter the foreign markets. They mentioned that their capabilities regarding supply chain management, branding and marketing as well as CSR improved as a result of CBI's intervention.

At the national level, the programme fitted in well with the objectives of the governments of the three countries to increase export of non-primary products. They all aim at stimulating value added creation within the national border, with a view to generate more income. As such, increasing exports of food ingredients rather than the raw materials fitted well within this policy. The objective of increasing employment and reducing poverty is fully consistent with the general Dutch policies in the field of development cooperation. It should be mentioned that the programme was not particularly focusing on the poorest segments in society, which is illustrated by the choice of the countries and for example

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<sup>63</sup> Stakeholder interview.

<sup>64</sup> <http://ec.europa.eu/trade/policy/countries-and-regions/regions/central-america/>.

the fact that the supported companies were located in the more developed regions of Indonesia. Since the programme tried to establish economic contacts between the supported companies and the European importers, it was also consistent with the Netherlands' policy to stimulate international trade relations in particular with countries in transition such as Vietnam.

### 5.3 Efficiency

Efficiency concerns the relationship between input (financial and human resources) and output (or outcome, if the emphasis is on cost-effectiveness). The input considered here is limited to the expenditure on the programmes, which relates almost one-to-one to the use of human resources.

Table 16 presents the budgets allocated to the different regions and countries, as well as the actual expenditure as far as known at the moment of writing this evaluation report.

**Table 16: Budgets and expenditure of the three Integrated Programmes 2012-2018**

Programme	Projects	Budget in Business Case	Adjusted Budget	Expenditure per December 2017
Central America Agro-Food	Guatemala	€ 2,194,000	€ 1,973,834	€ 1,975,011
	Nicaragua	€1,205,700	€ 1,026,342	€ 1,025,605
	El Salvador	€ 1,411,600	€ 271,830	€ 271,580
	Honduras	€ 1,016,700	€ 1,148,714	€ 1,147,200
	Regional EEE Support Project	€ 1,464,000	€ 719,071	€ 722,928
	Access to Finance	€ 0	€ 150,000 <sup>a</sup>	€ 137,346
<b>Total Central America</b>		<b>€ 7,292,000</b>	<b>€ 5,289,791</b>	<b>€ 5,246,218</b>
East & Southern Africa Natural Ingredients <sup>b</sup>	Speciality Coffee Uganda			
	Tea Kenya			
	Oilseeds Ethiopia			
	Oilseeds Uganda			
	Specialty Coffee Ethiopia <sup>c</sup>	-		
<b>Total East &amp; Southern Africa</b>		<b>€ 4,239,206</b>	<b>€ 5,945,000<sup>d</sup></b>	<b>€ 4,343,420</b>
Asia Food Ingredients	Food Ingredients Indonesia	€ 2,599,855		€1,147,705
	Food Ingredients Philippines	€ 1,313,738		€ 490,805
	Food Ingredients Vietnam	€ 2,407,551		€ 1,077,686
<b>Total Southeast Asia</b>		<b>€ 6,321,144</b>	<b>€ 3,300,000</b>	<b>€ 2,701,285</b>
<b>Total 3 Integrated Programmes</b>		<b>€ 17,852,350</b>	<b>€ 14,534,791</b>	<b>€ 12,290,923</b>

a) Partly additional resources from Department of Sustainable Economic Development of the Ministry of Foreign Affairs of the Netherlands.

b) Due to the change in accounting system and organisation of budgets only the amounts per sub-programme from 2015 onwards are known. c) This sub-programme was added later and has not been completed yet. It is excluded from this evaluation. d) Includes budget for Specialty coffee Ethiopia.

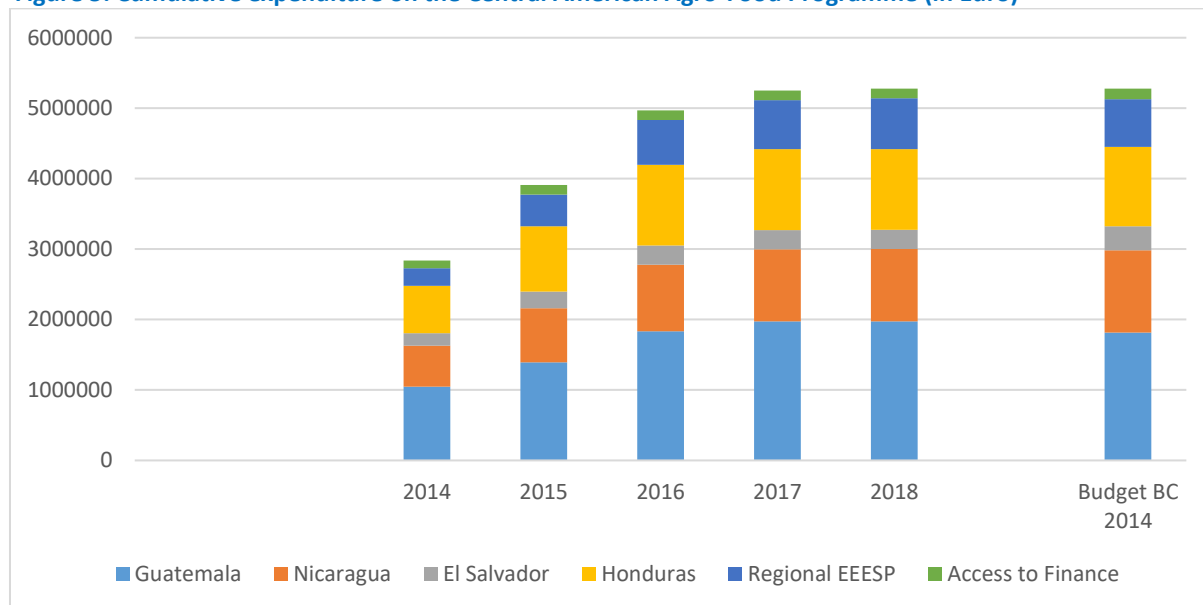
At the start of the programmes in 2012, the total allocated budget was close to €18 million. However, several budget cuts were introduced during the period of implementation of the programmes. As a result, the earlier ambitions of the programmes had to be lowered. This in particular affected the number of companies supported with their export promotion.<sup>65</sup> The reason that the adjusted budget for East and Southern Africa was higher than the budget in the Business Case is related to the fact that the sub-programme on Specialty Coffee Ethiopia was added.

<sup>65</sup> In El Salvador, for instance, this number was adjusted downwards, see CBI (2018a).

Total expenditure until the end of 2017 amounted to approximately €12.3 million. It should be mentioned that the programmes for the regions were not yet fully completed at the end of 2017. Hence, the amount of €12.3 million does not include a part of the expenditure on the Specialty Coffee Ethiopia sub-programme and some relatively small amounts (to be) spent on the other programmes. In addition, the above-mentioned total amount does not take into account the cost of the VCAs and the management cost of CBI.

Figure 5 clearly illustrates that the majority of the activities of the Central America programme took place between 2014 and 2016. By June 2018, the cumulative overall expenditure was almost equal to the budget of the revised Business Case (BC) of 2014, however with budget shifts between countries.

**Figure 5: Cumulative expenditure on the Central American Agro-Food Programme (in Euro)**



Source: Own elaboration based on annual progress reports and the final report of the Central America Agro-Food Programme.

In the case of East and Southern Africa, it was difficult to identify the funds used for each of the sub-programmes over the entire programme period, due to changes in CBI's accounting system. The East and Southern Africa Business Case presented an original budget of €4.2 million for implementation of four sub-programmes. This budget was later on revised and a sub-programme was added, leading to an overall budget of €5.9 million. Expenditure at the end of 2017 was €4.3 million, with the specialty coffee Ethiopia sub-programme still running. The expected overall expenditure for the entire programme was €4.8 million.

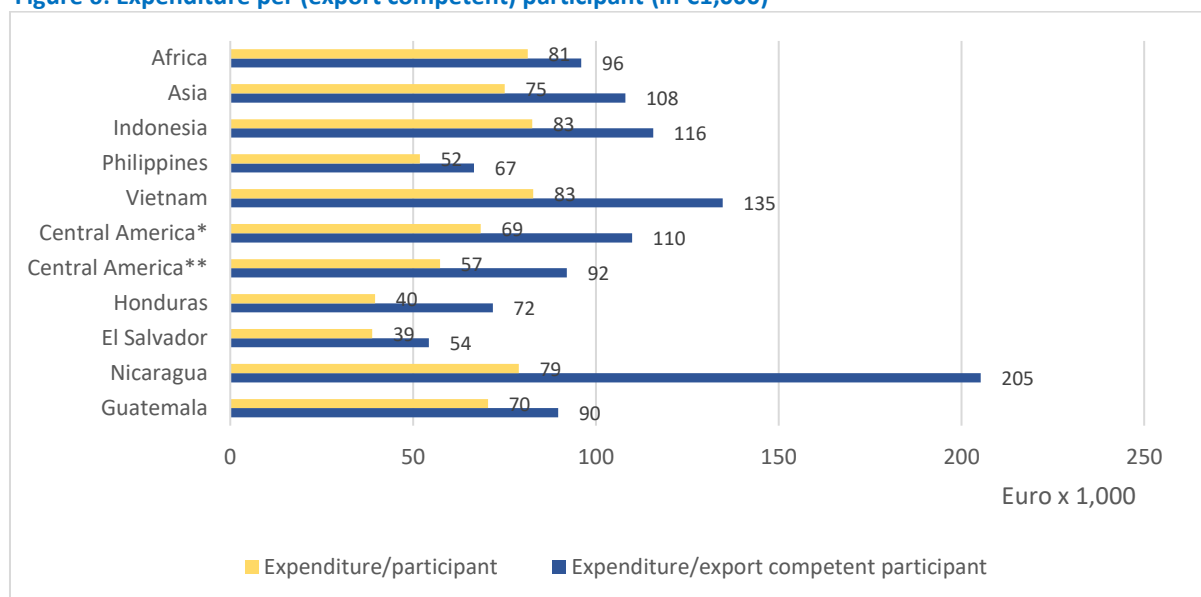
Comparing CBI's expenditure on the East and Southern Africa programme with the number of programme participants (59 SMEs) yields average programme costs of approximately €81 thousand per participating company. The average cost per programme participant was somewhat higher in Africa than in Asia and Central America, though the averages within the latter regions also varied (Figure 6).

A cost-effectiveness measure can be obtained by relating the expenditure on the programmes in the successive countries to the number of successful programme participants. As also shown in Figure 6, the programme expenditure per export-competent African company was about €96 thousand, assuming that the 10 SMEs in the Ethiopian oilseeds sector will also achieve export competency. Similarly, in Honduras, programme cost was on average approximately €72 thousand per competent exporter, while the figure for Indonesia is approximately €116 thousand. It can furthermore be observed that the average cost per successful participant was very high in Nicaragua as a result of the relatively high dropout from the programme in that country. It must be noted that the averages for the individual Central American countries do not cover the cost of the regional EEESP activities and

Access to Finance project. For Central America as a whole, the averages are 20% higher if this cost is taken into account. Finally, for the three IPs taken together, the average cost was about €100 thousand per competent exporter.

Of course, the averages may vary across the sectors or products that were covered. It is likely that this particularly the case in Indonesia, where for several products there was only a single programme participant. While the cost per successful participant were probably higher in sectors with a small number of participants, it must be taken into account that the programmes in the Central American countries formed part of the larger regional programme, so it is possible that there were economies of scale.

**Figure 6: Expenditure per (export competent) participant (in €1,000)**



Source: Own elaboration based on annual progress reports and final reports of the three programmes

Notes: \* Including regional EEESP and Access to Finance project; \*\* Excluding regional EEESP and Access to Finance project

The expenditure per competent exporter was on average approximately €58 thousand for ECPs conducted between 2005 and 2012.<sup>66</sup> Correcting this amount for the change in prices between 2008 and 2015 – i.e. the middle of this period and that of the period 2012-2018 – would result in an average of approximately €65 thousand if the change in prices in the Netherlands is used.<sup>67</sup> The amounts for Honduras and El Salvador – which basically refer to the national ECPs only – are also of this order of magnitude. The comparison for the other countries would also require the average expenditure on (at least) BSOD per country. However, it can be observed that the expenditure per competent exporter of the integrated programme in the Philippines was only marginally higher than €65 thousand.

Another proxy indicator of cost-effectiveness would be to relate the certified results to the programme expenditure. However, it is not clear to what extent the observed changes in exports and employment can be attributed to the programme.

## 5.4 Effectiveness

This section analyses the effectiveness of the integrated programmes mainly on the basis of the in-depth case studies that the evaluation team carried out in Honduras, Indonesia and Uganda. The

<sup>66</sup> IOB (2015). Aided Trade. An Evaluation of the Centre for the Promotion of Imports from Developing Countries (<https://www.iob-evaluatie.nl/publicaties/evaluaties/2015/09/01/408---iob-aided-trade---an-evaluation-of-the-centre-for-the-promotion-of-imports-from-developing-countries-2005-2012>)

<sup>67</sup> See <https://statline.cbs.nl/Statweb/publication> for data on the price index of the Netherlands.

section is structured along the first four steps of Contribution Analysis outlined by John Mayne, i.e. develop the results chain, assess the existing evidence on results, assess the alternative explanations and assemble the performance story.<sup>68</sup>

### Results chain and assumptions

The general Theory of Change of the integrated programmes outlined in Chapter 3 explains how the programmes were expected to contribute to observed results, by defining how activities were expected to lead to results. The ToC shows the main feature of CBI's approach of the integrated programme, addressing in an integrated way bottlenecks facing the exporting SMEs, as well as the institutions responsible for improving the exporting enabling environment, such as the BSOs and the policy makers. In the end, this approach should result in higher exports to Europe and beyond, and well-recognised suppliers of agro-food products which are stable regarding quality and quantity.

According to the ToC, the main instruments that were applied are: (1) export coaching programmes; (2) support to BSOs in developing/improving services that help create an environment for SMEs that promotes exports, including advice on branding and promotion activities; (3) advice to government institutions with a view to create an enabling environment for exports; and (4) training of local consultants in support to local companies. The programmes implemented in the three regions did in several countries not focus on instruments 3 and 4. This was for example the case in Honduras.

The ToC includes the results chain that portrays the linkages from inputs to intended intermediate outcomes and from the latter to intended ultimate outcomes, as well as the assumptions underlying these links.

1. Identified assumptions underlying the link from input to output are:
  - a. Relevant sector issues have been identified
  - b. The business case developed tackles the relevant issues
  - c. International experts with the right skills are found
  - d. The country or sector has a conducive policy environment for the programme to be implemented
  - e. Sufficient number of suitable companies are available and apply for programme
  - f. Companies with export potential are selected
  - g. Market intelligence is relevant and shared
  - h. The right partnerships can be built/enhanced in a timely manner (involving BSOs, suppliers, government, experts, and other donors/projects)
  - i. Companies are supported sufficiently and through affordable interventions
  - j. Companies continue to be willing to invest
  - k. Integration of export coaching and development of the enabling environment can be successfully done
2. Assumptions for outputs to lead to intermediate outcomes are:
  - a. BSOs have aspirations that match the programme
  - b. Government supports development of the sector
  - c. EU market demand does not significantly change during the programme
3. Assumptions for intermediate outcomes to lead to long-term outcomes are:
  - a. Companies' productivity improves and affects employment
  - b. Companies of 'competing' countries do not outperform targeted companies

### Observed results

The previous chapter showed that most of the output targets set for SMEs were achieved and that some of them were exceeded by far, which indicates that targets could have been formulated more ambitiously. At the same time, a substantial part of the participants dropped out from the

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<sup>68</sup> See e.g. Mayne, J., 2001. op. cit.

programmes and was not declared **export competent** (in all three programmes formulated as having “successfully completed the export capacity building module and participated in at least one market entry activity”). The success rate of the programmes in terms of the percentage of participants that in the end were qualified as ‘competent exporters’ was about 55% in Honduras, although the target of 15 competent exporters was achieved. The success rate was 71% in Indonesia and 88% in Uganda. Only in Uganda it was similar to the average success rate of 86% observed for ECP programmes implemented between 2005 and 2012.<sup>69</sup> It must be emphasised, however, that the latter did not only cover agro-food products.

In Honduras, the success rate was highest in the specialty coffees sector (75%), followed by that of cocoa, though one export competent company in the cocoa sector later on stopped its activities in Honduras. The proportion of export-competent companies was lower in fresh fruit and vegetables (including roots and tubers), whereas none of the three companies in the processed food, honey and nuts sector completed the programme successfully (Table 17). The table furthermore shows that most of the Ugandan coffee exporters successfully completed the programme, while in Indonesia the success rate was only 60% in the coffee sector (3 out of 5). The two Indonesian companies that export coconut derivatives were declared export competent, whereas only one Ugandan company in the oilseeds sector dropped out from the programme (and the target that was set at 10 was achieved). Of course, the results in Table 17 have to be interpreted cautiously, given the small numbers of participating companies.

**Table 17: Number of participating companies and competent exporters by sector**

	Honduras		Indonesia		Uganda	
	# participants	# competent exporters	# participants	# competent exporters	# participants	# competent exporters
Coffee	12	9	5	3	14	12
Cocoa	3	2	1	0	-	-
Fresh Fruit and Vegetables	11	5	-	-	-	-
Processed food, honey and nuts	3	0	2	1	-	-
Oilseeds	-	-	-	-	11	10
Coconut derivatives	-	-	2	2	-	-
Other	-	-	4	3	-	-
<b>Total</b>	<b>29</b>	<b>16</b>	<b>14</b>	<b>10</b>	<b>25</b>	<b>22</b>

Source: Own compilation based on progress reports, final project/programme report and database provided by CBI

An ultimate outcome indicator reported on in CBI’s certified results are the **agro-food exports to Europe (EU/EFTA)**. As mentioned in the previous chapter, in 2017, the value of agro-food exports to Europe of reporting companies in **Honduras** fluctuated over time. This fluctuation in export revenues was to a large extent related to the fluctuation in the value of specialty coffee exports, which in turn was more pronounced than that of the US dollar value of overall (i.e. regular and specialty) exports of coffee to the EU according to UNCTAD data and of overall coffee exports in general reported by IHCafé (2017).<sup>70</sup> In one of the interviews, a participating coffee-processing cooperative reported that it increased its exports to Europe from 20 thousand to 150 thousand bags of coffee. It is beyond doubt that the cooperative’s growth rate of coffee exports exceeded both the growth rate of the number of bags of coffee exported in general by Honduras (which rose from 5.6 to 6.7 million bags between 2012-2013 and 2015-2016) and that of coffee exports from Honduras to Germany, Belgium, France, Italy,

<sup>69</sup> IOB (2015) op. cit., p. 60.

<sup>70</sup> IHCafé (2017). *Informe Estadístico Cosecha 2015-2016. Café de Honduras*.

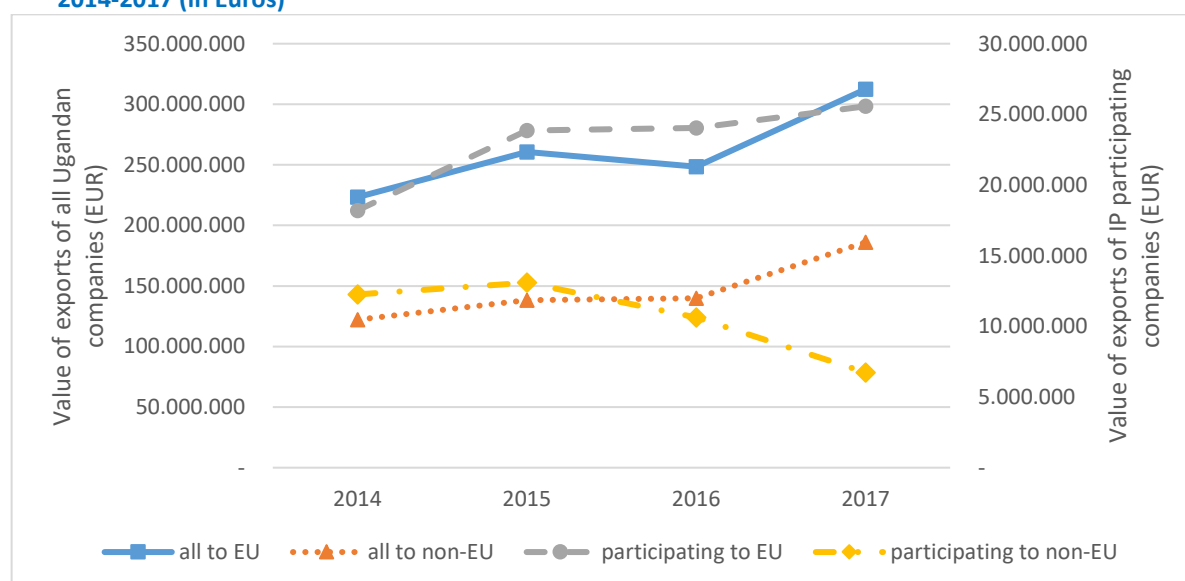


the UK and Sweden together (which did not change much in that period).<sup>71</sup> So, it is plausible that the CBI programme contributed to the achievement of the cooperative.<sup>72</sup> Similarly, a representative of a Honduran company in the fruit and vegetables sector reported that the company hardly exported prior to the participation in the CBI programme, but that exports grew some 30% in 2016-2017 with the programme. It must be noted that there may also have been other reasons for the strong growth, as its exports dropped in 2018, before recovering again in 2019.

Interestingly, a change observed as a result of the CBI support was that some participating companies in Honduras managed to start exporting themselves instead of having to rely on an intermediary for exporting their product.

Figure 6 and Table E.5 compare the coffee exports of all companies in **Uganda** with the specialty coffee exports of the companies that participated in the programme. The growth rate of the value of annual exports from the participating companies to the EU was equal to that for all companies in Uganda: the increase was 40% between 2014 and 2017. At the same time, the participating companies' coffee exports to non-EU countries declined by 45%, while all Ugandan companies' exports to non-EU countries increased by 52%. While programme participants increased their coffee exports to the EU, it remains unclear whether this can really be attributed to the programme, as non-participants also increased their exports to the same degree. Nonetheless, it is possible that the companies that did not export to the EU in 2014 but that reported such exports in later years started to export to the EU as a result of their participation in the programme.

**Figure 6: Coffee exports from Uganda from all coffee companies and those participating in the CBI programme 2014-2017 (in Euros)**



Source: own elaboration based on CBI certified results and UNCTAD data. Annual USD-EUR exchange rates are from <https://www.irs.gov/individuals/international-taxpayers/yearly-average-currency-exchange-rates>. Participating SMEs only includes data for companies that have complete data for all years.

The certified results for **Indonesia** suggest that the natural ingredients exports to the EU by the participating SMEs more than tripled in the period 2014-2017, despite a decrease in the exports of specialty coffee. It is beyond doubt that the average annual growth rate of exports of natural

<sup>71</sup> Cf. IHCAFé (2017) op.cit. and IHCAFé (2018). *Revista Cosecha IHCAFE* 16 17.

<sup>72</sup> Likewise, a coffee and cocoa exporting company reported that its exports more than tripled in the period that it received support from CBI. The interviewed person estimated that approximately 40% of this increase was a result of participation in the CBI programme, but did not give a justification of this estimated proportion. Nonetheless, also in this case it is plausible that the participation in the CBI programme contributed to the growth of the company's exports.



ingredients to the EU of the ten participating SMEs was definitely higher than for Indonesia in general. Apparently they succeeded more than proportionately in increasing their exports to the EU. In this context, it is interesting to note that nine out of the ten supported companies that were interviewed in Indonesia indicated that they were already active in foreign markets prior to the support of CBI, in particular in the neighbouring Asian countries, and that their main reason to join the integrated programme was that they wished to expand their exports to Europe. The majority of them indeed confirmed that they successfully increased their exports to Europe as a result of the programme, albeit not as much as suggested by the certified results. Excluding some outliers, the growth rate is more modest, but still some 12% annually.

According to the e-survey results for the three regions together, the CBI support affected to quite a large extent the knowledge of the companies regarding exports of their product and was instrumental in establishing or strengthening business relationships with European importers. A majority of the respondents also considered that the support affected a lot the exports to Europe (see Annex D).

The other certified result of CBI is **employment**. As discussed in the previous chapter, because of data limitations it was not possible to observe clear changes for all the participating companies.

While the quality of the certified results data on employment do not permit a comprehensive analysis of the possible contribution of the CBI programme, there are some examples of strong growth in employment in Honduras that are likely to be caused by the participation in the programme. For example, one company in the fruit and vegetable sector reported that it was employing 40 persons before entering the CBI programme and currently the company has 70 employees. Another company in this sector with an increase in employment currently employs 97 persons, including 73 permanent workers.

The e-survey results also indicate that CBI's support had an effect on employment. As shown in Annex D, the responses suggest that the effect was somewhat smaller in Central America than in the other two regions. However, the number of survey respondents was actually too small to draw firm conclusions on the basis of the responses broken down by region.

### Explanations

A likely explanation of the fact that not all the intended results were achieved is that some risks were underestimated. For example, it was assumed that the participants would be committed, but sometimes there was a lack of commitment. Another factor that was not sufficiently taken into account was the financial situation of some of the companies. Such companies were willing to invest (assumption 1.j), but had insufficient possibilities to do so (assumption 1.i). At the start of the programme in Honduras (and the other Central American countries) it appeared that a sufficient number of suitable firms were available (assumption 1.e), but afterwards it turned out that some of them faced financial difficulties. The later on added Access to Finance project could only partly remedy this problem. In Indonesia, it was initially difficult to find a sufficient number of interested companies and in the end only 14 SMEs participated in the programme. Among them, there were companies that not always made the required investments because of financial limitations. In Uganda, there were some companies that faced a financial burden of loans, which also likely limited them in their possibilities to invest. Securing affordable finance to make the investments required to enable entry into the EU market (i.e. for certification) was an obstacle that hampered the developments in the oilseeds sector in Uganda and the essential oil sector in Indonesia in particular.

There are indications that most of the other identified assumptions underlying the link from input to output were valid in the case of Honduras. Assumption 1.d. however, was only partly valid, as there was no conducive policy environment for development of the honey sector. In Uganda, this assumption appears to be valid, as the coffee and oilseeds sectors received attention from government and development programmes. In terms of a conducive policy environment (assumption 1.d) and government support for sector development (assumption 2.b), the situation in Indonesia was at first sight perhaps somewhat more favourable than in Honduras, given the fact that Ministries of Industry

and Trade were the two main implementing partners of CBI for the integrated food ingredients programme. However, as explained earlier, it would have been logical if the Ministry of Agriculture had also been included as a partner in the programme, but this did not happen.

Several BSOs had aspirations that matched the programmes (assumption 2a), though it appears that this was less so the case in Indonesia, while for Uganda the picture is not clear.

Some partnerships could be built/enhanced between several actors (assumption 1.h), for instance between FIDE, COMRURAL, Swisscontact and the experts. FIDE indicated that concrete support from government for export promotion was lacking or was at least insufficient.<sup>73</sup> A factor observed in the final programme/project report of the Central American IP that may have played a role is that FIDE faced financial difficulties and the departure of its managing director (and CBI's main contact person at the time) during the execution of the CBI programme, which hampered the implementation of some of the programme activities: "A lack of human resources created obstacles for the coordination of workshops with local producers as well as for forming partnerships with other BSOs to support regional trade and exports."<sup>74</sup>

In Indonesia, some partnerships could be built/enhanced in spite of the absence of the Ministry of Agriculture as a programme partner. For example, the two above-mentioned ministries worked together with three coffee sector organisations in the elaboration of the Sectoral Export Marketing Plan. A SEMP is an important element in an Integrated Programme, as (in principle) it not only targets programme participants, but also other companies in a sector. While apparently the process was difficult, the parties managed to come up with a plan that was acceptable to all of them for some of sub-programmes (for example, in Asia there was only a SEMP for coffee; not for the other sectors). The sector associations were however not involved in the implementation of the plan. What is more, there are no indications that the plan was implemented at all and there are therefore no clear results. In Africa, a similar picture emerges, with SEMP developed for coffee in Uganda and tea in Kenya, without clarity on implementation and results. SEMP were also developed for coffee in El Salvador, Honduras and Nicaragua. As in the case of the SEMP for Indonesia, Uganda and Kenya, it is not clear to what extent they were implemented. In contrast, a regional SEMP developed for the cocoa sector is being used is yielding results.

It appears that in Uganda some partnerships could be built/enhanced between actors, but that some of these partnerships existed only temporary, as was the case for UCDA, which was not much involved anymore in the implementation of the IP as of 2016. Partnerships could be built with experts, but there were differences between the two sectors in terms of the intensity of contacts with the international experts. According to responses from Ugandan participants, the oilseeds sub-programme seems to have had more one-to-one coaching visits from the international experts than the coffee sector, probably also because it was difficult to find good local experts in the oilseeds sector. The coffee sub-programme had local consultants that supported the SMEs.<sup>75</sup> In the coffee sector, some SMEs furthermore benefitted from support from other donors and projects. Nonetheless, respondents indicated that the support of CBI focused on a specific area that was not covered by other programmes.<sup>76</sup>

Ugandan participants often positively evaluated the type of support given, and the specific knowledge of the experts. They were considered of critical importance to the programme. As indicated earlier, it proved to be difficult to find suitable local consultants for the Uganda oilseeds programme, which suggests that local capacity was not available. Interviewed representatives of coffee and oilseeds SMEs rated the capacity development workshops as highly useful. The international experts were

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<sup>73</sup> In the current regional programme of CBI (and the EU) there is much closer involvement of government entities.

<sup>74</sup> CBI (2018a). op cit.

<sup>75</sup> Interview results.

<sup>76</sup> Interview results.

consistently evaluated positively, and participants were of the opinion that they understood the issues they were facing (assumption 1.c). Similarly, regarding exports of agro-food products from Honduras, an interviewed company representative mentioned that the major result of the programme for his company was that “CBI helped to understand the European market”. This is in line with the finding of the e-survey that the advice and/or training provided by the CBI expert was generally rated quite positively. The e-survey results indicate that in general the programme participants highly appreciated the advice from CBI (and particularly the advice from the CBI experts) in the areas of international marketing and branding, elaboration of an export marketing plan and the participation in trade fairs (see Annex D).<sup>77</sup> It is in this context remarkable that interviewed company representatives in Indonesia were more critical regarding the training and advice provided by the experts.

The lower success rates in Indonesia and Honduras (as compared to Uganda) and differences in these rates across sectors shown in Table 17 may be related to the lack of focus of the programmes on a limited number of sectors in these two countries. In this context, it is interesting to refer to the conclusion in CBI’s final report on the Integrated Agro-Food programme in Central America that “a clearer sectoral focus would make interventions more effective, since each product value chain may require different organisations surrounding trade fairs or different features of the enabling environment.” An interviewed stakeholder explained that the regional and integrated nature of the Central America programme allowed some projects (such as training, certification and access to finance) to be implemented simultaneously in more countries and more sectors, with higher numbers companies in terms of trade fair participation or larger effects of sectoral projects (such as training or certification). While this may be true, in Honduras the programme participation in some sectors was very limited, so a focus on a smaller number of sectors may have been more effective.<sup>78</sup> This held even more for Indonesia, where for several products there was only one company participating in the programme.

However, FIDE staff observed that “some companies still need advice to enter the European market” and that “it is important that companies finish understanding the standards and demands of the European consumer.” FIDE had (and currently has) the aspiration to closely collaborate with CBI in the programme (assumption 2.a). However, support from government for the development of a sector (assumption 2.b) is also crucial. In Uganda, initially there was support from the government body UCDA, with which the specialty coffee sector export market plan was developed, but this support disappeared in 2016, when UCDA was no longer involved in the coffee sector sub-programme. In the case of Indonesia, the involvement of two ministries in the programme proved to be helpful in addressing constraints for exports experienced by SMEs.

The opportunities to export to the EU/EFTA obviously also depend on market demand in Europe. It is difficult to attribute any changes in participating companies’ agro-exports to Europe to the programme in case of significant changes in EU/EFTA market demand (cf. assumption 2.c) and/or when companies in ‘competing’ countries outperform the companies (cf. assumption 3.b). The value chain analyses and the Business Cases identified market opportunities in Europe for the agro-food products and suggested that, at least for some sectors, the market demand in Europe was not likely to become a major constraint, because the specialty products of the (potential) export companies in the IP countries usually concerned certified (biological and/or fair trade) products sold in niche markets that often tend to grow.<sup>79</sup>

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<sup>77</sup> The e-survey result that the quality of the services of the BSO’s was rated lower than that of the CBI experts is in line with what was found by a PRIME survey, see PRIME (2018). Verification of CBI’s intervention logic: Insights from the PRIME Toolbox, p. 29.

<sup>78</sup> It is likely that it would also have been more efficient.

<sup>79</sup> The Final Report of the Central America IP also mentioned that European buyers continued to be interested in Central American agro-food products.

Table 18 summarises the results of the verification of the assumptions underlying the links in the result chain. For some assumptions it is difficult to make this assessment. It is also important to emphasise that the validity of some assumptions may differ across sectors, SMEs or stakeholders. This would then be indicated by a combination of 'Y' and 'N' to reflect a mixture of 'valid' and 'not valid' assumptions.

**Table 18: Assessment of assumptions in the Theory of Change**

	Honduras	Indonesia	Uganda
<b>1. Assumptions underlying link input-output:</b>			
1.a Relevant sector issues have been identified	Y	Y	Y
1.b The business case developed tackles the relevant issues	Y	Y	Y
1.c International experts with the right skills are found	Y	Y/N	Y
1.d The country or sector has a conducive policy environment for the programme to be implemented	Y/N	N	Y
1.e Sufficient number of suitable companies available and apply for programme	Y	N	Y
1.f Companies with export potential are selected	Y	Y	Y/N
1.g Market intelligence is relevant and shared	Y	Y	Y
1.h The right partnerships can be built/enhanced in a timely manner (BSOs, suppliers, government, experts, and other donors/projects)	Y	N	Y/N
1.i Companies are supported sufficiently and through affordable interventions	Y/N	Y	Y/N
1.j Companies continue to be willing to invest	Y	Y	Y
1.k Integration of export coaching and development of the enabling environment can be successfully done	Y	N	N
<b>2. Assumptions for outputs to lead to intermediate outcomes:</b>			
2.a BSOs have aspirations that match the programme	Y	?	Y/N
2.b Government supports development of the sector	N	Y	Y/N
2.c EU market demand does not significantly change during the programme	Y	Y	Y
<b>3. Assumptions for intermediate outcomes to lead to long-term outcomes:</b>			
3.a Companies' productivity improves and affects employment	?	Y	?
3.b Companies of 'competing' countries do not outperform targeted companies	?	?	?

Source: Own elaboration based on country case study analyses.

It is also possible that some additional assumptions have to be made, such as:

- Required policy changes can be realised within the period of implementation of the programme.
- SMEs are able to make the investments required to obtain certification.
- SMEs are able to transfer knowledge and practices to farmers that supply them or are able to collaborate with organizations that can support them to do so.
- Partnerships can be created that allow SMEs to develop over a longer time frame or access affordable loans to make investments.

The assumption about the integration, formulated as "Integration of export coaching and development of the enabling environment can be successfully done" is probably too general to be useful in monitoring. An alternative formulation could be:

- Broader sector issues that have direct effects on participating and non-participating SMEs can be identified and tackled through BSOs.

- BSOs are able and committed to work on broader sector issues, and remain so during the duration of the programme.
- Clear targets for wider sector transformation are set early-on in the programme.

### Performance story

In sum, the performance story is that it is credible that the programmes' inputs resulted in a substantial part of the intended output. The majority of the programme participants received training and advice, received support for establishing EU/EFTA business contacts, obtaining certification and developing CSR plans, and participated in workshops, as well as in trade fairs in Europe. This is supported by documentation, interview and e-survey results. On the basis of this information, it is also credible that the realised output contributed to observed intermediate outcomes related to SMEs, such as the number of participating companies with improved CSR practices and the number of export-competent companies.

The performance in terms of the export-enabling environment is more mixed. Results were achieved, but clear targets had not always been set, especially not in Asia, making it sometimes difficult to assess whether desired changes were realised. Some of the partner BSOs and other organisations were clearly strengthened. Capacity building enabled them to provide export promotion services to SMEs that want to initiate exports or expand their exports. Examples are the AGEXPORT coaching project in Guatemala and APEN's export academy in Nicaragua, for which local experts were trained. The Ministry of Trade in Indonesia also provided training to SMEs, using the curriculum developed by CBI, but this was rather an unintended result. An example of a result at sector level is the Africa Coffee Academy in Uganda that also provides services to other companies. Furthermore, AMACACAO in Central America is a good example of improvement of the regional enabling environment for a specific sector. But there are also examples where the programme activities did not lead to results, as was for instance the case of the activities related to the Sanitary and Phyto-Sanitary system in Guatemala. In other cases it is not clear if and to what extent the enabling environment was improved by the programmes. For instance, sector export marketing plans were elaborated in several countries, but it is often not clear whether they were actually implemented and/or what their results were. Finally, the outreach of the programmes in terms of influencing local governments was often limited or absent due to an insufficiently conducive policy environment for the implementation programmes.

While there are indications that the export growth to Europe of some programme participants was stronger than export growth in general, the evidence on the contribution of the CBI programmes to the ultimate outcomes – the certified results on exports and employment – is definitely weaker than that on contribution to the intermediate outcomes. This not only holds for Honduras. The certified results for Indonesia and Uganda also suffer from a problem of limited reliability. E-survey results, however, provide an indication that the programmes helped several programme participants to establish or strengthen business relationships with European importers and to increase exports (or start exporting) to Europe.

It can be said that, overall, the results of the integrated programme in Honduras tend to be more positive than those in Uganda and Indonesia. This may be related to a difference in design and implementation between the Central American Agro-Food programme and the programmes in Africa and Asia. The programme in Central America had regional EEESP activities in the various sectors, for which task forces were set up to jointly address bottlenecks identified in the VCAs. These task forces were formed by companies that participated in the export coaching projects. The companies were therefore aware of the EEESP activities – which was for instance not the case in Uganda. This design favoured the integration of various modules in the ECP and EEESP activities. There are indications that some results at the level of SMEs in Honduras (and the other Central American countries) were reinforced by improvements of the export enabling environment via meso-level EEESP activities. In Indonesia, there were also micro-level and meso-level activities that were carried out simultaneously, but there is no clear evidence of a genuine integrated approach that reinforces the results at the level

of the companies. Companies could have been supported without activities aimed at strengthening BSOs and vice versa. In Uganda, two major obstacles hampered the developments in the oilseeds sector in Uganda in particular: (1) securing affordable finance to make the investments required to enable entry into the EU market (i.e. for certification); and 2) spreading the practices and knowledge to farmers that supply them. There is no clear evidence that the meso-level activities of the programme tackled the bottlenecks observed in the sector.

## 5.5 Sustainability

This section addresses the issue of sustainability of the three integrated programmes. The Terms of Reference define the sustainability as the “continuation of benefits from a development intervention after major development assistance has been completed” and formulate a number of questions concerning aspects of financial, institutional, environmental, technical and social sustainability – RVO’s FIETS criteria of sustainability. It appears that the 2012-2018 programme in Central America created conditions for sustainable results for participants of that programme and that it can be beneficial to participants of the new regional export promotion programme that is currently being implemented. Similarly, it is possible that the ongoing specialty coffee sub-programme in Ethiopia of the East Africa IP benefits from what has been done and achieved in the other sub-programmes of this regional integrated programme.

### Institutional sustainability

In Honduras, the capacity of FIDE was strengthened by the programme, but some key persons responsible for the implementation of the programme left the organisation. Nonetheless, in the implementation of the new programme in which FIDE is one of the implementing partners, FIDE builds on the experience of the previous programme and the expertise that was generated and it is expected that (with some support) it is capable to continue to provide trade promotion services to (potential) agro-food exporters.

In the new regional programme in which Honduras also participates, the Honduran government and other partners are more closely involved in implementation. According to one interviewed stakeholder, “the government now has more interest in the CBI programme than in the past, now they know and (positively) value the results of the CBI experience”.

Another example of institutional sustainability is the creation of AMACACAO, which improved the visibility and market position of Central American fine cocoa exporters.

Support to APEN for the establishment of the Export Academy in Nicaragua also appears to have been sustainable, despite the departure of some of its staff members. The Export Academy of APEN continues to exist and is generating new ideas.<sup>80</sup> Similarly, AGEXPORT has the aspiration to continue with a programme for companies in Guatemala.<sup>81</sup>

In both the coffee and the oilseeds sectors in Uganda, the work with BSOs did not necessarily create institutional sustainability. When funding eventually ended, OSSUP also ceased its operations.<sup>82</sup> This issue of OSSUP’s functioning as a platform without legal status was identified as a risk in the 2013 progress report. At the time it was expected that BSO development could have potential to create sustainability.<sup>83</sup> Whereas OSSUP no longer formally exists, some of the oilseeds sector SMEs stay in touch with each other on WhatsApp. Their intention to start another association did not materialise. However, two companies that participated as SMEs do continue to provide services either to farmers or to their members (this specifically refers to an association with member companies), but this does not benefit all participating SMEs. In the coffee sector, the Africa Coffee Academy still operates as a

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<sup>80</sup> Stakeholder interview.

<sup>81</sup> Stakeholder interview.

<sup>82</sup> Interview results.

<sup>83</sup> “CBI Programme Progress Report Natural Ingredients East & Southern Africa – XC13”, Jan 2014.

service provider. While staff that participated in the programme have moved on and their services are less in demand with the participating companies, ACA still provides services to new companies and has expanded its activities to neighbouring countries. NUCAFE and UCFA, that participated as BSOs and SMEs, have built their internal capacity to better support their members and have therefore created institutional sustainability. Similarly, the consultants trained in the coffee programme are using the skills developed in other work, but not necessarily in the same sector.

In Asia, the Ministries and BSOs learned from the programme. The Indonesian Ministry of Trade itself set up a training programme for companies inspired by the CBI programme and runs similar courses based on CBI course material now in other parts of the country. The two participating ministries in Indonesia praised CBI for being the first foreign institution which entered the private sector niche of export promotion. After CBI, other foreign donors (e.g. Japan) stepped in as well.

### Technical sustainability

There are indications that the companies that participated in the 2012-2018 programme are now better equipped for exporting their products (to Europe).<sup>84</sup> They often have more knowledge of the EU market and improved skills and working practices and have obtained required certifications. The CBI programme provided the participants with tools and insights which can be used by the participants to their benefit. For example, an interviewed representative of a programme participant expressed that “what we liked most about CBI is that it gave us tools (not money) and their use depended on us.” However, it has also been remarked that there is a need to receive support about the issue of how to continue to grow and how to finance that, after having succeeded to export and to grow a bit.

All Ugandan SMEs and BSOs that were interviewed indicated that the skills acquired and processes developed during the programme have been useful to their operations, regardless of whether or not they were able to export to Europe. While in the oilseeds sector the majority of companies still do not have the required certification in place for the European market, they have been making changes in their management that they believe will ultimately get them there, and the investments made so far have already helped them to improve products and practices. They have acquired more knowledge of the EU market and improved skills and working practices. At the same time, companies complained that the investments needed to export to Europe prevented them from getting further.

### Financial sustainability

This aspect of sustainability concerns both the financial sustainability of service provision by the partner BSOs (and by other relevant stakeholders) and that of the results and actions of individual companies and organisations.

CBI did not support BSOs financially, but supported them by means of capacity building and the provision of advice. The advice and capacity building received may have enabled BSOs to obtain financing from other sources. For example, FIDE in Honduras was supported by CBI and managed to receive financial support from Japan. But for FIDE (and other relevant stakeholders) to be able to provide export promotion services, it is desirable that there is a national policy on this and that the government also provides financial resources, although beneficiaries may also be expected to contribute financially.

Several programme participants indicated that they were willing to make a financial contribution for the provision of export promotion services and apparently had means to so do. (Various companies in Honduras indicated that they would be willing to pay for export promotion services if CBI were to offer similar services in the future as those provided in the integrated programme.)

Some agro-Food Programme participants that faced a difficult financial situation and or a financing need received help via the regional access to finance project to address this issue. With this help, they

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<sup>84</sup> In comparison, Ecorys found ‘some positive signals on sustainability’ of ECP participants, see Ecorys (2018) op. cit., p. 50.



could improve their position and benefit from what they had learned and maintain and make use of the business contacts with (potential) importers established in the framework of the integrated programme in Central America.

Most of the Ugandan companies that were interviewed indicated that they were financially doing better than at the start of the programme. They also indicated that changes lasted or continued after the end of the programme. Many companies reported improved turnover and profitability, although some suffered setbacks due to drops in sesame prices, financial burden of loans, and personal circumstances.

The majority of the participating companies in Asia also improved their financial performance during and since the programme. Yet, there were export competent companies that faced difficulties to raise sufficient funding required for the certification. This may be seen as a deficiency in CBI's programme. EU's non-tariff barriers hinder the further expansion of exports to the continent for this type of products, which cannot be tackled by CBI, unless CBI's programme includes or helps to access a financial facility, which could be used to assist the company to make the necessary investments. In this context, it must be noted that participants in the Central America Agro-Food programme could get support from CBI for certification and that there was a maximum set to their own contribution.

Another indicator of financial sustainability is that some companies that took part in the Central America Agro-Food programme that had participated in trade fairs were also present at own cost at later trade fairs. But sometimes the cost of (or required effort for) participation was a barrier. In some occasions a representative of a company was only present as a visitor, which however still made it possible to maintain contacts or establish new contacts with, for instance, new potential importers.

#### **Environmental and social sustainability**

As mentioned earlier, participating companies elaborated CSR plans and in general they adopted more environmentally and socially sustainable practices in their business, focusing on the export of biological/organic and/or fair trade products. There is greater awareness of aspects such as the environment, human rights and responsibility in the supply chain. With companies having acquired certification, it can be expected that they will remain committed to adopting these CSR practices (when they keep exporting to the EU). Examples of other CSR practices that were reported in the section on outcomes and that are likely to be sustained are scholarships and support to local schools and health facilities.

Social sustainability is also reflected by the fact that a majority of the participating companies partner with local farmers and cooperatives with a view to empower the local communities.

CSR was not part of the initial project plans for the East & Southern Africa IP and including it later proved challenging. While there was some degree of awareness of environmental aspects among the interviewed participants in the coffee and oilseeds sectors in Uganda, it is not clear whether this has been the result of the CBI programme (as activities related to CSR were limited). However, when companies acquire certification, this potentially enhances the sustainability of such practices. A CSR risk analysis tool was developed to monitor social and labour risks in particular. Indicators monitored relate to child labour, forced labour, human rights violation, unfair labour practices, health and safety risks, environmental harm, corruption, and supply chain traceability. All companies in the East & Southern Africa IP, with the exception of one (a specialty coffee SME in Ethiopia) had a score of 3, which is the minimum score acceptable.<sup>85</sup> This suggests that CSR risks were limited.

## **5.6 Managing for results**

According to the ToR, managing for results "is a management strategy that focuses on using performance information to improve decision-making." This section addresses various questions

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<sup>85</sup>CBI (2018b). CBI Final Project/Programme Report: XC13 - Natural Ingredients East & Southern Africa, August 2018.



related to managing for results of the integrated programmes (see also Annex A). Managing for Results concerns the quality of Monitoring & Evaluation (M&E) and the capacity to learn or anticipate.

For the implementation and management of the Integrated Programmes, CBI made use of a monitoring system for reporting on so-called certified results and annual progress reports and HBAT/Sage (the tool used for auditing of the SMEs). Initially, the certified results were limited to exports of programme participants to EU/EFTA countries (and to non-EU/EFTA countries). Upon request of the Department of Sustainable Development of the Ministry of Foreign Affairs, as of 2015, the reporting on employment was added to this.

The companies had to report the export data in an online system. Later on, when employment was added to the certified results, the programme participants were also asked to report on direct employment and estimates of indirect employment. In practice, reporting by the participant in the system was cumbersome. Consequently, the reporting was incomplete and there were doubts regarding the quality of the reported data.

The second annual progress report of the integrated agro-food programme in Central America already emphasised that “CBI should focus on getting a better measurement and evaluation tool”.<sup>86</sup> While this advice was given in the context of the Central America programme, it also applies to the other two regional programmes.

In 2015, CBI started to apply a new method to collect data on exports and employment from the programme participants.<sup>87</sup> Sectoral experts collected the data from the programme participants and they took care of entering the information into the system.

Reported data were used for the M&E tables included in the annual progress reports. It is not clear to what extent a real dialogue focused on results took place among the stakeholders of the programmes. Nonetheless, the programme were to a certain extent managed on the basis of results achieved. For example, CBI decided to stop the Central America programme for some of the participants with a weak performance. (Some other participants dropped out as a result of their own decision.)

In the management of the programmes, the risk of a financially vulnerable situation of companies or organisations was insufficiently taken into account into the selection into the programmes. One of the interviewed stakeholders in Honduras observed that after the company selection process came the part of meeting the requirements and at that stage it was realised that several companies were not ready for exporting, especially in terms of financial information. CBI and FIDE learned from this. In the new Central America programme of CBI and the EU, more attention is being paid to the selection of companies, to try to ensure that they are the most suitable one.

As was concluded in the programme review commissioned by the Indonesian ministries of Trade and Industry, the programme did not explicitly formulate targets for the BSOs. Similarly, the programme did not specify the activities and therefore the targets regarding the other institutions that play a role in the establishment of an enabling environment, such as the government institutions. It is therefore difficult to monitor progress regarding the performance of these BSOs and other relevant institutions.

Along the same lines, the 2016 progress report of the East Africa IP indicated that it was challenging to develop a satisfactory approach for M&E with BSOs. Without reliable information on the indicators, it was impossible to assess the performance of the programme and to use it for results-based management.

Finally, there was hardly any exchange of experience between the staff involved in the different integrated programmes. Such an exchange could help to improve both the efficiency and effectiveness of the programmes based on the experience from elsewhere.

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<sup>86</sup> CBI (2014). Programme Progress Reporting XB13 Year 2.

<sup>87</sup> CBI (2016) .Programme Progress Reporting XB13 Year 4.

## 6 Conclusions and recommendations

### 6.1 Introduction

This chapter presents the main conclusions and gives recommendations, both for future CBI programmes and for the evaluation of such programmes.

### 6.2 Conclusions

#### *Programme concept and design*

1. CBI's support to individual companies was by definition discriminatory, i.e. it was granted to a limited number of companies. It is unclear whether the increased attention to the export enabling environment in the programme resulted in benefits to non-participating companies. In practice, the BSOs were mainly involved as service providers to the selected companies and in the organisation of participation in the trade fairs, limiting the sector-wide impact.
2. There was a potential trade-off between the effectiveness of the programmes in terms of export growth and poverty alleviation, as selected companies tended to be stronger SMEs, in some cases in more well-off parts of the country. There is, at present, no clear evidence on whether or not employment generated by growth among participating SMEs contributed to poverty reduction, as well as whether or not farmers supplying to participating SMEs were from lower income groups and that poverty reduction was therefore achieved among that group of indirect beneficiaries.
3. The focus on coaching of individual companies and the strong emphasis on export growth of those specific companies is related to the fact that the ECPs were still the backbone of the programmes. In general, there was a lack of both clear indicators of success at sector level and a clear strategy to strengthen the sectors as a whole. Although Sector Export Marketing Plans were drawn up, it is often unclear to what extent they addressed sector issues, to what extent they were implemented and which local partners were responsible for their implementation.
4. The programmes tended to suffer from their broad scope. In the Asian and Central American programmes, too many products were included at the same time, all with their own problems. There are doubts whether the programmes could seriously tackle the problems in these different sectors with the relatively small budgets. As a result, the programmes tended to focus mainly on the individual companies and less on the sectors as a whole.
5. The keywords in CBI's integrated programmes are integration and value chain. The concept of integration can be interpreted as an approach that simultaneously supports individual exporters, BSOs and other stakeholders, or as an approach that simultaneously addresses all parts of the value chain of a product. The second interpretation would be consistent with modern logistics in which value chain management is core business. Control over the chain from 'crop to shop' both in terms of quantity and quality is particularly important in food products. The implementation of the CBI programmes indicates that it was primarily the first interpretation: simultaneous support to individual exporters and one or more BSOs. As a result some parts of the chain were left unattended which limited the effectiveness of the programme, as for example improved practices could not be transferred to farmers supplying participating SMEs.

#### *Pre-programme activities*

6. Except in Central America, the Value Chain Analysis (VCA) carried out in preparation of the programmes did not yield much with regard to the selection of products and/or the selection of the BSOs. On the contrary, the selection of the products was largely demand-driven, as a result of which the programme resulted in a wide range of products, which did not benefit the efficiency and effectiveness of the programme.

### ***Start-up of the programmes***

7. The main partners in the three regions were very different, but all of them played an important role in promoting the programmes among companies.
8. In virtually all the countries, the number of companies eventually participating was lower than planned before the start of the programme. Reasons were a lack of interest among companies that qualified according to the CBI criteria and a cut in the programme budget. While in the end a substantial number of companies applied, only a selection of them was accepted to participate in the programme.
9. Both the efficiency and effectiveness of the programme in Asia and Central American were affected by the wide range of products included. Concentrating on no more than two products per country would have done more justice to the sector approach. In practice it proved impossible to formulate and implement a comprehensive SEMP for each of the products included.

### ***Programme implementation***

10. In general, the programmes were highly appreciated by the participating companies and BSOs. Almost without exception, they confirmed that it contributed to the marketing and branding of the products.
11. Domestic sales and exports to non-European countries sometimes grew because the reputation of participating SMEs improved due to the access to European countries.
12. Conversely, some companies dropped out because they considered Europe's requirements for imports from outside Europe too burdensome. They found it easier to serve the regional markets. Such non-tariff barriers were indeed seen as bottlenecks that the programme could not address or only to a limited extent.
13. According to some of the companies interviewed in Indonesia, the general content of the CBI training was good, but lacked attention to the specific characteristics of the products. Therefore, the programme did not always fully meet their expectations. In some cases there was a lack of advice on how to upgrade the products. Furthermore, there was not always sufficient attention to the issue of upstream activities (inputs from farmers).
14. In practice, the BSOs were often mainly involved as service providers in the selection of the companies and in the organisation of participation in the trade fairs.
15. The degree to which the programme contributed to the spread of CSR practices among participating companies is unclear. CSR assessments carried out showed that companies had acceptable scores, which could either mean that CSR risks were low in the selected sectors, or could indicate that practices improved. As there are no baseline data on these practices, it is not possible to conclude which is the reality. However, efforts to obtain fair trade certification in Central America seem to indicate that SMEs were making steps to ensure CSR risks were reduced.

### ***General conclusions***

1. CBI aimed at simultaneously promoting the export performance of individual SMEs in the ten countries and at addressing the more general problems that hampered further export growth. However, implementation was not fully in line with this approach. Export coaching was usually done as in the past and participating companies benefited from the intensive capacity development and coaching and from the exposure to the EU buyers. But the participation of local business support organisations in the programmes was often complex, partly because the expectations regarding the role of these parties had not always been formulated in detail at the start of the programme. Nor was it always clear in advance to what extent the problems surrounding the components in the value chain that were not tackled within the programmes were addressed by others. As a result, while there were clear successes in terms of increased exports by

the participating companies, it was not obvious to what extent the sectors as a whole benefited from the programmes.

2. Despite some of its weaknesses and despite its higher dropout rates than in Africa and Asia, the programme implemented in Central America appears to have yielded generally more (and more lasting) results than in the other two regions. The integrated nature of the regional Central American Agro-Food programme had advantages compared to the previous approach, but the advantages could probably not be fully exploited in the case of Honduras and El Salvador, because of the absence of a national EEESP. Targets for the EEE were set more clearly in Central America than in the other two regions and a task force approach helped to implement it.
3. The relatively high dropout rates in Central America were partly related to the fact that in the management of the programme the risk of a financially vulnerable situation of companies was insufficiently taken into account in the selection of companies into the programme. Financial vulnerability of companies did not play an (important) role in Africa and Asia.
4. The programmes contributed to the achievement of results at the output level, though this is less clear regarding the meso-level activities. It is also credible that the outputs generally contributed to intermediate outcomes such as the number of export-competent SMEs. However, some assumptions underlying the expected links between outputs and intermediate incomes did not prove to be valid in all cases. This relates to the degree to which wider sector issues could be addressed by the programme and by participating BSOs, whether SMEs were able to make the required investments to obtain certification to enter Europe, and whether knowledge and practices could be transferred further upstream in the value chain.
5. The efficiency of the programmes in terms of the average programme cost per competent exporter varied somewhat between the regions and the countries. Only in El Salvador and Honduras there were no national export enabling environment support projects, meaning that the cost of the programmes in these two countries basically concerned the activities of the national Export Coaching Programmes (ECPs); the average programme cost per competent exporter in El Salvador and Honduras were of the same order of magnitude as the average cost of ECPs found in the IOB evaluation of CBI activities in 2005-2012.

### **6.3 Recommendations for future CBI programmes**

1. Design programmes in such a way that in principle all companies in a sector can benefit from the support. This could first be done by limiting the number of value chains that are covered by an integrated export promotion programme to at most two, by a greater focus on training of the BSOs (sector organisations or trade promotion organisations), and by stimulating the BSOs to roll out the programme to all companies in the selected sectors. Secondly, ensure that the participating companies share their experience regarding exports with their colleagues in their sector (where they function as a showcase) and let the BSOs play a role in the dissemination of the experiences.
2. Establish stronger partnerships with other actors in the value chain from the outset, to ensure that obstacles that were considered beyond the scope of CBI's IP programmes can be addressed. In this way all the relevant partners in the value chain based on the "from crop to shop" philosophy can be involved. This would be more consistent with what would be an "Integrated Programme" from a value chain perspective.
3. Design programmes such that CBI can collaborate with other programmes that focus on the more upstream part of the value chain, as was the case with COMRURAL in Honduras and PymeRural in Honduras and Nicaragua.
4. Generate evidence on the linkages between employment generation of (more well-off) SMEs and poverty reduction, as well as between growth in exports of SMEs and poverty reduction among

supplying farmers. This could be done through a number of case studies in different sectors in different parts of the world.

5. In the absence of the evidence mentioned above, improve the effectiveness of the programme in terms of poverty alleviation by selecting more companies from the more backward regions in a country. It is recognised that this might negatively affect the effectiveness of the programme in terms of export promotion, but it would contribute more to enhancing the performance of SMEs that lag behind.
6. To tackle the (potential) trade-off between effectiveness of the programme in terms of export growth and poverty alleviation, consider the development of a tiered approach, in which (a selection of) companies are first prepared for regional exports (or exports to other non-European countries with less stringent requirements).
7. Carefully screen the criteria for acceptance of companies in the programme, to avoid that only a few companies are selected, while many apply for the programme.
8. At the same time, take well into account the financial situation and the commitment of companies in the selection of participants into an export promotion programme like the ones implemented between 2012 and 2018. Commitment could be increased by raising the own contribution by participating companies that are able to pay more. It is therefore recommended to examine the possibility to reintroduce commitment fees, perhaps by exploring if they can be collected directly by CBI's lead partner in the country. Define the variable contribution for categories of SMEs according to their number of employees.
9. Limit the number of value chains that are covered by an integrated export promotion programme, to avoid a situation of a very small number of programme participants in some sectors. Focus CBI programmes on a maximum of two products per country. This can help to increase both the effectiveness of such a programme and the efficiency in terms of the programme cost per successful participant.
10. Set targets meaningfully to be effectively used as management tools. Define the output and intermediate targets for SMEs in terms of a percentage of programme participants that have to be successful, instead of an absolute number of participants. Formulate the expected results in the export enabling environment more clearly.
11. Where needed, make the training and coaching more specific and spend more time on the specifics of the company, on supply chain management, on the financial aspects of making products export ready, of certification of the specific products, and the required investments. Take the approach of the pilot project on access to finance in Central America as an example.
12. Ensure that the knowledge of the international experts becomes embedded in the BSOs, and make sure the BSOs are closely involved in capacity development of the SMEs. In sectors where there is limited local knowledge available this means more intensive capacity development of the BSOs. It is important to avoid a situation such as occurred for oilseeds in Uganda where the BSO did not turn out to be sustainable in the long run.
13. Ensure that CSR issues are included from the start, both in the programmes' activities, their targets, and the baseline data. Here it is important to clearly distinguish between efforts of companies to 'do no harm' in their value chain (for example by paying decent wages, and by limiting negative environmental impacts), versus 'doing good' (for example by supporting community projects).
14. Give feedback on the evaluation results to the partner BSOs and participating companies and ensure that results are discussed among programme coordinators and taken into consideration when designing new programmes and elaborating a theory of change of such programmes. More in general, have a regular exchange of experiences between programme coordinators during implementation of programmes.

## 6.4 Recommendations for future evaluations of CBI programmes

1. Focus on direct employment and no longer ask participating companies to make estimates of indirect employment, because such estimates yield unreliable and incomparable statistics which in the end cannot be meaningfully used. Instead, approximate the generation of indirect employment on the basis of the results of an in-depth study on the links between export promotion and indirect employment, possibly adopting a value chain approach.
2. Harmonise data collection at the stages of application, export auditing and monitoring, so as to provide consistent data for a longer period of time and create a baseline for the assessment of results.
3. Make efforts to collect consistent data on exports and direct employment. To allow for a more robust analysis of the data, it is furthermore recommended to make a clear distinction between zero and missing values in the certified results database.
4. Improve the management of information about the financial aspects of programmes (direct costs and indirect costs), in order to get a clearer picture of the efficiency and the cost-effectiveness of the programme.
5. Regarding the focus of future evaluation research, take a somewhat longer-term perspective and collect also data beyond the closure of the programme to capture longer-term changes and sustainability of change. A somewhat longer-term perspective is also required to assess the effect of changes in the export-enabling environment, which usually take more time to materialise.
6. Include regional comparisons in future evaluations (as was done for the present one). This provides insights into the different approaches adopted.

## Annex A: Evaluation Matrix

1. To provide a summary of the results for the three programmes							
Evaluation Question	Evaluation Criteria				Judgement criteria	Indicators	Sources of Information
	Relevance	Efficiency	Effectiveness	Sustainability			
1.1 What bottlenecks were addressed with the interventions and at what level?	X				Extent to which relevant bottlenecks are identified and addressed by the intervention	# bottlenecks identified and categorised as micro, sector, and/or macro in comparison with the actual situation	<ul style="list-style-type: none"><li>- Programme/project documentation;</li><li>- Interviews with CBI programme staff;</li><li>- Information from PRIME database;</li><li>- interviews with the counterparts at the different levels (SMEs, BSOs) and with relevant policy makers in the countries visited;</li><li>- Questionnaires among counterparts in the countries</li></ul>
1.1.1 What activities were organised at micro level (SMEs)?					Extent to which activities focused on abolishing/diminishing the bottlenecks were/are identified for the participating SMEs and way these activities were organised	# bottlenecks identified and categorised (technical, financial, institutional, etc.) at the company (SME) level and to what extent were they addressed through the programme	
1.1.2 What activities were organised at meso level (Export Enabling Environment, EEE)?					Extent to which implemented activities focused on abolishing/diminishing the bottlenecks identified for the participating SMEs that were identified for the environment in which the SMEs operate and how they were organised.	# bottlenecks identified and categorised at the meso level and to what extent were they tackled through the programme. In other words to what extent did the programme address the issues related to the EEE	
1.1.3 What activities were integrated?					Extent to which programme was focused on tackling the bottlenecks in an integrated and coherent manner	Summary of activities implemented under the programme that simultaneously and coherently address obstacles that create difficulties for exports	
1.2 How effective and to what extent have the results been achieved as defined in the results chain? (specify outputs and outcome per country)	X		X	X	Extent to which the results been achieved as foreseen in the programme/project documentation. Contribution of CBI programme to the results. Was the intervention strategy correct? Extent to which the programme did adapt to changes in the external conditions to ensure maximum result	Results achieved also in comparison with the plans as formulated in the programme/project documentation and given the external conditions.	<ul style="list-style-type: none"><li>- Programme/project documentation;</li><li>- Interviews with CBI programme staff;</li><li>- Information from PRIME database;</li><li>- Progress reports of the programmes.</li><li>- interviews with the counterparts at the different levels (SMEs, BSOs) and with relevant policy makers in the countries visited;</li><li>- Questionnaires among counterparts in the countries</li></ul>
1.2.1 Expected/planned and/or unexpected/unplanned results					Extent to which the results were in line with ex ante project documentation. Extent to which there were any (positive or negative) unexpected/unplanned results/outcomes, and if yes what were these	number and character of the unexpected/unplanned outcomes/results	
1.2.2 Next to KPIs identify qualitative outcomes/results					Whether there were any qualitative outcomes/results not taken into account in the programme/project formulation phase, and if yes what were these	number and character of the unexpected/unplanned qualitative outcomes/results	
1.3 To what extent and under what circumstances did the sector at large (at national level) benefit from the integrated programme?			X		Extent to which the sector as a whole benefited from CBI's interventions based on the integrated approach. Extent to which the EEE improved as a result of CBI's intervention. Extent to which BSOs benefited.	Data on export performance of the various participating companies; Inventory of the changes in the institutional arrangements regarding exports # BSOs supported # Consultants trained	<ul style="list-style-type: none"><li>- Programme/project documentation;</li><li>- Interviews with CBI programme staff;</li><li>- Information from PRIME database;</li><li>- Interviews with participating SMEs;</li><li>- Interviews with participating BSOs;</li><li>- Interviews with local sector specialists;</li><li>- Interviews with relevant local policy makers;</li><li>- Progress reports of the programmes;</li><li>- Questionnaires among counterparts in the countries</li></ul>

2.To provide an in-depth analysis of the relationship between the achieved results and the type and characteristics of the different integrated programmes								
Evaluation Question	Evaluation Criteria				Judgement criteria	Indicators	Sources of Information	
	Relevance	Efficiency	Effectiveness	Sustainability				MFR
2.1 To what extent and under what circumstances did the integration of BEC and EEE strategies and activities in one programme contribute to more/better/lasting outcomes? Provide a comparison between different approaches and their efficiency and effectiveness in the different programmes		X	X	X		Comparison of the performances of the three integrated programmes and comparison of the performance of each of these with earlier one-product approaches	Export performance at the individual company and sector level under these three programmes as summarised under sections 1.1 to 1.3 above in comparison with the export performances of earlier CBI programmes.	<ul style="list-style-type: none"><li>- Result as assessed under section 1.1 to 1.3above;</li><li>- Information from earlier evaluations;</li><li>- Information from;</li><li>- interviews with CBI professional staff and relevant stakeholders</li></ul>
2.2 To what extent did the different types of CBI-supported organisations in the EEE influence and contribute to the achieved results?			X		X	Comparison of the activities and performances in terms of support to export promotion by CBI-supported organisations of the three integrated programmes.	Capability of institutions/organisations to improve the enabling environment for exports	<ul style="list-style-type: none"><li>- Programme/project documentation;</li><li>- Interviews with CBI programme staff;</li><li>- Information from PRIME database;</li><li>- Progress reports of the programmes.</li><li>- interviews with the counterparts at the different levels (SMEs, BSOs) and with relevant policy makers in the countries visited;</li><li>- Questionnaires among counterparts in the countries</li></ul>
3.To provide an in-depth analysis of the relationship between the achieved results and the type and characteristics of the different integrated programmes								
Evaluation Question	Evaluation Criteria				Judgement criteria	Indicators	Sources of Information	
	Relevance	Efficiency	Effectiveness	Sustainability				MFR
3.1 How effective were the programmes in addressing bottlenecks in the EEE as identified in the Value Chain Analysis?						Whether or not the result chain identified the relevant bottlenecks in the EEE and addressed identified bottlenecks correctly	Summary of relevant bottlenecks and their impact on export performance before and after CBI intervention	<ul style="list-style-type: none"><li>- Programme/project documentation;</li><li>- Interviews with CBI programme staff;</li><li>- Information from PRIME database;</li></ul>
3.1.1 To what extent was the results chain adequately and sufficiently addressing these obstacles?			X		X	Extent to which the identified bottlenecks were tackled in an efficient and effective manner	Summary of the identified bottlenecks at the start of the CBI intervention and at the moment of this evaluation.	<ul style="list-style-type: none"><li>- Progress reports of the programmes;</li><li>- interviews with the counterparts at the different levels (SMEs, BSOs) and with relevant policy makers in the countries visited;</li><li>- Questionnaires among counterparts in the countries</li></ul>
3.2 What additional interventions and what measures in programme governance and management were undertaken to ensure that Export Coaching and EEE components were mutually reinforcing?					X	Extent to which components particularly focused on Export Coaching and EEE were included in the programme/project formulation and implementation, and extent to which they were related.	Summary of the measures included in the programmes/project particularly focused on Export Coaching and EEE and to what extent they simultaneously were tackling weaknesses in the export enabling environment	<ul style="list-style-type: none"><li>- Programme/project documentation;</li><li>- Interviews with CBI programme staff;</li><li>- interviews with the counterparts at the different levels (SMEs, BSOs) and with relevant policy makers in the countries visited;</li></ul>



3.2.1 Was involvement of key actors secured in formulation of the programme strategy?						Extent to which inputs of key actors were included in the programmes/projects	Inventory of the roles of the key actors, such as exporters, importers, local BSOs, etc. on the programme/project formulation and the practice of the programme/project implementation	- Questionnaires among counterparts in the countries
4.To identify a set of learned lessons and recommendations for programme design, implementation and coordination of of integrated programmes								
Evaluation Question	Evaluation Criteria				Judgement criteria	Indicators	Sources of Information	
	Relevance	Efficiency	Effectiveness	Sustainability				
4.1 What are the lessons learned and key conclusions?					X	Lessons learned at the levels of the individual companies (SMEs), sectors (BSOs) and policy makers.	Lessons and conclusions in terms of export performance and EEE as assessed above	- Results presented above under section 1 to 3 - Discussions with CBI programme staff; - Discussions with the counterparts at the different levels (SMEs, BSOs) and with relevant policy makers in the countries visited; - Communication with counterparts in the countries
4.1.1 How can these lessons inform future programme developments and design in similar sectors and/or contexts?						If relevant these lessons and conclusions will be translated into an improvement in the designs/ formulation, and the participation of key actors in the project/programmes		
4.2 What recommendations can be made for CBI to tackle key obstacles in the EEE through programme design and during implementation of specific activities?						Lessons learned at the levels of the individual companies (SMEs), sectors (BSOs) and policy makers.	If relevant these lessons and conclusions will be translated into an improvement in the designs/ formulation, and the participation of key actors in the project/programmes regarding the Export Enabling Environment	- Results presented above under section 1 to 3 - Discussions with CBI programme staff; - Discussions with the counterparts at the different levels (SMEs, BSOs) and with relevant policy makers in the countries visited; - Communication with counterparts in the countries
4.3 What recommendations can be made to create ownership of lessons learned, and how can CBI ensure that lessons learned are shared and communicated in an effective manner?							Summary of recommendations to be discussed with all the persons/agencies involved in the programmes/projects	
5.To provide recommendations for addressing gaps in evidence and recommend what CBI should focus on in future evaluations								
5.1 What are the identified gaps in evidence and how can these be addressed?						Extent to which the available information about programme/project performance was adequate and sufficiently documented to evaluate the three programmes	Qualitative and quantitative information <b>available within CBI's project/programme documentation, CBI's databases and administration</b>	- Conclusions about results presented above under section 1 to 3 - Data from the Prime database - Discussions with CBI programme staff; - Discussions with the counterparts at the different levels (SMEs, BSOs) and with relevant policy makers in the countries visited; - Communication with counterparts in the countries
5.2 What recommendations can be made for the focus of future evaluation research?								

## Annex B: Context indicators of the IP countries

### 1. Introduction

CBI focuses on the development of the private sector through the promotion of exports to Europe of a selected group of SMEs. CBI recognises that these individual companies are only successful in the long run if the environment in which they operate is conducive to export. Therefore the integrated approach also includes support to the improvement of an export enabling environment. But adaption of the environment towards a situation which facilitates exports is a difficult task because it requires addressing multiple dimensions simultaneously. It encompasses technical, economic, financial, marketing, social and legal aspects. In this annex we give a brief overview of the local conditions in which the private sector in the 10 countries operate. It is the beginning of an assessment of to what extent CBI addresses the most urgent conditions that hamper an expansion of exports. The annex continues after this introduction with a brief overview of the export performance of the 10 countries during the last decade.

CBI's approach deals in particular with international competitiveness. For that reason a large part of the following sections focuses on competitiveness and its determinants. The macro-economic competitive position of the countries in Europe is discussed on the basis of a real exchange rate vis-à-vis the Euro. A great deal of the information on international competitiveness is from the World Competitiveness Reports of the World Economic Forum. The information is presented and discussed in section 4 of this annex. The annex is concluded with some remarks.

### 2. Export performance

Table B.1 presents the annual average growth rates for the 10 countries. It shows double digit growth during the whole period considered here. Within the Central American region Honduras is with an export-GDP ratio of around 50% by far the most outward-oriented economy in this region, although it should be noted that Nicaragua is catching up very fast. Its export ratio increased from an average of 26% during the 2000-2010 period to an average of over 40% during the last 7 years. For both El Salvador and Guatemala the export shares fluctuate around 25%.

CBI's choice for private sector support in these countries is obviously not based on a lack of export performance. It is most likely related to earlier experiences in these countries and on the possibility of cooperation in this field among the countries. CBI's mission is to promote exports to Europe. As is shown in Table B. 2 exports from these countries to the Europe lag behind overall export growth of these countries. This might have been another reason to support exporting companies in these countries.

During the second period considered here export growth accelerated considerably in Kenya and Uganda. But the openness of the three East African as reflected in the export-GDP ratio, is still significantly lower than in the countries in Central America and in Asia. They are lower than 20% with a lowest value of 11% for Ethiopia. Against this background it can be concluded that export promotion in these countries is indeed a priority. In Southeast Asia Vietnam is by far the most successful country in exports with an export share which increased from an already high average of over 60% during the 2000-2010 period to over 100% during the 2010-2017 period. Both Indonesia and the Philippines performed relatively poor during the second period considered here with exports declining as a percentage of total production.

**Table B.1: Export growth and export shares**

	Average annual growth rate of exports of goods and services (%)		Average share of exports of goods and services in GDP (%)	
	2000-2010	2010-2017	2000-2010	2010-2017
Indonesia	10.5	1.7	32.4	22.9
Vietnam	17.4	15.4	61.5	85.5
Philippines	5.3	4.7	44.5	30.2
Guatemala	10.6	4.2	25.2	23.0
Honduras	6.6	4.7	53.0	46.8
El Salvador	4.6	4.7	25.7	28.4
Nicaragua	13.2	7.0	25.9	43.0
Kenya	11.7	3.4	23.6	18.4
Uganda	18.0	4.8	14.5	18.8
Ethiopia	n.a.	2.6	n.a.	11.4

Source: *World Bank national accounts data, and OECD National Accounts data files*

On average, exports from the Central American countries to the EU performed well but lagged behind overall export growth in both periods considered here (see Table B. 2). In Guatemala and Nicaragua, total exports to the EU grew faster during the second period considered here than in 2000-2010. The share of food products as a percentage of total exports to the EU increased in Honduras, but fell in Guatemala, while it remained virtually unchanged in El Salvador and Nicaragua. As will be shown below there were quite a number of positive and negative factors that influenced export performance as well.

Exports of goods from Ethiopia and Kenya to the EU decreased between 2010 and 2017. The drop in exports of food products to the EU was even more pronounced in these two countries, resulting in a fall of the food share in their merchandise exports. Nonetheless, food continued to be the major product in the exports to the EU. The exports from Uganda to the EU were also dominated by food products, accounting for 80% of the total export value to the EU.

Europe is an important client for Indonesian exports of food products, which is reflected in the share of food products, which accounted for 30% of total merchandise exports to Europe in 2010-2017. Food products play a significant lesser role in the exports from the Philippines and Vietnam to Europe, which justifies the promotion of these exports through the CBI program. In the three countries the growth of exports of food products slowed down in the second period considered here.

**Table B.2: Export of products to the EU**

	Average annual growth rate of total merchandise exports (%)		Average annual growth rate of exports of food products (%)		Average share of food products in total merchandise exports (%)	
	2000-2010	2010-2017	2000-2010	2010-2017	2000-2010	2010-2017
Indonesia	6.8	-0.7	15.8	5.0	18.2	29.1
Vietnam	14.3	19.7	18.3	9.9	19.1	15.0
Philippines	0.7	3.7	12.5	7.0	6.0	14.2
Guatemala	6.2	10.6	4.9	7.4	75.9	66.9
Honduras	10.2	9.6	11.6	10.2	80.9	89.4
El Salvador	0.5	-0.5	1.3	-2.7	69.8	68.3
Nicaragua	4.9	6.3	4.5	6.0	87.3	88.0
Kenya	9.7	-0.9	6.0	-2.1	59.8	55.1
Uganda	9.7	3.1	9.8	2.4	77.2	80.2
Ethiopia	15.1	-0.7	22.6	-5.9	62.4	53.2

Source: Own elaboration based on UNCTAD data

Prices play an important role in international trade. Table B.3 gives an indication of the development of overall export prices in case of the 10 countries. In the case of Indonesia and the Philippines the unit value, which is an approximation of the revenues per unit of export, declined during the 2010-2017 period. Given the relatively large share of food exports in the total it is a clear indication of lower food

prices. This trend is consistent with the information about world prices of coffee, tea and other agricultural food products. Vietnam experienced an increase in overall export unit value also thanks to the relatively large share in exports of non-food products. Vietnam's main exports to the EU are telephone sets, electronic products, footwear, textiles and clothing, coffee, rice, seafood, and furniture<sup>88</sup>. These developments show that a shift away from primary commodities could improve the country's terms of trade, which supports CBI's value chain approach.

**Table B.3: Unit value of exports and share of food products in exports**

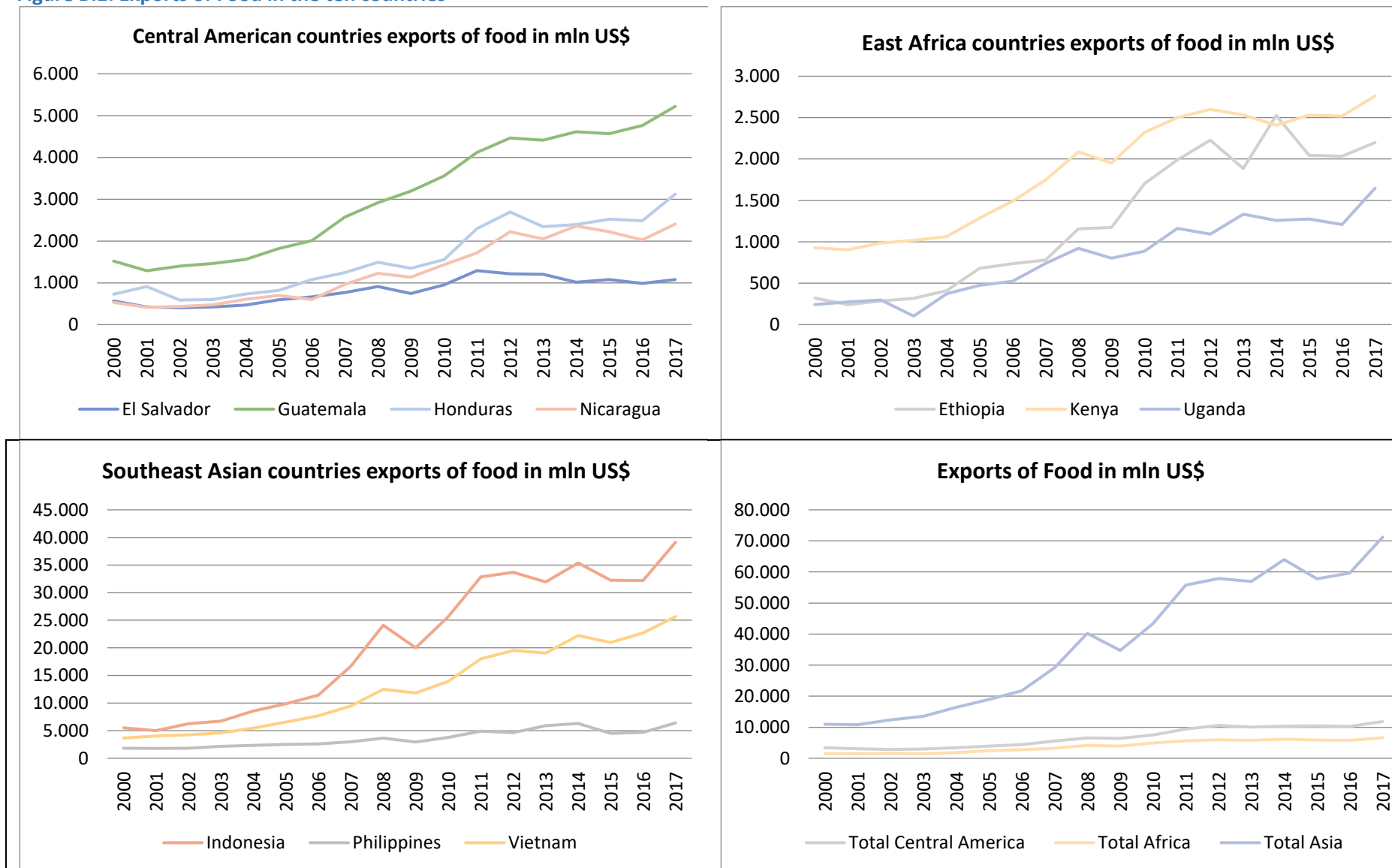
	Average annual change in the export value index (%)		Average share of exports of food exports in total merchandise exports (%)	
	2000-2010	2010-2017	2000-2010	2010-2017
Indonesia	8.3	-2.0	13.0	20.0
Vietnam	6.3	0.4	21.8	15.6
Philippines	-1.1	-1.0	6.1	9.4
Guatemala	1.2	-1.9	62.1	61.7
Honduras	4.4	1.3	82.0	56.5
El Salvador	7.1	-1.7	44.8	43.2
Nicaragua	4.4	1.3	82.0	56.5
Kenya	5.3	0.2	46.0	46.2
Uganda	6.2	-0.3	68.2	60.9
Ethiopia	7.6	-0.7	71.5	75.9

Source: World Bank national accounts data, and OECD National Accounts data files

These developments are also reflected in the figures below.

<sup>88</sup> Information from EU trade statistics

Figure B.1: Exports of Food in the ten countries



### 3. Real exchange rate

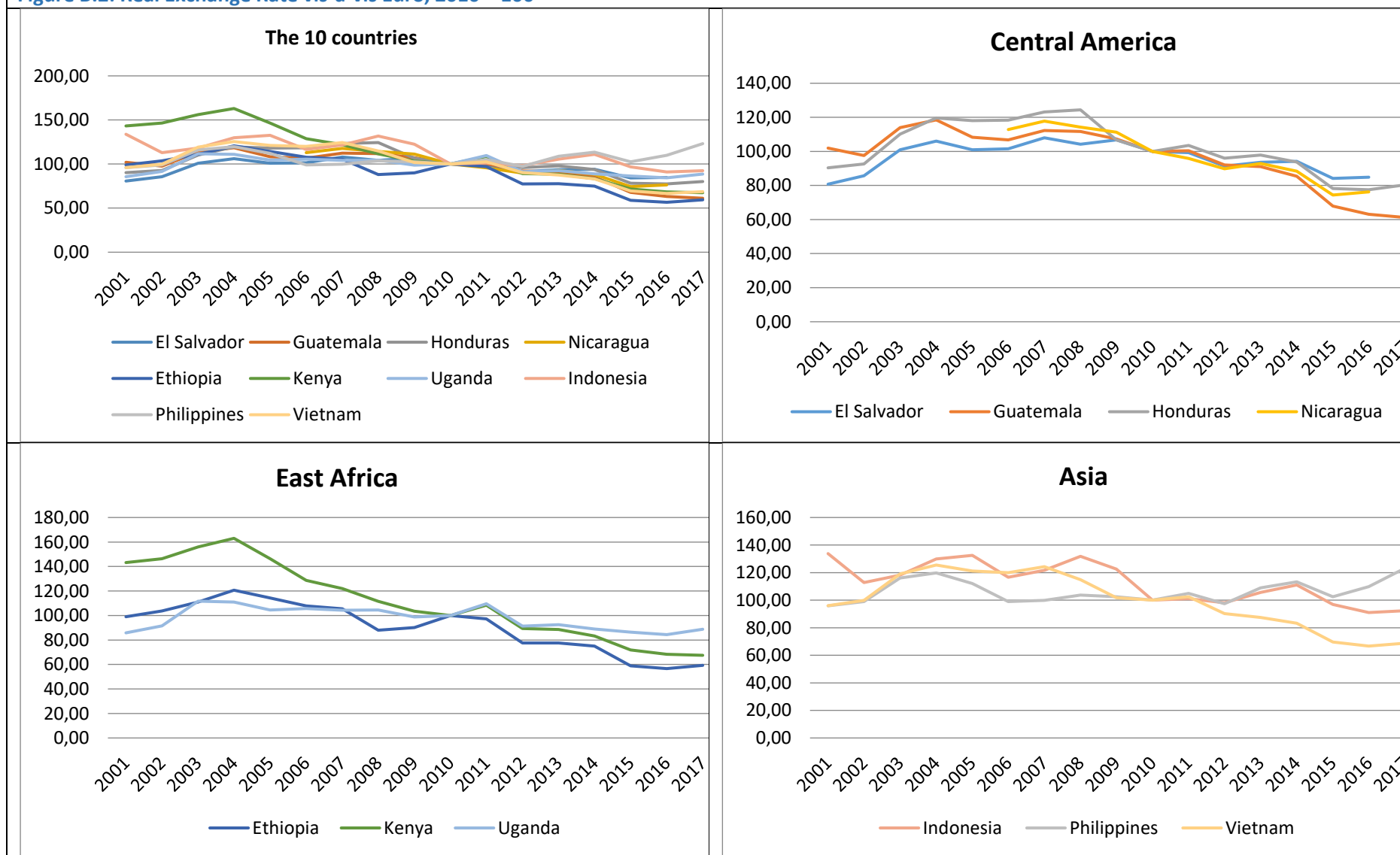
Several factors influence the competitiveness of a country, among these relative prices and the exchange rate. The real exchange rate, defined as the nominal exchange rate corrected for price changes is such an indicator. Table B.4 and figure 2 presents the real exchange rate vis-à-vis the Euro, indicating the relative price changes in the exporting country in comparison with the Euro zone. Whereas the figures show an improvement of the competitiveness during the 2001-2010 period, it deteriorates after 2010. The Philippines is the exception. A trend regression of the real exchange rate confirms the overall significant deterioration for 8 of the 10 countries (see Table B.5). Such an overall deterioration of the competitive position is outside the control of CBI and hinders its activities to promote exports. Below we discuss a number of other external developments that may limit the impact of CBI's support.

<b>Table B.4: Real exchange rate vis-à-vis the Euro. Growth is improvement in competitiveness</b>										
	El Salvador	Guatemala	Honduras	Nicaragua	Ethiopia	Kenya	Uganda	Indonesia	Philippines	Vietnam
2001	80.74	101.98	90.30	n.a.	99.01	143.24	85.75	133.80	95.91	96.05
2002	85.69	97.61	92.61	n.a.	103.61	146.43	91.56	112.83	98.92	99.81
2003	100.96	113.88	110.18	n.a.	111.01	156.03	111.68	118.15	116.06	119.11
2004	105.97	118.47	119.61	n.a.	120.66	163.00	111.02	129.84	119.79	125.51
2005	100.90	108.33	118.06	n.a.	114.35	146.43	104.56	132.53	112.15	121.24
2006	101.54	106.71	118.27	112.81	107.73	128.69	105.65	116.57	99.05	120.02
2007	107.97	112.30	123.17	117.76	105.49	121.92	104.32	121.76	99.93	124.27
2008	104.13	111.72	124.38	114.22	87.98	111.59	104.50	131.79	103.70	114.89
2009	106.74	107.24	106.74	111.23	90.12	103.47	98.84	122.50	102.45	101.75
2010	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2011	99.21	100.39	103.49	95.83	97.13	108.49	109.69	101.06	105.00	102.47
2012	91.31	92.07	95.94	89.85	77.55	89.30	91.41	98.11	97.40	90.23
2013	93.62	90.99	97.90	92.83	77.62	88.49	92.54	105.66	108.90	87.47
2014	94.10	85.39	93.80	88.44	74.94	83.35	88.98	111.07	113.36	83.23
2015	84.13	67.90	78.19	74.38	58.80	71.82	86.39	96.92	102.44	69.62
2016	84.88	63.14	77.48	76.26	56.63	68.33	84.37	91.02	109.82	66.68
2017	n.a.	61.21	80.29	n.a.	59.29	67.49	88.67	92.31	123.14	68.79

Source: own calculations

<b>Table B.5: Competitiveness vis-à-vis Euro, % per annum (- is decline)</b>		
	Trend coefficient	T-value
El Salvador	-0.4	-0.68
Guatemala	-3.3	-5.19
Honduras	-1.8	-2.81
Nicaragua	-4.6	-9.88
Ethiopia	-4.2	-7.04
Kenya	-5.6	-14.80
Uganda	-0.9	-2.16
Indonesia	-2.1	-5.28
Philippines	0.4	1.05
Vietnam	-3.3	-5.02

**Figure B.2: Real Exchange Rate vis-à-vis Euro, 2010 = 100**



#### **4. National competitiveness**

In this section we report on the Global Competitiveness Index (GCI). The GCI is published annually by the World Economic Forum and is an aggregate of the scores on indicators that define the following 12 pillars of competitiveness that in total are constructed on the basis of 110 indicators:

- 1st pillar: Institutions (21 indicators)
- 2nd pillar: Infrastructure (9 indicators)
- 3rd pillar: Macroeconomic environment (5 indicators)
- 4th pillar: Health and primary education (10 indicators)
- 5th pillar: Higher education and training (6 indicators)
- 6th pillar: Goods market efficiency (16 indicators)
- 7th pillar: Labour market efficiency (10 indicators)
- 8th pillar: Financial market development (6 indicators)
- 9th pillar: Technological readiness (7 indicators)
- 10th pillar: Market size (4 indicators)
- 11th pillar: Business sophistication (9 indicators)
- 12th pillar: Innovation (7 indicators)

The computation of the score by pillar is based on the aggregation of the indicators defined for the respective pillars. Similarly, the GCI is the aggregation of the scores by pillar. An extensive explanation of the methodology is described in the respective Global Competitive Reports of the World Economic Forum.

The scores by indicator are collected through a survey among business leaders around the world on a broad range of topics. The survey comprises 150 questions divided into 15 sections. Most ask respondents to evaluate an aspect of their operating environment, on a scale of 1 (the worst possible situation) to 7 (the best). The indicators derived from the survey are used in the calculation of GCI. The various editions of the survey captured the views of over 14,000 business executives in approximately 150 economies. The administration of the survey is centralised by the World Economic Forum and conducted at the national level by the Forum's network of Partner Institutes. Partner Institutes are recognised research or academic institutes<sup>89</sup>, business organisations, national competitiveness councils, or other established professional entities.

In addition to support to individual exporters CBI's programmes aim at an improvement of the business climate in particular regarding international competitiveness. In order to achieve this it supports BSOs and advises government institutions on measures to enhance the export potential of the relevant sectors. The GCI is based on quite a number of indicators that reflect the areas in which CBI operates. Table B.6 below indicates in what pillars CBI might have an influence. These pillars are subsequently aggregated into three main categories: Basic requirements; Efficiency enhancers; Innovation and Sophistication Factors. The table clearly shows that CBI's potential impact is in particular on the indicators about Business Sophistication and Innovation reflected in the score on Innovation and Sophistication Factors. It is followed by the category Institutions and by five of the pillars that determine the category of Efficiency Enhancers. With the exception of Central America CBI's Integrated programme does not deal with financial sector issues.

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<sup>89</sup> The partner institute in the Netherlands is a department of the Rotterdam School of Management of the Erasmus University Rotterdam



**Table B.6: Relation between pillars and CBI programme activities**

	<i># of indicators potentially affected by CBI programme</i>
<b>Basic requirements</b>	
Institutions	5 out of 21 indicators
Infrastructure	0 out of 9 indicators
Macroeconomic environment	0 out of 5 indicators
Health and primary education	0 out of 10 indicators
<b>Efficiency Enhancers</b>	
Higher Education and Training	2 out of 9 indicators
Goods market efficiency	5 out of 10 indicators
Labour market efficiency	4 out of 10 indicators
Financial market development	0 out of 8 indicators
Technological readiness	2 out of 7 indicators
Market size	2 out of 4 indicators
<b>Innovation and Sophistication Factors</b>	
Business Sophistication	8 out of 9 indicators
Innovation	2 out of 7 indicators

Table B.7a presents the scores on the GCI's main components for the 10 countries, the average for the respective continents and as a comparison for the EU. It shows that on average Central America improved over the last 10 years, but that El Salvador is an exception. In particular Nicaragua shows a strong improvement during this period. Yet, the individual countries score significantly lower than the EU for this category of Basic Requirements and at only about 60% of what is the maximum score (see Table B.7b).

The three African countries score lower than the other seven countries, but they all improved over the 10 years considered here. Ethiopia did very well on these Basic Requirements. The Asian countries show the highest scores during all sub-periods. They as well improved their performance over time.

**Table B.7a: Scores on the main components of the GCI by country**

<b>Basic Requirements, scores measured at 1to7 scale</b>			
	2009-'10	2013-'14	2017-'18
El Salvador	4.4	4.2	4.1
Honduras	4.1	3.9	4.3
Guatemala	4.1	4.3	4.3
Nicaragua	3.5	4.1	4.4
<b>Average Central America</b>	<b>4.0</b>	<b>4.1</b>	<b>4.3</b>
Ethiopia	3.6	3.7	4.0
Kenya	3.5	3.8	3.9
Uganda	3.6	3.4	3.8
<b>Average Africa</b>	<b>3.6</b>	<b>3.6</b>	<b>3.9</b>
Indonesia	4.3	4.9	5.0
Philippines	3.9	4.5	4.8
Vietnam	4.0	4.4	4.5
<b>Average Asia</b>	<b>4.1</b>	<b>4.6</b>	<b>4.8</b>
<b>Average 10 countries</b>	<b>3.9</b>	<b>4.1</b>	<b>4.3</b>
EU	5.7	5.9	6.2

Table B.7b: Scores on the main components of the GCI by country			
Efficiency Enhancers, scores measured at 1- to -7 scale			
	2009-'10	2013-'14	2017-'18
El Salvador	3.8	3.6	3.6
Honduras	3.5	3.9	3.7
Guatemala	3.9	3.9	4.0
Nicaragua	3.5	3.4	3.5
<b>Average Central America</b>	<b>3.7</b>	<b>3.7</b>	<b>3.7</b>
Ethiopia	3.3	3.3	3.4
Kenya	3.9	4.0	3.9
Uganda	3.5	3.5	3.6
<b>Average Africa</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>
Indonesia	4.2	4.3	4.5
Philippines	3.9	4.2	4.3
Vietnam	4.1	4.0	4.2
<b>Average Asia</b>	<b>4.1</b>	<b>4.2</b>	<b>4.3</b>
<b>Average 10 countries</b>	<b>3.8</b>	<b>3.8</b>	<b>3.9</b>
EU	5.3	5.3	5.5

The picture of the Efficiency Enhancers is less positive. The scores are lower and show only improvements in Asia. In Central America they are with 53% of the maximum value rather low and constant. The same can be concluded for the African countries. All three countries show in comparison with the other countries rather high scores and improvements. The Asian countries perform in terms of determinants of productivity quite positive with strong improvements in Indonesia and the Philippines.

Table B.7c: Scores on the main components of the GCI by country			
Innovation and Sophistication Factors, scores measured at 1- to -7 scale			
	2009-'10	2013-'14	2017-'18
El Salvador	3.4	3.6	3.1
Honduras	3.2	3.3	3.3
Guatemala	3.7	3.7	3.7
Nicaragua	3.0	3.3	2.8
<b>Average Central America</b>	<b>3.3</b>	<b>3.5</b>	<b>3.2</b>
Ethiopia	3.0	3.0	3.4
Kenya	3.8	3.8	4.1
Uganda	3.1	3.3	3.4
<b>Average Africa</b>	<b>3.3</b>	<b>3.4</b>	<b>3.6</b>
Indonesia	4.0	4.1	4.3
Philippines	3.4	3.8	3.7
Vietnam	3.7	3.4	3.5
<b>Average Asia</b>	<b>3.7</b>	<b>3.8</b>	<b>3.8</b>
<b>Average 10 countries</b>	<b>3.4</b>	<b>3.5</b>	<b>3.5</b>
EU	5.2	5.4	5.6

The factors determining Innovation and Sophistication include such indicators as value chain breadth, control of international distribution, extent of marketing, etc. This component has in our interpretation

the strongest links with the activities implemented in the CBI integrated approach. The score are relatively low in case of all the countries considered here. On average they are 50% of the maximum score. In comparison, the EU scores at 80% of the maximum in 2017/18. El Salvador and Nicaragua show a deterioration of the index, which is also the case for Vietnam. The other countries show an improvement but small.

The same survey done under the auspices of the World Economic Forum provides information from the surveyed executives about what they consider the most problematic factors for doing business. Table B.8 and the figures below present an overview of the 10 most problematic factors for doing business in the 10 countries for three years. For the Central American countries, Corruption, Crime and Theft, inefficiencies in the government bureaucracy and policy instability are considered the most serious problems. Economic related problems are mentioned as well, such as access to financing, but these are considered less problematic than the institutional issues mentioned. Although Corruption and inefficient government bureaucracy are high on the list in the African countries as well, here access to financing and inadequate supply of infrastructure are seen as problematic also. Corruption, Government bureaucracy and infrastructure are mentioned for Indonesia and the Philippines as most problematic. Vietnamese executives are in contrast to those in the other countries more concerned about the quality of the labour force and about the problems with accessing finance.

## **5. Concluding remarks**

Although CBI addresses with its integrated approach quite a number of issues that determine the competitiveness as defined by the World Economic Forum it would be an illusion to expect a quantitative impact on the elements of the GCI. CBI's programme is first too small and secondly explicitly focused on only a limited number of SMEs in only a relatively small sector of the economy. Yet, it should be noted that CBI's approach is relevant in the context of the ten countries, because it indeed addresses various aspects that determine the international competitiveness of these countries. It should however also be realised that the improvement in the competitive position of the countries is seriously hampered by a number of institutional and legal factors that complicate doing business as shown in the results of the report of the World Economic Forum.

**Table B.8: Most problematic factors for doing business**

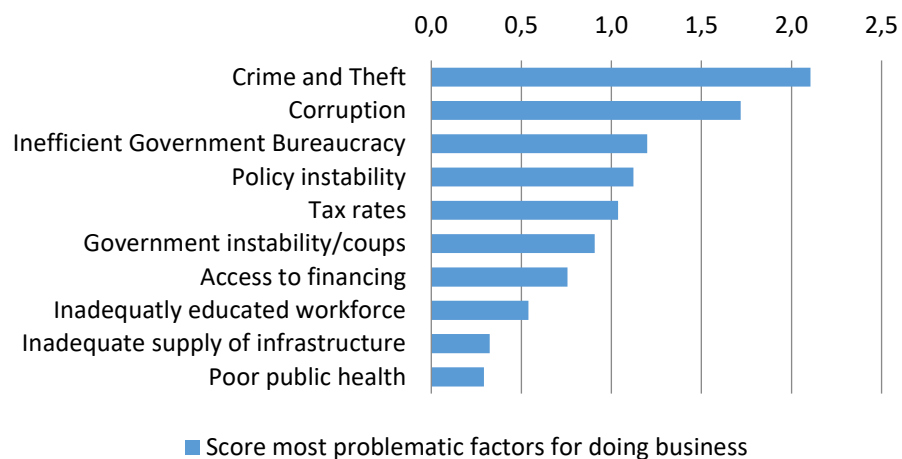
<b>Central America. 10 most problematic factors for doing business. Weighted rankings given by the WEF's Executive Opinion Survey</b>					
<b>El Salvador</b>					
2009-'10		2013-'14		2017-'18	
Crime and Theft	22.7	Access to financing	22.8	Crime and Theft	19.5
Access to financing	18.0	Restrictive labour regulations	12.3	Corruption	15.9
Policy instability	14.3	Corruption	11.9	Inefficient Government Bureaucracy	11.1
Inefficient Government Bureaucracy	9.8	Policy instability	6.8	Policy instability	10.4
Corruption	8.5	Crime and Theft	6.2	Tax rates	9.6
Inadequately educated workforce	6.3	Inefficient Government Bureaucracy	5.8	Government instability/coups	8.4
Inflation	5.3	Tax rates	5.5	Access to financing	7.0
Poor work ethic in national labour force	3.2	Inflation	4.9	Inadequately educated workforce	5.0
Tax regulations	2.7	Foreign currency regulations	3.7	Inadequate supply of infrastructure	3.0
Poor public health	2.4	Inadequately educated workforce	3.5	Poor public health	2.7
<b>Guatemala</b>					
2009-'10		2013-'14		2017-'18	
Crime and Theft	23.4	Crime and Theft	22.0	Crime and Theft	14.0
Corruption	16.3	Corruption	18.1	Corruption	13.9
Access to financing	9.4	Inefficient Government Bureaucracy	11.0	Inefficient Government Bureaucracy	12.6
Inefficient Government Bureaucracy	8.4	Inadequate supply of infrastructure	10.5	Inadequate supply of infrastructure	12.5
Policy instability	7.3	Tax regulations	10.0	Policy instability	9.6
Inadequate supply of infrastructure	7.1	Inadequately educated workforce	8.1	Government instability/coups	8.6
Restrictive labour regulations	6.0	Restrictive labour regulations	5.5	Inadequately educated workforce	6.2
Inadequately educated workforce	5.9	Access to financing	3.7	Tax regulations	5.7
Tax regulations	4.9	Tax rates	3.0	Access to financing	4.9
Tax rates	4.0	Policy instability	2.6	Restrictive labour regulations	2.6
<b>Honduras</b>					
2009-'10		2013-'14		2017-'18	
Crime and Theft	14.4	Inefficient Government Bureaucracy	20.1	Tax rates	15.5
Corruption	13.2	Corruption	18.0	Crime and Theft	13.9
Inefficient Government Bureaucracy	12.3	Crime and Theft	15.8	Inefficient Government Bureaucracy	13.6
Access to financing	11.9	Access to financing	8.4	Corruption	11.5
Inadequately educated workforce	10.8	Policy instability	7.2	Tax regulations	9.7
Restrictive labour regulations	9.0	Tax rates	5.7	Policy instability	9.2
Policy instability	7.5	Restrictive labour regulations	4.6	Restrictive labour regulations	5.0
Poor work ethic in national labour force	6.1	Tax regulations	4.2	Access to financing	4.6
Inadequate supply of infrastructure	4.9	Inadequate supply of infrastructure	4.1	Inadequately educated workforce	4.2
Tax rates	2.5	Inadequately educated workforce	3.4	Inadequate supply of infrastructure	3.3

Central America. 10 most problematic factors for doing business. Weighted rankings given by the WEF's Executive Opinion Survey, continued					
Nicaragua					
2009-'10		2013-'14		2017-'18	
Policy instability	20.5	Inefficient Government Bureaucracy	14.7	Inefficient Government Bureaucracy	19.1
Corruption	13.1	Policy instability	10.5	Corruption	15.7
Access to financing	11.2	Corruption	10.0	Policy instability	9.8
Inefficient Government Bureaucracy	8.9	Government instability/coups	8.5	Access to financing	8.7
Inadequate supply of infrastructure	7.7	Inadequately educated workforce	8.1	Inadequate supply of infrastructure	7.6
Inadequately educated workforce	6.8	Poor work ethic in national labour force	8.1	Tax rates	6.7
Inflation	4.3	Crime and Theft	7.7	Insufficient capacity to innovate	6.5
Government instability/coups	4.1	Foreign currency regulations	7.6	Tax regulations	3.6
Tax regulations	3.9	Crime and Theft	8.0	Poor work ethic in national labour force	3.4
Poor work ethic in national labour force	3.8	Tax regulations	4.5	Government instability/coups	3.4

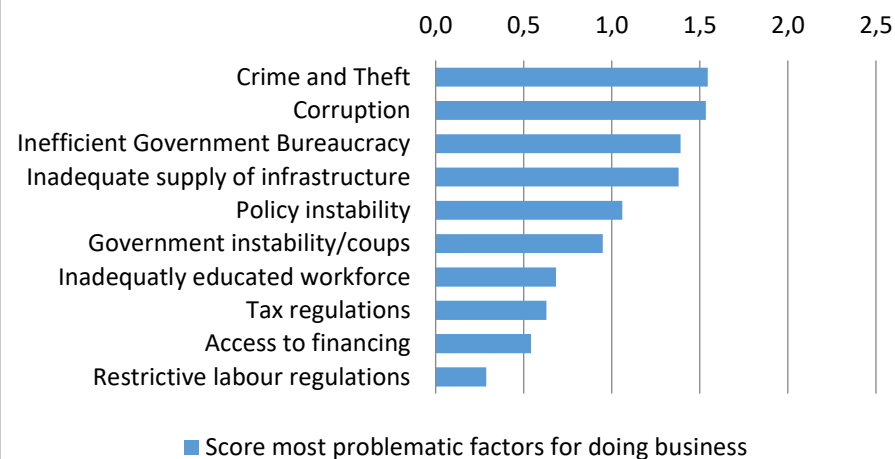
East Africa. 10 most problematic factors for doing business. Weighted rankings given by the WEF's Executive Opinion Survey					
Ethiopia					
2009-'10		2013-'14		2017-'18	
Inflation	16.7	Foreign currency regulations	16.4	Foreign currency regulations	17.4
Foreign currency regulations	16.0	Inefficient Government Bureaucracy	13.8	Corruption	15.9
Access to financing	13.4	Corruption	12.3	Access to financing	11.1
Tax rates	12.3	Access to financing	11.4	Inefficient Government Bureaucracy	10.3
Inefficient Government Bureaucracy	9.7	Tax rates	10.4	Inflation	6.8
Tax regulations	7.0	Inflation	10.3	Inadequate supply of infrastructure	6.9
Inadequate supply of infrastructure	6.9	Tax regulations	8.7	Poor work ethic in national labour force	6.2
Corruption	6.7	Poor work ethic in national labour force	4.0	Inadequately educated workforce	4.5
Policy instability	4.1	Inadequate supply of infrastructure	3.7	Tax rates	4.3
Poor work ethic in national labour force	3.1	Policy instability	3.5	Policy instability	3.2
Kenya					
2009-'10		2013-'14		2017-'18	
Corruption	23.3	Corruption	21.1	Corruption	19.1
Inadequate supply of infrastructure	12.8	Access to financing	15.7	Access to financing	15.5
Access to financing	11.4	Tax rates	13.8	Tax rates	13.7
Tax rates	10.1	Inflation	9.2	Inadequate supply of infrastructure	9.3
Inflation	8.3	Inefficient Government Bureaucracy	8.4	Inflation	7.3
Crime and Theft	8.0	Inadequate supply of infrastructure	8.3	Crime and Theft	6.1
Inefficient Government Bureaucracy	7.5	Crime and Theft	6.9	Inefficient Government Bureaucracy	5.4
Tax regulations	4.2	Poor work ethic in national labour force	3.6	Tax regulations	4.4
Restrictive labour regulations	3.4	Insufficient capacity to innovate	3.2	Policy instability	4.0
Policy instability	3.1	Inadequately educated workforce	2.8	Insufficient capacity to innovate	3.4
Uganda					
2009-'10		2013-'14		2017-'18	
Access to financing	19.3	Corruption	23.0	Tax rates	16.4
Corruption	17.8	Access to financing	17.4	Corruption	14.7
Inadequate supply of infrastructure	13.0	Inadequate supply of infrastructure	13.2	Access to financing	14.1
Tax rates	8.6	Tax rates	10.0	Inadequate supply of infrastructure	13.0
Inflation	7.3	Inflation	9.7	Inflation	12.7
Poor work ethic in national labour force	7.2	Inefficient Government Bureaucracy	6.1	Inefficient Government Bureaucracy	5.2
Inefficient Government Bureaucracy	7.1	Poor work ethic in national labour force	5.4	Poor work ethic in national labour force	4.6
Poor public health	4.0	Policy instability	2.9	Tax regulations	4.2
Tax regulations	3.9	Insufficient capacity to innovate	2.2	Inadequately educated workforce	2.9
Inadequately educated workforce	3.7	Crime and Theft	2.2	Policy instability	2.8

South East Asia. 10 Most problematic factors for doing business. Weighted rankings given by the WEF's Executive Opinion Survey					
Indonesia					
2009-'10		2013-'14		2017-'18	
Inefficient Government Bureaucracy	20.2	Corruption	19.3	Corruption	13.8
Inadequate supply of infrastructure	14.8	Inefficient Government Bureaucracy	15.0	Inefficient Government Bureaucracy	11.1
Policy instability	9.0	Inadequate supply of infrastructure	9.1	Access to financing	9.2
Corruption	8.7	Access to financing	6.9	Inadequate supply of infrastructure	8.8
Access to financing	7.3	Restrictive labour regulations	6.3	Policy instability	8.6
Restrictive labour regulations	7.1	Policy instability	5.7	Government instability/coups	6.5
Tax regulations	6.8	Poor work ethic in national labour force	5.7	Tax rates	6.4
Inflation	6.1	Inflation	5.2	Poor work ethic in national labour force	5.8
Foreign currency regulations	5.2	Tax rates	5.2	Tax regulations	5.2
Inadequately educated workforce	4.7	Government instability/coups	4.9	Inflation	4.7
Philippines					
2009-'10		2013-'14		2017-'18	
Corruption	24.3	Inadequate supply of infrastructure	21.1	Inefficient Government Bureaucracy	19.7
Inefficient Government Bureaucracy	20.6	Corruption	17.8	Inadequate supply of infrastructure	17.9
Inadequate supply of infrastructure	15.0	Inefficient Government Bureaucracy	16.9	Corruption	13.7
Policy instability	12.8	Tax regulations	8.6	Tax regulations	10.9
Access to financing	5.2	Restrictive labour regulations	8.4	Tax rates	8.9
Tax regulations	4.8	Policy instability	7.2	Policy instability	7.6
Crime and Theft	3.3	Tax rates	6.3	Access to financing	4.9
Government instability/coups	3.3	Crime and Theft	3.4	Government instability/coups	3.2
Restrictive labour regulations	2.8	Access to financing	2.0	Restrictive labour regulations	3.0
Poor public health	2.4	Insufficient capacity to innovate	1.6	Poor work ethic in national labour force	2.6
Vietnam					
2009-'10		2013-'14		2017-'18	
Inadequate supply of infrastructure	16.1	Access to financing	18.4	Access to financing	12.3
Access to financing	13.2	Policy instability	11.4	Inadequately educated workforce	10.4
Inadequately educated workforce	13.1	Inadequately educated workforce	10.0	Corruption	10.0
Inflation	11.5	Inflation	9.9	Poor work ethic in national labour force	9.5
Tax regulations	8.2	Inadequate supply of infrastructure	8.5	Tax regulations	8.7
Policy instability	7.6	Tax regulations	8.5	Policy instability	8.4
Poor work ethic in national labour force	6.8	Corruption	8.2	Inadequate supply of infrastructure	8.3
Corruption	5.1	Tax rates	6.0	Tax rates	6.5
Tax rates	5.0	Poor work ethic in national labour force	6.0	Inflation	5.0
Foreign currency regulations	3.1	Inefficient Government Bureaucracy	4.8	Inefficient Government Bureaucracy	4.5

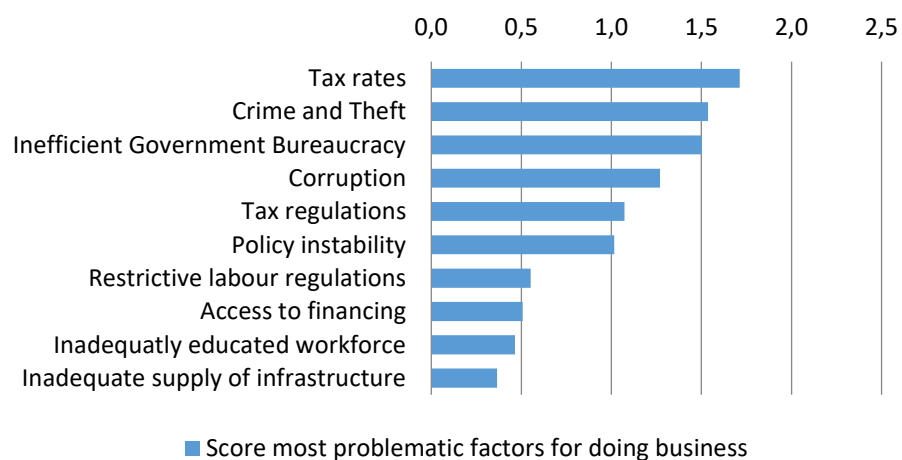
### El Salvador, 2017-2018



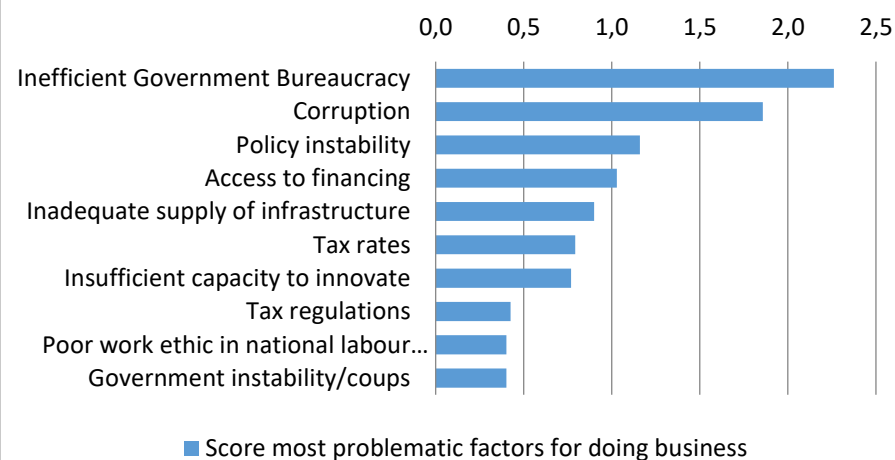
### Guatemala, 2017-2018



### Honduras, 2017-2018

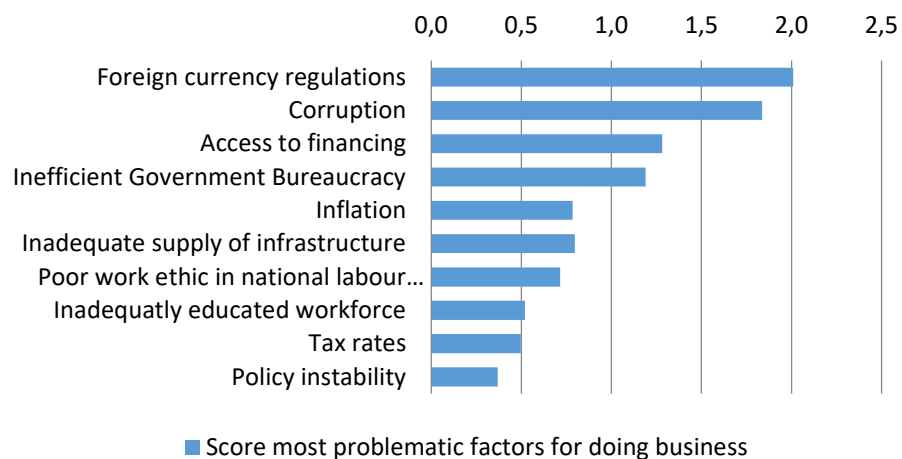


### Nicaragua, 2017-2018

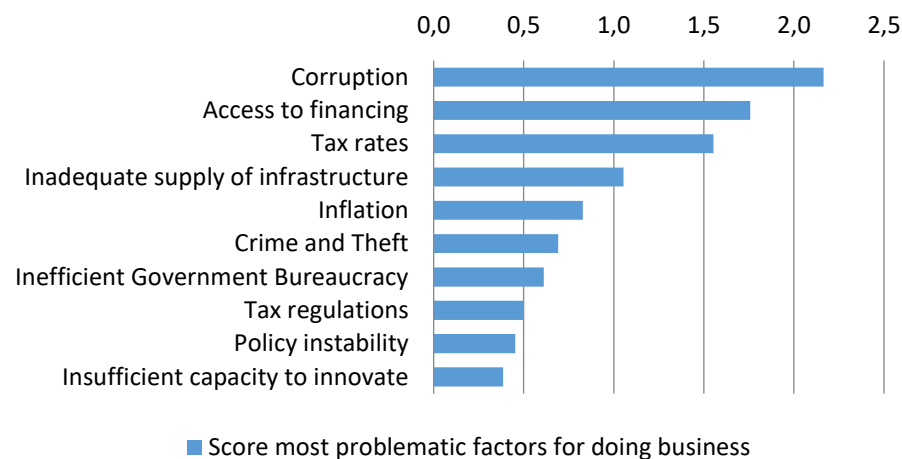




### Ethiopia, 2017-2019



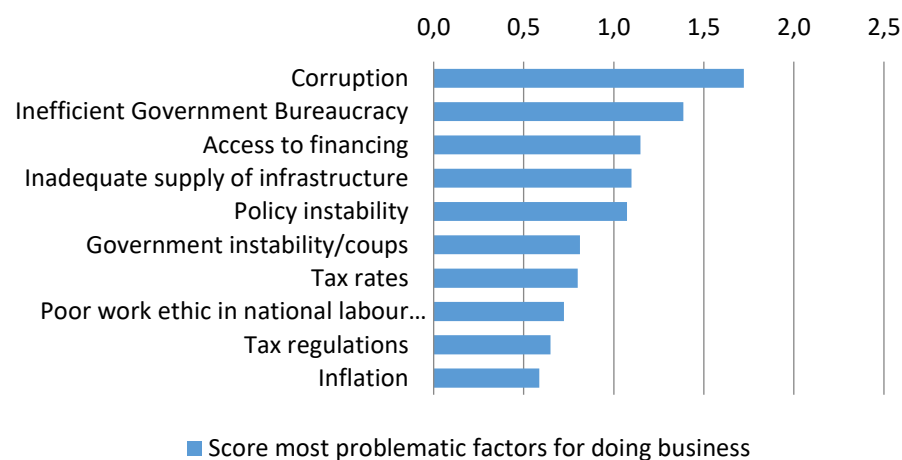
### Kenya, 2017-2018



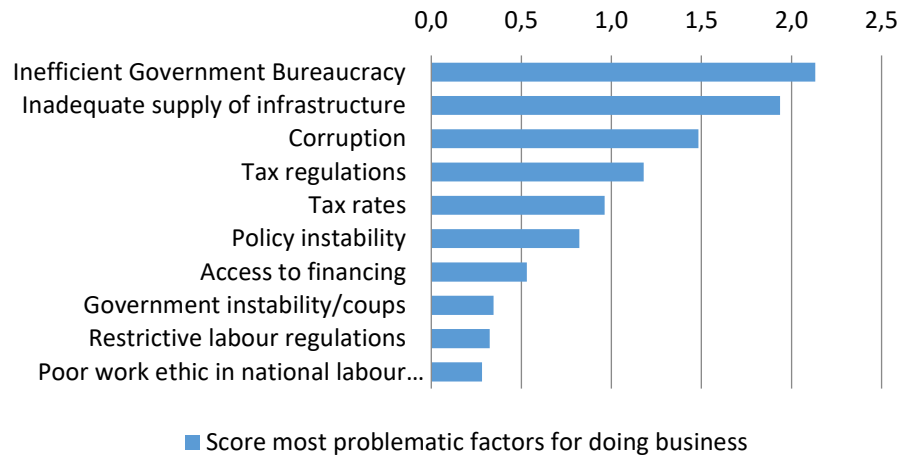
### Uganda, 2017- 2018



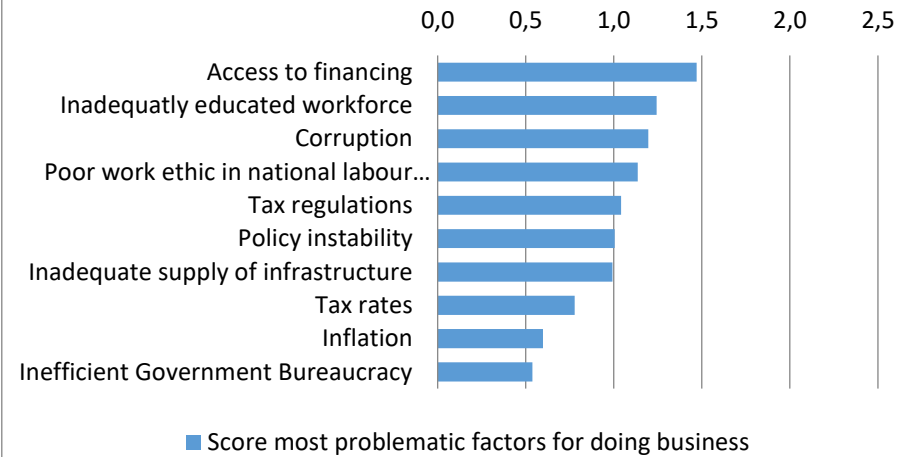
### Indonesia, 2017-2018



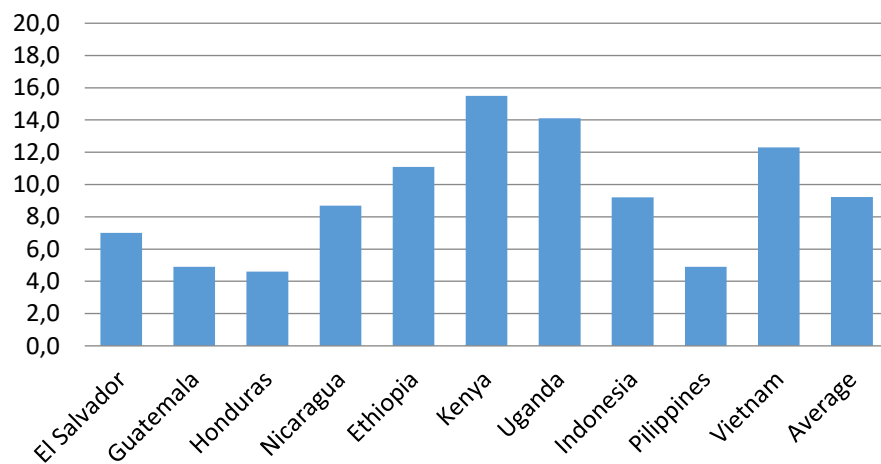
### Philippines, 2017- 2018



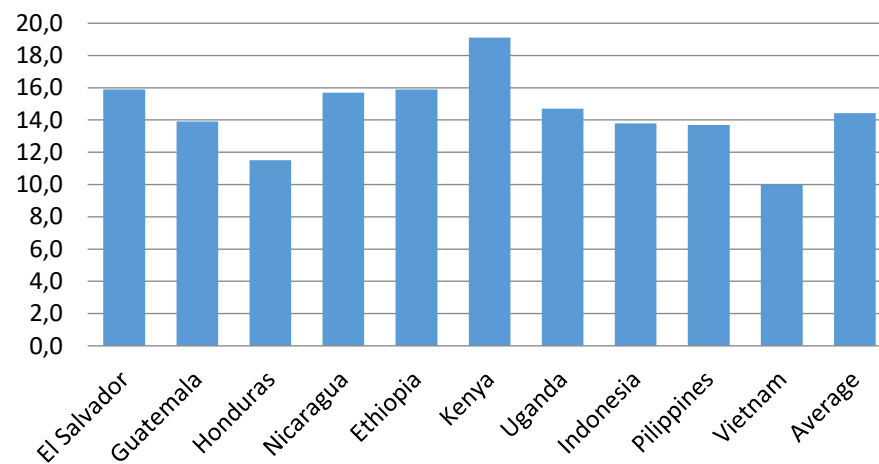
### Vietnam, 2017- 2018



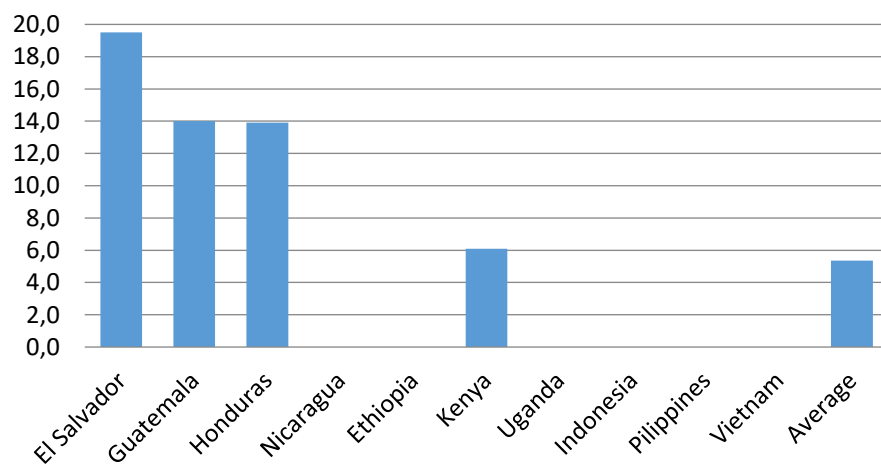
### Access to financing



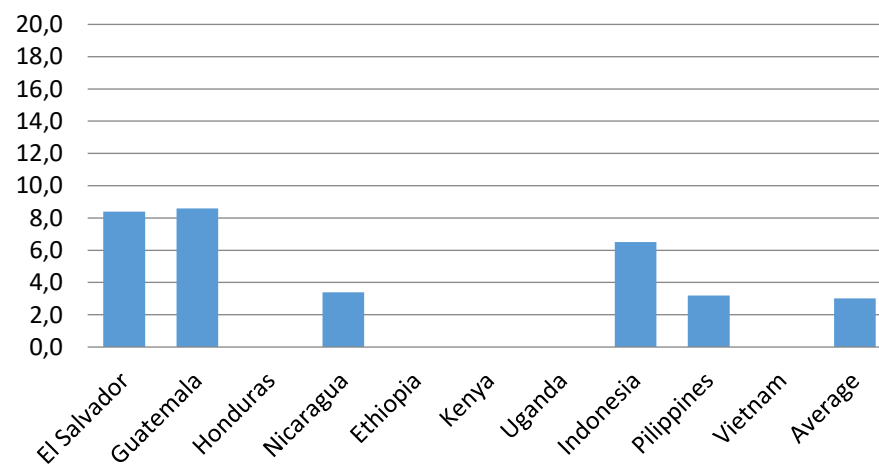
### Corruption



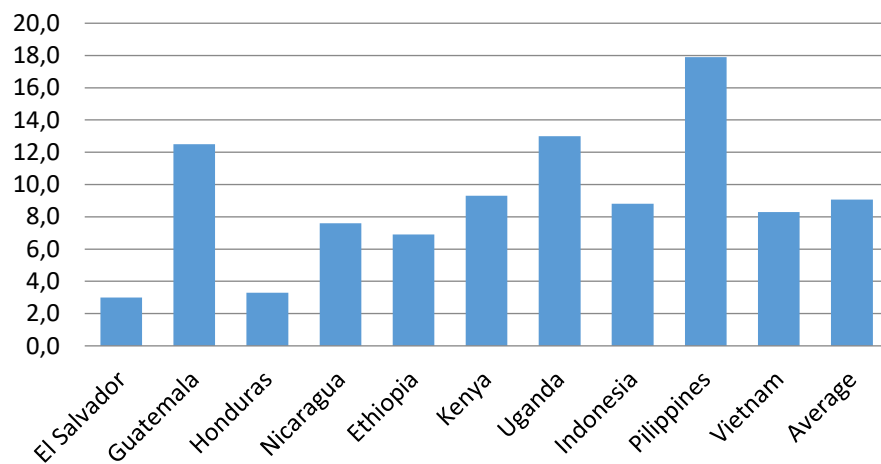
### Crime and Theft



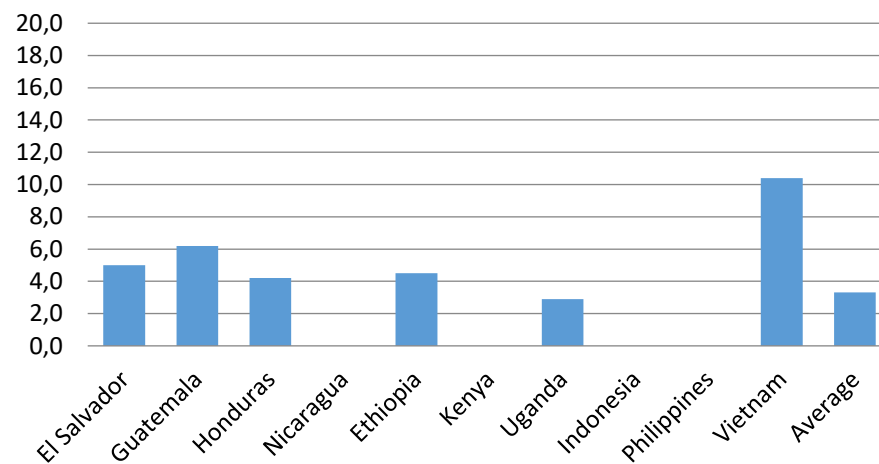
### Government instability/coups



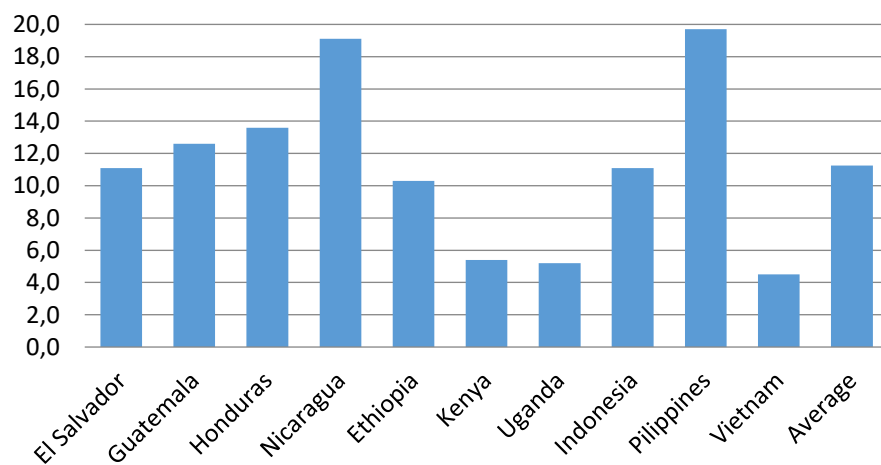
### Inadequate supply of infrastructure



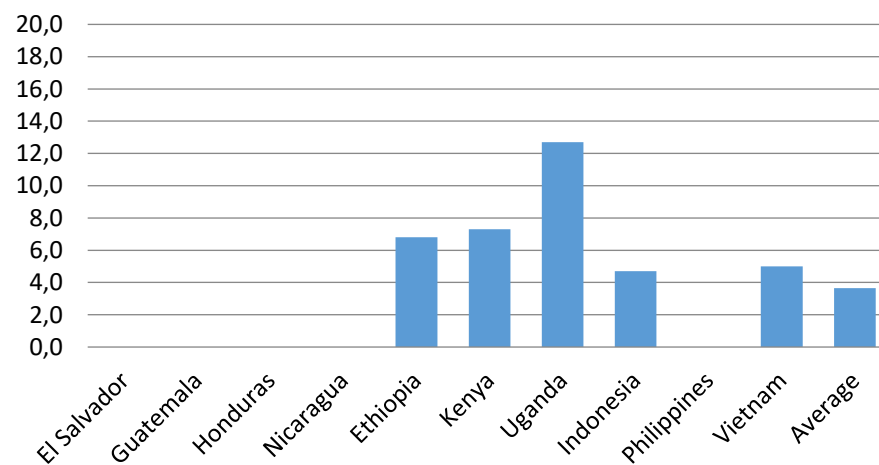
### Inadequately educated workforce



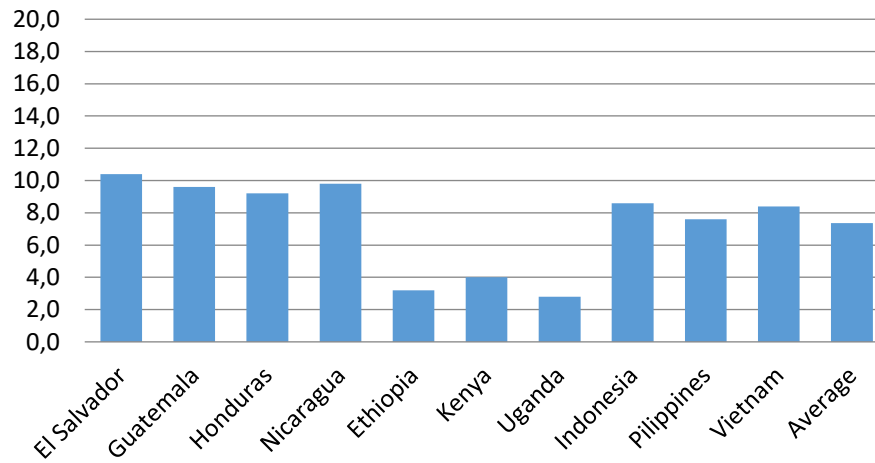
### Inefficient Government Bureaucracy



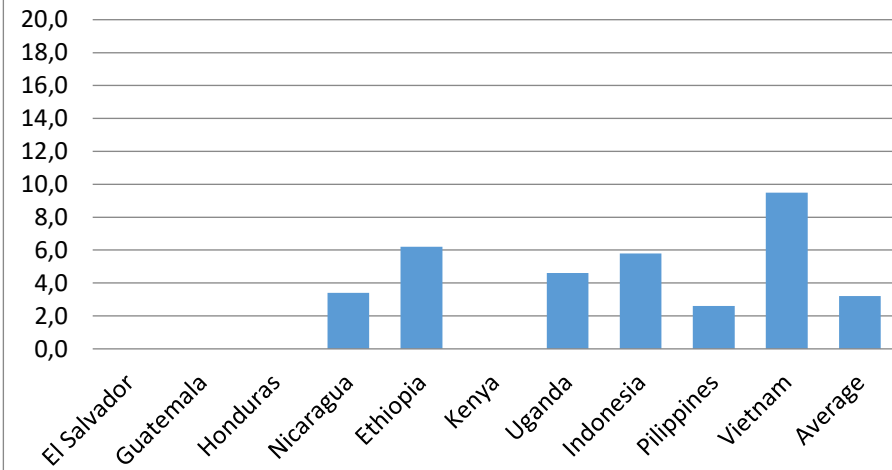
### Inflation



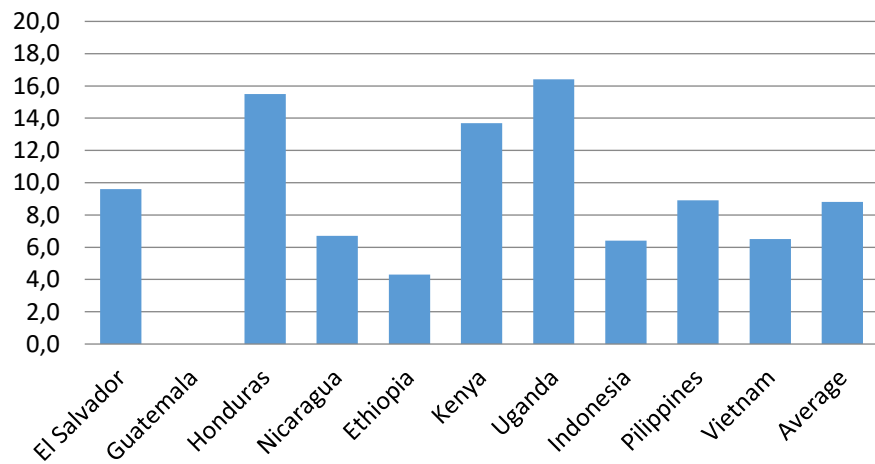
### Policy instability



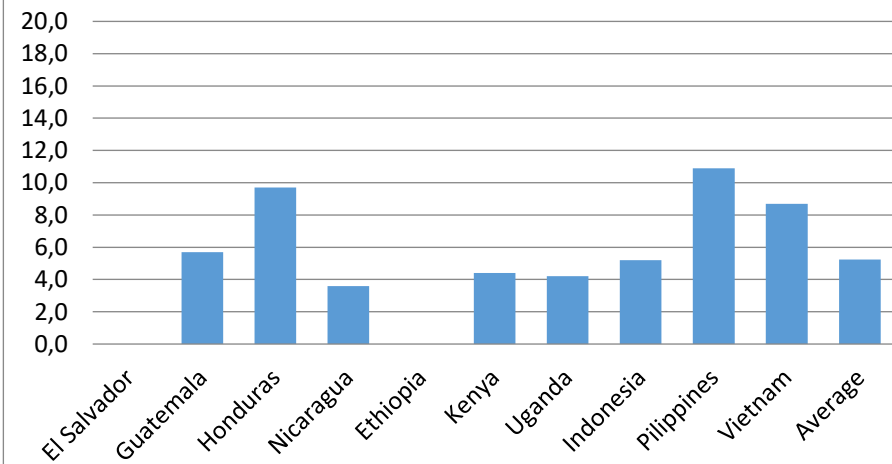
### Poor work ethic in national labour force

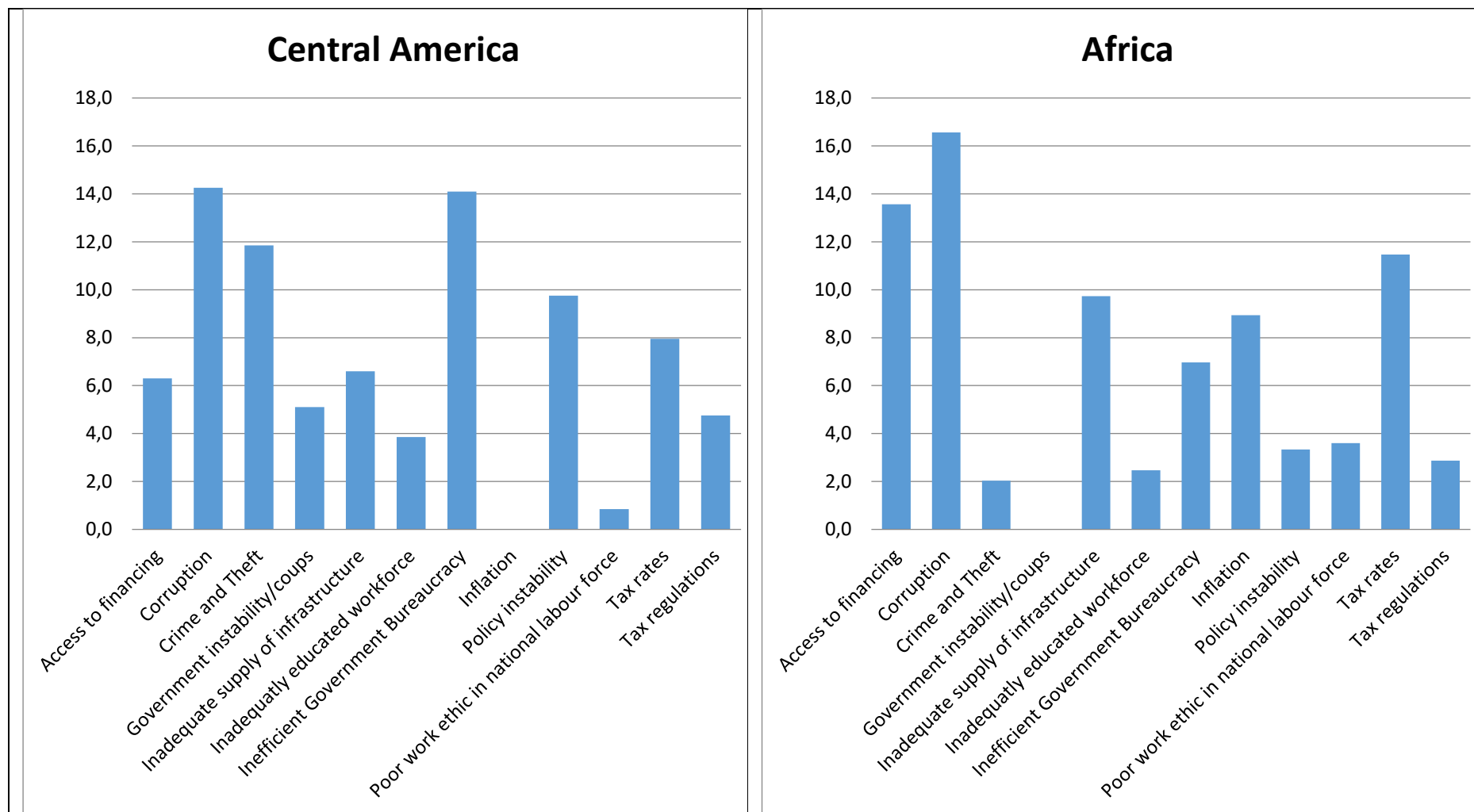


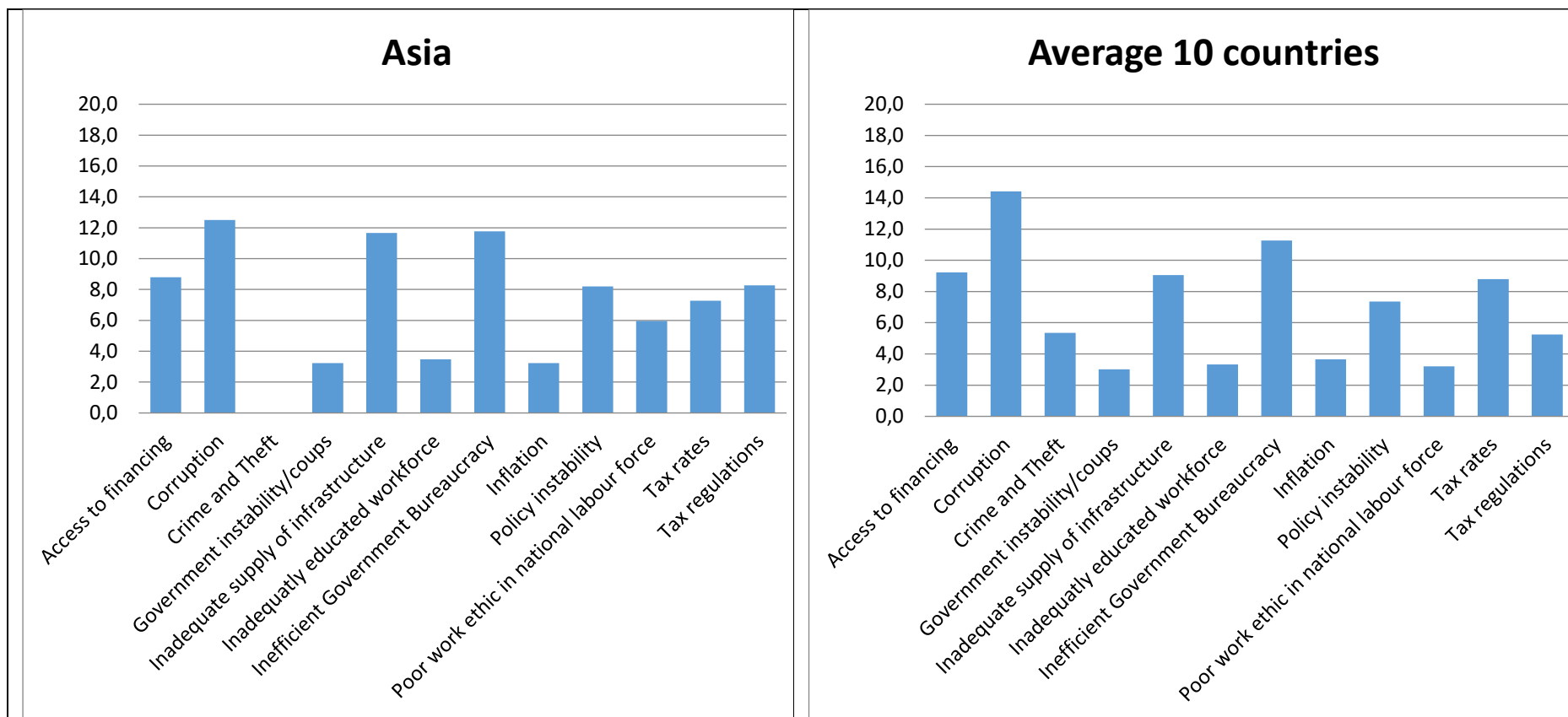
### Tax rates

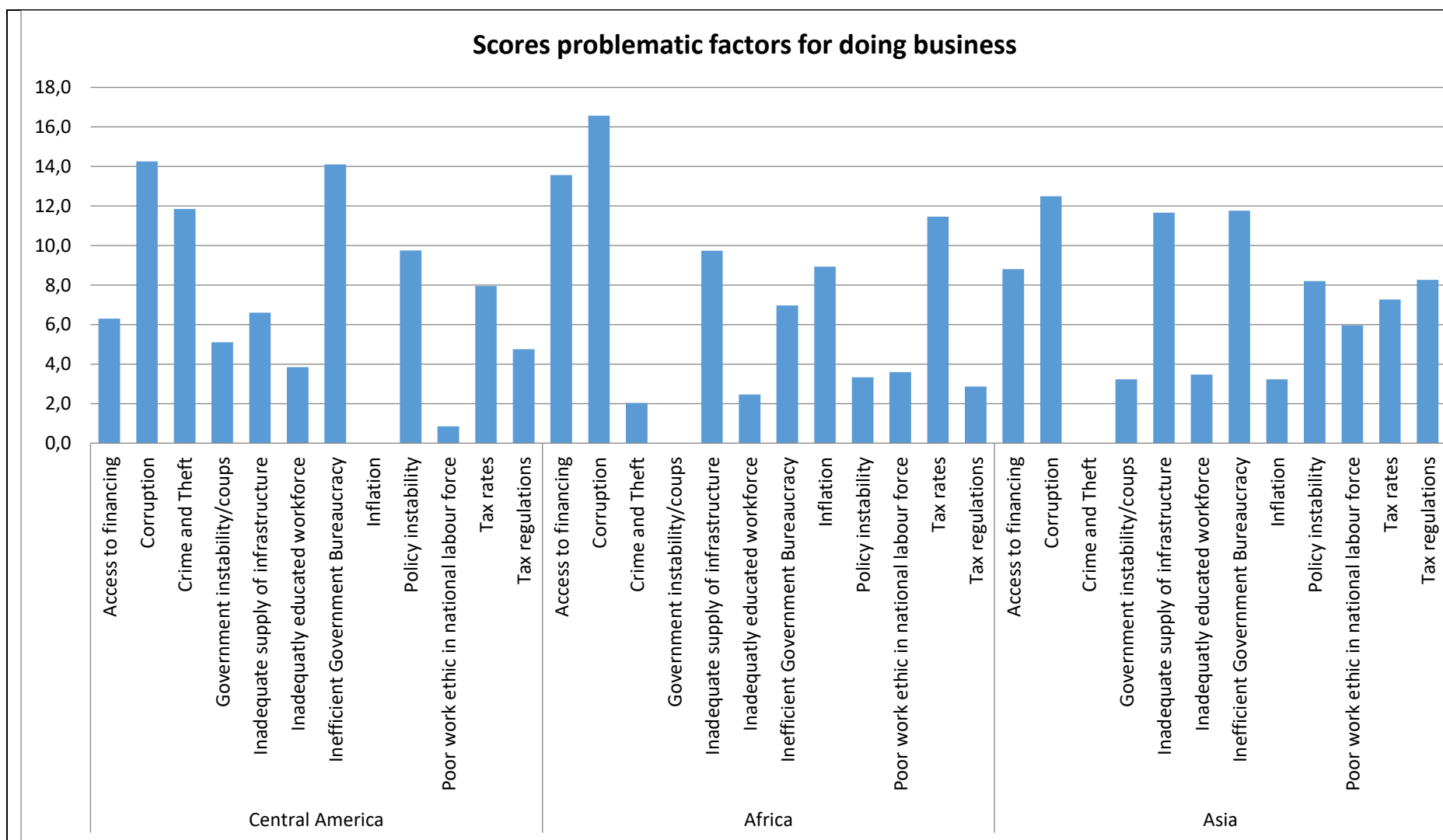


### Tax regulations



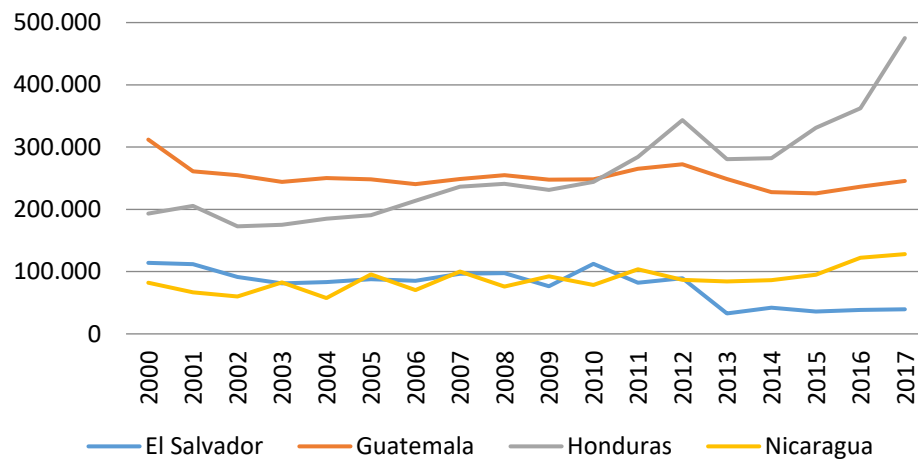




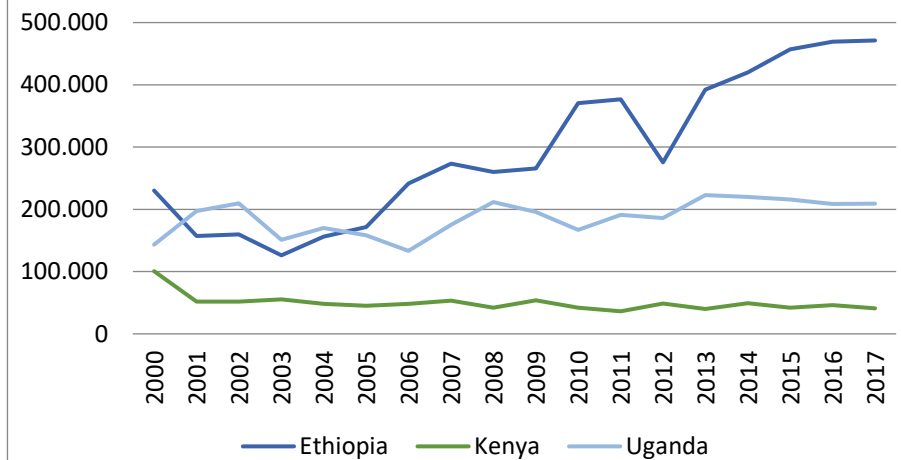




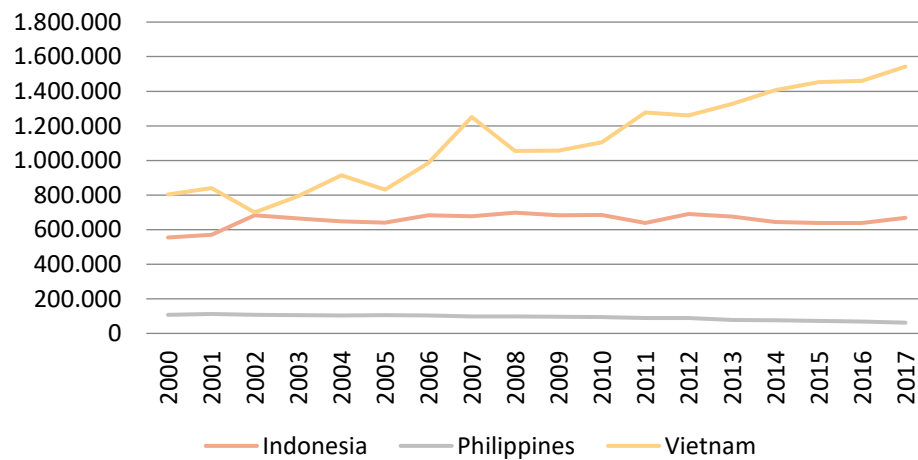
### Coffee production in tonnes



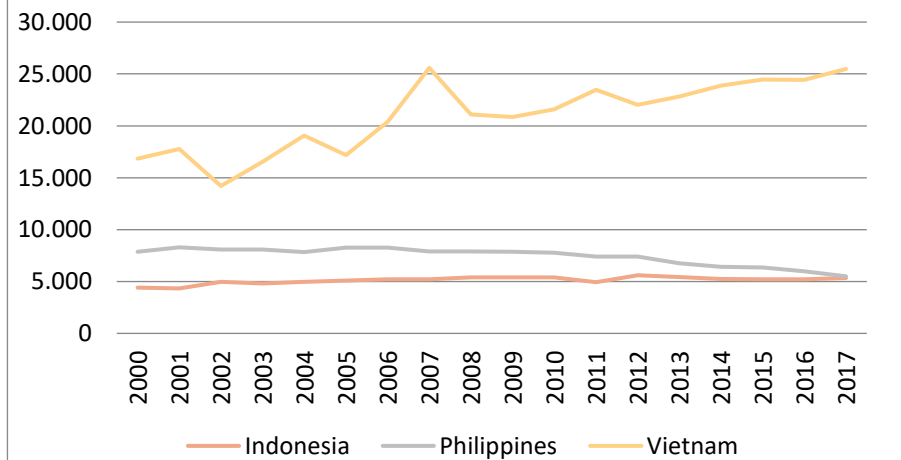
### Coffee production in tonnes



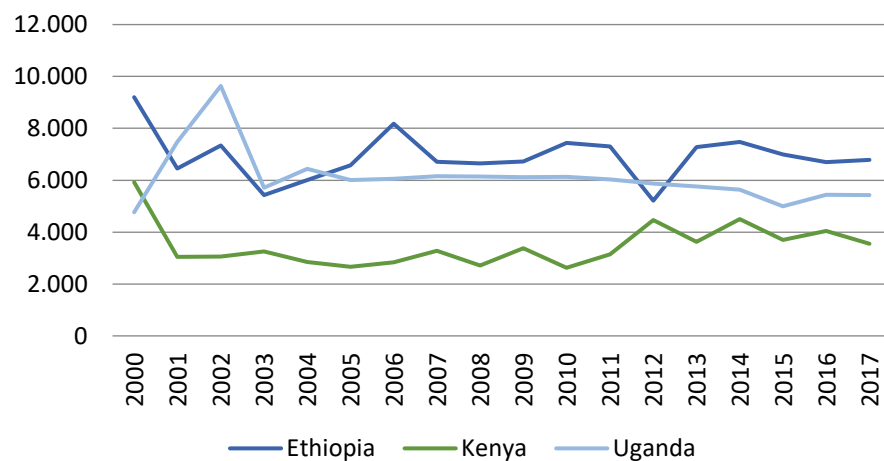
### Coffee production in tonnes



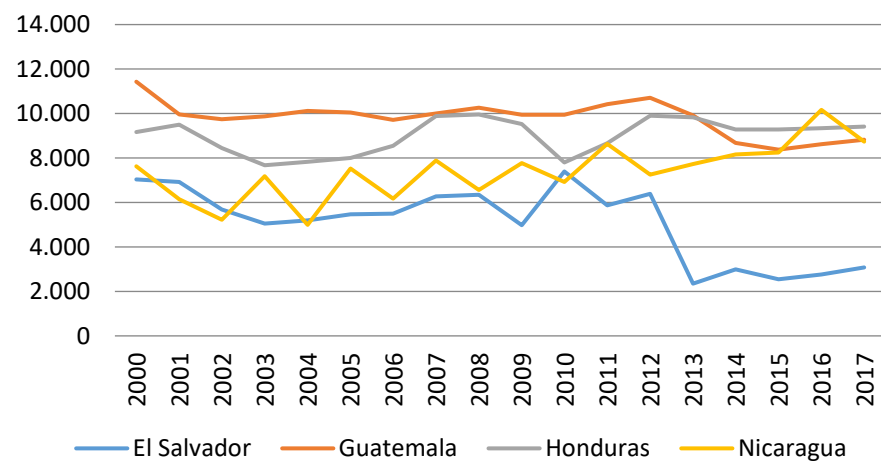
### Coffee yield hg/ha



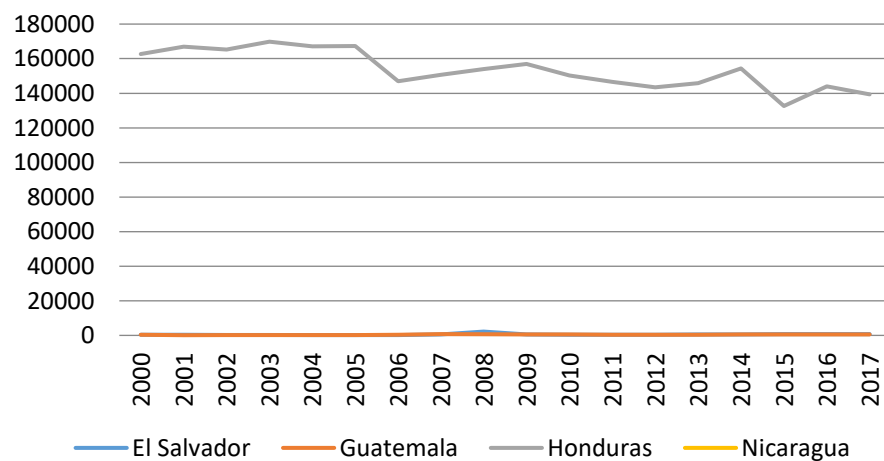
### Coffee yield hg/ha



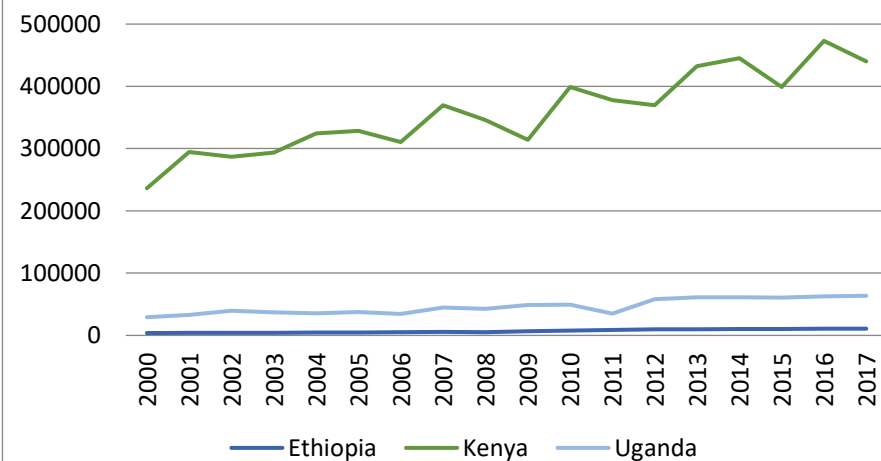
### Coffee yield hg/ha



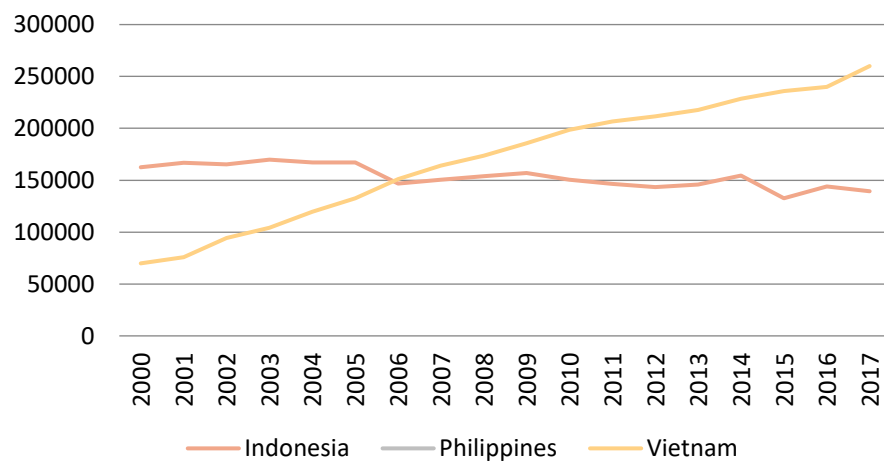
### Tea, production in tonnes



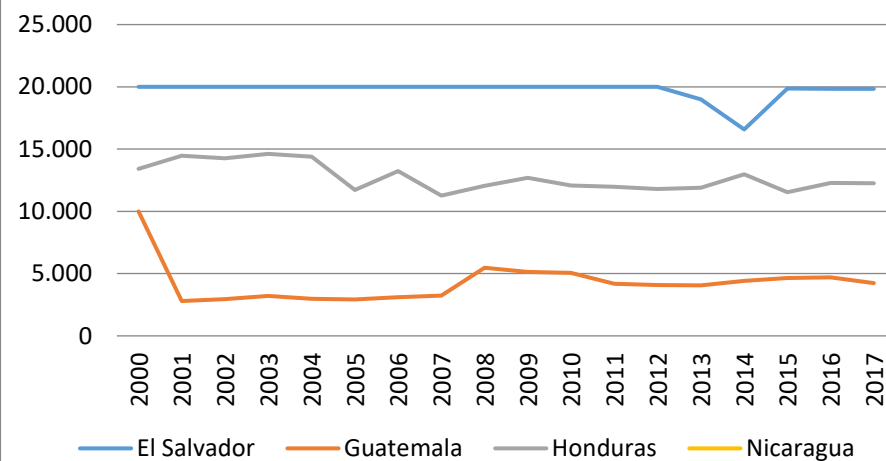
### Tea, production in tonnes



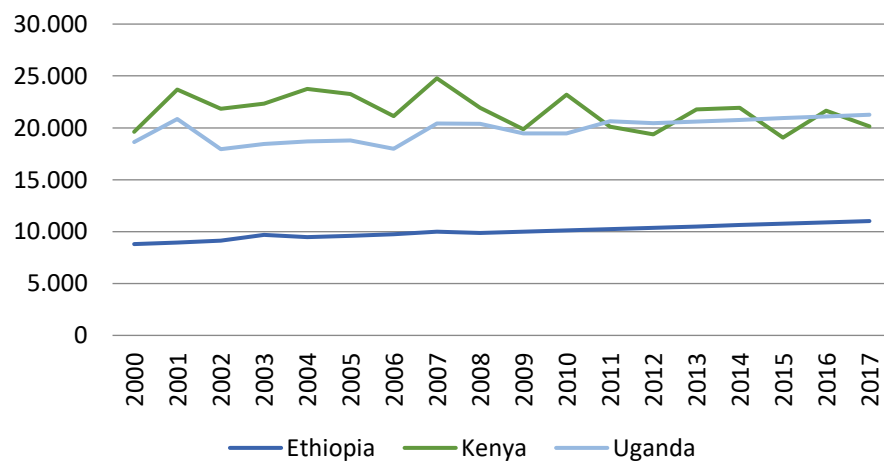
### Tea, production in tonnes



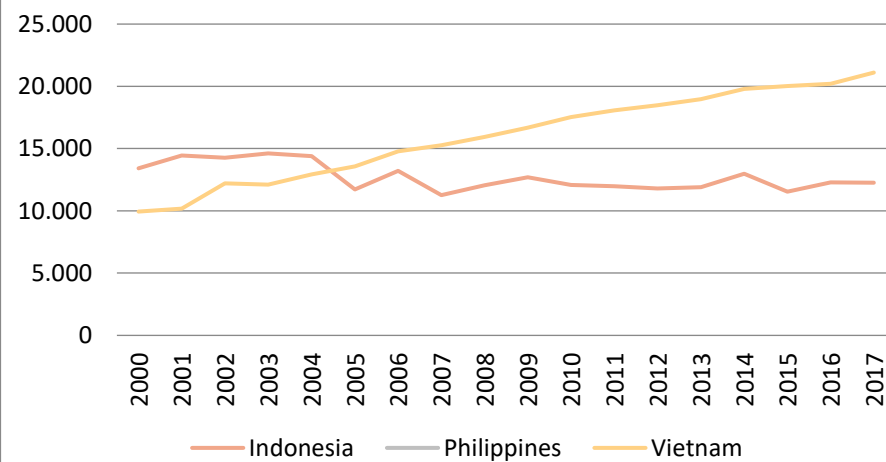
### Tea, Yield hg/ha



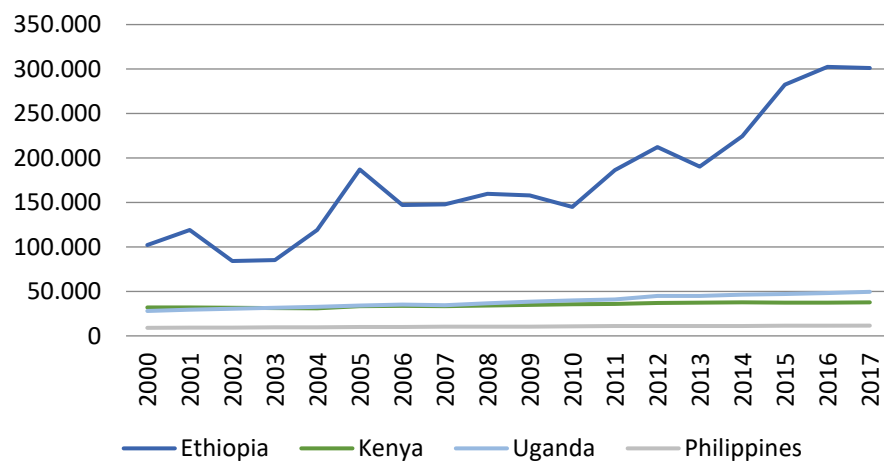
### Tea, Yield hg/ha



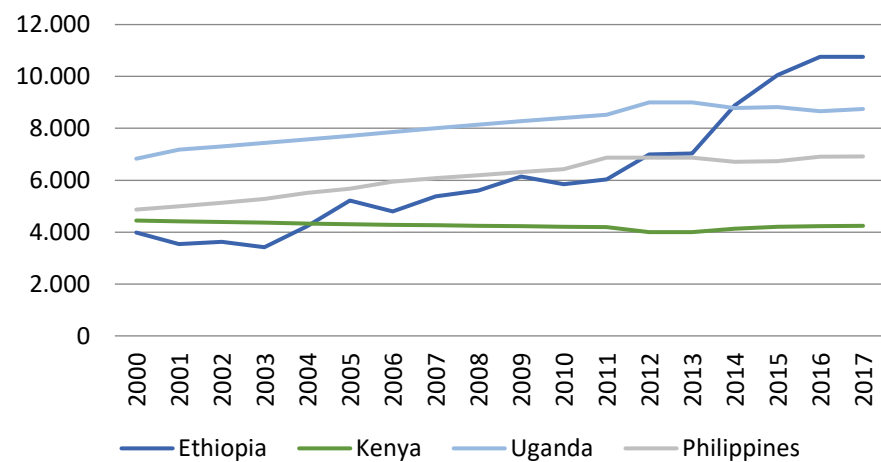
### Tea, Yield hg/ha



### Oil seeds, production in tonnes



### Oil seeds, Yield hg/ha



## Annex C: Questionnaire of e-Survey among SMEs in IP countries

### I GENERAL

#### 1. In which country is your company based?

- ☐ El Salvador
- ☐ Ethiopia
- ☐ Guatemala
- ☐ Honduras
- ☐ Indonesia
- ☐ Kenya
- ☐ Nicaragua
- ☐ Philippines
- ☐ Uganda
- ☐ Vietnam

#### 2. In which sector is your company active? <multiple sectors possible>

- ☐ Cacao
- ☐ Cardamom
- ☐ Chia seeds
- ☐ Crushed chillies and allspice
- ☐ Coconut products
- ☐ Coffee
- ☐ Fresh fruit & vegetables
- ☐ Honey
- ☐ Nuts
- ☐ Oilseeds
- ☐ Processed food
- ☐ Roots & tubers
- ☐ Tea
- ☐ Other, namely .....

### II APPLICATION

#### 3. How did you get in touch with CBI?

- ☐ Through CBI's website
- ☐ Through an advertisement in the local newspaper
- ☐ I was contacted by CBI's local representative
- ☐ I was contacted by CBI staff who did research on value chains in the country
- ☐ Through my sector organisation
- ☐ Other: .....

#### 4. Did you apply for support from CBI for the following reasons?

	No	Yes	Don't know/Not applicable
a. To introduce specialty agro-food/agro-ingredients products in foreign markets			
b. To adapt agro-food/agro-ingredients products to what is needed in foreign markets			
c. To participate in trade fairs			
d. To participate in workshops			
e. To improve the company staff's marketing capabilities			
f. To introduce modern managerial capabilities			
g. To receive advice on certification			
h. To receive advice on policies regarding Corporate Social Responsibility (CSR)			

**5. Who supported you with the formalities required for application?**

- ☐ CBI's local representative
- ☐ A CBI expert
- ☐ My sector organisation
- ☐ A local consultant
- ☐ Nobody
- ☐ Other: .....

**III IMPLEMENTATION**

**6. How many times did the CBI expert(s) visit your company between 2012 and 2018?**

- ☐ Never
- ☐ Only once
- ☐ Two to five times
- ☐ More than 5 times
- ☐ Don't know/Not applicable

**7. Did you complete the programme?**

- ☐ No, dropped out from the programme
- ☐ Yes, was declared export competent by CBI
- ☐ Don't know/Not applicable

*If the answer is 'Yes', go to Q10*

*If the answer is 'Don't know/Not applicable', go to Q9*

**8. Why did you drop out from the programme?**

- ☐ Own decision
- ☐ Decision of CBI
- ☐ Don't know/Not applicable

**9. Did you participate in any programme activity?**

- ☐ None
- ☐ Some
- ☐ Several
- ☐ All
- ☐ Don't know/Not applicable

*If the answer is 'None', go to Q21*

**10. Did the CBI expert(s) provide advice or staff training in the following areas?**

	No	Hardly	Some	A lot	Don't know/Not applicable
a. Production-related issues					
b. International marketing/branding					
c. Elaboration of export marketing plan					
d. Participation in trade fairs					
e. Human resource management					
f. Environmental sustainability of your activities					
g. The practice of purchasing inputs and raw materials					
h. The principles and practice of traceability of products					
i. The principles and practice of corporate social responsibility					

**11. Was the contribution of the CBI expert (s) during his/her/their visit(s) useful in focusing the company on exporting or increasing exports to abroad?**

- ☐ Not useful
- ☐ Slightly useful, because it supported the organisation somewhat to re-orient sales to foreign markets
- ☐ Quite useful, because it clearly supported the organisation to re-orient sales to foreign markets
- ☐ Very useful for increasing the exports, in particular to Europe
- ☐ Don't know/Not applicable

12. Did you receive support from a Business Support Organisation (BSO) or government entity that was a partner organisation of CBI in the agro-food programme? If so, in which of the following areas was support received?

*Go to Q14 in case no support was received*

	No	Hardly	Some	A lot	Don't know/Not applicable
a. Production-related issues					
b. International marketing/branding					
c. Elaboration of export marketing plan					
d. Participation in trade fairs					
e. Human resource management					
f. Environmental sustainability of your activities					
g. The practice of purchasing inputs and raw materials					
h. The principles and practice of traceability of products					
i. The principles and practice of corporate social responsibility					

13. Was the support from a partner organisation of CBI useful in focusing the company on exporting or increasing exports to abroad?

- ☐ Not useful
- ☐ Slightly useful, because it supported the organisation somewhat to re-orient sales to foreign markets
- ☐ Quite useful, because it clearly supported the organisation to re-orient sales to foreign markets
- ☐ Very useful for increasing the exports, in particular to Europe
- ☐ Don't know/Not applicable

14. How do you rate the integrated nature of the programme (i.e. export coaching in combination with improvement of the export-enabling environment via partner organisations of CBI)?

- ☐ Not good
- ☐ Moderate
- ☐ Quite good, because the components reinforce each other to some extent
- ☐ Very good, because the components strongly reinforce each other
- ☐ Don't know/Not applicable

#### IV After the visits of CBI experts

15. Were the plans / measures suggested by the CBI expert(s) actually implemented?

- ☐ No, they were not implemented at all
- ☐ Only a small part of them was implemented
- ☐ A large part of them was implemented
- ☐ They were fully implemented
- ☐ Don't know/Not applicable

#### V RESULTS

16. Have you or members of your staff visited Europe for participation in a trade fair, a company visit, or otherwise?

	No	Yes	Don't know/Not applicable
a. Visited at least one trade fair in Europe			
b. Visited at least one company in Europe			

c. Visited Europe for other business purposes			
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## VI Overall evaluation of CBI integrated programme's effect

### 17. Has CBI's support affected the following?

	No	Hardly	Somewhat	A lot	Don't know/Not applicable
a. The knowledge in the company regarding export of its products					
b. The working practices in the company					
c. The negotiation power of the company					
d. Exports to the region					
e. Exports to Europe					
f. Turnover					
g. Profitability					
h. Employment					
i. Environmental sustainability					
j. CSR performance					
k. Establishing/strengthening business relations with European importers					

### 18. Has CBI's support addressed the following constraints?

	No	Hardly	Somewhat	A lot	Don't know/Not applicable
a. Lack of reliable supply of inputs and raw material					
b. Lack of financial resources					
c. Lack of qualified staff					
d. Lack of knowledge of export markets					
e. Inadequate supply of infrastructure					

### 19. Where there any positive unexpected results of participation in the programme?

- ☐ No
- ☐ Yes, namely: .....
- ☐ Don't know/Not applicable

### 20. Where there any negative unexpected results of participation in the programme?

- ☐ No
- ☐ Yes, namely: .....
- ☐ Don't know/Not applicable

### 21. Do you have any final comments that you would like to make?

- ☐ No
- ☐ Yes, namely: .....

*End of the survey. Thank you very much for your cooperation.*



## Annex D: Results of e-Survey among SMEs in IP countries

The tables below present the averages of the scores on a scale from 1 to 4 given in the survey. They show the averages for the respective regional programmes and for the three programmes together. The number of observations (respondents) is as follows:

- Central America: 16 respondents from 3 countries: Honduras, Guatemala and Nicaragua;
- Africa: 7 respondents from 2 countries: Kenya and Uganda; and
- Asia: 12 respondents from 3 countries: Indonesia, Philippines and Vietnam.

The total number of 35 programme participants that responded include four SMEs that did not report that they were declared export competent. The 35 respondents represent 21% of the population of programme participants.<sup>90</sup>

The survey results confirm that the majority of the SMEs got in touch with CBI via their sector organisation or CBI's local representative, but it was a CBI expert that most often supported the SME with the formalities for the application for the programme. During implementation, 44% of the SMEs received two to five visits of a CBI expert, while another 42% received more than five visits. CBI experts provided a lot of advice or training on International marketing/branding, Elaboration of export marketing plan and Participation in trade fairs, and less on other issues. In general, a majority of the SMEs report that they largely or fully implemented plans or measures suggested by the CBI expert.

The absolute number of survey respondents is too small to conduct statistical analyses of relationships between variables. In the remainder of this annex, we therefore concentrate on using frequency distributions of the responses for calculation of average scores for the categorical variables with a four-point Likert scale.

Table D.1 is a check on the relevance of the curriculum of CBI's programmes. It concerns the opinion of the participants about the extent to which the courses and training of the CBI experts addressed topics varying from the focus on preparation for exports to sustainability and CSR. It is no surprise that the activities directly related to export promotion (i.e. International marketing/branding, Elaboration of export marketing plan and Participation in trade fairs) score relatively high, since they are the core of CBI's mission. Their average score ranges from 3.6 to 4.0.

<i>Table D.1: Did the CBI expert(s) provide advice or staff training in the following areas?</i>				
Averages of scores on scale 1 to 4	Central America	Africa	Asia	Total
- a. Production-related issues	2.8	3.7	3.1	3.0
- b. International marketing/branding	3.6	4.0	3.8	3.7
- c. Elaboration of export marketing plan	3.7	4.0	3.8	3.8
- d. Participation in trade fairs	3.6	4.0	3.7	3.7
- e. Human resource management	2.5	2.8	2.9	2.7
- f. Environmental sustainability of your activities	2.7	3.0	3.0	2.9
- g. The practice of purchasing inputs and raw materials	2.2	2.7	2.7	2.4
- h. The principles and practice of traceability of products	2.7	3.7	2.7	2.9
- i. The principles and practice of corporate social responsibility	2.8	3.2	3.2	3.0
<b>Average score</b>	<b>2.9</b>	<b>3.4</b>	<b>3.2</b>	<b>3.1</b>

<sup>90</sup> In comparison, the 31 export competent SMEs that completed the survey represent 27% of the successful participants of the three integrated programmes.

The African participants gave the highest scores. The other topics scored on average a 3 or lower, with attention to the practice of purchasing raw materials scoring the lowest (2.4 for the three regions together). The respondents from Central America gave the lowest scores. These outcomes illustrate that the upstream activities in the value chain indeed received less attention in the training programmes, which was also mentioned during the face-to-face interviews with a selection of the participants. Similar remarks were given with respect to the need to upgrade the products of the companies. The survey results show as well that the Production-related issues score relatively low, particularly in Central America.

The new approach of CBI in these integrated programmes is that they are not exclusively focused on individual companies, but that they address other stakeholders in the value chain as well. Important players in these value chains are the Business Support Organisations, which received support from CBI, but also provided services themselves. In some countries these are private sector associations with members. In other countries these are government institutions, such as in Vietnam, or ministries, such as in Indonesia. Whatever the status of these institutions, CBI's approach expects from them that they also support the companies in the sector in their drive to increase exports of their products. Table D.2 gives the results of the views of the surveyed companies on the role of the BSOs in the export promotion programme.

The average scores show a rather disappointing picture. Overall, the scores are substantially lower than those for the performance of CBI staff. As above, the upstream activities in the value chain – production-related issues and the practice of purchasing inputs and raw materials – score quite low, with an average of less than 2 on a scale from 1 to 4 low. In general, African participants give a rather low aggregated score. In their perception, the role of BSO's in the programme was apparently inferior. It must be noted, however, that a part of the SMEs reported that they had not or hardly received support from BSO's in the various areas listed in the table.

<b>Table D.2: Did you receive support from a Business Support Organisation (BSO) or government entity that was a partner organisation of CBI in the programme? If so, in which of the following areas was support received?</b>				
Averages of scores on scale 1 to 4	Central America	Africa	Asia	Total
- a. Production-related issues	1.7	2.0	2.1	1.9
- b. International marketing/branding	2.3	2.3	2.6	2.4
- c. Elaboration of export marketing plan	2.4	2.2	2.8	2.5
- d. Participation in trade fairs	2.7	1.3	3.1	2.9
- e. Human resource management	1.8	1.3	1.8	1.7
- f. Environmental sustainability of your activities	2.3	2.2	2.2	2.2
- g. The practice of purchasing inputs and raw materials	1.9	2.0	1.8	1.9
- h. The principles and practice of traceability of products	2.3	2.5	2.2	2.3
- i. The principles and practice of corporate social responsibility	2.3	2.2	2.1	2.2
<b>Average score</b>	<b>2.2</b>	<b>2.0</b>	<b>2.3</b>	<b>2.2</b>

Table D.3 gives an indication of the results of the programme according to the view of the survey respondents. Overall, they are quite positive about the effects in terms of activities related to exports to the EU, as well as about exports to the EU themselves. They are less positive about the effect of CBI's support on turnover and profitability of their companies. In their view, the support did not substantially contribute to increases in employment either. Furthermore, the focus of CBI's programme on aspects of CSR is not reflected in the survey responses, especially not in the case of

Central America. However, also in general, this continent scores low regarding the effects of the programme, as compared to the scores for the other regions.

<i>Table D.3: Has CBI's support affected the following?</i>				
Averages of scores on scale 1 to 4	Central America	Africa	Asia	Total
a. The knowledge in the company regarding the export of its products	3.4	3.9	3.7	3.6
b. The working practices in the company	2.6	3.6	3.1	3.0
c. The negotiation power of the company	2.9	3.6	3.5	3.2
d. Exports to the region	2.6	3.1	3.3	2.9
e. Exports to Europe	3.1	3.1	3.7	3.3
f. Turnover	2.6	3.1	3.0	2.8
g. Profitability	2.7	3.4	2.8	2.9
h. Employment	2.4	3.1	3.0	2.7
i. Environmental sustainability	2.7	3.3	3.2	3.0
j. CSR performance	2.3	3.3	3.3	2.8
k. Establishing/strengthening business relations with European importers	3.0	3.6	3.3	3.2
<b>Average score</b>	<b>2.7</b>	<b>3.4</b>	<b>3.3</b>	<b>3.0</b>

Table D.4 provides the scores on the extent to which the CBI programmes addressed the main obstacles facing the companies. As expected, with an overall score of 3.5, the scores on knowledge about export markets are rather high. This confirms largely the views expressed during the face-to-face interviews with the participants. The more external constraints receive less attention within the programme, which is clearly shown in the relatively low scores on HRM, lack of infrastructure, and in particular the lack of financial resources. The conclusion is that despite the programmes' features are integration and supply chain it still is incomplete in tackling a number of the main issues.

<i>Table D.4: Has CBI's support addressed the following constraints?</i>				
Averages of scores on scale 1 to 4	Central America	Africa	Asia	Total
a. Lack of reliable supply of inputs and raw material	2.2	3.1	2.7	2.6
b. Lack of financial resources	2.3	2.3	2.5	2.3
c. Lack of qualified staff	2.8	3.0	2.5	2.7
d. Lack of knowledge of export markets	3.3	4.0	3.5	3.5
e. Inadequate supply of infrastructure	2.5	2.9	2.5	2.6
<b>Average score</b>	<b>2.6</b>	<b>3.1</b>	<b>2.7</b>	<b>2.7</b>

## Annex E: Exports and employment of programme participants in the IP countries

### Central American Agro-Food Export Programme

The exports to the EU/EFTA reported by the companies that participated in the Central America programme fluctuated over the years, but were higher in 2017 than in 2014 (Table E.1).

**Table E.1: Exports of Agro-Food Programme participants in Central America (in Euro)**

	To EU/EFTA				To non-EU/EFTA			
	2014	2015	2016	2017	2014	2015	2016	2017
<b>Guatemala</b>	<b>500</b>	<b>68,750</b>	<b>6,144,162</b>	<b>1,913,201</b>	<b>500</b>	<b>2,500</b>	<b>12,402,437</b>	<b>8,497,095</b>
Coffee	-	-	989,399	230,894	-	-	710,909	2,016,424
Cocoa	500	68,750	66,106	137,000	500	2,500	53,654	1,000
Fresh Fruit & Vegetables	-	-	2,695,597	510,200	-	-	2,643,750	270,000
Processed Food	-	-	2,393,060	1,035,107	-	-	8,994,124	6,209,671
<b>Nicaragua</b>	<b>134,500</b>	<b>180,000</b>	<b>1,902,790</b>	<b>1,820,304</b>	<b>-</b>	<b>-</b>	<b>7,487,648</b>	<b>6,180,076</b>
Coffee	-	-	452,800	176,036	-	-	1,401,357	1,244,692
Cocoa	134,500	180,000	-	-	-	-	-	-
Fresh Fruit & Vegetables	-	-	-	-	-	-	-	-
Processed Food	-	-	1,449,990	1,644,268	-	-	6,086,291	4,935,384
<b>El Salvador</b>	<b>3,182,432</b>	<b>4,304,973</b>	<b>1,785,726</b>	<b>2,060,846</b>	<b>599,982</b>	<b>773,461</b>	<b>1,175,621</b>	<b>962,920</b>
Coffee	605,602	764,563	1,653,167	1,110,931	177,273	347,566	347,076	458,146
Cocoa	-	-	-	-	-	-	-	-
Fresh Fruit & Vegetables	-	-	-	-	-	-	-	-
Processed Food	2,576,830	3,540,410	132,559	949,915	422,709	425,895	828,545	504,774
<b>Honduras</b>	<b>39,573,745</b>	<b>47,855,939</b>	<b>32,332,045</b>	<b>45,052,550</b>	<b>39,402,403</b>	<b>50,794,786</b>	<b>40,898,919</b>	<b>36,315,398</b>
Coffee	39,514,037	47,759,466	29,223,944	42,305,607	39,402,403	50,574,945	39,996,790	35,533,915
Cocoa	59,708	96,473	975,000	789,196	-	219,841	242,000	418,690
Fresh Fruit & Vegetables	-	-	2,133,101	1,957,747	-	-	660,129	362,793
Processed Food	-	-	-	-	-	-	-	-
<b>Central America</b>	<b>42,891,177</b>	<b>52,409,662</b>	<b>42,164,723</b>	<b>50,846,901</b>	<b>40,002,885</b>	<b>51,570,747</b>	<b>61,964,625</b>	<b>51,955,489</b>
Coffee	40,119,639	48,524,029	32,319,310	43,823,468	39,579,676	50,922,511	42,456,132	39,253,177
Cocoa	194,708	345,223	1,041,106	926,196	500	222,341	295,654	419,690
Fresh Fruit & Vegetables	-	-	4,828,698	2,467,947	-	-	3,303,879	632,793
Processed Food	2,576,830	3,540,410	3,975,609	3,629,290	422,709	425,895	15,908,960	11,649,829

Source: Own elaboration of data on certified results provided by CBI

Notes: Fresh fruit and vegetables (FFV) includes roots and tubers. Processed food also includes honey and nuts. The 2016 figure for FFV is excluding the exports of little over €10 million of a company that only reported exports in that year.

The fluctuation in the exports to the EU/EFTA was largely determined by that of the exports of the Honduran companies, and in particular those exporting specialty coffee. However, as of 2016, the

effect of coffee exports on overall Honduran exports to the UE/EFTA was somewhat mitigated by the changes in the export revenues of fresh fruit and vegetables and cocoa. Exports of cocoa from Honduras increased. The latter also became more important in Guatemala. Likewise, the processed food, honey and nuts of Guatemalan companies to the EU/EFTA also increased.

It can also be observed from Table E.1 that the exports of Honduras to Europe were higher in 2017 as compared to 2014, while the opposite was the case for the exports to non-European countries. Furthermore, the relative importance of Europe as an export destination of the companies in both Guatemala and Nicaragua, though the major share of exports still went to non-European countries. Conversely, Europe took over as the major export destination for processed food, honey and nuts in El Salvador, but this was a result of a faster decline of exports to non-European countries than to Europe.

Employment in CBI's database consists of both direct employment in the participating companies (estimated) indirect employment. Some programme participants reported figures of estimated indirect employment that are unrealistically high. For this reason, the figures in Table E.2 relate to direct employment only, comprising full-time, part-time and seasonal employment. As can be observed, no part-time and seasonal employment was reported in 2014 and 2015. It is also possible that the coverage of reported full-time employment was less in those years than in 2016 and 2017, hampering a comparison over time for the period 2014-2017.

The number of employed persons was lower in 2017 than in the previous year as a result of a drop in the number of persons in part-time and seasonal employment in the reporting companies. The change was most pronounced in part-time (female) workers in processed food, honey and nuts and in the number of (male) seasonal workers in coffee.

Table E.3 shows that, overall, there was also an increase in direct employment measured in full-time equivalents (FTEs) in 2016, followed by a drop in the subsequent year (especially as a result of a lower number of FTEs in coffee), whereby CBI assigns a weight of 0.50 to part-time employment in terms of number of persons and a weight of 0.25 to seasonal employment in the calculation of FTEs. Of course, part of the increase in 2016 is related to the fact that no employment in fresh fruit and vegetables was reported for 2014 and 2015. But employment in coffee was also substantially higher in 2016 than in the years 2014 and 2015. It must be noted that also some coffee exporting companies did not report employment for 2014 and 2015, but these were smaller companies than the ones that did report employment, so the increase shown in the table appears to reflect a genuine growth of employment measured in FTEs in the coffee exporting companies. While the number of FTEs in coffee fell in 2017, the opposite was the case for cocoa.

**Table E.2: Direct employment generated by Agro-Food Programme participants in Central America (persons)**

	2014	2015	2016	2017
<b>Full time</b>				
<b>TOTAL</b>	<b>600</b>	<b>654</b>	<b>1,354</b>	<b>1,293</b>
Coffee	337	385	626	597
Cocoa	160	166	119	190
Fresh Fruit and Vegetables	-	-	254	127
Processed food, honey and nuts	103	103	355	379
<b>MEN</b>	<b>440</b>	<b>473</b>	<b>956</b>	<b>937</b>
Coffee	226	260	504	493
Cocoa	128	127	100	150
Fresh Fruit and Vegetables	-	-	145	59
Processed food, honey and nuts	86	86	207	235
<b>WOMEN</b>	<b>160</b>	<b>181</b>	<b>398</b>	<b>356</b>
Coffee	111	125	122	104
Cocoa	32	39	19	40
Fresh Fruit and Vegetables	-	-	109	68
Processed food, honey and nuts	17	17	148	144
<b>Part-time</b>				
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>836</b>	<b>408</b>
Coffee	-	-	164	192
Cocoa	-	-	10	132
Fresh Fruit and Vegetables	-	-	137	65
Processed food, honey and nuts	-	-	525	19
<b>MEN</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>237</b>
Coffee	-	-	91	117
Cocoa	-	-	7	87
Fresh Fruit and Vegetables	-	-	79	19
Processed food, honey and nuts	-	-	123	14
<b>WOMEN</b>	<b>-</b>	<b>-</b>	<b>536</b>	<b>171</b>
Coffee	-	-	73	75
Cocoa	-	-	3	45
Fresh Fruit and Vegetables	-	-	58	46
Processed food, honey and nuts	-	-	402	5
<b>Seasonal</b>				
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1,979</b>	<b>1,228</b>
Coffee	-	-	1,120	348
Cocoa	-	-	105	248
Fresh Fruit and Vegetables	-	-	361	176
Processed food, honey and nuts	-	-	393	456
<b>MEN</b>	<b>-</b>	<b>-</b>	<b>1,388</b>	<b>596</b>
Coffee	-	-	976	240
Cocoa	-	-	80	185
Fresh Fruit and Vegetables	-	-	110	51
Processed food, honey and nuts	-	-	222	120
<b>WOMEN</b>	<b>-</b>	<b>-</b>	<b>591</b>	<b>632</b>
Coffee	-	-	144	108
Cocoa	-	-	25	63
Fresh Fruit and Vegetables	-	-	251	125
Processed food, honey and nuts	-	-	171	336

Source: Own elaboration of data on certified results provided by CBI

Notes: Fresh Fruit and Vegetables includes Roots and Tubers. Data for this sector excludes the FTEs of a company reporting very high full-time employment of 2,100 women and 900 men in 2016 and no employment in 2017, as well as the FTEs of seasonal employment of a company reporting high seasonal employment of 700 women and 1,800 men in 2016, as compared to much lower numbers in other years.

**Table E.3: Direct employment generated by Agro-Food Programme participants in Central America (FTEs)**

	2014	2015	2016	2017
<b>TOTAL</b>	<b>717</b>	<b>776</b>	<b>2,548</b>	<b>1,867</b>
Coffee	402	455	1,179	761
Cocoa	160	166	173	341
FFV	-	-	465	204
Processed food, honey and nuts	155	155	732	562
<b>MEN</b>	<b>534</b>	<b>568</b>	<b>1,702</b>	<b>1,253</b>
Coffee	277	312	991	606
Cocoa	128	127	140	256
FFV	-	-	229	81
Processed food, honey and nuts	129	129	342	310
<b>WOMEN</b>	<b>183</b>	<b>208</b>	<b>847</b>	<b>614</b>
Coffee	126	143	188	155
Cocoa	32	39	33	85
FFV	-	-	236	122
Processed food, honey and nuts	26	26	390	252

Source: Own elaboration of database on certified results provided by CBI

Notes: Fresh Fruit and Vegetables includes Roots and Tubers. Data for this sector excludes the FTEs of a company reporting very high full-time employment of 2,100 women and 900 men in 2016 and no employment in 2017, as well as the FTEs of seasonal employment of a company reporting high seasonal employment of 700 women and 1,800 men in 2016, as compared to much lower numbers in other years.

### ***Natural Ingredients East (& Southern) Africa***

Table E.4 shows the exports to the EU and non-EU of participants in the East & Southern Africa programme.

**Table E.4: Exports to the EU and non-EU of East & Southern Africa IP participants (in Euro)**

	2014	2015	2016	2017
Specialty coffee Uganda*				
EU	18,205,800	23,861,615	24,033,298	25,569,336
Non-EU	12,270,282	13,086,989	10,633,806	6,741,452
<b>Sub-total</b>	<b>30,476,082</b>	<b>36,948,604</b>	<b>34,667,104</b>	<b>32,310,788</b>
Added value tea Kenya**				
EU	5,637,631	6,611,864	5,823,402	4,889,265
Non-EU	79,925,263	133,975,772	132,595,025	131,221,984
<b>Sub-total</b>	<b>85,562,894</b>	<b>140,587,636</b>	<b>138,418,427</b>	<b>136,111,249</b>
Oilseeds Uganda***				
EU	0	0	8,500	20,588
Non-EU	412,450	1,327,187	1,411,085	1,587,500
<b>Sub-total</b>	<b>412,450</b>	<b>1,327,187</b>	<b>1,419,585</b>	<b>1,608,088</b>
Oilseeds Ethiopia****				
EU	3,802,585	3,828,185	4,319,463	2,074,939
Non-EU	16,648,407	23,621,881	29,917,379	12,590,598
<b>Sub-total</b>	<b>20,450,992</b>	<b>27,450,066</b>	<b>34,236,842</b>	<b>14,665,537</b>
Sub-total EU	27,646,016	34,301,664	34,184,663	32,554,128
Sub-total non-EU	109,256,402	172,011,829	174,557,295	152,141,534
<b>TOTAL</b>	<b>136,902,418</b>	<b>206,313,493</b>	<b>208,741,958</b>	<b>184,695,662</b>

Source: Calculation based on CBI certified results, excluding all companies that have missing data for one year or more. \*Data from 10 out of 14 SMEs; \*\*Data from 5 out of 12 SMEs; \*\*\*Data from 9 out of 10 SMEs; \*\*\*\*Data from 7 out of 12 SMEs.

The growth rate of the value of annual exports from the participating companies to the EU was equal to that for all companies in Uganda: the increase was 40% between 2014 and 2017 (Table E.5). At the same time, the participating companies' coffee exports to non-EU countries declined by 45%, while all Ugandan companies' exports to non-EU countries increased by 52%. The share of the participating SMEs in the value of total exports from Uganda declined from 9 to 6% between 2014 and 2017, but their share in the coffee exports to the EU remained the same at 8%. Overall, the value of annual coffee exports to all destinations grew by 44%, that of the participating companies only by 6%.

**Table E.5: Value of coffee exports from Uganda to EU and non-EU (in millions of Euros) and shares of participating SMEs in total exports (%)**

	2014	2015	2016	2017	Change 2014-2017
All companies to EU	223.3	260.6	248.4	312.4	40%
All companies to non-EU	122.2	138.2	139.9	186.1	52%
All companies total	345.5	398.9	388.3	498.4	44%
Participating SMEs to EU	18.2	23.9	24.0	25.6	40%
Participating SMEs to non-EU	12.3	13.1	10.6	6.7	-45%
Participating SMEs total	30.5	36.9	34.7	32.3	6%
Share of participating SMEs in EU exports	8%	9%	10%	8%	
Share of participating SMEs in non-EU exports	10%	9%	8%	4%	
Share of participating SMEs in all exports	9%	9%	9%	6%	

Source: own elaboration based on CBI certified results and UNCTAD data. Annual USD-Euro exchange rates are from <https://www.irs.gov/individuals/international-taxpayers/yearly-average-currency-exchange-rates>.



**Table E.6: Direct employment generated by IP participants in East & Southern Africa IP (persons)**

	2014	2015	2016	2017
<b>All jobs</b>	<b>2,880</b>	<b>3,458</b>	<b>6,620</b>	<b>5,821</b>
Specialty coffee Uganda	549	648	881	1,498
Added value tea Kenya	1,516	1,546	1,916	2,120
Oilseeds Uganda	238	569	1,878	1,727
Oilseeds Ethiopia	577	695	1,945	476
<b>Full time</b>				
<b>TOTAL</b>	<b>2,880</b>	<b>3,458</b>	<b>2,526</b>	<b>1,511</b>
Specialty coffee Uganda	549	648	343	401
Added value tea Kenya	1,516	1,546	1,119	650
Oilseeds Uganda	238	569	194	242
Oilseeds Ethiopia	577	695	870	218
<b>MEN</b>	<b>1,846</b>	<b>1,917</b>	<b>1,729</b>	<b>1,059</b>
Specialty coffee Uganda	272	297	233	280
Added value tea Kenya	1,069	1,045	790	476
Oilseeds Uganda	145	178	118	145
Oilseeds Ethiopia	360	397	588	158
<b>WOMEN</b>	<b>1,034</b>	<b>1,541</b>	<b>797</b>	<b>452</b>
Specialty coffee Uganda	277	351	110	121
Added value tea Kenya	447	501	329	174
Oilseeds Uganda	93	391	76	97
Oilseeds Ethiopia	217	298	282	60
<b>Part-time</b>				
<b>TOTAL</b>			<b>1,211</b>	<b>566</b>
Specialty coffee Uganda			102	81
Added value tea Kenya			15	280
Oilseeds Uganda			73	106
Oilseeds Ethiopia			1,021	99
<b>MEN</b>			<b>631</b>	<b>324</b>
Specialty coffee Uganda			62	36
Added value tea Kenya			9	187
Oilseeds Uganda			45	54
Oilseeds Ethiopia			515	47
<b>WOMEN</b>			<b>580</b>	<b>242</b>
Specialty coffee Uganda			40	45
Added value tea Kenya			6	93
Oilseeds Uganda			28	52
Oilseeds Ethiopia			506	52
<b>Seasonal</b>				
<b>TOTAL</b>			<b>2,883</b>	<b>3,744</b>
Specialty coffee Uganda			436	1,016
Added value tea Kenya			782	1,190
Oilseeds Uganda			1,611	1,379
Oilseeds Ethiopia			54	159
<b>MEN</b>			<b>837</b>	<b>1,274</b>
Specialty coffee Uganda			98	105
Added value tea Kenya			430	776
Oilseeds Uganda			271	346
Oilseeds Ethiopia			38	47
<b>WOMEN</b>			<b>2,046</b>	<b>2,470</b>
Specialty coffee Uganda			338	911
Added value tea Kenya			352	414
Oilseeds Uganda			1,340	1,033
Oilseeds Ethiopia			16	112

Source: Based on CBI certified results; only SMEs that had complete data (Coffee-Uganda 9 out of 14 SMEs; Tea Kenya: 6 out of 12 SMEs; Oilseeds Uganda 9 out of 10 SMEs; Oilseeds Ethiopia 7 out of 12 SMEs).

**Table E.7: Direct employment generated by IP participants in East & Southern Africa IP (FTEs)**

	2014	2015	2016	2017
<b>TOTAL</b>	<b>2,880</b>	<b>3,458</b>	<b>3,852</b>	<b>2,730</b>
Specialty coffee Uganda	549	648	503	696
Added value tea Kenya	1,516	1,546	1,322	1,088
Oilseeds Uganda	238	569	633	640
Oilseeds Ethiopia	577	695	1,394	307
<b>MEN</b>	<b>1,846</b>	<b>1,917</b>	<b>2,254</b>	<b>1,540</b>
Specialty coffee Uganda	272	297	289	324
Added value tea Kenya	1,069	1,045	902	764
Oilseeds Uganda	145	178	208	259
Oilseeds Ethiopia	360	397	855	193
<b>WOMEN</b>	<b>1,034</b>	<b>1,541</b>	<b>1,599</b>	<b>1,191</b>
Specialty coffee Uganda	277	351	215	371
Added value tea Kenya	447	501	420	324
Oilseeds Uganda	93	391	425	381
Oilseeds Ethiopia	217	298	539	114

Source: Based on CBI certified results; only SMEs that had complete data (Coffee-Uganda 9 out of 14 SMEs; Tea Kenya: 6 out of 12 SMEs; Oilseeds Uganda 9 out of 10 SMEs; Oilseeds Ethiopia 7 out of 12 SMEs).

### ***Sustainable Food Ingredients programme in Asia***

The annual progress reports of the integrated programme implemented in Asia assume that all export revenues since 2014 can be attributed to the programme. However, a more moderate picture emerges from the interviews with the companies. Nine out of the ten supported companies that were interviewed in Indonesia were already active in foreign markets prior to the support of CBI, in particular in the neighbouring Asian countries. The main reason for them to join the programme was that they wished to expand their exports to Europe. The majority of them indeed confirmed that they successfully increased their exports to Europe as a result of the programme, albeit not as much as suggested in Table E.8. These figures are indeed more positive than the growth of the total food exports from Indonesia to Europe (see Annex B). The performance is much more moderate if the figures for the companies that report extreme growth and therefore dominate the picture are excluded from the observations. If the results are corrected for these outliers, the export revenues to both the EU and non-EU are significantly lower. In that case, the annual growth of total exports from the three countries during the 2015-2017 period was 12%, more or less equal to the growth of overall exports of the three countries to Europe. The results for coffee are reported separately, because it is considered to be an important sector. It shows that the companies performed poorly regarding the exports to Europe, but relatively well regarding the exports to non-European countries.

**Table E.8: Exports of the supported companies in the CBI programme in Asia, by country**

	2014	2015	2016	2017	2014-'17	2015-'17
<b>Exports to the EU in Euro x 1,000</b>					<b>Average annual growth</b>	
Indonesia	2,474	2,488	7,324	8,214	49%	82%
o/w Coffee	743	967	859	484	-13%	-29%
Philippines	2,128	3,776	3,324	21,747	117%	140%
Vietnam	28,966	42,875	37,077	55,556	24%	14%
<b>Total Asia</b>	<b>33,568</b>	<b>49,139</b>	<b>47,726</b>	<b>85,516</b>	<b>37%</b>	<b>32%</b>
<b>Exports to the non-European countries in Euro x 1,000</b>					<b>Average annual growth</b>	
Indonesia	4,317	4,675	16,361	16,383	56%	87%
o/w Coffee	505	632	1,719	761	15%	10%
Philippines	5,245	6,905	2,193	21,341	60%	76%
Vietnam	67,846	73,283	88,073	72,522	2%	-1%
<b>Total Asia</b>	<b>77,409</b>	<b>84,863</b>	<b>106,628</b>	<b>110,246</b>	<b>13%</b>	<b>14%</b>
<b>Total Exports in Euro x 1,000</b>					<b>Average annual growth</b>	
Indonesia	6,792	7,163	23,686	24,596	54%	85%
o/w Coffee	1,249	1,599	2,578	1,245	0%	-12%
Philippines	7,372	10,680	5,518	43,087	80%	101%
Vietnam	96,813	116,158	125,151	128,078	10%	5%
<b>Total Asia</b>	<b>110,977</b>	<b>134,002</b>	<b>154,354</b>	<b>195,762</b>	<b>21%</b>	<b>21%</b>

Sources: Several documents and internal files of CBI and PRIME

The report figures on employment suggest that there was negative growth of employment despite the growth in exports (see Table E.9). Some companies mention that the advice provided by CBI did improve the productivity in the company, possibly resulting in more production with less employees. This is in line with an increase in export revenues per FTE over the period considered here. For these companies, the improvement in productivity is then probably translated into higher profitability.

**Table E.9 Employment of the participants in the CBI programme in Asia (in FTEs)**

	<b>FTEs</b>				<b>Average annual growth</b>	
	2014	2015	2016	2017	2014-'17	2015-'17
Indonesia	1,904	2,008	2,048	1,979	1.30	-0.7%
Philippines	553	659	165	299	-18.53	-32.6%
Vietnam	1,537	1,630	1,583	1,248	-6.71	-12.5%
<b>Total Asia</b>	<b>3,994</b>	<b>4,297</b>	<b>3,796</b>	<b>3,526</b>	<b>-4.07</b>	<b>-9.4%</b>

Sources: Several documents and internal files of CBI and PRIME

## Annex F: List of interviewed persons

Name	Position	Organisation
Rene de Baaij	Oilseeds expert	CBI
Christa Bouwhuis	Programme manager Asia	CBI
Daphne ter Braak	Programme Manager Central America	CBI
Koos van Eyk	Programme manager Asia	CBI
Patrick Gouka	Programme manager Africa	CBI
Freek Jan Koekoek	Managing Director Food Ingredients Expert	Mercaderio CBI
Jeroen Krufft	Director Coffee & Cocoa Expert	Amigos International CBI
Arno van der Maden	Fresh Fruit & Vegetables Expert	CBI
Joost Pierrot		Joost Pierrot Consultancy
Erik Plaisier	Account Manager Central America	CBI
Sjoerd Smit	Former officer responsible for CBI	Department of Sustainable Economic Development, Ministry of Foreign Affairs of the Netherlands
Jim Tersteeg	Coffee Expert	CBI
<b>Regional</b>		
Karla Klaus	Programme coordinator	COEXPORT- El Salvador
Ricardo Santacruz	Representative	AGEXPORT, Guatemala
Francis Dávila	Representative	APEN, Nicaragua
Janisse Pérez	Representative	APEN, Nicaragua
Ricardo Silva	Representative	APEN, Nicaragua
<b>Honduras</b>		
Teresa María Deras	Executive Director	FIDE
Jeny Nohemí Meléndez	Export Promotion Coordinator	FIDE
Aída Rodríguez	International Promotion Director	PROHONDURAS
Ileana Bonilla	International Promotion Officer	PROHONDURAS

Name	Position	Organisation
Michelle Sagastume	International Promotion Officer	PROHONDURAS
Héctor Chávez	Especialista Asistencia Técnica Empresarial	COMRURAL
Claudia Sirian Terrazas Medrano	Especialista Mercado-Cadenas-Alanzas en Proyecto	COMRURAL
Liliana Sánchez Iglesias	Founder (Former staff member of FIDE responsible for CBI programme)	MarketAble. Trade and Development
Nevio Castellanos Díaz	General Manager	INCADI/Tropical Fresh
Erick Martínez	Director	Secretaría de Agricultura y Ganadería (SAG)/Programa Nacional de AgroPRONAGRO
José Sosa	Co-owner	De Roso Farm
Donaldo Gonzáles	Manager	ARUCO
Alejandro Mejía	Manager Financial Administration	COCAFCAL/Las Capucas
Jenny Echeverría	Trade	Beneficio de Café Santa Rosa
Walter Lara	Manager Financial Administration	Beneficio de Café Santa Rosa
Sandra Soriano Ortega	Gerente Financiero Comercial	Beneficio de Exportaciones de Occidente (BEO) & Cooperativa Agrícola Cafetalera San Antonio Limitada (COAGRICSA)
Medardo Galindo Mayorga	Director	La Federación de Exportadores (FPX)
Byron Cole	Director	Frutas Exóticas
Aníbal Ayala	Representative	APROCACHO
<b>Indonesia</b>		
Ana Saleh	Senior Economic Policy Advisor	Embassy of the Kingdom of the Netherlands
Aferdy Joelhaswin	Director	PT Latransa Citra
Ari Widjaja	Director	PT Essaroma Indonesia
Dika Rinakuki	Local representative in Indonesia	CBI
Elsje Mansula	Quality Management System Manager	PT Profil Mitra Mandiri
Erik Abdul Rodin	General Manager	Koperasi Mitra Malabar (KMM)
Hadi Syah Rizal	CV of Atetamount – Gayo, Aceh	
Lastiana	Director	PT Aliet Green – Yogyakarta

<b>Name</b>	<b>Position</b>	<b>Organisation</b>
Lewi Cuaca	Founder and President	PT Profil Mitra Mandiri
Lukas Rahmidin	Policy Advisor Economic,	Embassy of the Kingdom of the Netherlands
Marolop Nainggolan	Director of Export Development Cooperation	DG for National Export Development, Ministry of Trade
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This publication was commissioned by the ministry of Foreign Affairs.

© Netherlands Enterprise Agency | April 2020  
Publication number: RVO-076-2020/RP-INT

NL Enterprise Agency is a department of the Dutch ministry of Economic Affairs and Climate Policy that implements government policy for Agricultural, sustainability, innovation, and international business and cooperation. NL Enterprise Agency is the contact point for businesses, educational institutions and government bodies for information and advice, financing, networking and regulatory matters.

Netherlands Enterprise Agency is part of the ministry of Economic Affairs and Climate Policy.