



Ministry of Foreign Affairs

Evaluation of five Export Coaching Programmes (2008-2013)

Commissioned by the Netherlands Enterprise Agency

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International.*

Evaluation of five Export Coaching Programmes (2008-2013)

Project no. 1297

April 9, 2015

Final Report



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Annex II: Project team

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List of Abbreviations

AU	Export Audit
B2B	Business to Business
BSO	Business Support Organisation
CBI	Centre for the Promotion of Imports from developing countries
CSR	Corporate Social responsibility
DGIS	Directorate General International Cooperation of the Netherlands' Ministry of Foreign Affairs
ECP	Export Coaching Programme
EFTA	European Free Trade Association is an intergovernmental organisation for the promotion of free trade and economic integration with four Member States: Iceland, Liechtenstein, Norway and Switzerland
EMP	Export Marketing Plan
EU	European Union, i.e. the 27 Member States
EXPRO	Export marketing training for participants of CBI Export Coaching Programmes
MoFA	Ministry of Foreign Affairs of the Netherlands
N.A.	Data not available
NGO	Non-governmental organisation
OVI	Objectively Verifiable Indicator (as used by CBI)
RVO	Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland)
TAM	Technical Assistance Mission
ToR	Terms of Reference

Executive Summary

This report concerns the evaluation of five of CBI's *Export Coaching Programmes* (ECPs), carried out between 2008 and 2013. During the evaluation period Export Coaching Programmes were CBI's instruments of choice to increase the competitiveness of (potential) exporters in developing countries. Each ECP focussed on one sector. The ECPs under evaluation are:

- 1045 electronic components & systems;
- 1051 ITO services;
- 1053 automotive parts;
- 1054 subcontracting;
- 1055 motion control drives and power transmission.

The objectives of the evaluation are to render account of the five selected programmes, to analyse whether all means were used in an effective and efficient manner and to determine whether all the objectives of the programmes were reached. The evaluation is based on CBI internal documentation (including monitoring data, programme documents and financial data), interviews with programme managers and sector experts, and an online survey amongst 274 participating companies (148 'competent' companies which completed the programme and 126 drop-outs). Monitoring data (OVI-data) were analysed separately from the survey data.

The survey response amongst the 'competent' companies was 22% (in line with previous evaluations). Amongst the 'drop-outs' the response was just 4%. Because of the low response the drop-outs were not analysed separately. Because the overall response rate to the survey was quite low, findings and conclusions should be interpreted with care. In a comparison of the sample of respondents with the sample of all participants on the basis of the monitoring data, no systematic biases were found (export performance, number of employees). However this does not rule out any other biases.

OVI-data and targets

As an evaluation and accounting tool, CBI has implemented the Logical Framework Approach in accordance with MoFa. A customized logical framework was developed for each ECP, containing a chain of activities (input), results (outcome), and effects (impact). Result indicators were determined for each level (Objectively Verifiable Indicators; OVIs). CBI collects monitoring data for these OVIs. In the report the OVI-data are compared to the targets.

- **Competent companies:** With regard to the number of delivered companies, targets were met in 3 out of 5 ECPs (1045, 1051 and 1055). Sector experts noted for the ECPs in which the target was not met, that more companies had completed the programme, but these were not classified as competent.
- **Costs:** All ECPs except for one (1053) turned out more expensive than the target. In the case of ECP 1051 the difference is quite small (5%). However for the other programmes the difference is larger (27% for 1045, 16% for 1054, and 27% for 1055). Reasons include; higher consult costs, more visits to trade fairs and more delivered companies.
- **Employment:** CBI targets an increase in employment in the ECP sectors. This was reached in all ECPs. Total employment increase ranged from 124 in ECP 1053 to 1485 in ECP 1051. There is a lot of variation between companies within the ECPs with regard to employment increase. The number of companies for which employment does not change, or decreases, ranges from 10% for 1054 to 56% for 1053.
- **Exports:** CBI sets targets for the number of companies exporting to Europe. These were only met in ECP 1055. Programme managers indicated they set these targets relatively high. They reflect what programme managers would *want* to achieve. Total and average export again hides a lot of variation between companies within an ECP. The share of companies not exporting to Europe ranges from 20% in 1045 and 1055 to 43% in 1054.
- **Export audit (EA) and Export Marketing Plan (EMP):** Targets relating to the EMP and the EA were all met.
- **Business contacts:** Targets for the number of business contacts gained at trade fairs were all met. The question is whether this indicator adequately reflects the number of actual business contacts a company gains, as no indication is given regarding the potential of the contacts.
- **Quality OVI-data:** It is not possible to assess the quality of the monitoring data collected by CBI. Data are based on self-reporting. It is not always clear whether all companies delivered all data. For ECP 1051 the employment data as incomplete.
- It would be valuable to collect revenue-data, as now it is impossible to interpret the reported exports (is it additional revenue?).

The evaluation looks at the performance of the five ECPs in relation to the IOB/DAC criteria (relevance, effectiveness, efficiency, impact and sustainability). These results are based on interviews with programme managers and sector experts, and the online survey amongst participants. Below, the most important findings are summarized per evaluation criterion.

Relevance

- **Export barriers and company goals:** CBI lists several barriers to export in its ToC . The ECPs help beneficiaries to overcome these barriers. Respondents of the online survey were asked which barriers they experienced. The barriers experienced by most respondents were related to a lack of access to business contacts and a lack of market information. Fewer respondents identified barriers relating to their company's product or production process, even though sector experts did find these barriers important. Respondents were also asked about their goals at the start of the ECP. The goals of respondents were in line with goals of the ECP.
- **Sector choice:** The most important factor for the sector choice was demand from Europe. The ECPs were started in those sectors where demand for goods and services from developing countries was growing. Only limited attention was paid to local export barriers. ECPs often suffer from a lack of applications. In ECP 1054 the sector was defined very broadly. This resulted in a relatively high number of applicants, 250.
- **Country choice:** The most important factor for the selection of target countries was the number of potential companies. Again, local barriers only played a small part. Because target countries needed to have a minimum number of potential companies, the ECPs are introduced in countries where the market was already somewhat developed.
Company selection: Company selection is very important for the success of the programme in terms of development outcomes. Selected companies should not have too much export experience, but they should also not be too small/inexperienced (in which case they cannot export effectively). CBI strives for a healthy mix of companies. Usually one or two more experienced companies are selected to serve as an example for other participants. Sector experts give mixed responses to the effectiveness of this strategy. Some experts thought there was no large 'example effect', whilst others pointed to company interaction during the EXPRO and at trade fairs as positive examples.
- CBI has several selection criteria for potential companies. Sometimes these criteria are used with some flexibility, in particular the size criterion (25-500 employees). In some ECPs companies with 25 employees were considered too small to export effectively. In the case of ECP 1051 (ITO services), companies with fewer than 25 employees were also accepted. In this sector smaller companies are able to export effectively.
- Amongst companies which qualified for the ECPs, one of the most important factors which determined whether a company would succeed was their commitment to exporting to Europe. Exporting requires time and money.

According to sector experts many companies are hoping for quick wins. Participants which lack commitment often drop out.

Effectiveness

- **Export regions:** The number of companies in the survey exporting to Europe nearly doubled (12 year before ECP compared to 23 year after ECP). Within Europe the country to which respondents exported most after the ECP was Germany. Before the ECP this was France.
- **Export during the programme:** During the ECPs participating companies exported a total of € 85 million to Europe. Average exports per competent company range from € 70.852 in ECP 1051 to € 1.2 million. Of course, not all this export can be attributed to the ECP programme.
- **Change in average export (survey):** We compared average exports before the ECP with average exports after the ECP to see if average exports increased. For the companies in the online survey average export to Europe increased in all ECPs. The increase was smallest in ECP 1051 (€ 1905), and largest in ECP 1054 (€ 0,68 million, though the increase was largely due to just one company).
- **Increase in average export monitoring data and baseline data:** The export data from the survey is only available for the relatively small sample of survey respondents. Export data can also be taken from the registration forms companies fill in to register for the ECP. This data can be compared with monitoring data to get the increase in average export for all the companies. However, this method has two drawbacks: 1) the quality of the data in the registrations forms is quite low (it is often unclear in what year reported export took place) and 2) from the OVI-data we want to know export in the final year of the ECP, however, only total export during the programme is reported. To get annual export, we divided total export during the programme by the number of years. Using this method the increase in export is much smaller in all ECPs. In ECP 1053 and ECP 1054 average export even decrease by €250 thousand and € 104 thousand respectively.
- **Importance programme elements:** Survey respondents were positive about all programme elements, rating them either 'very important' or 'somewhat important'. For each programme element, no more than one respondent rated the programme element as 'not important'. The sector exports also rated separate activities positively. A large part of the suggestions for improvements concern the connection with European importers, either through direct connection at trade fairs, company visits in Europe, internships or organizing importer delegations to beneficiary companies.
- **Attribution according to survey respondents:** The respondents showed mixed ideas on whether changes in export could be attributed to the ECP. 38% of respondents did not think they would have reached the same export

without the ECP. Only 4% thought they would have reached the same export without the programme.

Efficiency

- **Costs and increase average export:** Four out of five ECPs turned out more expensive than the target. Average costs per delivered company were compared with the increase in average exports, using both the survey data and the data from the registration forms. Analysing the survey data, the increase in average exports was higher than average costs for three out of five ECPs (1045, 1054 and 1055). Analysing the export data from the registration forms, average costs are higher than the change in average exports for all ECPs.
- **Drop-outs:** ECPs set targets for the number of delivered companies. However, during the programme companies often drop out, so the number of companies at the start of the programme is often higher. The percentage of companies which completed the programme varies between 33% in ECP 1054 and 51% in ECP 1051.

Impact

- **Employment increase:** The average employment increase for all five ECPs together is 47 employees. The increase is not the same for all ECPs. The largest average increase in employment was in ECP 1053 (60%), the smallest in ECP 1045 (12%). There is only a very small correlation between employment increase and export increase (5%). 22 out of 33 respondents from the survey report better working conditions in the company as a result of the ECP.
- Respondents were asked for any other benefits from the ECP (besides employment benefits). The two benefits which were mentioned most were 'knowledge of market and legal system' and 'knowledge of export marketing'.

Sustainability

- **Export marketing plan:** 73% of companies in the survey still use (an adapted version of) the export marketing plan. 18% do not use it any more. Sector experts gave mixed responses to the question if companies still used the EMP. However, according to them the EMP still has added value even if companies do not use it actively. The EMP addresses many issues surrounding export marketing which many companies had not thought about extensively before the ECP.
- **Knowledge and skills:** The skills which most companies indicated 'increased a lot' because of the ECP were 'knowledge and skills in business management' (12 respondents), 'marketing strategies' (14 respondents), 'sector developments' (15 respondents) and quality, safety and regulations (15

respondents), less respondents indicated increased knowledge and skills in the area of labour and social conditions, export capacity and production capacity.

- **External factors:** There were several external elements which influenced the ECP. These include: bad economic conditions, changes in exchange rates and prices, increased local demand, changes in local circumstances (for instance frequent power outages were a problem in India).
- **Network of importers:** Just 43 % of companies consider their current network of importers as (somewhat) adequate for export. According to programme managers companies could be more assertive in acquiring trade contacts. They often expect CBI to do a lot of the work

1 Introduction

1.1 CBI

The Centre for the Promotion of Imports from developing countries (CBI) is part of the Netherlands Enterprise Agency (RVO), an agency of the Dutch ministry of economic affairs.¹ Its activities are part of the development cooperation effort of the Netherlands, funded by the Dutch Ministry of Foreign Affairs (MoFa).² The mission of CBI is to increase exports from developing countries, in order to stimulate sustainable economic growth. To this effect CBI provides services aimed at strengthening the competitiveness of exporters to the EU and EFTA markets.

CBI has three target groups³:

- SME exporters in developing countries
- Business support organisations in developing countries
- Importing trade and industry in EU/EFTA countries.

CBI is financed from the Development Cooperation Programme budget under 'operational objective' 1.3, which is included to strengthen the business climate and the competitiveness of the private sector in developing countries.

During the evaluation period CBI had a number of programmes and services⁴:

- Export Coaching Programmes (ECPs) – support for selected SMEs in developing countries to increase exports to Europe.
- Business Support Organisation Development (BSODs) – Support for Business Support Organisations in developing countries to improve business environment.
- Human Resource Development (HRD) – Programmes aimed at transferring knowledge of export marketing in the EU to employees of BSOs in developing countries.

¹ During the evaluation period CBI was an independent agency of MoFa. The agency merged with RVO in 2015.

² CBI Theory of Change and indicators for IOB evaluation 2005-2013

³ Ibid.

⁴ Ibid.

- Market Information (MI) – gathering market intelligence for exporters and BSOs to increase knowledge of EU markets.

1.2 The Export Coaching Programmes

This report concerns the evaluation of five Export Coaching Programmes in the period 2008-2013. We provide a short description of the ECP intervention during the evaluation period.

Goal and intervention logic

Export Coaching Programmes (known earlier as *Sectoraal Export Ontwikkelings Programma*, SEOP) are CBI's instruments of choice to increase the competitiveness of (potential) exporters in developing countries.⁵ The goal of ECPs is to assist participating businesses in becoming 'competent', meaning ready to export (or to increase exports) to the EU/EFTA countries (for the sake of readability, we will use the term 'Europe' instead of 'EU/EFTA countries' hereafter). For a definition of a competent company see Box 1.

Box 1: CBI definition of a competent company.⁶

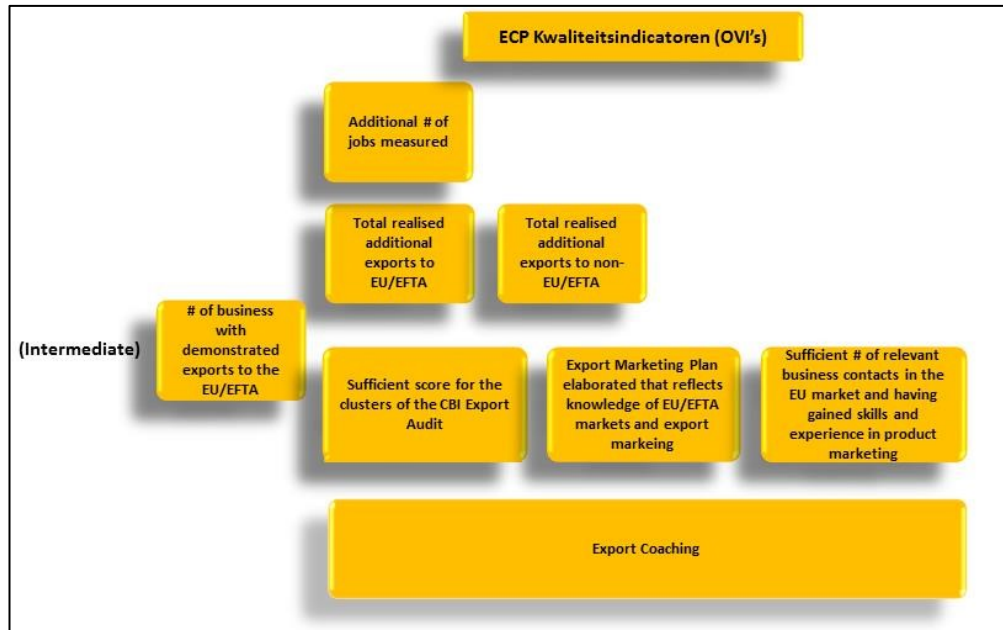
Competent companies: A company is competent if it has demonstrated to have sufficiently improved on the critical action points identified in the Export Audit, as well as active participation during the programme (i.e. participated in Export Marketing Seminar, Technical assistance visits and participated in an exhibition).

The central assumptions underlying the ECPs is that competent businesses will export more, that this export growth will lead to job growth, and that job growth will contribute to sustainable economic development (see Figure 1).

⁵ CBI's other activities are beyond the scope of this report.

⁶ Terms of Reference ECP evaluation 2014/2015

Figure 1: Theory of Change Export Coaching Programme



Source: CBI.

In principle ECPs are started in sectors where external conditions, such as regulations and demand in Europe, are favourable for exports from developing countries.

The focus of the ECP activities is on internal conditions at SME level. According to CBI's internal 'Theory of Change' document (2013), the following internal constraints are keeping businesses in developing countries from exporting (more) to Europe:

- lack of organisation, inadequate communication;
- lack of knowledge regarding trends, developments, market requirements, and opportunities on European export markets;
- lack of networks of potential buyers
- failure to meet market access requirements and standards;
- inadequate export and production skills;
- in addition, exporters often lack an adequate trade promotion infrastructure to tap into.

ECP activities are designed to remove these constraints.

Programme design

During the evaluation period ECPs consisted of the following modular elements, which could be applied and adjusted according to the needs of participating companies:

- Recruitment and selection of participants
- Implementation:
 - Module C: Business Audit and Action Plan
 - Module D: Business Development*
 - Module E: Export Capacity Building (i.a. participation in export marketing training in the Netherlands)
 - Module F: Certification (optional)
 - Module G: Market Entry Regional (i.a. participation in regional trade fairs)*
 - Module H: Market Entry EU (i.a. participation in European trade fairs)
- Evaluation.

Modules D and G were not offered during the evaluation time-frame. Until 2013 the ECPs were formally presented as a single programme, even if behind the scenes the modular approach was already implemented.

The full range of CBI target countries is determined by the target countries of Dutch development policy. From this list of countries CBI selects promising countries on the basis of a feasibility report produced by an external research organization, commissioned by CBI. In the feasibility report, the European demand for products of a selected sector and opportunities for developing countries are explored. The feasibility report also mentions the most important weaknesses of producers in developing countries. Further, a long-list of eligible countries is tested for suitability for the intended programme, resulting in an A- and B-list of suitable countries⁷. CBI decides in which of the suitable countries to start the recruitment procedure. In some cases successful ECPs are repeated. In such cases a new feasibility report is not always commissioned.

The following set of general eligibility criteria is formulated for participation in an ECP:

- Businesses must be owned locally for at least 51%, or (co-) owners must reside in another developing country (excluding developing countries characterized as UMIC or higher);
- The size of the business should be between 25-500 employees;

⁷ The exact classification of countries is not the same in each feasibility report.

- The business must not be a joint venture with a company based in a country with a classification of UMIC or higher;
- The business must comply or be willing to comply with EU market requirements;
- There must be no licensing commitments which prohibit or limit export possibilities of products to the EU;
- Product prices must be competitive and production capacity sufficient;
- The management must be able to communicate in English;
- The management must be willing and the business must have the capacity to invest in adaptations of, for instance, product range and production processes, if and as required by the European market.

CBI applies these criteria with a certain degree of flexibility, such that criteria may differ between ECPs.

The implementation phase is led by one or more sector experts, usually external consultants who are hired by CBI through a tendering procedure and who reports to a CBI programme manager. The sector expert visits participating companies in person, to monitor progress by carrying out company audits (amongst others), and provides continuous coaching via e-mail and telephone. Sometimes local consultants are hired to assist the sector expert.

Participating businesses pay a participation/commitment fee for the total CBI programme (1000 euros per business) and a variable contribution for participation in trade fairs.

Every year CBI evaluates the ECPs completed in the previous year.

1.3 Structure of the report

Chapter 2 contains the set-up of the evaluation. It shows the research questions, scope and research methods. In chapter 3 the monitoring data is analysed and compared to the targets set at the start of the programme. Chapter 4 analyses the IOB evaluation criteria relevance, effectiveness, efficiency, impact and sustainability using survey data, interviews and desk-research.

2 Set-up and implementation evaluation

2.1 Scope and objective

CBI evaluates its Export Coaching Programmes (ECPs) one year after their completion. This evaluation concerns five ECPs. These programmes are:

- 1045 electronic components & systems;
- 1051 ITO services;
- 1053 automotive parts;
- 1054 subcontracting;
- 1055 motion control drives and power transmission.

The objectives of the evaluation are to render account of the 5 selected programmes, to analyse whether all means were used in an effective and efficient manner and to determine whether all the objectives of the programmes were reached. The research questions, derived from the Terms of Reference (ToR), are listed in Box 2.

Box 2: Evaluation questions⁸

Evaluation Questions

- 1) Has the method of determination of the (number of) competent companies by CBI been executed according to the procedure?
- 2) To what extent have the objectively verifiable indicators (OVIs) been achieved on result and project purpose level, as formulated in the Logical Framework (LFA) and 'startdocument'?
- 3) To what extent has employment and exports of the competent companies increased?
- 4) What was the level of compliance of the ECPs with the five IOB evaluation criteria *relevance, sustainability, effectiveness, efficiency and impact*?

⁸ Evaluation question 1 has been altered slightly from the ToR. The original question made reference to the 'final documents', these documents are not used by CBI anymore.

2.2 Main research questions

The Terms of Reference for this evaluation lists a number of research questions for the IOB evaluation criteria relevance, efficiency, effectiveness, sustainability and impact (see Table 1).

Table 1: research questions

Research questions
<i>Relevance</i>
<ul style="list-style-type: none">▪ Relevance of the programme with regard to local needs and priorities?▪ Relevance of programme objective for selected companies?
<i>Efficiency</i>
<ul style="list-style-type: none">▪ Cost-benefit analysis of the programme?▪ Essential and less essential modules of the programme?
<i>Effectiveness</i>
<ul style="list-style-type: none">▪ Critical success/ failure factors of the ECP components?▪ Coherence of ECP components?▪ Quality and performance of the external experts in relation to the outcome of the programme?▪ Expenditures in relation to the outcome of the intervention?
<i>Sustainability</i>
<ul style="list-style-type: none">▪ Likelihood of continued export by competent companies?▪ External factors (eg. political and economic context) which have influenced companies' ability to export to the European market?
<i>Impact</i>
<ul style="list-style-type: none">▪ Other (secondary) effects for the companies participating in the ECP deriving from the intervention?▪ Changes in employment rates and types (within the company or elsewhere in the value chain)?

Source: Terms of Reference

2.3 Methodology and implementation

2.3.1 General

The evaluation is based on desk-research of documents and monitoring data, a survey amongst participants, and interviews with programme managers and sector experts.

2.3.2 Desk-research

Desk research concerns both the study of relevant documents related to the five ECPs and the analysis of monitoring data. Documents analysed include:

- Start documents for all ECPs

- Feasibility studies
- Previous evaluations
- Financial data

At the start of the ECPs CBI formulates targets for selected indicators (Objective Verifiable Indicators, OVIs). CBI collects monitoring data about these targets. Indicators include:

- EU and total export of beneficiaries
- Beneficiary employment
- Contacts gained at trade fairs
- Grades in the export audit

The monitoring data and the OVIs are analysed separately from other collected data.

2.3.3 Survey of participants

Number of companies invited for the survey

An online survey was set out amongst a total of 274 participants. This includes both “competent” companies that completed the programme and companies that dropped out at various stages. In total there were 148 companies that completed the programme and 126 which dropped out.

Questionnaire

The complete questionnaire for the survey is included in appendix [PM]. The online survey followed a similar approach to previous ECP evaluations. However, several survey questions were changed to match the survey of the evaluation of CBI by MoFa⁹. Furthermore two questions were added to be able to answer all of the evaluation questions (questions on skill increase and the European countries to which companies export).

Response

In total 38 companies completed the survey. Of these, 33 completed the ECP and 5 dropped out before the end of the programme. Table 2 shows the response rate for competent companies per country. The response rate amongst competent companies was 22%. This is in line with previous ECP evaluations. A large majority of respondents for competent companies was from India (73%). This is slightly more than the share of Indian companies in the ECPs (62%). For other countries no more than two companies which completed the ECP filled in

⁹ IOB forthcoming

the survey. After India the two countries with most competent companies were Colombia and the Philippines. For these countries only 10% of companies completed the survey.

Table 1 also shows the response rate per ECP. The response rate was highest in ECP 1055 (32%). The response was lowest for ECP 1051 (12%).

As was expected the response amongst the companies that dropped out was significantly lower (just 4%). As companies often drop out because contact with CBI is lost this is not surprising. Because of the low response rate amongst the drop-outs these respondents are not analysed separately.

Table 2: Survey response per ECP per country (% of all completed companies per country in between brackets).

	1045	1051	1053	1054	1055	Total
Armenia	-	0 (0%)	-	-	-	0 (0%)
Bangladesh	-	0 (0%)	-	-	-	0 (0%)
Colombia	-	0 (0%)	0 (0%)	1 (33%)	-	1 (10%)
India	8 (24%)	-	3 (21%)	3 (18%)	10 (31%)	24 (25%)
Pakistan	-	-	-	0 (0%)	0 (0%)	0 (0%)
Philippines	-	0 (0%)	1 (50%)	0 (0%)	-	1 (10%)
South Africa	-	-	-	0 (0%)	1 (100%)	1 (50%)
Sri Lanka	-	1 (20%)	0 (0%)	0 (0%)	-	1 (14%)
Thailand	-	2 (40%)	-	-	-	2 (40%)
Tunisia	-	-	0 (0%)	1 (100%)	-	1 (20%)
Vietnam	-	1 (33%)	1 (50%)	0 (0%)	-	2 (40%)
Total	8 (24%)	4 (12%)	5 (20%)	5 (17%)	11 (32%)	33 (22%)

Source: survey, monitoring data

Box 3: lessons learned – survey response

Lessons learned - survey response: The ToR for ECP evaluations (current and previous) requires an internet survey to answer the evaluation questions. However such surveys are often plagued by a low response. Specifically it is often hard to get information from companies in low and middle income countries. There are several methods we found increased response during the data collection phase:

- Use personal email addresses as much as possible, instead of the general email addresses of the companies (info@..., sales@... etc.).
- Send the invitation and reminder(s) via CBI – in this evaluation a reminder from the programme managers increased response considerably.
- Ask sector experts to send reminders as well.
- Leave the survey open for at least 3 weeks.

Position respondents

The survey asked respondents for their position within the company. The results are shown in Table 3. Over half of the respondents was in general management (55%). The rest were in Marketing/sales (32%) or other (13%). The category 'other' includes positions such as R&D, operations and customer service.

Table 3: position in companies of respondents

Position	Percentage
General management	55%
Marketing / sales	32%
Other	13%

Source: survey

Representativeness survey

In order to better judge the representativeness of the online survey we compared the sample of survey respondents to the total sample of completed companies on the basis of the OVI-data. The results would show if any systematic biases occur in the sample of respondents. For instance it might be true that only larger companies participated in the survey, or only companies with relatively high exports. As it turns out we found no systematic biases between the sample of respondents and the full beneficiary sample. The results are included in ANNEX IV. However other (hidden) biases might still be present.

2.3.4 Interviews

Interviews were conducted with programme managers and sector experts.

- The five ECPs fell under the responsibility of two programme managers, who were both interviewed.
- The number of sector experts differed per ECP. For instance ECP 1051 had only one sector expert (although it started out with 2) and ECP 1053 had three sector experts. In total 7 sector experts were interviewed. ANNEX III includes an overview of the interviews which were conducted.

Interviews followed a semi-structured format.

2.4 Attribution

In order to attribute observed results to programme activities the preferred method would be to use difference-in-difference analysis to identify the programme effect. In difference-in-difference analysis export performance would be compared before and after the programme, for both the target group and a control group. Such an analysis is beyond the scope of this evaluation. There are several ways in which we will try to assess additionality:

- **Before-after comparison:** On the basis of survey data and monitoring data export performance and the number of employees can be compared before and after the programme. The observed change cannot be attributed to the programme completely as other external factors might also influence export performance. For example, export might have increased without the programmes as they were started in growing sectors. We can also use qualitative methods to assess to what degree external factors influenced results. For instance we looked at economic developments in the markets and asked programme managers and sector experts for their opinion on the additionality of the programme.
- **Attribution questions in the survey:** The survey included several questions which asked the companies to what extent they believe the ECPs were an important factor in their export performance during (and after) the evaluation period.

2.5 Limitations

Documentation

Documentation was not available for all phases of the ECPs. For example there is not always much information available about the promotion and selection phase. We have attempted to fill such gaps of knowledge using interviews with programme managers and sector experts.

Survey response

A limitation of the survey is the limited sample size. Throughout this report, readers should bear in mind that the number of respondents of the survey is quite small, especially if we want to evaluate each ECP separately. Knowing this, results have to be interpreted with caution. Furthermore, the reasons for not responding are for the most part unknown, the possibility of a (positive or negative) bias cannot be ruled out.

Check on data quality

It is not possible to assess the quality of the monitoring data collected by CBI. Data are based on self-reporting. It is not always clear whether all companies delivered all data. For ECP 1051 data was entered into the monitoring system retro-actively. Some of the monitoring data for this ECP is missing.

3 Objective Verifiable Indicators

3.1 Logical framework

As an evaluation and accounting tool, CBI has implemented the Logical Framework Approach in accordance with MoFa. A customized logical framework was developed for each ECP, containing a chain of activities (input), results (outcome), and effects (impact). Result indicators were determined for each level (Objectively Verifiable Indicators; OVIs). CBI collects monitoring data for these OVIs. The log frame work for each ECP is included in ANNEX VI.

3.2 Objective verifiable indicators (OVIs) and results

3.2.1 OVI monitoring data

In this chapter the OVI-data are analysed. Programme results are compared to target. As prescribed by the ToR, we will report the targets and results on these indicators for each ECP separately.

The ToR for this evaluation included a format in which the OVI-results should be presented. These tables are included in Annex X. Data could not be collected for all indicators. There are two main reasons for this:

- Targets were not formulated for every indicator in the start document
- CBI does not collect monitoring data for every indicator mentioned in the start document.

For the sake of readability and comparability we present the OVI-results in a different format in this section.

3.2.2 Delivered companies and costs

Delivered companies

The start document for each ECP sets a target number of delivered companies (competent companies). Because companies drop out during the course of the programme the number of companies at the start of the ECP is higher (usually around 50). Table 4 includes the target number of delivered companies and the

achieved number of delivered companies for each ECP. In most cases the target number of delivered companies was 30, except for ECP 1054, for which it was 35.

For three ECPs the achieved number of delivered companies exceeds the target (1045, 1051, 1055). For the ECPs 1053 en 1054 the number of delivered companies was below the target. For ECP 1053 the achieved number was 17% lower than the target. For ECP 1054 the achieved number was 14% lower than the target. The programme manager noted that in these cases more companies completed the programme, but due to changes in the way in which competent companies were determined the achieved number is lower.

Table 4: Number of competent enterprises delivered

	1045	1051	1053	1054	1055
Target	30	30	30	35	30
achieved	34	35	25	30	34
Rating	+	+	-	-	+

Costs

At the start of the ECPs, CBI specifies the budget for the programmes. Targets are set for both the total costs and average costs.¹⁰ The targets and results regarding the total costs of the ECPs are included in Table 5. The target for each ECP is usually around € 2 million. Only ECP 1054 has a higher target (€ 2.3 million), this is reflected in the higher target for the number of delivered companies. Targets for costs per delivered companies were roughly equal for all ECPs (between € 66.333 and € 66.440).

Total costs - In terms of actual total costs most ECPs turned out more expensive (except for 1053). In the case of ECP 1051 the difference is quite small (5%). However for the other programmes the difference is larger (27% for 1045, 16% for 1054, and 27% for 1055). In interviews with programme managers various factors came up which account for these differences:

- For ECP 1045 extra workshops were organised in India and the number of delivered companies exceeded expectations.
- For ECP 1055 additional trade fairs were visited, costs for consultants were higher than expected and a higher number of companies was delivered.

¹⁰ Average costs = total costs/number of delivered companies

Average costs – Higher costs increase the average costs. More delivered companies lower average costs. ECP 1054 has both higher total costs and less delivered companies. This translates into an average cost of € 89.588 (the highest). For ECPs 1045, 1053 and 1055 average costs are also higher than the target. Only ECP 1051 has lower average cost than the target. This is because a higher number of companies was delivered with only a small increase in total costs.

Table 5: Total and average costs

	1045	1051	1053	1054	1055
Total cost					
Target	€ 1.993.127	€ 1.990.000	€ 1.993.194	€ 2.324.871	€ 1.993.194
achieved	€ 2.529.718	€ 2.097.977	€ 1.951.665	€ 2.687.635	€ 2.536.724
Rating	-	-	+	-	-
Average					
Target	€ 66.438	€ 66.333	€ 66.440	€ 66.425	€ 66.440
achieved	€ 74.403	€ 59.942	€ 78.067	€ 89.588	€ 74.610
Rating	-	+	-	-	-

3.2.3 Impact (effect of use of capacity)

Employment (average and total)

One of the indicators at the impact level is the change in employment for the target companies. During the programme CBI gathers monitoring data on the number of employees per beneficiary. The LFA in the start document sets ‘an increase in employment’ as the target for this indicator. Beneficiary employment data is summarised in Table 6. The table includes 1) total employment growth, as well as 2) average employment growth per beneficiary and 3) the average number of employees at the start of the ECP. In the OVI-data no distinction is made between the types of jobs (i.e. part-time versus fulltime).

- For all programmes total employment increased. The largest increase was in ECP 1054 (2172 jobs, 72 per delivered firm). The lowest employment increase was in ECP 1053 (124 jobs, 5 per delivered firm).
- Average employment increased for all ECPs. ECP 1051 realized the largest average employment increase (74). ECP 1053 realised the lowest average employment increase.
- The company size at the start of the programme differs from ECP to ECP. For instance the average number of employees for companies in ECP 1055 was 68, whilst the average number of employees for companies in ECP 1054 was 163.

- For ECP 1051 data is missing for a lot of companies. Data our analysed for those companies for which both baseline information was available and information about the final year of he ECP.

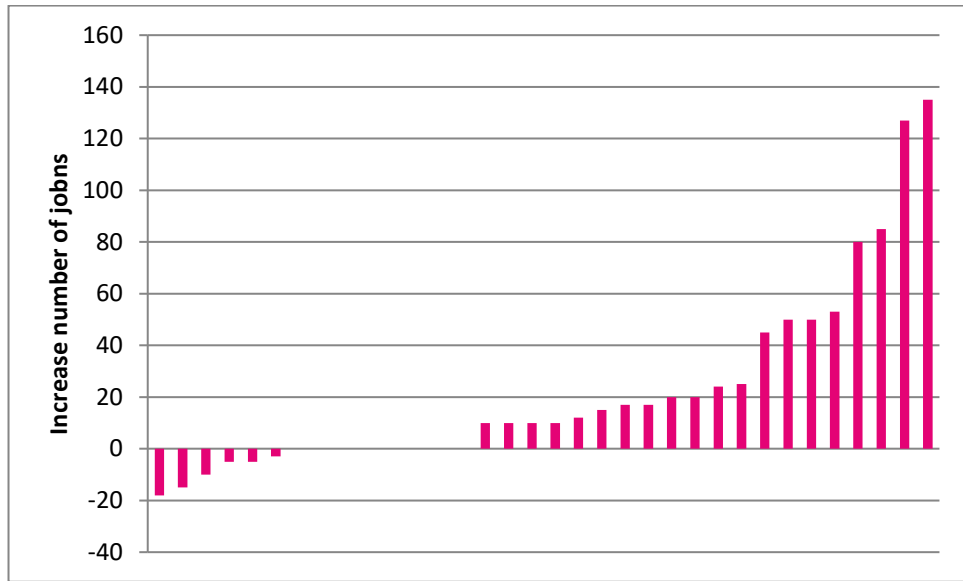
Table 6: Additional jobs, total and average per company

	1045	1051	1053	1054	1055
Target	Increase	Increase	Increase	Increase	Increase
Total increase	759	1485	124	2172	698
Average increase	22	74	5	72	21
Rating	+	PM	+	+	+
Average company size t=0	95	111	156	163	68

Variation in employment growth within ECPs

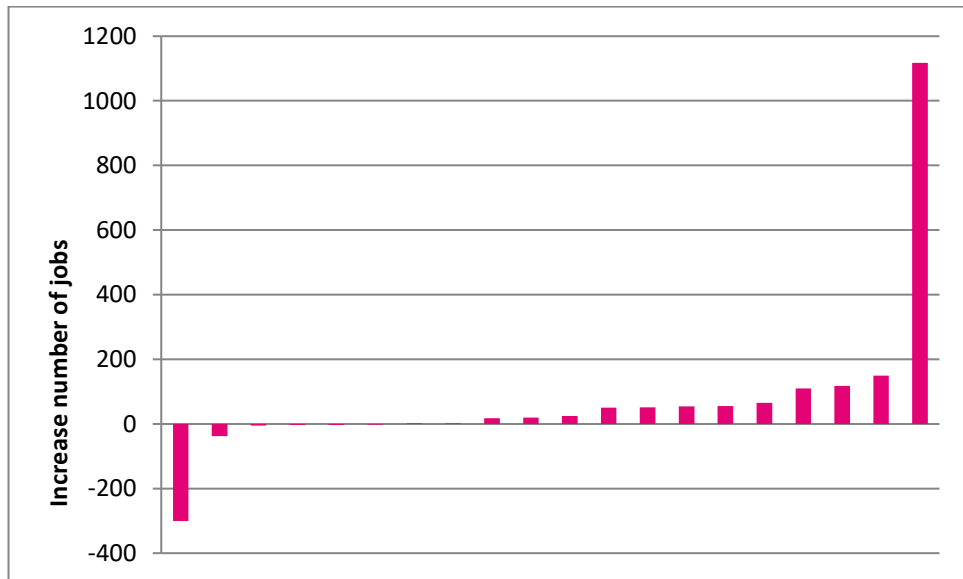
The total and average increase in employment hides any variation between companies. Figure 2 to Figure 6 show the total employment increase for individual companies, where companies are sorted from lowest employment increase to highest. In all ECPs there is a small number of companies which has a relatively large employment increase (usually one or two). A large part of the companies has a relatively smaller increase in employment. However there are also companies for which employment decreases. For many ECPs employment gains are somewhat unequal. For ECP 1053 employment gains are most unequal, about half of the delivered companies see total employment decrease. A large part of employment growth is due to just two companies.

Figure 2: ECP 1045 – Job increase per delivered firm



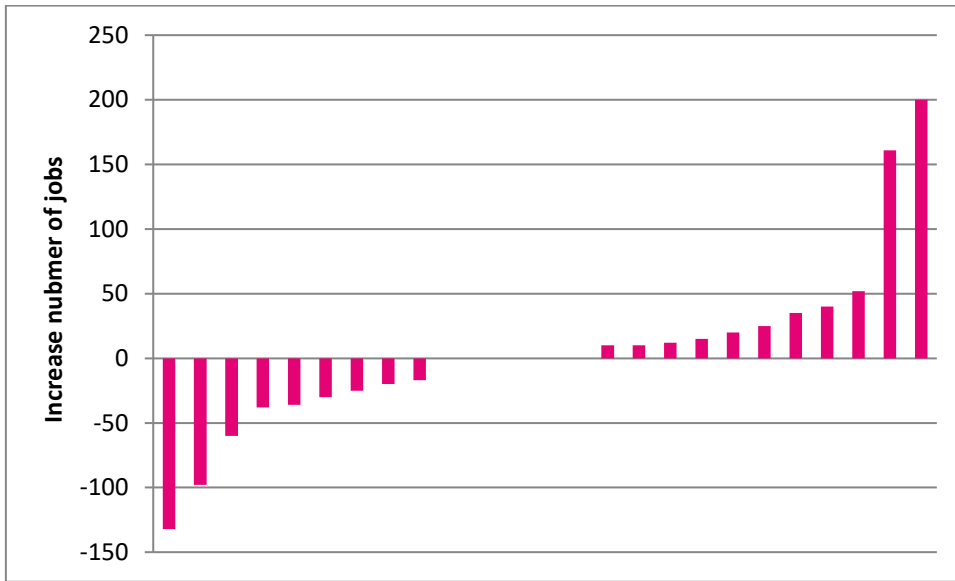
Source: CBI OVI-data

Figure 3: ECP 1051 – Job increase per delivered firm



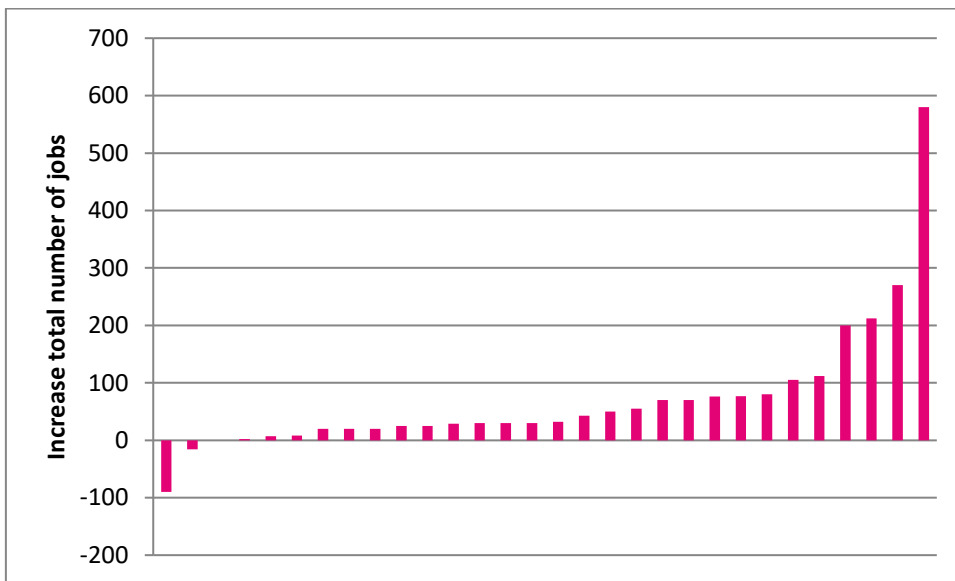
Source: CBI OVI-data

Figure 4: ECP 1053 - Job increase per delivered firm



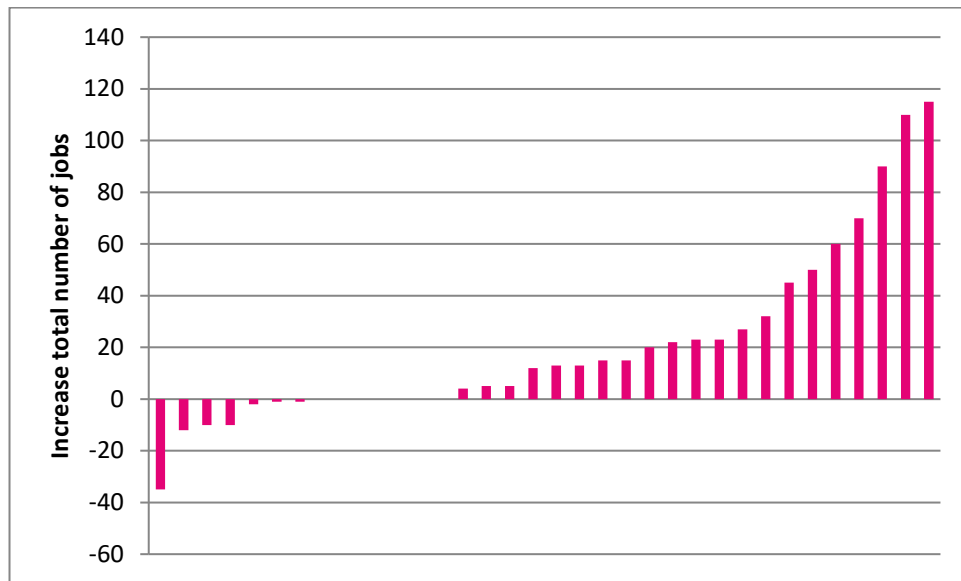
Source: CBI OVI-data

Figure 5: ECP 1054 - Job increase per delivered firm



Source: CBI OVI-data

Figure 6: ECP 1054 - Job increase per delivered firm



Source: CBI OVI-data

Export performance

Another impact indicator is the amount exported by the beneficiaries during the programme (measured in Euros). Export performances are shown in Table 7. The table contains total export and average export (per beneficiary) to both the world and to the EU. For these indicators no targets were formulated in the LFAs. Total exports per programme (over 5 years) range from € 9.8 million in ECP 1055 to € 54.5 million in ECP 1054. Average exports are lowest in ECP 1055 (€ 288,105). For the other ECPs they range from € 1.45 million for ECP 1053 to € 1.8 million for ECP 1054.

The table also shows the percentage of total export which goes to the EU. ECP 1045 scores lowest on this indicator. Only 25% (€ 13.7 million) of reported export goes to the EU. For all other ECPs the percentage is above 60%. In all cases except 1045 average exports to the EU are higher than average export outside of the EU (average total export – average EU export).

Table 7: Total and average export (total and to the EU, over 5 years)^a

	1045	1051	1053	1054	1055
Total export	€ 53.730.326	NA	€ 36.332.797	€ 54.607.346	€ 9.795.578
Average total export	€ 1.580.304	NA	€ 1.453.312	€ 1.820.245	€ 288.105
% to EU	25%	NA	76%	64%	65%
Total EU export	€ 13.676.277	€ 2.479.808	€ 27.639.639	€ 34.701.949	€ 6.343.272

Average EU export	€ 402.243	€ 70.852	€ 1.105.586	€ 1.156.732	€ 186.567
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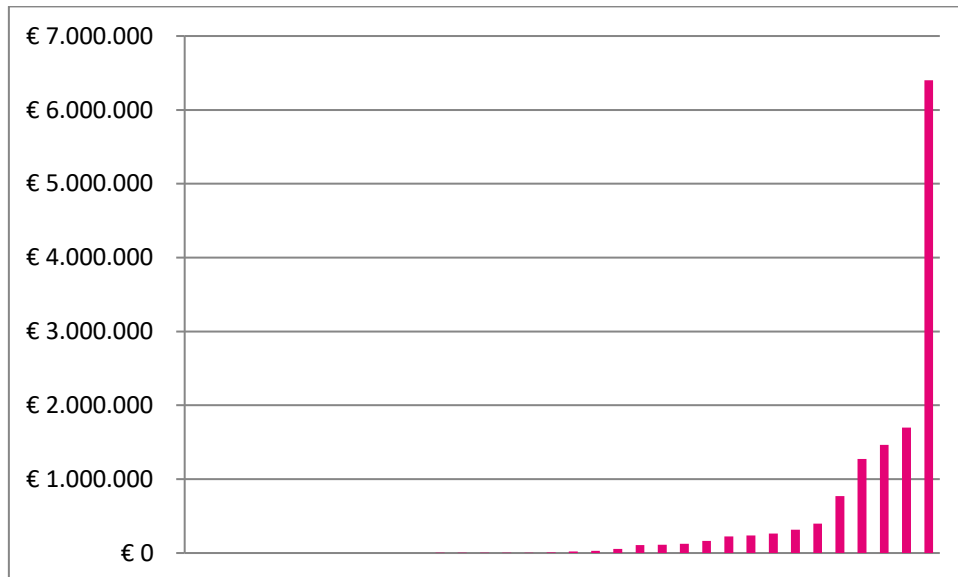
a) For these indicators no targets were formulated

Source: OVI data

Variation in export performance within ECPs

Similar to the employment indicators, total and average export performance masks any variation between companies. Figure 7 to Figure 11 show the distributions of total exports per ECP. In most ECPs there are one or two companies with relatively large exports. In most ECPs about one third of the companies do not manage exports to Europe.

Figure 7: 1045 – EU/EFTA export per beneficiary



Source: CBI OVI-data

Figure 8: 1051 – EU/EFTA export per beneficiary

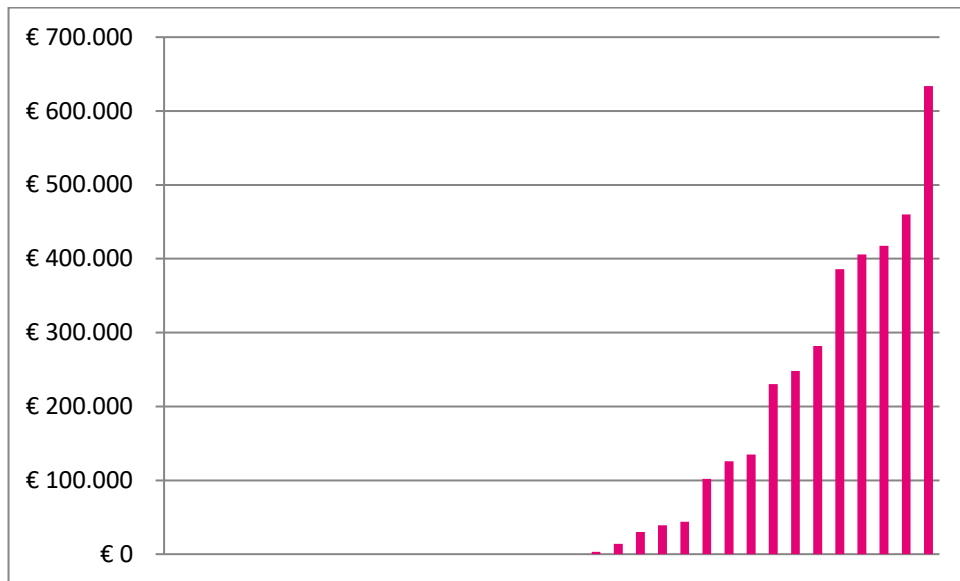
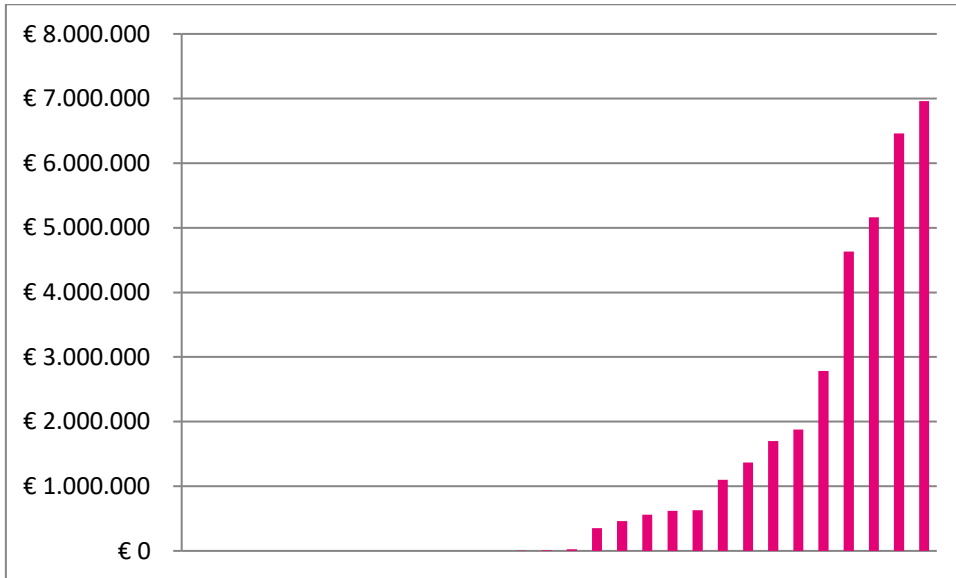
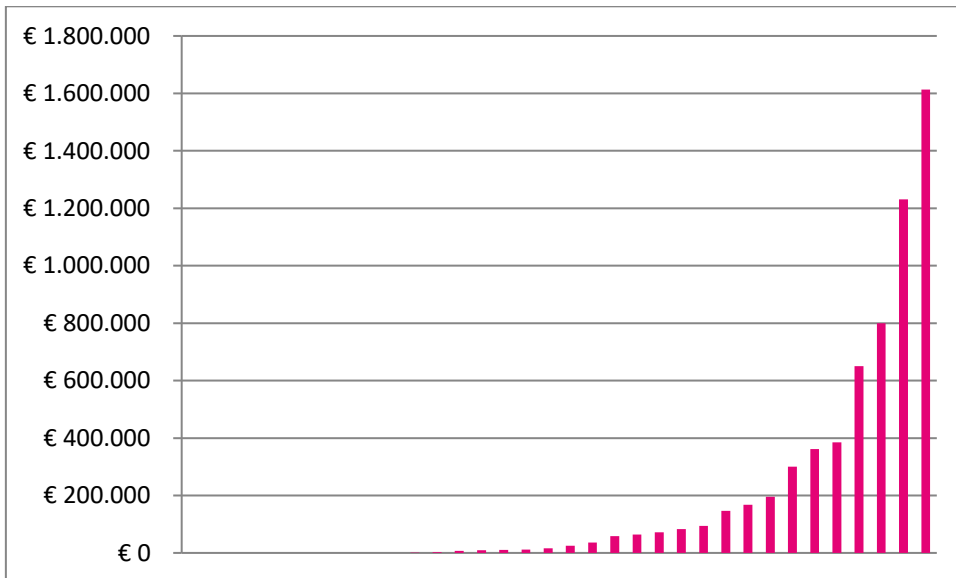


Figure 10: 1054 - EU/EFTA export per beneficiary



Source: CBI OVI-data

Figure 11: 1055 - EU/EFTA export per beneficiary



Source: CBI OVI-data

3.2.4 Effect (use of capacity)

Percentage exporting to the world

Table 8 shows the percentage and number of companies which exported during the programmes, both to the world and to the EU. In all cases at least 60% of beneficiaries managed to export during the programme. The percentage was highest for ECP 1055 (82%), followed by 1045 (79%).

Percentage exporting to Europe

The LFAs contain targets for the percentage of companies exporting to the EU. In most cases the target was 70%, except for ECP 1051, for which it was 60%. The target was only reached in ECP 1055 (71%). For all other ECPs the achieved percentage was lower than the target. The programmes in which the least beneficiaries exported were 1051 (achieved 43%, target 60%) and 1053 (achieved 60%, target 70%).

Table 8: Number and percentage of companies exporting during the programme

	1045	1051	1053	1054	1055
Companies^a exporting during the programme					
-percentage	79%	NA	60%	60%	82%
-in numbers	27	NA	15	18	28
Companies exporting to EU during programme					
Target	70%	60%	70%	70%	70%
Achieved (%)	68%	43%	60%	57%	71%
Achieved (#)	23	13	15	17	24
Rating	-	-	-	-	+

a) For this indicator no targets were formulated

3.2.5 Result

Export audit (EA)

The export audit and the export marketing plan are integral parts of the ECPs. The LFAs sets out targets for both these programme activities. The targets and results

are shown in Table 9. With regards to the export audit, the aim is for companies to score at least a sufficient grade in all 10 clusters of the audit (2 out of 4¹¹). For 4 out of 5 programmes the target was 85%. Only for ECP 1051 the target was 90%. These targets were reached in all programmes. In each ECP 100% of delivered companies scored at least 2 out of 4 on the EA.

Export Marketing Plan (EMP)

EMP targets indicate the number of companies which successfully completed the EMP. Targets range from 60% (1053, 1054 and 1055) to 90% (1051). These targets were reached in all cases.

Table 9: Export audit and export marketing plan

	1045	1051	1053	1054	1055
% sufficient grade on all 10 clusters					
Target	85%	90% ^a	85%	85%	85%
Achieved %	100%	100% ^a	100%	100%	100%
Achieved #	34	35 ^a	25	30	34
rating	+	NA	+	+	+
% EMP					
Target	70%	90%	60%	60%	60%
Achieved %	97%	100%	72%	70%	82%
Achieved #	33	35	18	21	28
rating	+	+	+	+	+

a) Based on information provided by the programme manager

Finally Table 10 shows data on the leads generated after participating in trade fairs. The number of leads is taken as an indicator for the effectiveness of this programme component. The OVI-data makes no distinction between promising leads and less promising leads (for instance just swapping business cards). In all ECPs all participants generated leads after participating in a trade fair. The average number of leads per company varies from 37 for ECP 1054 to 70 for 1055. The LFA includes a target for the number of leads to the EU. For all ECPs the target is 15. Again this target is reached in all programmes with the number of EU-leads ranging from 24 (1053) to 49 (1055).

¹¹ Although in practice grades are rounded up so that a score of 1.5 is also seen as a sufficient score

Table 10: leads at trade fairs

	1045	1051	1053	1054	1055
% companies with leads after a trade fair ^a	100%	100%	100%	100%	100%
Average number of leads ^a	53	69	41	37	70
Average leads to EU target	15	15	15	15	15
Achieved rating	35 +	52 +	24 +	30 +	49 +

a) For these indicators no targets were formulated

3.3 Conclusions OVIs

- Targets were not formulated for all OVIs.
- Monitoring data was not collected for all OVIs.
- For some ECP 1051 employment data was missing for a number of companies.
- Most ECPs turned out more expensive than planned – both on average per delivered company and in total. Programme managers gave several reasons for higher costs including; higher costs for consultants, more visits to trade fairs and a higher number of delivered companies.
- Targets for the number of companies exporting to Europe were not met in most ECPs.
- In three out of five cases targets for the number of competent companies were not met.
- Targets for the EMP, the export audit and the trade fairs were all met.
- The majority of companies realised export to Europe during the programme. However a large share of companies did not manage any European exports. The share of companies not exporting to Europe ranges from 20% in 1045 and 1055 to 43% in 1054.
- There is also considerable variation between companies in the ECPs.
- Targets for employment growth were met. However, there is considerable variation between companies. There is even a large number of companies for which the number of employees decreased. The number of companies for

which employment does not change or decreases ranges from 10% for 1054 to 56% for 1053.

5 Results per evaluation criterion

5.1 Introduction

The analysis of the IOB evaluation criteria is based on interviews with programme managers and sector experts, a survey from participating companies and desk research. Where possible, results from different sources will be compared. In this chapter we will look at results for the IOB evaluation criteria relevance, efficiency, effectiveness, impact and sustainability.

5.2 Relevance

The evaluation criterion relevance is defined by the IOB as: ‘consistence with needs of exporters and importers, country needs, and the priorities of the Ministry of Foreign Affairs and CBI policy’.

- Relevance of the programme with regard to local needs and priorities?
- Relevance of programme objective for selected companies?

5.2.1 Sector Choice

Interviews with programme directors and sector experts provided insights in the selection criteria for an ECP sector. The ECP sectors are chosen based primarily on export conditions to the European markets. European demand for products from developing countries should be large enough to form a viable opportunity for export growth. If a certain ECP was successful in previous years it was often repeated. During the evaluation period constraints and barriers in markets of target countries do not play a large part in the sector selection.

The final consideration for starting an ECP in a certain sector is the feasibility study. The feasibility study is performed by an external party. In the feasibility studies, the European demand for products of a selected sector and opportunities for developing countries are explored. The feasibility study also mentions the most important weaknesses of producers in developing countries.

Furthermore, the feasibility study looks at the potential companies in target countries. In order for the sector to be a viable choice there should be enough potential candidates in target countries.

For ECPs 1045, 1053, 1054 and 1055 a feasibility study was done.

Box 4: Comments from programme manager and sector experts on sector choice

- The sectors differ in how broadly they are defined. The sector subcontracting (1054) is defined in the broadest way. This is reflected in the large number of applicants for this programme (250). ECPs often struggle to find enough eligible companies. A disadvantage of defining sectors so broadly is that sectors experts and local consultants need to have a broad background and knowledge to effectively coach all companies.
- ECP 1051 ITO services is different from the other four sectors as it concerns a service instead of a product.

5.2.2 Country selection

As described by CBI's Theory of Change programme target countries should be selected on the basis of per capita GNI, production capacity, business climate and social policy.¹² The full range of target countries is determined by Dutch development policy. In practice the programmes focus on Lower Middle Income countries. In the feasibility studies a long-list of eligible countries is tested for suitability for the intended programme, resulting in an A-, B- and C-list of suitable countries¹³. CBI decides in which of the countries to start the recruitment procedure.

In the selection phase there is limited focus on the local barriers to export.

¹² CBI Theory of Change and indicators for IOB evaluation 2005-2013

¹³ Where A-countries have the most potential for export and C-countries have the least potential for export.

Box 5: Important factors for country selection according to programme managers

In interviews with programme managers several other factors were listed, which play an important part in the selection of countries:

- There should be enough (potential) companies in the target sector.
- The target sector should be a priority sector of the country.
- There should be cooperating local organisations, such as BSOs.
- European importers should have a positive perception of the country.
- CBIs experience in how successful countries were in past ECPs and feedback of local BSOs should be positive.

Country selection in the five ECPs

Table 11 lists the countries that were included in the start documents of the ECPs. The countries in which companies were actually selected for the ECP are written in bold. India and the Philippines were selected in 4 of the ECPs and Colombia, Sri Lanka, South Africa and Vietnam in 3 ECPs. Most selected companies are from Asia or Eastern Europe. These countries are naturally more focussed on the European market. The list includes relatively few African and Latin-American countries. The largest share of companies comes from India (63%).

Due to time and personnel constraints ECP 1045 was only executed in India. Nevertheless the sector expert did not experience this as a problem. The programme is very relevant for the Indian market as the electronics components and systems sector is important in India, has a large export potential, but suffers from limited local knowledge on the European market.

The feasibility reports advised against starting ECPs in some countries (c-countries). In the ECPs 1053 and 1054 two of these countries were selected (Sri Lanka and the Philippines respectively). For all other ECPs selected companies are from a mix of A-countries and B-countries.

For ECP 1054 Subcontracting the experts and programme managers decided to focus less on India, because Indian companies were already quite developed in this sector. Instead countries with less developed markets and less mature companies were selected.

Table 11: Eligible and selected (bold) countries per ECP

1045	1051	1053	1054	1055
India	Armenia	Bosnia and Herzegovina	Bosnia and Herzegovina	Bosnia and Herzegovina
	Bangladesh	Colombia	Colombia	Colombia
	Colombia	Egypt	Ecuador	Egypt
	Egypt	India	Egypt	India
	Jordan	Indonesia	India	Indonesia
	Philippines	Macedonia	Indonesia	Macedonia
	South Africa	Morocco	Macedonia	Moldova
	Sri Lanka	Pakistan	Moldova	Morocco
	Thailand	Philippines	Pakistan	Pakistan
	Viet Nam	Serbia	Peru	Philippines
		South Africa	Philippines	Serbia
		Sri Lanka	Serbia	South Africa
		Thailand	South Africa	Sri Lanka
		Tunisia	Sri Lanka	Thailand
		Viet Nam	Thailand	Tunisia
			Tunisia	Viet Nam
			Viet Nam	

Source: start documents, OVI-data

5.2.3 Selection of participants

Promotion process

CBI works together with local consultants and BSOs to promote the ECP in the selected countries and to select eligible companies. According to programme managers and sector experts, local consultants can make a difference in the number of companies which apply from a certain country. In countries where local consultants are used there are more applications. The use of local advisors differs per ECP. In the ITO services CBI cooperated with local consultants, but not with BSOs. The number of promotion activities differs per country.

How programme managers and sector experts valued the cooperation between CBI and BSOs and local consultants differed per country. Several factors influenced the quality of the cooperation:

- Whether the local consultants had other clients besides CBI at the moment.
- The sector knowledge and experience of the local consultant.

One of the sector experts suggests training local consultants before the start of the ECP. Now, most of them are trained on the job. This might bridge any gaps

between different consultants in terms of sector knowledge and knowledge of the ECP programme.

With regards to BSOs the degree to which they actively promoted the ECPs differed. One factor given by several sector experts and programme managers was whether the BSO had members, or whether it was a stand-alone organisation. BSOs with members were more efficient in promoting the ECPs. As they could directly promote the ECP amongst member-companies.

Box 6: Suggestions for local trade fairs

One sector expert suggested promoting CBI at local trade fairs. This would allow for a more targeted approach. Sometimes it is not always clear from the ECP description what type of companies register (for example 1055). More targeted promotion on local trade fairs could have helped solve this problem.

Selection process

Interested companies fill out a registration form to apply for the programme. In some cases candidates were already visited by local consultants. In these cases the information gathered by the local consultants is also taken into account. On the basis of the available information a short-list is made of potential candidates. At this stage the sector expert mainly looks at the 'hard criteria' for the ECPs (for example criteria for ownership, joint ventures, and English language requirements). Some criteria are treated with some degree of flexibility (for instance firm size).

Box 7: ECP selection criteria

ECP official selection criteria:

- Businesses must be owned locally for at least 51%, or (co-) owners must reside in another developing country (excluding developing countries characterized as UMIC or higher);
- The size of the business should be between 25-500 employees;
- The business must not be a joint venture with a company based in a country with a classification of UMIC or higher;
- The business must comply or be willing to comply with EU market requirements;
- There must be no licensing commitments which prohibit or limit export possibilities of products to the EU
- Product prices must be competitive and production capacity sufficient;
- The management must be able to communicate in English;
- The management must be willing and the business must have the capacity to invest in adaptations of, for instance, product range and production processes, if and as required by the European market.

The sector expert discusses the shortlist with the programme manager, who has the final say over company selection. The most promising companies are selected for a pre-audit. The sector expert (together with local consultants, where present) visits the companies and performs the pre-audit. Visits take between half a day and a full day. Based on the sector expert's advice the programme manager makes a selection of beneficiary companies. Sector experts indicated the following criteria as the most important for the selection of the companies in practice:

- Relevance of company's products and services for the European market.
- Adequacy of production methods. Production facilities should look representative and the working environment has to be safe. Moreover, companies should have sufficient control over the production chain (downstream) to ensure reliable production.
- Quality of the product. The quality of the product should be systematically checked during the production process. In some ECPs demands for quality standards are higher than in others. In the automotive parts sector, for instance, most companies already had relevant certification at the start of the programme.
- Sufficient (capital) means for production growth and investments in export.
- Professional organisation and management. Managers and employees should have sufficient technical professional knowledge to effectively lead production. Moreover, companies should be able to communicate with foreign importing companies. Their ability to address these companies in

English is very important. Language barriers sometimes are a problem in Spanish-speaking countries.

- Staff capacity. The programme is aimed at small and medium enterprises (SMEs). This is defined by CBI as companies with 25 to 500 employees. Companies should be large enough to have export potential. Some experts consider 25-500 employees as still relatively small for export. In subcontracting, for instance, companies need to be larger to reach export potential.
- Ambition/drive. Companies should be interested in and willing to invest in export to the European market. While commitment is one of the most important factors for company selection it is also a grey area.
- Good cooperation of the company's management with CBI.

The Programme Manager also looks at other factors which are important in company selection. For instance the programme manager tries to cluster countries and sectors to minimize travel costs and enhance efficiency.

Commitment to export

Programme managers and sector experts agree that commitment to export to Europe is an essential criterion for success. However this is difficult to measure. Experts stress that exporting to Europe requires time and investments. Companies who are not committed often drop out of the programme. Sometimes companies are disappointed at the effort involved (they are out for quick wins) and drop out.

Mix of companies

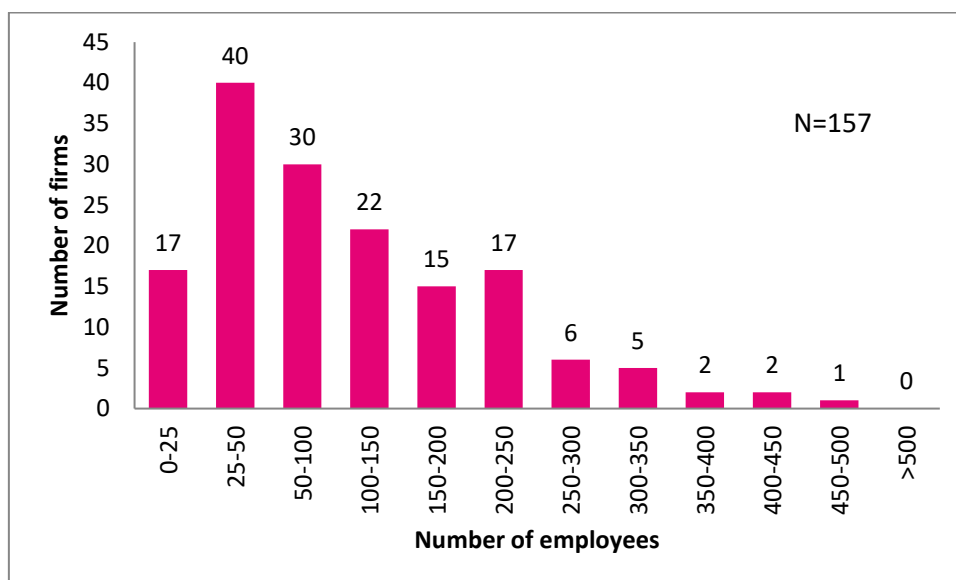
A proper selection of companies is essential for the success of the programme. As a general rule, companies which do not have the necessary export capacity, or lack the commitment to export, as well as companies that have too much export experience should be excluded. However, in practice, one or two 'more mature' companies are selected for participation. This gives the other companies an example to compare themselves with or mirror themselves after. Some experts thought there was no large 'example effect', whilst others pointed at company interaction during the EXPRO and at trade fairs as positive examples.

The mix of selected companies can also influence the outcome of the ECPs. If more 'risky' companies are selected, this will be reflected in programme results.

5.2.4 Company-size at the start of the ECP

Figure 10 shows the firm-size distribution in terms of number of employees - of the companies that completed the ECP. At the start of the ECP 89 percent (140) of the companies fell within CBIs definition of SMEs. 17 companies have less than 25 employees. In practice, programme managers and sectors experts exercise some degree of flexibility with regards to the size-criterion. In the automotive parts and engineering products programmes companies with 25 employees were considered too small to be able to export effectively. Sometimes companies have a large network of subcontractors, meaning they have few employees but a relatively large potential output. In such cases such cases these companies were also considered for the programme. In some sectors (mainly ITO services) companies with less than 25 employees are able to export effectively. Almost 90 percent of the enrolled companies have less than 250 employees.

Figure 12: Company size distribution at the start of the ECP (competent companies)



Source: OVI-data

5.2.5 Barriers to export

To be relevant, the goals of the ECP should be consistent with the needs of local exporters. To assess the relevance of the programme for companies the survey asked several questions about the barriers to export. Respondents were asked for the most important reason for not exporting (more) before the start of the ECP. Their answers are depicted in Figure 10. The trade barriers that most companies experienced are:

- Lack of business contacts
- Lack of market information

- No access to trade promotion fairs
- Lack of organizational capacity.

These comply with some of the internal constraints formulated by CBI in its Theory of Change framework (see Chapter 1):

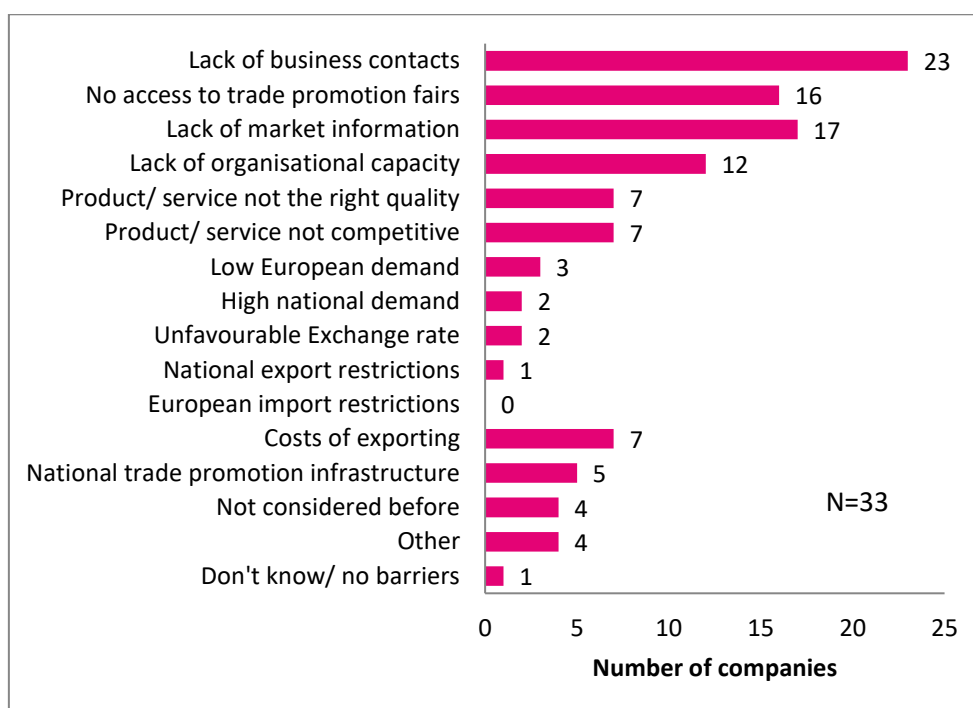
- lack of knowledge regarding trends, developments, market requirements, and opportunities on European export markets;
- lack of networks of potential buyers
- lack of organisation, inadequate communication;

The following constraints mentioned in the Theory of Change are recognised by less than one third of the respondents:

- failure to meet market access requirements and standards;
- inadequate export and production skills;
- Lack an adequate trade promotion infrastructure to tap into.

Relatively few companies identify problems with their product as being a major constraint. For instance, just 7 respondents indicate that the quality of their product was not high enough, and 7 respondents indicate that their product was not competitive. Less than half of respondents think organisational capacity was a large barrier (12 out of 33). The sector experts believe that such barriers play a large part.

Figure 13: Most important reasons for not exporting (more) before the ECP started

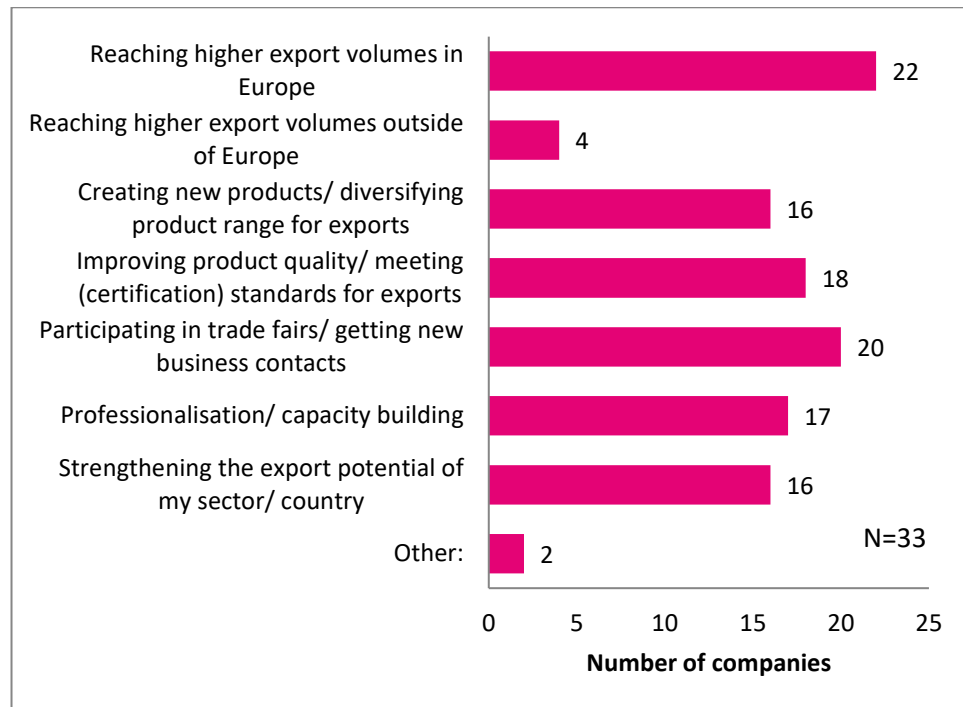


Source: survey

5.2.6 Goals of beneficiaries

While only seven respondents indicate that the product quality was a reason for not exporting more before the ECP, 18 of them identify improvement of product quality as an important goal. Figure 14 depicts the most important goals at the start of the ECP. Reaching higher export volumes in Europe, participating in trade fairs and improving product quality form the top three goals with over half of the respondents labelling them as important (22, 20 and 18 respondents, respectively). Most companies are focused on the European market. Only four respondents indicate that they want to increase export outside of Europe.

Figure 14: The most important goals at the start of the ECP



5.2.7 Conclusion

- During the country selection phase and the sector selection phase only limited attention is paid to local barriers to export. For sector selection demand from Europe is the most important factor. For country selection the number target companies in the countries is the most important.
- Company-selection is crucial for programme success. However it is not possible to observe all relevant factors. In particular sector experts and programme manager stress the ‘commitment’ of companies to export to Europe is important. A lack of commitment was a common reason for companies to drop out of the programme.
- CBI selects a mix of companies. Usually one or two more ‘mature’ companies are included. These companies should set an example for the other participant. Amongst the sector experts opinions about the degree to which such ‘example effects’ take place were mixed.
- The barriers to export identified by CBI are acknowledged by participating companies and sector experts. Most respondents of the survey indicate that barriers such as ‘access to trade fairs’, ‘lack of business contacts’ and ‘lack of market information’ are important. Fewer respondents mention barriers

related to the company's product and production process. However these barriers are stressed by the sector experts.

- The goals of the ECP programme and the goals of participating companies are in line with each other.

5.3 Effectiveness

Effectiveness is defined by CBI as ‘the extent to which the development intervention’s objectives were achieved, or are expected to be achieved, taking into account their relative importance’.

- Critical success/ failure factors of the ECP components?
- Coherence of ECP components?
- Quality and performance of the external experts in relation to the outcome of the programme?

5.3.1 Export performance

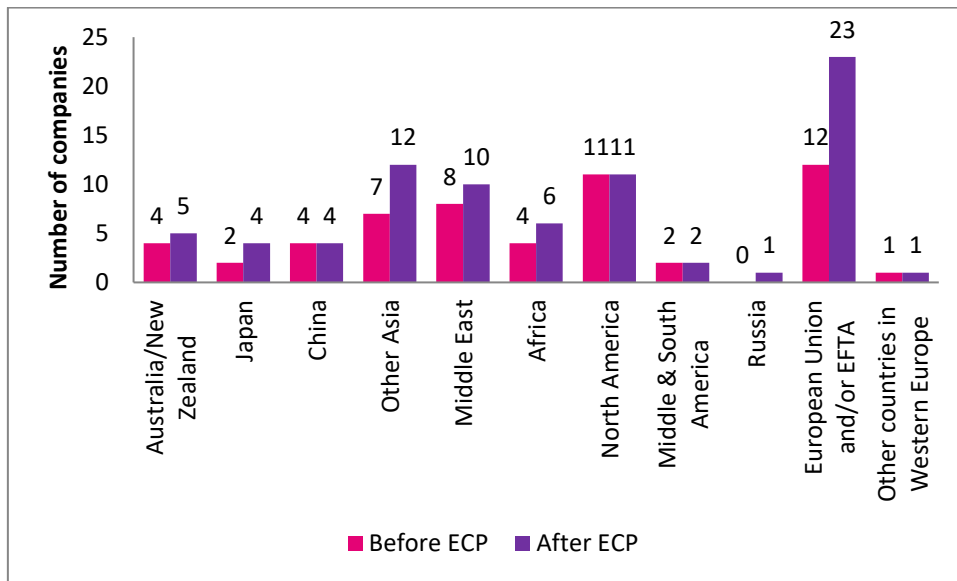
One indicator of the effectiveness of the ECP is the change in export the beneficiary companies experienced. Variables of interest here are both the volume of export as well as the export regions. Here we look at survey data, not at the OVI-data.

Export regions

Figure 15 shows the regions that respondents exported to the year before the ECP and the year after the ECP intervention. For respondents in the survey, the number of companies exporting to each region increased, or stayed the same (for China, North America and other Western Europe). Before the ECP, Europe already was the market to which the most companies exported (12 respondents). However the increase in exporting companies is also large for this region (12 respondents before to 23 respondents after the ECP). This is in line with the goals of the participating companies, and the programme goals. Other important export regions both before and after the ECPs are North America (11 before, 11 after), Asia (outside Japan and China) (7 before, 12 after) and the Middle East (8 before, 10 after).

When deemed appropriate sector experts advised companies to focus more on regional markets. In some cases opportunities there were larger. It is possible that this is reflected in the increase in exports to ‘Other Asia’.

Figure 15: Export regions, before and after the ECP

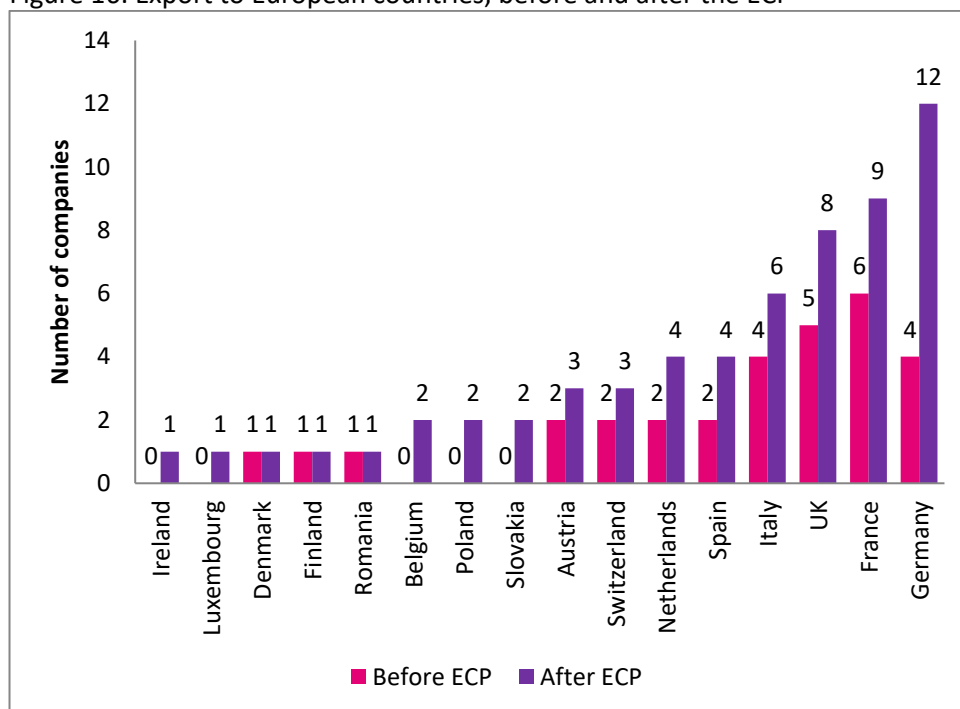


Source: Survey

Export to European countries

Companies which stated they exported to Europe were also asked to which countries they exported. The results are shown in Figure 16. Both before and after the ECP export concentrates on the largest European markets: Germany, France, the United Kingdom and Italy. The largest increase in the number of companies is in Germany (4 before, 12 after). A possible explanation for the large increase is that a lot of the trade fairs that the companies attended took place in Germany. The number of respondents exporting to the Netherland is lower than to Germany (2 before, 4 after).

Figure 16: Export to European countries, before and after the ECP



Source: survey

Average export increase (survey)

Average export to Europe is shown in Figure 17 for all ECPs. Respondents were asked for both their export performance before the ECP and a year after the ECP. This allows us to see whether average export increased after the ECP intervention.

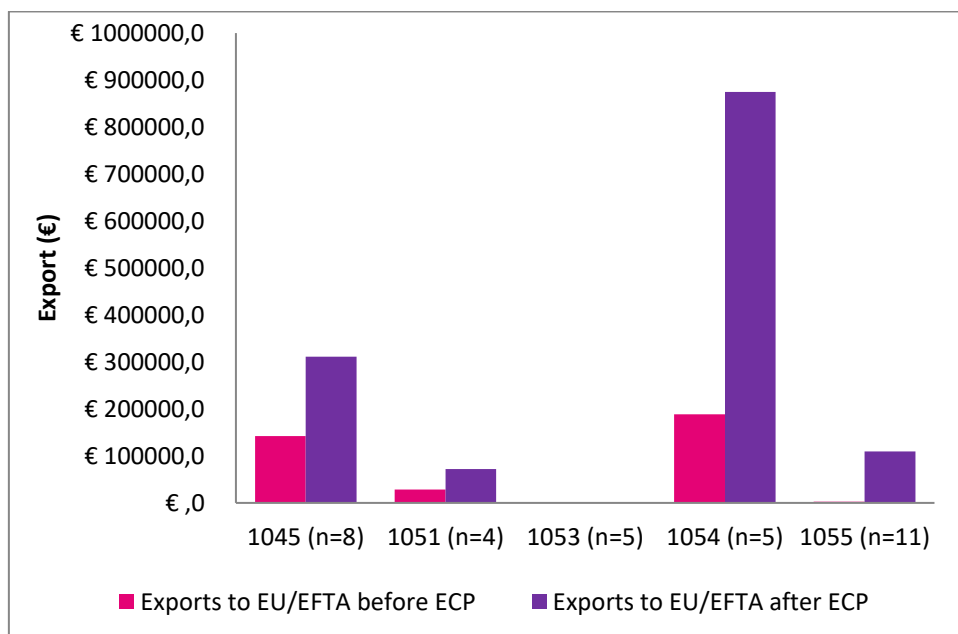
A note on attribution: results from the survey regarding to the realised additional export after the ECP should be interpreted carefully. In order to fully assess whether observed changes can be attributed to the ECP intervention results of beneficiaries should be compared to a counterfactual (a valid control group). Such an exercise lies outside the scope of this evaluation.

Average exports to Europe differ per ECP. For a large part this reflects the nature of the sector in which the ECPs takes place. For instance prices, costs and products/services differ per ECP. In all ECPs average export to Europe after the ECP is larger than before the ECP. The largest increase takes place in ECP 1054 (€ 189,000 to € 875,000). The smallest increase takes place in ECP 1053 (€ 0 to € 1,905). In ECP 1045 all respondents show a positive increase in export to the

EU/EFTA between € 711 and € 894,000. In each of the other ECPs some companies show no increase at all.

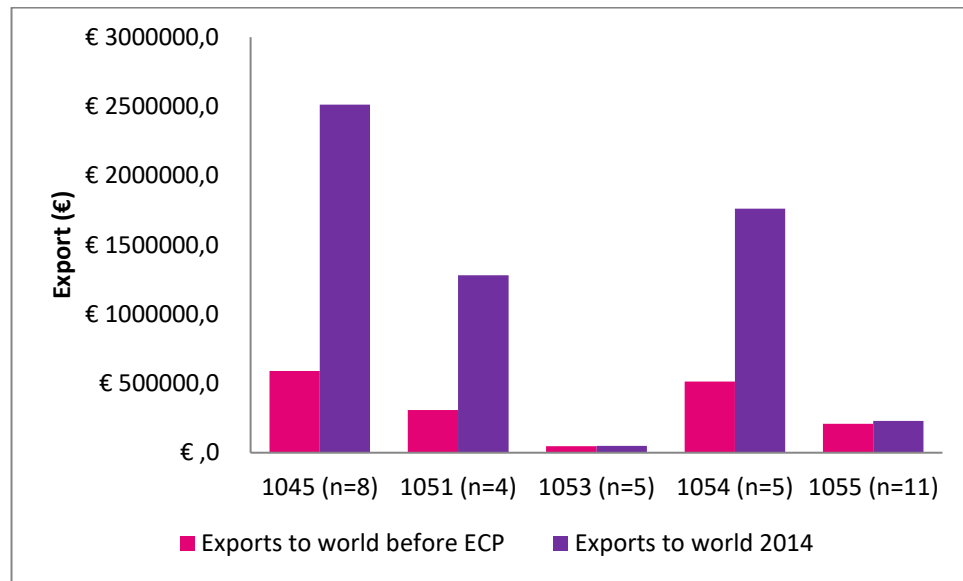
While the results might not be fully representative for all beneficiaries they do indicate an increase in average exports to Europe. All ECPs show an increase in average export to the EU/EFTA. In ECP 1053 this increase is very small (less than € 2000). In this ECP two out of the five respondents show a small decrease in export. ECP 1045 shows a large increase in average exports to the world (€ 0.69 million). This can be partly attributed to one company that takes of almost 90 percent of total export in 2014

Figure 17: Average export to the EU/EFTA before and after the programme for each ECP



Source: Survey

Figure 18: Average export to the world (EU/EFTA) before and after each ECP



Source: Survey

According to one expert survey respondents may understate their total exports because they are afraid that someone might still ask for commission over the results of the programme.

Average export increase (OVI data and application forms)

The increase in average export can also be calculated from another source. In the application forms companies have to fill in their export to Europe in the year prior to the start of the ECP. These results can be compared with the OVI-data to get information about all participating companies. However this method does have two drawbacks

- The quality of the data in the application form is low. It is often unclear what year the data is from.
- OVI-data is not available on a year-by-year basis. In order to estimate annual average export in the final year of the ECP we have to take total export during the ECP (5 years) and divide it by five.

The results are shown in Table 12. Average export increases in 3 out of 5 ECPs (1045, 1051 and 1055). The increase is relatively small, ranging from € 1.184 in 1051 to € 25.017 in 1055. The remaining two programmes show a relatively large decline in average exports (-€ 250.016 in 1053 and -€ 107.010 in 1054). These large decreases are due to several companies which report high export in the application forms, but do not export at all during the programme.

These data are very different compared to the data from the online survey. In the online survey average exports did not decline in any of the ECPs. However in the survey ECP 1053 showed only a small export growth.

Table 12: Increase average export (OVI-data and application form)

	t-1	laatste ECP jaar	verschil
1045	€ 72.812	€ 80.449	€ 7.636
1051	€ 12.986	€ 14.170	€ 1.184
1053	€ 471.133	€ 221.117	-€ 250.016
1054	€ 338.356	€ 231.346	-€ 107.010
1055	€ 12.297	€ 37.313	€ 25.017

5.3.2 Contribution of programme elements

The effectiveness of the ECP is depends on both the effectiveness of each individual programme activity and their coherence. In the survey, respondents were asked questions about the individual programme components. The effectiveness and implementation of the programme elements were also discussed in interviews with programme managers and sector experts.

The programme elements are:

- Export audit and distance (guidance) coaching
- EXPRO
- EMP
- Group training in target country
- Trade fairs and visits to leading buyers
- Support in certification

In the survey, respondents were asked to rate programme elements they experience 'not important' to 'very important'. The results are shown in Figure 19. The number of observations varies per activity because programmes are adjusted to the companies' needs and not every respondent personally attended each activity.

Audit

Sector experts visit companies several times (before and during the programme). Participating companies are subjected to an export audit. The export audit covers aspects of export marketing such as (amongst others):

- Product characteristics
- Pricing
- Sales promotion
- Market orientation
- Finance

During the audit the sector expert grades each aspect in the audit between 1 and 4 (where 4 is highest). A grade of 2 is deemed sufficient. On the basis of the export audit areas of improvement can be identified. The first export audit takes place in the selection phase of the ECPs. Sector experts visit a selection of promising candidates for the programme and conduct an audit. The duration of the audit differs per company and per expert, but it generally takes between half a day and a full day. The companies which are selected for the programme are revisited during the programme to see if they made any progress in the areas the expert marked for improvement. One of the sector experts noted that it was good to provide companies with a summary of most important points next to the results of the audit. Where there are local consultants, they are also present for the export audit. In interviews with sector experts it appeared that it was beneficial to have a local consultant with good knowledge of the relevant sectors.

In the survey respondents were asked for the importance of personal visits from the sector expert. All but one respondents stated that personal visits were either very important (21) or somewhat important (7).

EXPRO

The Export Marketing Seminar (EXPRO) is a one week course in the Netherlands (or sometimes in the target countries) where company representatives learn more about export marketing, European culture, product (quality) requirements and market developments. 22 survey respondents state that the EXPRO course is very important, 2 respondents think the course is somewhat important and 1 respondent thinks the course is not important.

Sector experts were generally positive about EXPRO course:

- Sector experts think the level of the EXPRO course is quite high.
- For many participants the course is their first trip to Europe.
- During the EXPRO course some participants struggle with the level of English. This is a barrier for understanding the content.

- One sector expert noted that the course was quite theoretical and could contain some more practical examples.
- It is good to involve more than one person per company, to increase sustainability.

Export marketing plan

During the EXPRO, companies start writing an Export Marketing Plan, which forms an important guideline for the companies export practice during and after the ECP. In the EMP the company's export strategy is outlined. Most companies find the EMP either very important (18) or somewhat important (13) (see Figure 19). The share of companies which find the EMP somewhat important (as opposed to very important) is relatively high compared to other programme elements (somewhat important = 13 respondents, very important = 18 respondents).

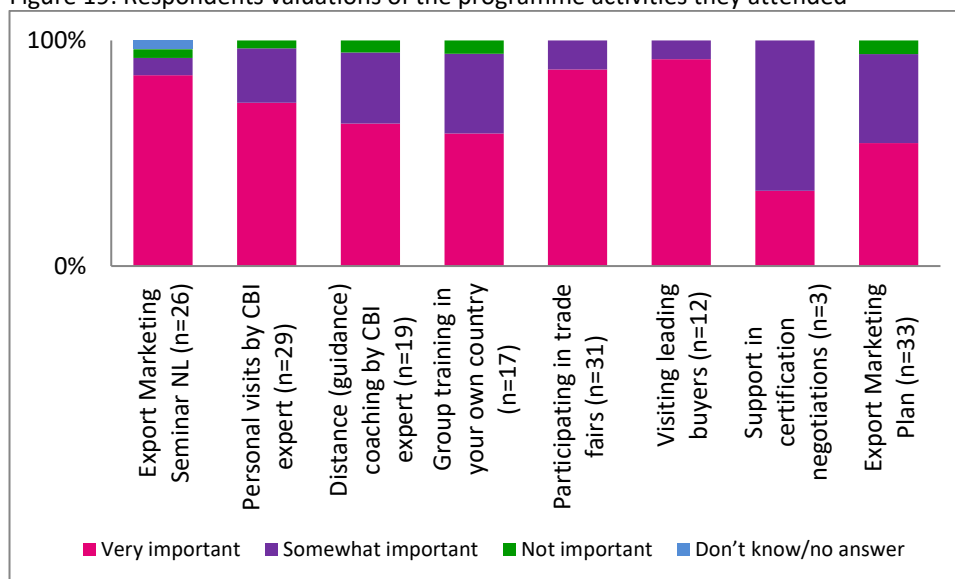
The sector experts note that the EMP forces companies to think about their company's export marketing in a structured manner. This is already a result, whether or not a company actively uses the plan or not as the EMP touches upon subjects about which many participants have not previously devoted much thought.

Visiting trade fairs

When the companies have developed their product quality and production process sufficiently to meet European demand, they enter the Market Entry phase. In this phase participants will get into (personal) contact with potential buyers by participating in specialised Trade Fairs. Occasionally participants visit leading importers as a result of the contacts they make during a trade fair. Attending fairs and meeting with potential importers provide the companies with market experience and valuable contacts. According to the survey results, the trade fairs are considered to be the most important programme element. In total 27 respondents rate the activity as very important. Four companies think trade fairs are somewhat important. No companies think visiting trade fairs are not important. Many respondents also experience the lack of business contacts as an important barrier to export (see Figure 13).

According to the experts companies, would have liked to be able to visit more trade fairs. This is supported by various suggestions for programme improvements from respondents in the survey.

Figure 19: Respondents valuations of the programme activities they attended



Source: survey

Role sector expert

The sector expert plays an important role during the ECP.

- He/she visits the companies in person (for instance to perform audits) and provides support through email, Skype and phone.
- The sector expert can also provide support in negotiations with certification bodies.
- Sector expert support companies during trade fairs. Sector experts note that support during trade fairs is essential for some companies, because they have little experience with such events.

The sectors expert provides participants with company-specific advice. They bridge the gap between the standardized format of the ECP activities and the individual needs of the participants.

Coherence of the ECP components

In the opinion of the experts the programme components were sufficiently coherent. The individual programme elements covered all necessary factors to support companies in exporting to Europe.

Participant suggestions for programme improvements

Respondents were asked if they had any suggestions for improving the ECP. Their suggestions are grouped and depicted in Table 13. A large part of the suggestions concern the connection with importers either through direct connection on trade fairs, company visits in Europe, internships or importer delegations to beneficiary

companies. Three companies indicated that they would like to receive more feedback on their pricing strategies. For future development the companies would like to stay connected to CBI.

Table 13: Suggestions for improvements of the ECP (n=33)

Programme

Less focus on theory, more on connecting buyers and sellers
Visit comparable European factories to understand their work process
Improve infrastructure training classes
More domain specialist for training
More countries
Continue ECP in India

Expert

More technical visits/interaction with the expert
More specialised coaches

Trade Fairs

More trade fairs
More specialised fairs (e.g. Coil Winding Fair)
Arrange B2B meetings in trade fairs and exhibitions

Importers

Directly connect exporters and potential buyers
More visits to potential markets/ importers/ factories
Internship with European client
Business delegations from importers visiting the companies

Information

Information/feedback on product pricing
Legal consulting/aid
Greater knowledge of buyers expectations: costs, response time, logistics etc.

Future

Stay in touch
Keep old members involved
Support in organising business forums/linkage events
Local representative (S-A) for support and network
Membership of local professional bodies (embassy business network)

5.3.3 Attribution according to survey participants

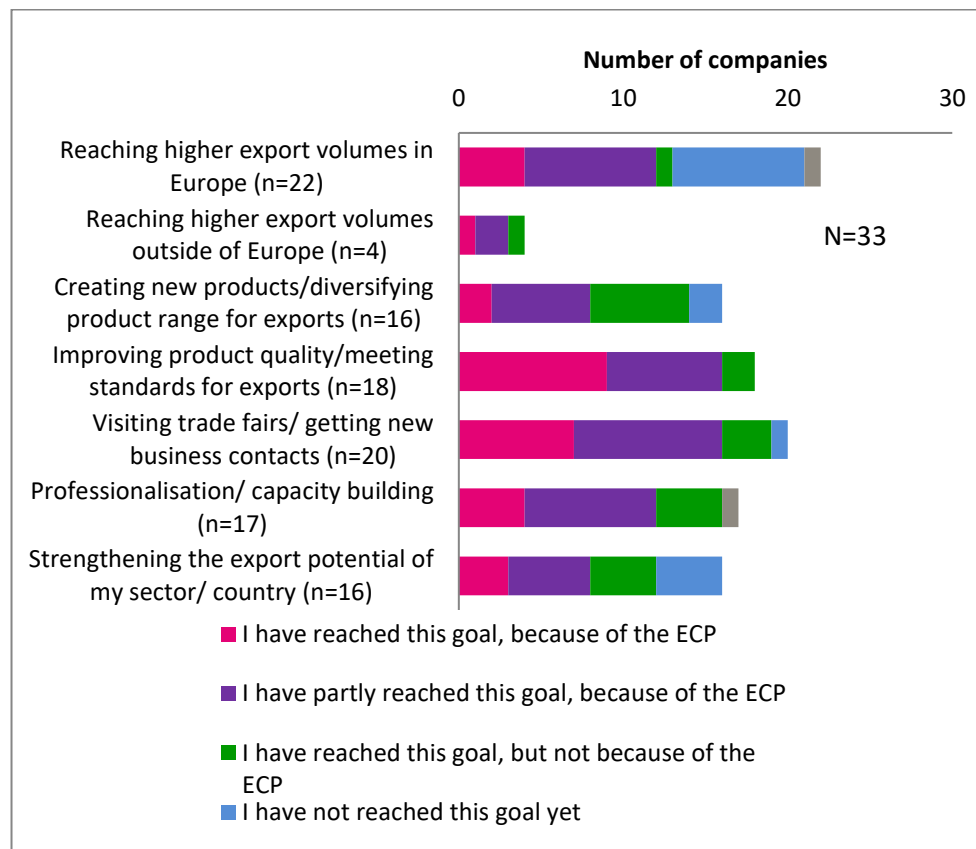
The survey included a number of questions asking respondents to what extent their export performance is due to CBI. The first question asked participants to what extent they thought the separate activities of the ECPs contributed to export performance (see section above). If none of the elements were considered to contribute, we may assume that the ECPs had no (perceivable) impact on the export performance. Alternatively, if certain elements did make a contribution, a contribution of the programme to export performance is possible. This question also gave the opportunity to discover what aspects of the programme contributed most, at least in the eyes of participants. The second question asked participants what (export related) goals they had at the start of the programme

and whether the programme helped them reach these goals. The third question asked directly whether participants, if they had experienced export growth since the start of their ECP, thought this growth would have been achieved without the ECP.

Attribution reaching goals

The respondents were asked to what extent they reached the goals they had set at the start of the ECP and to what extent this can be attributed to the ECP. Figure 20 below shows the results. 12 respondents stated that the ECP has helped them (partly) reach their goal of higher export volumes to Europe. At the same time over one third of respondents state that they had not managed to reach this goal yet. This is consistent with the number of companies which have not exported to Europe both during the programme (monitoring data) and after (survey data). The ECP played an important role in improving product quality, professionalisation of the participating companies, and visiting trade fairs and, but its role was smaller in the design of new products for export and strengthening the sector/countries for export.

Figure 20: Role of ECP in reaching articulated goals

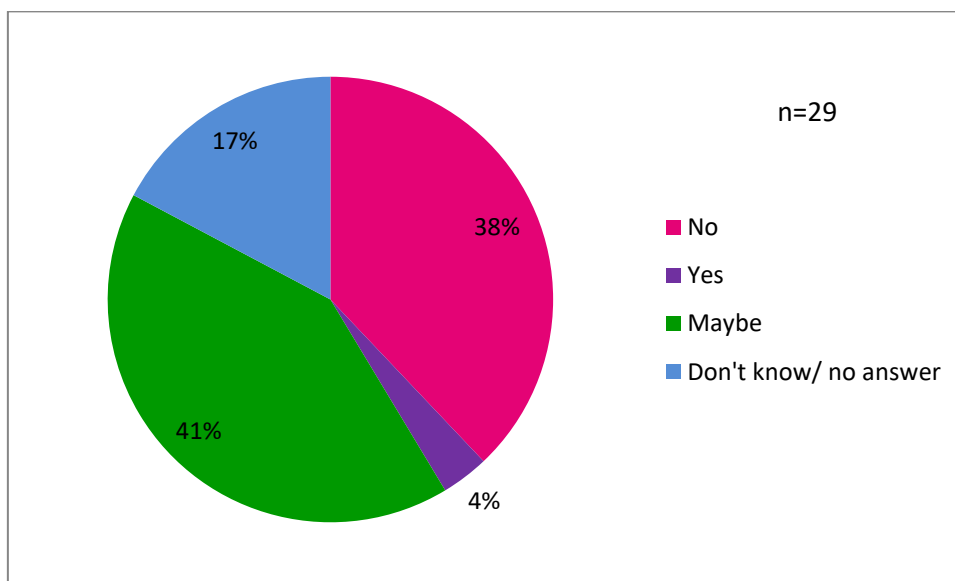


Source: Survey

Attribution export performance

Respondents were also asked to what extent they believe their export performance was as result of the ECP. Results are shown in Figure 21. 38% of respondents indicate that they would not have realized the same export growth without the ECP. 41% of respondents indicate they would maybe have reached the same results and 4% thinks they would have achieved the same results regardless of the ECP.

Figure 21: Would you have realised the same export growth without the ECP?



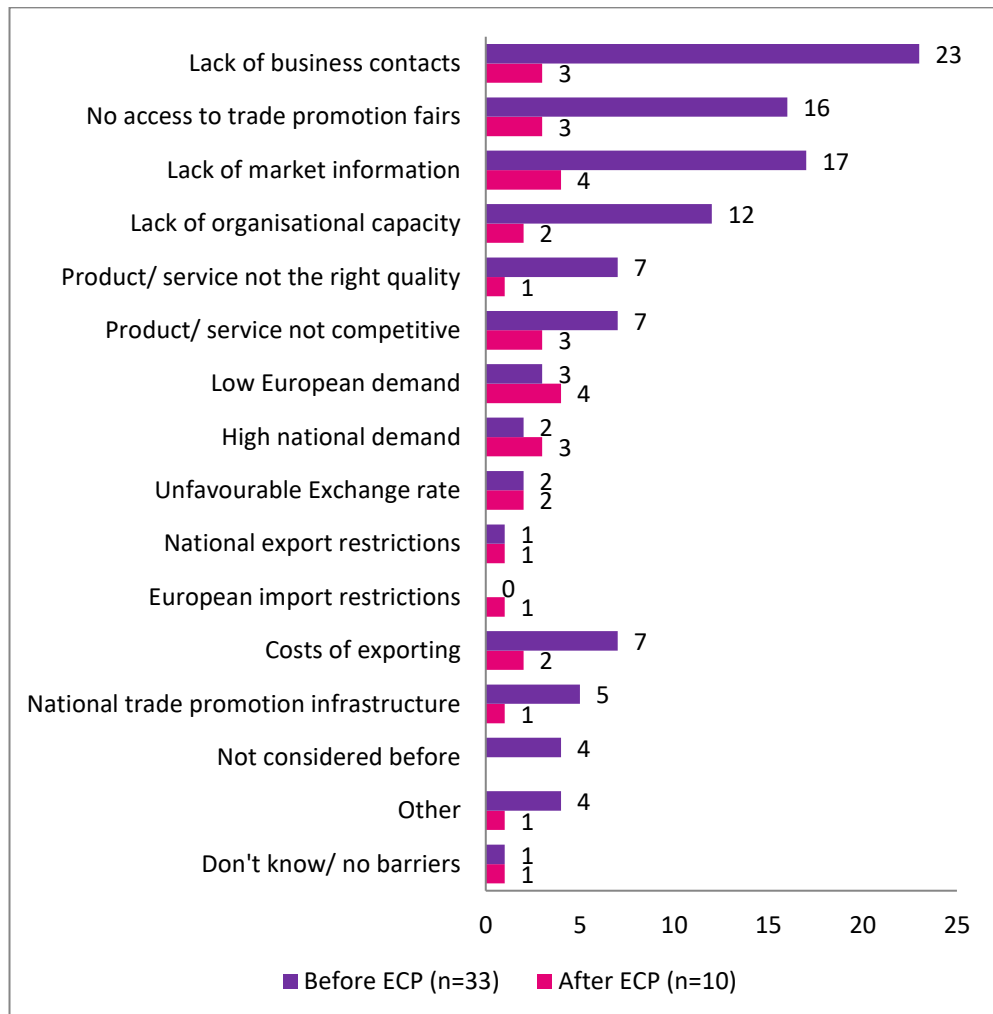
5.3.4 Resolving barriers to EU export

Respondents were asked what the most important barriers for entry to the European market were before the ECP (see Figure 13 in the previous section). They were also asked about current export barriers they face. Figure 22 compares the prevalence of each export barrier before and after the ECP. Only companies who did not increase export were asked to answer the question regarding export after the EC, which is why the total number of respondents on on this question is lower (10). The most important reasons for diminished export are: lack of market information, low European demand (4), lack of business contacts (3), no access to trade fairs (3) and high national demand (3).

- Interesting is the small increase in 'high national demand'. According to the experts, success on the local market was for some companies a reason to quit the programme and focus on the national market.

- One of the respondents indicates that they are still negotiating with potential buyers and that they expect the deals to be finalized in 2015-2016. sector experts state that results may be achieved after the programme as the programme is too short for some companies to achieve results within the programme duration.

Figure 22: Most important reasons for not exporting (more) before and after the ECP



Source: survey

5.3.5 Conclusion

- Both experts and survey respondents indicate that the different elements of the ECPs are important.
- The number of survey respondents who exported to Europe nearly doubled from 12 to 23. Respondents exported to more countries within the EU. The largest increase was in Germany (4 to 12)

- Average export from survey respondents increased. However there were differences between ECPs. Companies in ECP 1053 did not realize much export, whereas export increased markedly in ECP 1054.
- Using the application forms to estimate average export increase to Europe leads to very different results. In 2 out of 5 ECPs average European exports decreased.
- On the basis of available data it is not possible to exactly determine additionally of the ECP programme, with regards to export growth. In order to do so export performance of beneficiaries would have to be compared to a valid control group. However respondents were asked to what extent they reached their goals because of the ECPs. In many cases respondents indicated they (partly) reached their goals because of the ECP. 38% of respondents indicate they would not have reached the same export performance without the ECP.

5.4 Efficiency

CBI defines efficiency as: ‘the fact that the results were obtained at reasonable costs i.e. how well mean and activities were converted into results and the quality of the results achieved’.

- Cost-benefit analysis of the programme?
- Essential and less essential modules of the programme?

5.4.1 Cost per delivered company

In Table 14 total costs and average costs per delivered company are shown. Chapter 3 already showed that four out of five programmes went over budget, for various reasons. The same is true for the target for average costs (per delivered company).

Table 14: budgetted and achieved costs

ECP	Cost according to Budget	Actual costs	Cost according to Budget (average)	Actual costs (average)
1045	€ 1.993.127	€ 2.529.718	€ 66.438	€ 74.403
1051	€ 1.990.000	€ 2.097.977	€ 66.333	€ 59.942
1053	€ 1.993.194	€ 1.951.665	€ 66.440	€ 78.067
1054	€ 2.324.871	€ 2.687.635	€ 66.425	€ 89.588
1055	€ 1.993.194	€ 2.536.724	€ 66.440	€ 74.610

The costs of the programme are clear; however the benefits are not as clear-cut. Earlier we showed that the change in average exports before and after the ECP can be derived from the survey results. Table 15 sets the increase in average exports to the EU against average costs. When using the survey data average export increase after the ECP was higher than the average cost of the programme for three out of five ECPs. When using the data from the application forms costs were higher than the average export increase in all cases. These results should be interpreted carefully. On the one hand the export increase attributable to the programme could be lower. On the other hand we have no insights into the export performance of companies in the ECP compared to similar companies which were not included in the programme.

Table 15: Average cost and increase average export

ECP	Total average cost	Average export increase (2007 vs 2014) from the survey	Average export increase from the (2007 vs 2013) from the OVI-data and application forms
1045	€ 74.403	€ 169.217	€ 7.636
1051	€ 59.942	€ 43.750	€ 1.184
1053	€ 78.067	€ 1.905	-€ 250.016
1054	€ 89.588	€ 685.618	-€ 107.010
1055	€ 74.610	€ 106.387	€ 25.017
Total	€ 74.707	€ 185.958	-€ 49.479

5.4.2 Essential and less essential modules

- Sector experts were positive about the different programme elements. In their view different modules offered a coherent package.
- The previous section showed that survey respondents valued each programme element quite high. Programme elements which were valued highest were: visiting trade fairs, EXPRO and visiting leading buyers. In the open questions (about programme improvements) common suggestions are; more trade fairs, more B2B activities and more visits from experts.

5.4.3 Selected companies vs competent companies

At the start of the ECP more companies are selected than eventually finish the programme. Table 16 shows the percentage of selected companies which complete the programme per ECP and per country. The ECP with the highest completion rate is 1053 (51%). The ECP with the lowest completion rate is 1054 (33%). The completion rate also differs considerably per country. In Bosnia 8 companies were selected, but none of them completed the programmes. In India 186 companies were selected and 52% of them completed the programmes. The highest completion rate was in Bangladesh (11 selected, 64% completed).

Table 16: Total number of selected companies per country and ECP percentage that finished the programme

	1045	1051	1053	1054	1055	Total
Armenia	-	11 (27%)	-	-	-	11 (27%)
Bangladesh	-	11 (64%)	-	-	-	11 (64%)
Bosnia and Herzegovina	-	-	-	5 (0%)	3 (0%)	8 (0%)
Colombia	-	10 (50%)	4 (50%)	8 (38%)	-	22 (45%)
India	73 (47%)	-	21 (67%)	28 (61%)	64 (50%)	186 (52%)
Macedonia	-	-	1 (0%)	-	-	1 (0%)

Pakistan	-	-	2 (0%)	11 (45%)	2 (50%)	15 (40%)
Philippines	-	9 (67%)	3 (67%)	12 (17%)	4 (0%)	28 (36%)
South Africa	-	-	3 (0%)	10 (10%)	1 (100%)	14 (14%)
Sri Lanka	-	10 (50%)	5 (20%)	4 (0%)	-	19 (32%)
Thailand	-	8 (63%)	-	-	-	8 (63%)
Tunisia	-	-	7 (57%)	1 (0%)	-	8 (50%)
Viet Nam	-	10 (30%)	3 (67%)	7 (0%)	-	20 (25%)
Total	73 (47%)	69 (49%)	49 (51%)	86 (33%)	74 (46%)	351 (44%)

5.5 Impact

Impact is defined by CBI as the 'wider effects of the project – social, economic, technical, environmental – on individuals, gender- and age-groups, communities and institutions'

- Other (secondary) effects for the companies participating in the ECP deriving from the intervention?
- Changes in employment rates and types (within the company or elsewhere in the value chain)?

Considering data restrictions we will analyse only a few wider effects: the effect on employment within the companies and the extent to which export barriers are addressed.

5.5.1 Employment increase

Average employment increase total

Table 17 demonstrates the development in the total and average number of employees for all survey respondents combined. The ECPs are associated with an increase in the average number of employees of 40 %.

Table 17: average number of employees (fulltime + parttime) before and after the ECPs and increase (n=33)

	Before ECP	After ECP	Increase
Average nr of employees per company	118	165	47

Source: survey

Average employment increase per ECP

Zooming into the individual ECPs (see Figure 23) we see that the average employment increase differs per ECP, ranging between 12-60 %. 70 % of companies (23) report a higher number of employees (fulltime and part-time) after the ECP than before the ECP. Companies in the automotive sector (1053) show the highest average number of employees before the start of the ECP and the highest increase, although a large part can be explained by just one firm¹⁴. The large increase in number of employees is interesting, considering the fact that these companies showed only marginal or no increase in export.

¹⁴ Compared to the OVI-data employment in the sample is much higher for ECP 1053

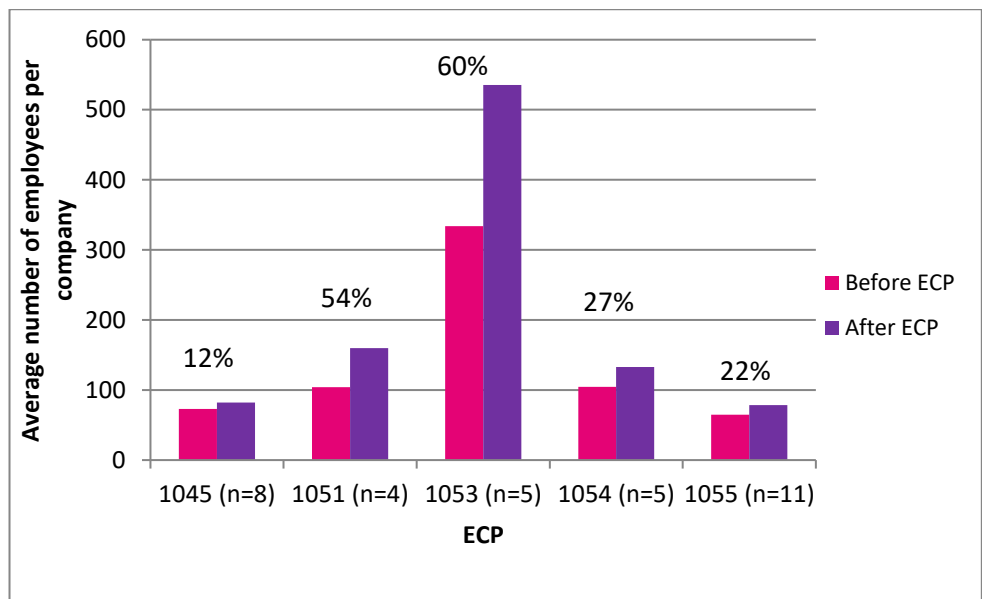
Sectors experts warn that employment increase is not the best indicator for impact for every company. Sometimes declining employment indicates company's production process is more efficient.

An important factor for the CBI ToC is the correlation between export increase and employment increase (see Box 8).

Box 8: correlation export increase and employment increase

Caveat: On the whole the correlation between export increase and employment increase is relatively low. For the survey sample the correlation coefficient equals 5%. This suggests that companies perform well on local markets. The link between export growth and employment growth is central to CBI's theory of change. More structured research is needed to find out what the link between the two is.

Figure 23: Average number of employees (fulltime + parttime) per company before and after each ECP and %-increase



Source: survey

5.5.2 Broader impact ECP

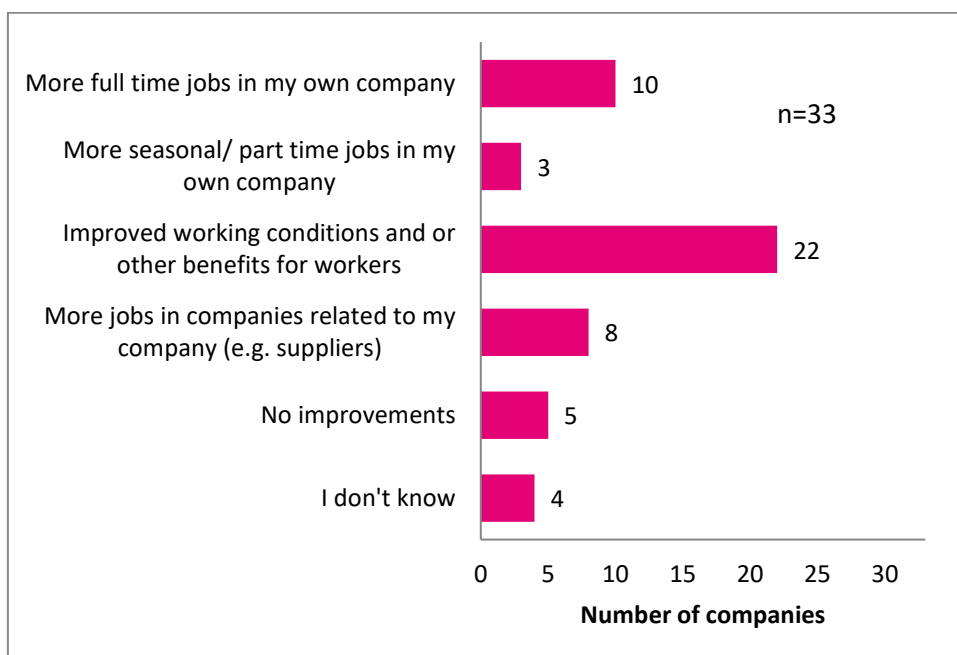
The survey respondents were asked to what extent the ECP had effects on employment. The results are shown in Figure 24. Only 36% of respondents (12) reported an increase in fulltime or part time employment or both. While the results above show that in 70 % of companies (23) the total number of employees the respondents report before and after the ECP do increase. This may mean that

the part of this increase is not attributable to the programme. Also the correlation between export increase and job increase is very low (see Box 8)

With regards to wider social employment effects: 67% of companies (22) report improvements in social conditions and other benefits for workers. Part of the effect spreads to other companies as 24% (8) report additional jobs in related companies.

Experts additionally report that some companies have increased investments in the training of employees.

Figure 24: employment effects (multiple answers per respondent possible)

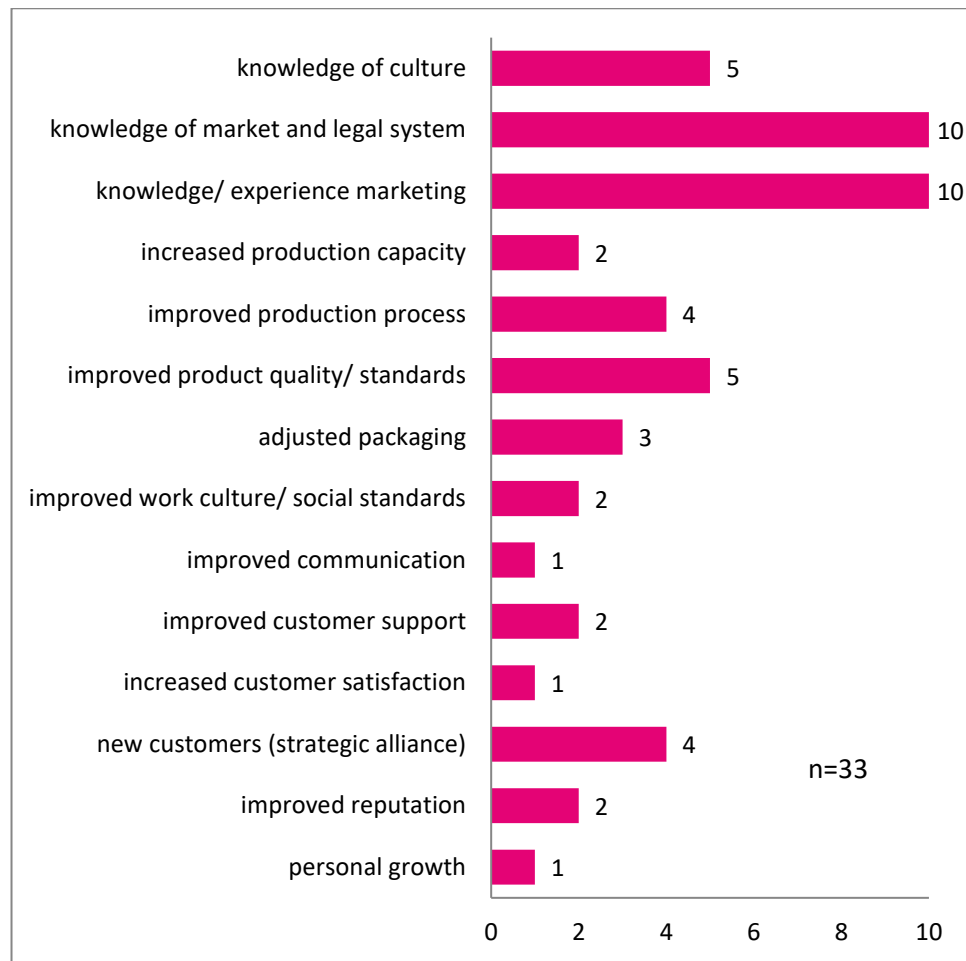


Source: survey

5.5.3 Other benefits

In an open question respondents were asked if they experienced any benefits from the ECP other than export and employment growth. Figure 25 lists their responses. Broadly, improvements in market knowledge, marketing experience, production, social standards, and customer satisfaction are named as well as an expansion in the number of customers and the reputation of their company.

Figure 25: Reported benefits from the ECP other than export and employment growth



Source: survey

5.5.4 Conclusions

- 70% of survey respondents experience an increase in employment.
- The increase in employment differs per ECP ranging between 12-60%.
- On average the number of employees is increased by 40%. However the correlation between export performance and employment increase is very low. Furthermore just one third of respondents reported more full time jobs in the company because of the ECP. Further research is needed to look at the link between export performance of CBI beneficiaries and employment growth in a more structured manner.
- Broader employment effects are improvements in social conditions and other benefits for workers and additional jobs in related companies.
- Other benefits from the ECP that respondents report are: improvements in market knowledge, marketing experience, production, social standards and

customer satisfaction, expansion in the number of customers and the reputation of their company.

5.6 Sustainability

CBI defines sustainability as: ‘the probability of continued long-term benefits’. In order to reach sustainable economic development CBI focusses on strengthening the competitive capacity of companies and assists them to become competent exporters to the European market. The sustainability of the programme is dependent on its ability to strengthen the internal conditions of the companies: export marketing, knowledge and skills and network.

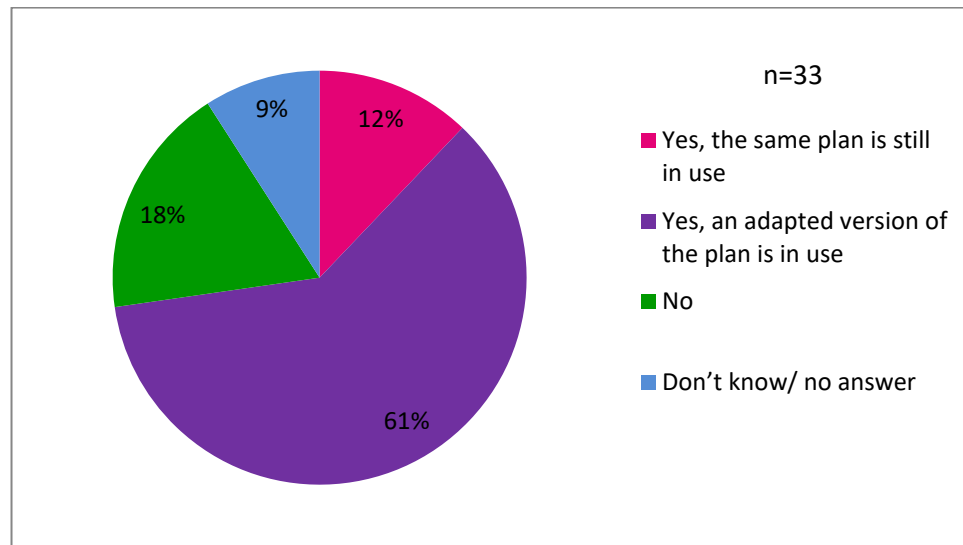
- Likelihood of continued export by competent companies?
- External factors (eg. political and economic context) which have influenced companies’ ability to export to the European market?

5.6.1 Export Marketing Plan

An important aspect of the ECPs is the Export Marketing Plan (EMP). During the EXPRO Seminars companies start writing their EMP. Moreover, they are actively encouraged to use the plan during and after the ECP and adjust it to changes in the market and the company. Figure 26 shows whether respondents still use (an adapted version of) the EMP. 73 % of respondents (24) report they still use the original EMP or an adapted version, 21% (6) did not use the EMP and 9% (3) did not know. While the majority still use the EMP this differs per sector ranging from 50% of companies in ITO services to 100 % of companies in automotive parts.

Based on follow-up after the programme some sector experts confirm that the EMP is still in use in some companies. Other sector experts expressed doubts about the degree to which companies use the EMP. Regardless, most experts believe that - whether or not the companies use the EMP - the fact that companies make the plan has an impact on their export marketing knowledge, because it forces them to think about their company’s export marketing in a structured manner.

Figure 26: Use of EMP after ECP



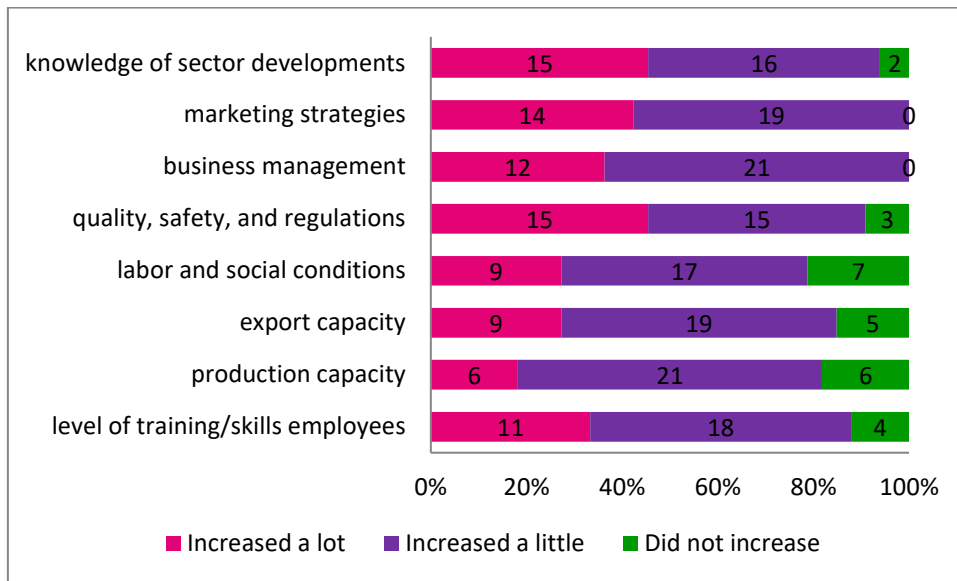
Source: survey

5.6.2 Knowledge and skills

The survey respondents were asked whether their skills and capacity increased as a result of the ECP. All respondents (33) reported increased skills in marketing strategies and business management. 93% (31) reported an increase in their knowledge of developments and trends in their market sector and 91% (30) in knowledge of quality safety and regulations– 21 % 7 companies (21%) did not experience any increase in quality, safety and regulations skills.

For sustainability it is important that knowledge and skills obtained through the programme are spread throughout the companies. 88 % of survey respondents (29) report that the level of training and skills of their employees increased as a result of the ECP. Sector experts confirm that in some companies knowledge is spread and export teams are put in place. However, the lack of the spread of knowledge within the companies is seen by sector experts and programme managers as a major obstacle to achieving sustainable results. Sector experts noted that cultural factors play a role. In some countries company directors are hesitant to spread the knowledge gained in the ECP amongst staff. Sector experts try to involve more than one person in the ECP. One of the main reasons why companies drop out of the programme is that the contact person dies, gets another job or retires without leaving a replacement for the ECP.

Figure 27: Increase in skills as a result of the ECP (n=33)

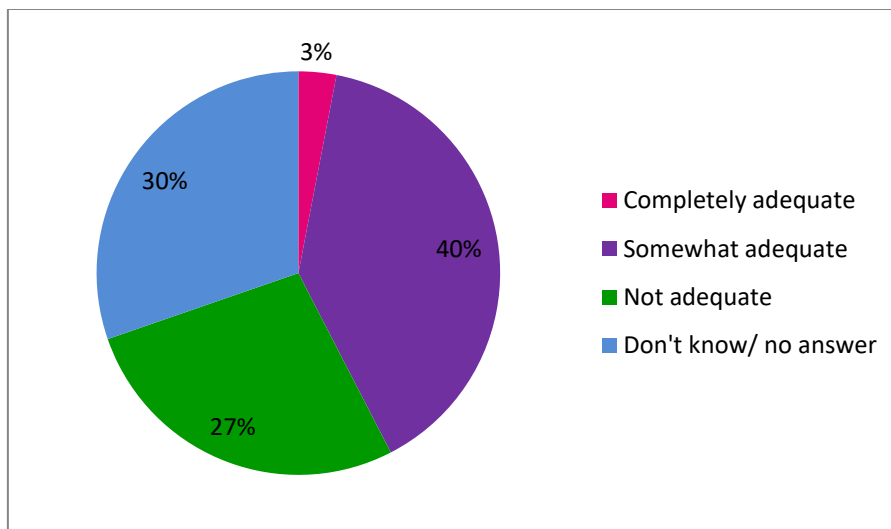


Source: survey

5.6.3 Network of importers

Respondents were asked whether they consider their current network adequate - in terms of size and quality – as a result of the ECP (see Figure 28). 43 % of respondents (14) consider their network as completely or somewhat adequate and; 27 % (9) as not adequate; and 30 % (10) don't know.

Figure 28: Valuation of current network of importers as a result of ECP



Source: survey

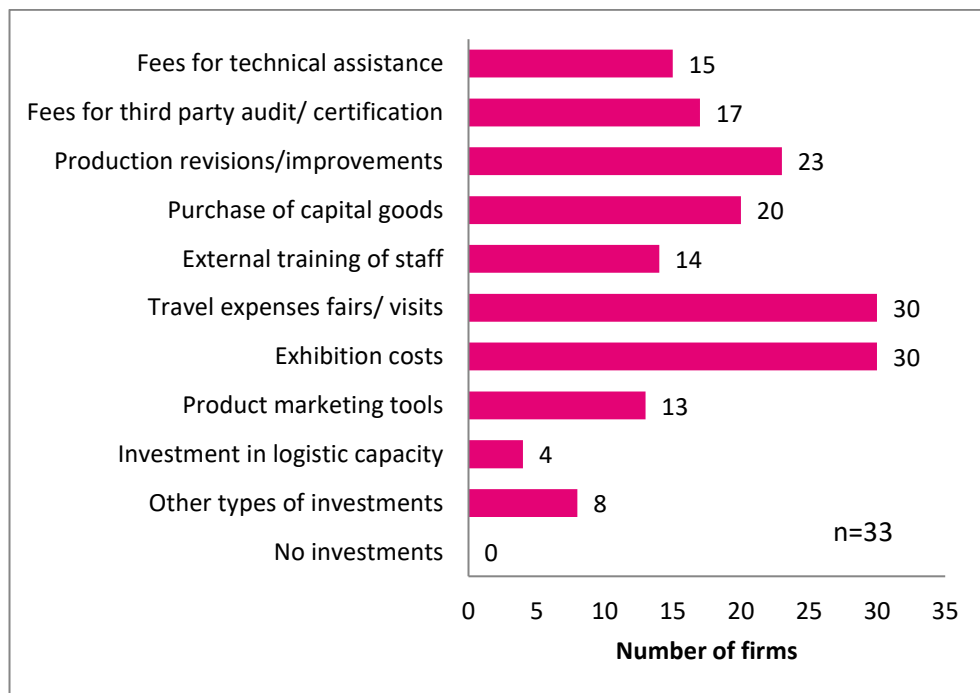
5.6.4 Investments

Whether participation in the programme translates into sustainable export development is partly dependent on factors such as commitment and willingness to invest in export. Figure 29 below displays the investments in export capacity the companies made during the ECP. All respondents report that their company has done at least one type of investment in export capacity. 91 % (30) invested in exhibition costs and travel expenses for the trade fairs. Over half of respondents also invested in production process improvements, certification or the purchase of capital goods.

The responses differ per ECP. The percentage of companies investing in external training of staff was largest in the automotive parts sector. This matches the large increase in employees companies in this ECP reported. 80% of companies in subcontracting invested in fees for auditing/certification, while none of the companies in ITO services did.

According to the sector experts some companies still invest in trade fair visits after the programme. Some Indian companies even started their own pavilion.

Figure 29: Kind of investments in export capacity made during the ECP



Source: survey

5.6.5 External effects

Programme experts listed several external factors that may have influenced the impact of the programme:

- Economic crisis: In some sectors - e.g. subcontracting - the economic crisis negative influenced export possibilities. In other sector the crisis actually led to an increase in demand as European companies were searched for cheaper outsourcing possibilities.
- Changes in exchange rates and prices;
- Increased demand in development countries: In the Electronic components & systems sector some companies experienced an increase in local demand which diverted their attention from exporting;
- Changes in local circumstances and regulations: experts report problems with power outages in India and changes in local energy efficiency standards.

5.6.6 Conclusions

- 73 % of companies still use the Export Marketing Plan
- Most companies report increases in knowledge and skills in business management, marketing strategies, sector developments and quality, safety and regulations, but less on labour and social conditions.
- Just 43 % of companies consider their current network of importers as (somewhat) adequate for export.

6 Conclusion and summary

6.1 Targets and results (OVI-data)

- The ECPs were mostly implemented as planned. ECP 1045 was only implemented in India due to restraints in time and staff. Sectors experts noted that this was not a problem as the sector was relevant to the Indian situation. In ECP 1053 one of the sector experts was fired. The caseload of this expert was taken over by the two remaining experts without any trouble.
- All ECPs except for one (1053) turned out more expensive than the target. Reasons include; higher consulting costs, more visits to trade fairs and more delivered companies. Results with regard to output and impact indicators were mixed (see Table 18). The target for the number of competent companies was reached in 3 out of 5 ECPs (1045, 1051 and 1055). With regard to export and employment there is a lot of variation between companies within the ECPs. The share of companies not exporting to Europe after finishing the ECP programme ranges from 20% in 1045 and 1055 to 43% in 1054. The number of companies for which employment does not change, or decreases, ranges from 10% for 1054 to 56% for 1053.
- It is not possible to assess the quality of the monitoring data collected by CBI. Data are based on self-reporting. It is not always clear whether all companies delivered all data. For ECP 1051 employment data was missing for a number of companies. It would be good to collect revenue-data, as now it is impossible to interpret the reported exports (is it additional revenue?).

Table 18: Summary targets ECPs

target	1045	1051	1053	1054	1055
Number of delivered companies	+	+	-	-	+
Total costs	-	-	+	-	-
Average costs	-	+	-	-	-
Additional jobs	+	+	+	+	+
Companies exporting to Europe	-	-	-	-	+
EMP	+	+	+	+	+
At least 2 out of 4 in EA	+	+	+	+	+
Leads to EU	+	+	+	+	+

6.2 Programme design

6.2.1 Barriers to export

- The companies' barriers to export before the ECP as identified by the respondents and the sector experts were in line with the focus of the programme.
- In general, sector experts focus more on barriers relating to products and the production process, whereas companies focus more on barriers relating to market access and market information.

6.2.2 Selection of countries and sectors

- The ECPs offer a relatively standard approach per sector and country. The sector expert bridges the gap between the standard programme elements and local barriers to export. During the design of the ECPs local needs and priorities do not figure prominently. The most important factor for the sector choice is the European demand from the developing countries. The ECPs were started in those sectors where demand from developing countries is growing. For the choice of countries the most important factor is the number of potential companies. If a sector is not developed enough in a country, the ECPs can contribute little to export capacity.

6.2.3 Company selection

- Company selection is very important for the success of the programme, in terms of development outcomes. Selected companies should not have too much export experience (in which case the programme would have no added value, but they should not be too small/inexperienced either (in which case they cannot export effectively). CBI strives for a healthy mix of companies. Usually, one or two more experienced companies are selected to serve as an example for other participants. Sector experts give mixed responses to the effectiveness of this strategy. Some experts thought there was no large 'example effect', whilst others pointed at company interaction during the EXPRO and at trade fairs as positive examples.
- CBI has several selection criteria for potential companies. Sometimes these criteria are used with some flexibility, in particular the size criterion (25-500 employees). In some ECPs companies with 25 employees were considered too small to export effectively. In the case of ECP 1051 (ITO services), companies with fewer than 25 employees were also accepted. In this sector smaller companies are able to export effectively.
- Amongst companies that qualified for the ECPs one of the most important factors which determined whether a company would succeed was their commitment to exporting to Europe. Exporting requires time and money. According to the sector experts many unsuccessful companies were hoping for quick wins. Participants which lack commitment often drop out.

6.3 Export performance and employment

6.3.1 Export performance

- The number of companies in the survey exporting to Europe nearly doubled between the year before the ECP and the year after the ECP (12 to 23). During the ECPs, participating companies exported a total of € 85 million to Europe (from OVI-data). Average exports per competent company range from € 70.852 in ECP 1051 to € 1.2 million in ECP 1054. Of course, not all export can be attributed to the ECP programme.
- We compared average exports before the ECP with average exports after the ECP to see if average exports increased during the programme. This exercise was done using two different data sources (registration forms/OVI-data and survey-data). The results of the two exercises are very different (see Box 9 below). On the basis of the survey, the average exports increase in all programmes. However, using the registration forms, average exports are much lower and even decrease in two out of five ECPs.
- On the basis of available data, it is not possible to exactly determine the additionality of the ECP programme with regards to export growth. In order

to do so, export performance of beneficiaries would have to be compared to a valid control group.

6.3.2 Employment

- The average employment increase for all five ECPs together is 47 employees per company. The increase is not the same for all ECPs. The largest average increase in employment was in ECP 1053 (60%), the lowest in ECP 1045 (12%). There is only a very small correlation between employment increase and export increase (5%). 22 out of 33 respondents from the survey report better working conditions in the company as a result of the ECP.

Box 9: Change in average export

Change average export: survey

For the companies in the online survey, average export to Europe increased in all ECPs. The increase was smallest in ECP 1051 (€ 1905), and largest in ECP 1054 (€ 0,68 million, though the increase due largely to just one company).

Change average export: registration forms and OVI data

The export data from the survey is only available for the survey respondents, a relatively small sample. Export data before the ECP was taken from the registration forms and compared with export from the OVI-sheets, to get the increase in average export for all the companies. This method has two drawbacks: 1) the quality of the data in the registrations forms is quite low (it is often unclear in what year reported export took place) and 2) from the OVI-data we want to know export in the final year of the ECP, however only total export during the programme is reported. To get annual export we divided total export during the programme by the number of years. Using this method, the increase in export is much smaller in all ECPs. In ECP 1053 and ECP 1054 average export decreases by €250 thousand and € 104 thousand, respectively.

6.4 IOB/DAC criteria

- **Relevance:** The ECPs addressed obstacles experienced by participants. During the selection phase company and country specific obstacles did not play a large role in the selection process. The goals of the ECP programme and the goals of participating companies are in line with each other.
Effectiveness: Sector experts and survey respondents rate the individual programme elements positively. In the survey, the number of companies that

exported to Europe nearly doubled from 12 to 23 during the ECP. Moreover, respondents exported to more countries within the EU. The largest increase was in Germany (4 to 12).

With regards to export performance it is outside the scope of this evaluation to assess additionality in a rigorous way. For the survey respondents, average exports increased after the ECP, compared to the year before the ECP. Respondents were asked if they would have had the same export performance without the ECP. 38% of respondents indicated they would not have exported as much. Only 4% indicated that they would have had the same exports. On the basis of the registration forms and monitoring data, the increase in average exports is low (even negative for ECPs 1053 and 1054). Thus, evidence on export effects is mixed. Respondents in the survey do indicate results are (partly) attributed to the ECP.

Impact: In the survey, 70% of respondents experienced an increase in employment, ranging from 12% (in ECP 1045) to 60% (ECP 1053). However, there is little correlation between export growth and employment growth (5%). Broader employment effects are improvements in social conditions and other benefits for workers and additional jobs in related companies.

- **Sustainability:** The assessment of the sustainability of the programme is limited by the short timespan between the programme and the evaluation and the available data. Based on the survey we can assess some relevant aspects of sustainability. One of them is the use of the Export Management Plan, 73% of companies still use the EMP after the ECP. Moreover, most companies report increases in knowledge and skills in business management, marketing strategies, sector developments and quality, safety and regulations, but less on labour and social conditions. But, only 43 % of companies consider their current network of importers as (somewhat) adequate for export.

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