

StartEast and StartSouth Programmes

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Sida Evaluation 06/15

**Department for Infrastructure
and Economic Cooperation**

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Foreword

To Sida/INEC

We are pleased to present the results from our evaluation of the StartEast- and StartSouth Programmes 1998–2004. The Report is structured as follows:

- Purpose of the evaluation.
- Conceptual framework and policies.
- Empirical findings, analysis and comments according to the Terms of Reference.
- Conclusions and recommendations.

We would like to thank the representatives of the participating Swedish and foreign companies, the Embassies, Sida, NUTEK and ALMI for their cooperation, willingness to help and their commitment.

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Evaluation Abstract

Sweden's Policy for Global Development emphasizes on broadened cooperation with developing countries. The Swedish government has asked Sida to assess the various instruments available. Sida's Department for Infrastructure and Economic Cooperation (INEC) commissioned BDO Consulting Group Stockholm AB to evaluate the StartEast and StartSouth Programmes.

Purpose and Approach

The Evaluation should assess (i) whether the Start Programmes have accomplished their stated goals and objectives, (ii) to what extent the Programmes are in line with Sida's new Policy Guidelines on Private Sector Development, and (iii) provide a basis for Sida's assessment of the possible extension of the Programmes beyond 2005. The Evaluation comprised a Desk study, a Questionnaire Survey and Site visits.

The first intended population had over 250 projects stretching back longer, but for practical reasons it was reduced to 130 projects completed in 1998–2004. This population involved 260 partner companies in Sweden and the host countries. Participants of 28 projects proved impossible to trace or contact, reducing the sample to 102 projects.

The sample had 204 partner companies, i.e. two alliance partners for each of the 102 projects. 30 alliance companies in the "host" developing countries were selected for site visits. In addition, 190 Swedish and foreign partner companies were sent questionnaires, of which 109 companies returned completed questionnaires.

The rather low overall response frequency to the Questionnaires, and the practical difficulties to trace participants in projects approved before 1998 obviously present a material risk of bias in the Evaluation. The assessment based on reported or deducted reasons for non-participation in the Study is that this bias to a large extent represents cases of failure. For this reason, conclusions from the material should be drawn with a substantial measure of caution.

Summary of Findings from Questionnaire Responses and Site Visits

In the opinion of the respondents, the Programmes meet the needs of their companies. Few obvious flaws are reported. The objectives have been met according to the respondents, and the Programmes were deemed to have made substantial contributions to the achievements of the companies. The aggregate questionnaire returns suggest that the Programmes contributed to increased employment and turnover. The causes and effects are not clear, however, and the reported increase is mainly in a few bigger partner companies.

One third of the respondents report that they maintain continuous business relations with their counterparts and that this would have been unlikely without support from Sida. One third also considers that the Programmes increased business opportunities indirectly for third party firms as suppliers etc.

A clear majority of respondents report that the long term effect of the Programmes on their companies' opportunities is significant or valuable. About 15 per cent of the Swedish companies and 50 per cent of their local counterparts regard the Programmes' help to profitable growth in their companies as clear. Their views seem not to be as clear regarding the relevance to improvements in five years time.

Some of the projects have, according to our findings, led to more efficient markets. Internationalisation was fostered when Swedish partners outsourced production to the Baltic countries, and also in some cases to more remote countries like Sri Lanka. The Evaluation did, however, not identify any cases where the Programmes supported privatisation.

As indicated above, the Programmes may have contributed to growth and employment in several of the local participating companies. In general, it seems that the direct influence on poverty reduction is limited, though. The project businesses were generally not in economically depressed geographic areas or of the kind that would employ large numbers of unskilled labour.

The Questionnaire returns indicate that the share of women employed by the participating companies increased in about half of the reported cases. However, of those that report an increased share of female employees, only about 15 per cent are of the opinion that the Programmes contributed to this development.

According to the responses from about one third of the participating companies, environmental and health and safety concerns have formed part of the Programmes to a notable extent. The same share of respondents say that such concerns have been included to some extent, and the remaining ca. one third of respondents consider that gender effects were marginal or negligible. The AIDS factor did not emerge as significant in any of the Questionnaire returns or site reviews. Nor did corruption as any issue addressed specifically in the Programmes. The Evaluators conclude that it is difficult to design “seed” programmes for private SME business collaborations with the specific aim of influencing the latter kind of factors.

The site visit findings are in line with the Questionnaire returns. The 30 visited cases highlighted sustainability, design and handling issues: the support to training and enduring efforts by the partners helped improve the business survival prospects. Small owner-managed Swedish business partners with less than five employees could, however, see increased sustainability risks. So could insufficiently informed approval analysis of market prospects.

No significant business sector or geographic differences stood out. The exception is Africa with clearly lower success rates on average.

Compliance with the new Guidelines on Private Sector Development, PSD

The new PSD principles have justifiably influenced a change of Sida’s private sector development collaboration. This change has been away from direct enterprise interventions towards others with a focus on wider know how, institution building and generally improved business environments. Neither PSD nor the Policy for Global Development did, however, influence the designs of the Start Programmes that originate in essence from earlier years.

The Start Programmes would fit into the new conceptual framework for PSD only if they have significant external impact beyond the supported businesses. It may be argued that successful private SME business alliances can demonstrate entrepreneurship etc. and have various spread effects. The Start projects are, however, generally quite small and scattered. In addition, the “seed” character of the Programmes makes for modest overall sustainability. As a result, the projects would expectedly have limited prospects for broader private sector development impact beyond the local collaboration enterprises. It is therefore not surprising that the Evaluation concludes that impact beyond the projects appears insignificant. The Programmes did not have their prime merits in know-how transfer beyond the firm or replicable demonstration, or in setting of Governance or environmental standards. Neither does the Evaluation find that the SME alliances could contribute to any notable extent to improved business environments, regulation and markets. For these aims, the instrument seemed less efficient relative to its cost, than others in the current Sida arsenal for private sector development. The significantly lower Programme outcomes in Africa underlined that the Start instrument seems less suited to the least developed economies.

Conclusions and Recommendations

In conclusion, it is hard to see any clear justification in the aforesaid Guidelines on Private Sector Development for Sida to continue the Start Programmes as a key instrument. By contrast, looking to Sweden's future broader development collaboration, the findings support that the Programmes have merits that justify their continuation in some modified form in a selected number of countries. Sustainability stood out as a key requirement.

The sustainability of the reviewed projects came out as fairly good on average, if looking to the Questionnaire returns and the site visit findings in Chapter 4. After adjusting for the considerable sample losses the Evaluation still concludes that the outcome looks reasonably good compared to many other seed-type programmes for small businesses. In summary, we would therefore make the following recommendations:

Country Focus: The Programmes should remain based on Swedish partners' interest where to look for local SME alliances, but reduce the range of eligible countries: the selection should take into account that the local business environment must be reasonably conducive to the chances of success of private SME business alliances over long distances. Similar risks apply to countries in the lowest income group or those with lagging business environment reform as the Evaluation found in Africa.

Retain simplicity: The striving for simplicity influenced recent reform of the Programmes. The Evaluation concludes that there may be more scope for streamlined application and approval procedures with further improved information to applicants. Particular attention should be given to informative and user friendly applications and reporting formats.

Merger of the two Programmes: Consider merging StartEast and StartSyd into one Programme: the justification is again administrative simplicity, apart from the Evaluators' view that approvals and monitoring need similar approach and capacity regardless of the budgets for funding.

Maximum amounts: One single upper limit and form of financial support, as currently, have administrative merits. This is also in line with discarded acceptance of any repeat projects. The Evaluators would add that projects with clear roots in prior approved projects should not qualify even if they have partly changed sponsors or businesses.

Administration: Retain the current administration outsourcing to NUTEK that draws on its ALMI and other business networks. Consider further simplified budgeting and disbursement modes and ways to remunerate administration cost. Periodic review of actual amounts vs. budget should help in achieving streamlined administration.

Role of Embassies: Consider more active roles of Swedish Embassies in the selected future range of countries for any continued Start Programmes; define the role of these Embassies in line with the mutuality and good will aims of Swedish policies for broader collaboration.

Realistic goals: Be realistic about the development goals that can be practically factored into the design of "seed" programmes for SME business alliances. Programme design-influence over the workings of private business alliances on markets has clear limitations, and cannot be exerted anywhere near the extent Sida seeks in public-sector projects for private sector development.

Records keeping: Introduce material improvements to the way the projects are recorded and updated. Apart from the needs for good monitoring, some basic updates beyond the time of completion should be part of the administration and beneficiary undertakings to meet future evaluation needs. The several administration changes over the past years left clearly unsatisfactory records that affected the current Evaluation negatively.

1. Introduction

1.1 Background

1.1.1 Sida's Start Programmes

Since 1994 SwedeCorp and Sida has provided financial support for the development of business alliances between Swedish firms and firms in Central and Eastern Europe (StartEast) and Africa, Asia and Latin-America (StartSouth).

Since this inception, approximately 170 projects from StartEast and about 130 from StartSouth have been granted support. For the moment, 50 countries are eligible for Sida support according to StartSouth and 12 countries according to StartEast. The Baltic countries are no longer eligible.

In 2005 Sida decided to allocate another 41 MSEK for StartEast and StartSouth. It is assumed that these allocations will allow NUTEK/ALMI Företagspartner to continue to be the Executing Agencies for the Programmes until the end of 2005.

Sweden's new Policy for Global Development, enacted in December 2003, lays increased weight on broadened cooperation between countries. In this connection, the Swedish government requested Sida to assess the experience and outcome of various instruments for fostering mutual contacts, as between government authorities, NGOs, scientific institutions and commercial enterprises.

Sida's Department for Infrastructure and Economic Cooperation (INEC) decided in 2004 to conduct an independent evaluation of the StartEast and StartSouth Programmes. It should be conducted by a team of independent consultants with broad experience of private sector development in transition economies and developing countries.

1.2 Purpose of the Evaluation

The purpose of this evaluation is to assess:

- Whether the Programmes have accomplished their stated goals and objectives.
- To what extent the Programmes are in line with Sida's new Policy Guidelines on Private Sector Development.
- To provide a basis for Sida's assessment of the possible extension of the Programmes beyond 2005.

In addition, the Evaluation should include recommendations with regard to design, scope and duration of continued Swedish support of this kind for private sector development in general and broader cooperation in particular.

1.2.1 Scope of Work

The following areas were assessed during the investigation according to the Terms of Reference (see Appendix 1):

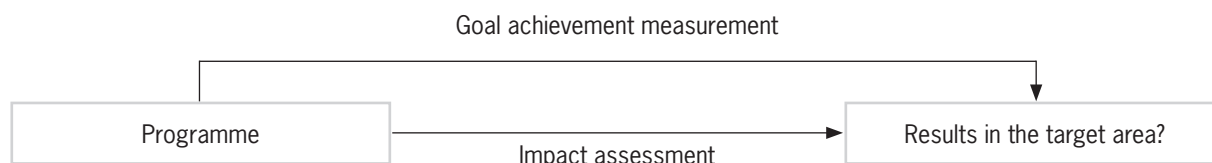
- Relevance
- Effectiveness
- Impact
- Efficiency
- Sustainability

- Other specific criteria.
- Modes of administration and Programme management procedures.

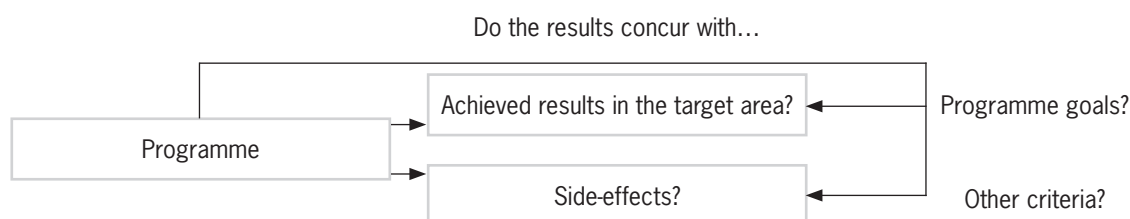
Information gathered by the examinations is summed up in a chapter of Recommendations.

1.3 Methodology

This goal-attainment evaluation, looks to substantive content, output, and outcomes rather than program process in line with the evaluation principles of Sida.



We have also looked into the Programme efficiency and the cost-effectiveness of the administration of the programs. The goal-attainment model does not take side effects into account. Therefore we have also applied the side-effect approach, illustrated in the figure below.



The Evaluation included the following steps

- Desk study.
- Questionnaire Survey.
- Site visits.

1.3.1 Desk Study

We have studied all relevant documentation available at Sida and NUTEK:

- Project application documents up to 2003 (site-visit projects).
- Sida Evaluation StartEast (Sida Evaluation 97/6).
- Administration of applications for StartSouth and StartEast (1998).
- StartÖst finansiering i Lettland och Litauen “Hur skapas lyckade affärssamarbeten och vilka utvecklingseffekter ger de?” (2002).
- Evaluation of the agreement between Sida and NUTEK 2002–2004 (2004).
- Agreements between Sida and NUTEK.
- Progress and final reports (site-visit projects).
- Assessment and decision memos of Sida (site-visit projects).
- Sweden’s Policy for Global development.
- Sida’s Private Sector Development Guidelines.

- Sida's evaluation manual (2004).
- Country strategies established by the Swedish government.

1.3.2 Questionnaire Survey

We first intended to send out Questionnaires (Appendix 2) to the Swedish and local partner companies to 30 per cent of all START projects approved in 1998–2004. The Questionnaire was designed by BDO with modifications made after consultations with Sida on the Inception Report of January 2005 (Appendix 6).

However, it soon became clear that a totally satisfactory random sample could not be drawn from the aforementioned population, as too many files would be incomplete, partners difficult to trace and not all early vintage projects relevant for lessons for the future. We therefore changed the Survey Population to include all 130 projects with *completed reports* as shown in Appendix 5.

In Table I below, you can see that about 64 per cent of the Swedish companies and about 50 per cent of their counterparts in the recipient countries returned the Questionnaire. This gives an overall response frequency of 57 per cent of companies that have been sent Questionnaires. The highest frequency of replies – between approximately 70 and 85 per cent – is from Swedish and local partner companies with projects in Africa. See Appendix 2 for the Questionnaire and Chapter 4 for the outcomes.

Table I. Distributed and returned Questionnaires

Region	Questionnaires sent to		Answers received from	
	Swedish Companies	Partner Companies	Swedish Companies	Partner Companies
Central Europe	22	19	13	8
Eastern Europe	40	31	25	15
Africa	15	14	13	10
Asia	16	16	10	7
Latin America	9	8	4	4
In total	102	88	65	44

1.3.3 Random Sample of Projects for Site Visits

A random sample of 10 per cent for site visits was intended to supplement the Questionnaire Review. Originally, the intention was to draw this sample from all completed projects from the start of the Programmes in 1994 to 2004. But this proved impractical due to the aforementioned difficulties to trace a reasonable share of partners from the earlier years.

Therefore, a bigger sample of 53 completed projects for site review was drawn from the younger population of 130 projects approved in 1998–2004. This change was agreed with Sida upon presentation of the Inception Report of January, 2005.¹

The Evaluation completed 30 site reviews, as shown in Appendix 4. The causes and possible influence of the sample loss of 23 cases are discussed in Section 1.3.4. Most of the Swedish companies in the sample where the foreign partner was not visited did, however, receive one Questionnaire to return on its part and another to forward to the foreign partner. These Questionnaires and their returns are included in the survey.

¹ See Inception Report in Appendix 6. The change was justified, as a high share of the earlier vintage projects had been implemented in the Baltics. The conditions there in the mid 90s differed materially from those that the projects meet elsewhere and are likely to encounter in the future if the Programmes continue beyond 2005.

The site visits included interviews with key managers and other personnel in charge of the projects. The questions included the range of issues given in the Terms of Reference and reflected in the Questionnaires. The latter were sent to the sampled projects for site visits, and these projects therefore also form part of the numbers shown in Table I above.

The main findings and assessments from the site visits are commented in Section 4.2 and documented in Appendix 4 with Evaluation ratings and annotations for each of the 30 reviewed projects.

1.3.4 Comments on Data and Sample Losses

The original population was thought to include up to 260 essentially completed projects. However, the number of completed projects turned out to be just 130 projects with completion reports during 1998–2004. This population of 130 projects included 28 where the participants proved impossible to trace with use of the available documentation. The actual part of the population accessible for the evaluation therefore amounts to 102 projects involving 204 Swedish and foreign companies. These projects have the following split by regions:

Table II. Number of Projects for Questionnaire Review, Losses and Projects with Actually Distributed Questionnaires by regions.

Region	Total population	No contact with Swedish partner possible
Central Europe	31	9
Eastern Europe	52	12
Africa	19	4
Asia	16	0
Latin America	12	3
In total	130	28

Table II above shows that the Swedish partner of 28 collaboration projects involving 56 partner companies in all proved to be out of reach for the Evaluation. Questionnaires were sent to all the remaining 102 Swedish companies and 88 of the foreign companies

The main reasons for companies to not be included in the survey were:

- The available records lack contact information.
- The contact person is no longer available.
- Telephone or other connections are no longer operative.
- The company does no longer exist, or has been acquired by another company that lacks any information.
- The company denies to co operate.

In Table I above, you can see that 190 of 260 companies (73 per cent) received the Questionnaire. As a result we have got answers only from 109 companies (42 per cent) of the original population. The rather low overall response frequency to the Questionnaires sent to participating companies, and the high share of untraceable projects from those of earlier vintages, represent a disturbing risk of bias in this evaluation. Our general assessment based on reported reasons and deducted ones for non-participation in the study is that this bias to a large extent represents cases of failure.

1.3.5 Interpretation of the Terms of Reference

- Relevance

The extent to which a development intervention conforms to the needs and priorities of target groups and the policies of recipient countries and donors.

- Effectiveness

The extent to which a development intervention has achieved its objectives, taking their relative importance into account.

- Impact

The totality of the effects of a development intervention, positive and negative, intended and unintended.

- Efficiency

The extent to which the costs of a development intervention can be justified by its results, taking alternatives into account.

- Sustainability

The continuation or longevity of benefits from a development intervention after the cessation of development assistance.

- Other specific criteria.
 - Contribution to the creation of more efficient markets.
 - Benefit to poor groups.
 - Contribution to improved conditions for men and women.
 - Impact on the physical environment.
 - Effect on the prevalence of HIV/AIDS.
- Modes of administration and Programme management procedures.
 - Efficiency in terms of outreach to potential clients.
 - Expediency in the screening and approval processes, monitoring and follow-up.
 - Cost-effectiveness of routines and procedures.
- Recommendations and Lessons.
 - Assessment of the feasibility and justification for extending the Programmes beyond Mid-2005, including a discussion of possible changes and modifications with regard to type of interventions, target groups, size and subsidy level of interventions, geographical coverage and modes of administration.
 - Presentation of Pros and Cons of a possible merger of StartSouth- and StartEast Programmes.

The Evaluation conducted the questionnaire survey and site visits, as well as interviews. In addition interviews were carried out with persons in charge of private sector development in Sida as well as with NUTEK and ALMI representatives. In this way the Evaluation could address questions according to the Terms of Reference. We have also taken into account previous evaluations of the Programmes and their findings.

1.4 Overall Plan of the Report

Chapter 2 describes the conceptual framework of the Start Programmes. Chapter 3 reiterates the policies, strategies and opportunities. Chapter 4 presents the main findings and Chapter 5 presents our conclusions and recommendations.

2. Conceptual Framework

2.1 The Start Programmes

2.1.1 Concept of the Start Programmes

Since 1994, SwedeCorp and Sida provided financial support to the development of business alliances between Swedish firms and firms in Central and Eastern Europe (StartEast) and Africa, Asia and Latin-America (StartSouth). The choice of countries has changed somewhat over the years. For instance, Estonia, Latvia and Lithuania are no longer supported by the Start Programmes.

StartEast and StartSouth both offer financial support in the form of loans to Swedish SMEs (max 250 employees) to facilitate the start-up phase of joint projects with local companies. The intention of the support is to improve the opportunities for viable business concepts and to facilitate transfer of know how to companies in the recipient countries.

One type of loan (Write-Off Loan) was designed to facilitate competence development through transfer of know-how to the local company from the Swedish partner company. The other type of loan (Conditional Loan) was designed to promote investments in machinery and equipment in the local firm. The total sum of the two loans should not exceed SEK 750,000 and may only cover up to 40 per cent of the total cost of the project. A Conditional Loan could not be approved unless a Write-off loan is granted. Later the two forms were reduced to just one, the write-off loan, of which Maximum SEK 500,000 for training and know how and SEK 250,000 for equipment. The total of this support cannot exceed 40 per cent of the project costs of the Swedish partner.

50 per cent of the amount is paid when the project is approved and the other 50 per cent when the final report is approved. The write-off loan is written off upon an on-site follow-up review at the host company and following completion approval.

Up to 2002 Sida performed most administrative functions with the exception of the monitoring of the Conditional Loans that was handled by ALMI.

Since 2002 Sida has outsourced the execution of the Programmes to NUTEK/ALMI Företags-partner. Four regional affiliated companies in the ALMI Group are engaged in these functions. Sida's role is that of financier and to participate in the Approval Committee that meets six times per year to decide on the allocation of funds.

2.1.2 Goals of the StartEast and StartSouth Programmes

The Development Goals of StartEast have been:

- To support social and economic development in the region and
- To provide incentives for Swedish small and medium enterprises (SMEs) to establish economic contacts in the region.

For StartSouth the Developmental Goal has been to contribute to sustainable economic cooperation.

The Project Purpose of both Programmes has been to improve the profitability and productivity of target firms in the East and in the South.

2.1.3 Supported Countries in 1998–2004

The Start Programmes provided financial support for the development of business alliances between Swedish firms and firms in a partner country since the mid 90's. Between 1998 and 2004 a total of 296 business alliances were supported. The distribution of these projects between the regions is fairly even.

Most firms can be found in the Balkan/OSS region, followed by the Russia and Ukraine region. The number of approved projects was highest in 2004.

As shown in the table below, 63 per cent of 207 projects approved in 1998–2003 were completed/closed by March 2004. A completed or closed project means that it has been carried out in full, with a final report handed in and approved for final support. Not every project has, however, been subjected to review on site prior to completion approval.

In 1998–2001 the projects were approved by Sida, whereas approvals in 2002–2004 were handled by NUTEK. In all, during 1998–2004, 105 projects were approved by Sida and 191 projects by NUTEK.

Table III. Number of approved and completed Projects by region 1998–2004.

	1998	1999	2000	2001	2002	2003	2004	Total
StartSouth – Africa	11	1	8	2	5	8	13	48
– of which completed (%)	82	0	63	50	80	0	0	40
StartSouth – Asia	3	1	1	1	11	9	25	51
– of which completed (%)	67	100	100	100	82	22	0	40
StartSouth – Latin America	5	3	2	0	5	7	6	28
– of which completed (%)	60	0	100	n/a	80	43	0	43
StartEast – Balkan/OSS	2	4	2	6	8	15	26	63
– of which completed (%)	0	25	50	50	88	53	0	32
StartEast – Russia/Ukraine	8	4	9	3	7	11	19	61
– of which completed (%)	100	100	89	100	86	27	0	52
StartEast – former Candidate countries	15	2	5	7	16	0	0	45
– of which completed (%)	87	50	20	57	75	n/a	n/a	69
Total approved	44	15	27	19	52	50	89	296
Total completed (%)	77	47	67	63	65	28	0	40
Total completed 1998–2003 (%)								57

Appendix 5 presents the number of approved and completed projects by countries in 1998–2004. Those with the highest number of completed projects are Russia, Serbia, Bosnia and China, and those with most approved projects Russia, Lithuania, Bosnia, Chile and South Africa.

2.1.4 Granted Financial Support

The Table IV below shows the sum of approved write-off loans and conditional loans to projects in 2002–2004. There was no comparable information available for prior projects in 1998–2001.

Table IV. Write-off loans and conditional loans 2002–2004.

	2002			2003			2004		
	Tot.	Start South	Start East	Tot.	Start South	Start East	Tot.	Start South	Start East
Approved projects. (No's)	52	21	31	50	24	26	89	44	45
– Write-off loans	52	21	31	50	24	26	89	44	45
– Cond. loans	16	9	7	19	9	10	23	12	11
Approved projects. (MSEK)									
– Write-off loans	20,1	9,3	10,8	20,0	9,4	10,6	37,4	17,8	19,6
– Cond. loans	3.4	1.9	1.5	3.1	1.6	1.5	4.8	2.3	2.5
Total, MSEK	23.5	11.2	12.3	23.1	11.0	12.1	42.2	20.1	22.1

2.2 Previous Evaluations of the Start Programmes

2.2.1 Previous Evaluations of the StartEast Programme

In late 1996 Sida commissioned an independent evaluation of the StartEast Programme approved in 1994. A sample of 19 projects was selected from a group of 49 projects that had been followed up by ALMI and Sida. This evaluation focused on outputs and short-term effects. It concluded that StartEast was a relevant and well managed programme (see details in “Sida Evaluations 97/6”). The evaluation also comprised handling at SwedeCorp and its main consultant, Almi Företagspartner.

In January 1997 another evaluation of StartEast Programme was undertaken by ISO Swedish Management Group and Sven Hilding AB. This evaluation concluded likewise that the Programme was a well-conceived development programme. At its best it combined the driving forces of capable and commercially motivated Swedish and host companies for enduring business collaborations. The evaluation noted that the quality aspects of know how transfer had been considered, that there was an awareness of gender equality, and that the environmental aspects were given due attention.

Another evaluation of the StartEast Programme was performed in 2002 by Andante Consultants AB. The evaluation “Hur skapas lyckade affärssamarbeten och vilka utvecklingseffekter ger de?” concluded that two factors were crucial: The quality of the business concept and the ability to plan and to carry out the training. A thorough assessment was necessary at the inception stage to distinguish strong from weak proposals. The implementation constraints included that the personal relations had not always worked well, or the parties had not understood their differing business cultures. Some Swedish and local participants seemed not to have been fully serious about the collaboration.

2.2.2 Administration of Applications for StartSouth- and StartEast Programmes (1998)

In 1998, Sida commissioned BDO Consulting Group to carry out an analysis of the administrative handling of the Programmes, looking to improvement of effectiveness and quality assurance in the administrative process. The aim of the study was to produce an administrative manual with guidelines for assessment of demands posed on Swedish companies.

The 1998 study stressed the need for strict criteria to assess applications for support. It also noted that market aspects should take more prominence. There was still too much focus on production facilities.

2.2.3 Evaluation of the Agreement between Sida and NUTEK (2004)

In 2004, Sida assigned BDO Consulting Group to perform an evaluation of NUTEK's handling of the Start Programmes since the takeover at the beginning of 2002.

A survey of a sample of Swedish companies found that these were generally fully satisfied with the Programmes. The Programmes seemed mostly to be doing well, meeting their know-how transfer aims. The administrative handling was also found satisfactory on the whole. The approval process seemed unnecessarily complicated, however, and the trend of rising administration costs should be halted. The 2004 review concluded that the Start Programmes could preferably be coordinated with other instruments for stimulating private sector development, including focus on specific regions.

3. Policies, Strategies and Opportunities

3.1 Overview of the Situation in the Regions

The following review is derived from country strategies, valid in 1998–2003. These strategies formed the basis for Swedish development co-operation outlining the extent, aims and direction of the collaboration.

3.1.1 The Situation in the Russia/OSS Region

In these countries a reform process had progressed since the early 1990's, which brought the Soviet system into an end. At differing pace, the countries developed a more democratic and market oriented economic system. Many people still lived in poverty and powerlessness, and corruption remained widespread. Investments remain at a lower level than would be needed to achieve a sustainable economic recovery.

In Russia, macro economic progress has been substantial in recent years. In order to maintain growth, Russia needs a great deal of domestic and foreign investment. In a survey, Swedish companies had identified inconsistent and ambivalent Russian legislation, regulation and customs practice among the greatest obstacles to investment. Small and medium sized companies operate under difficult conditions in Russia.

The overall objective of Sweden's development co-operation with the countries of Central and Eastern Europe is to promote sustainable development, closer integration and partnership in the Baltic Sea region and its vicinity, based on the needs of the partner countries and utilisation of the Swedish resource base. In general, support has hitherto mainly been given in the form of capacity development, know-how and knowledge transfer. One area of co-operation is to promote socially sustainable economic transition. This assistance focused on business-related activities, public administration and land reform. The StartEast Programme has been one component in the field of business development promotion.

3.1.2 The Situation in the Balkan Region

The Balkan countries have a background of under-developed economies and ethnical and armed conflicts. The countries now face great challenges of an economic and social nature as well as with domestic and foreign policies. Frequent problems include unemployment, organized crime and corruption. Low levels of foreign and domestic investments are mainly attributable to the lack of sustainable banking systems and legal protection for investments. The objectives laid down for Swedish development co-operation in the Balkans include peace and stability and the transition to a market economy. These goals will be achieved through rapprochement towards European structures. One of the general principles for the Swedish development co-operation is that it should facilitate lasting ties between Swedish parties and their local counterparts. Means for supporting the presence of Swedish businesses in the region should be taken into consideration. For example, the StartEast Programme can assist small and medium-sized enterprises to invest and trade in the region. The aim is to encourage the development of an entrepreneurial spirit and to help this sector grow with the aid of Swedish enterprise. Moreover, access to credit is a constraint to the emergence of a private business sector and Sweden has funded various micro credit, agriculture and SME financing schemes.

3.1.3 The Situation in the Central- and Eastern Europe

Latvia and Lithuania retrieved their independence 1991 and have since gone through substantial political and economical modifications. Today, both have a well functioning parliamentary democracy and well developed market economies. The political situation is stable and economic growth has been relatively good. Both are members of the WTO.

Problems that can be observed in the region include corruption, high unemployment rates as well as slow liberalisation and restructuring of the energy markets. In the future, measures are still needed to improve the overall business climate and flexibility of the labour market. Both local and foreign investment needs to be stimulated in productive sectors. The main focus of the Swedish support was on the convergence towards EU-membership. The overall goal for the Swedish development co-operation in 2002–2004 in the countries of Central- and Eastern Europe was to encourage sustainable development, intensified integration and partnership in the Baltic Region and its surroundings, based on the needs and the Swedish resource base. The aims include enhancing collaboration between Swedish enterprises, organisations, central and local authorities and their counterparts, looking to areas where Sweden possesses strengths.

3.1.4 The Situation in the Sub-Saharan Region in Africa

These countries have different requirements. Some were severely affected by war and conflict while others have enjoyed peace. Some countries suffered at the hands of dictators, while others have democratic societies. At the same time, several countries have similarities in terms of traditions, culture, historical experience and social structure. Most are struggling to cope with the spread of HIV/AIDS, armed conflict, corruption, rapid urbanisation and the extreme exploitation of natural resources. The economies were often poorly regulated with weak private sectors and low economic growth.

The overarching objective of Sida's development co-operation with Africa is to combat poverty. To this end Sida pursues a range of initiatives in the individual countries as well as with a regional approach. The goals include to achieving sustainable economic growth through support to institutional reform, regional economic co-operation and integration for development of trade, investments, etc.

The socio-economic situation differs between countries. Uganda and Mozambique are two of the poorest countries in the world. Poverty in Zambia and Tanzania is extensive and widespread; however, economic reforms in Tanzania have limited inflation and enabled a certain increase in economic growth. Tanzania is becoming increasingly democratic and there are hopes of enhanced democracy in Zambia.

In the Uganda and Mozambique, democracy is fragile, whereas South Africa has been transformed into a democratic country with a stable economy and a developed financial sector, although a poverty problem persist the country remains among the most unequal countries in the world. In all the countries, economic growth and development are considered one of the most important measures to reduce poverty. The private sector is an important engine of economic growth in these countries. Sweden's main contribution has been institution building, knowledge transfer and supply of micro-credits.

3.1.5 The Situation in the Asian Region

With few exceptions, the countries in Asia that received support from the StartSouth Programme, have experienced high economic growth. However, problems still persist with poverty, unemployment and inadequate governance.

The Philippines lags behind several other countries in the region. Sweden's co-operation has comprised technical co-operation for institutional development support and credits/guarantees looking also to enhance economic exchange between Sweden and the Philippines.

China had rapid growth brought about by the reform of the last twenty years, although poverty still persists. The transition from a planned to a market economy has been successful, but is far from completed. Sweden's assistance in China is marginal and puts emphasis on human rights, gender equality and the environment. However, the co-operation has contributed to the upward trend in various exchanges between the two countries.

Thailand moved from military rule towards a modern democracy and experienced rapid economic growth. The downside is, however, extensive damage to the environment. Swedish collaboration

strategy has therefore aimed at environmental protection and to support institutional and economic reform with technical assistance, credits and guarantees.

The aim of Sweden's development co-operation with Sri Lanka looks to growth and poverty reduction via collaboration for private sector development, infrastructure development and financial sector enhancement. Support to the private sector has consisted of initiatives to help diversify the export markets, strengthening chambers of commerce, entrepreneur training, improved environmental management in industry and business as well as strengthening of institutions that work in areas of quality and technical standards, and arbitration.

Bangladesh pursued market-oriented reform since the 1990s and achieved positive growth. The country transforms from an agricultural to an industrial economy and has seen the emergence of modernized industries in the textile, leather and porcelain manufacturing sectors and pharmaceuticals for export. However, this export-driven growth, as well as domestic private initiatives, is hampered by growing competition and structural economic and institutional problems. Although this is no core part of the Swedish co-operation some grants and credits were provided for infrastructure development in the electricity and telecommunication sectors.

In 1996 to 1999, Sweden had a country strategy for development co-operation with India. One of the objectives was to promote exchange of know how in research and development, the exchange of expertise.

3.1.6 The Situation in South- and Central America Region

Central America has a turbulent history where conflicts have been resolved with violence and oppression. Today, there is peace throughout the region but several development constraints remain. The region's poverty problems are, to a high degree, associated with skewed income distribution and welfare. The situation in Latin America is similar, with high economic inequalities, while growth remains an essential condition for poverty reduction.

A large part of Swedish development assistance was traditionally provided in co-operation with international and national partners. Sida developed co-operation forms that require small resources, including through co-financing with multilaterals. The collaboration has engaged private Swedish firms, consultants and business associations. The instruments have included credits, guarantees and contract-financed technical cooperation (CFTC) supporting cooperation between Swedish and local partner organisations. The latter projects are time-limited with clear objectives and the local recipient parties always contribute resources of their own. Support through the StartSouth program is mainly directed toward small and medium enterprises. The main ingredients are training, consultancy and trade promotion measures.

Guatemala, Honduras and Nicaragua are focus countries in Central America, while others like Panama have been considered at times. Activities in these countries have been limited to the use of instruments as CFTC, international training courses, credits and guarantees. Several of the countries also benefit from the Swedish support to regional programmes.

In South America the cooperation is concentrated to Bolivia, Colombia and Peru, as well as Ecuador and Venezuela in the Andes region. Chile is not among the poorest or most underdeveloped countries, and the development co-operation was phased out. Still, several co-operation alliances were initiated between Chile and Sweden in the environment sector and between small businesses and universities. The partnership fund that was set up to facilitate mutually beneficial economic co-operation continues, but without new development support.

3.2 Sida Policies

3.2.1 Sweden's Policy for Global Development (PGD)

The basis of the Swedish Policy for Global Development is outlined in the Government Bill 2002/03:122. The overriding principles are that the policy for global development should be based on a wide-ranging view of the driving forces of development and on requisite action to obtain a just and sustainable development worldwide. It should embrace all policy areas and involve government, the private sector, business associations and trade unions.

The policy builds on the principles of human rights and equality and the gender perspective is important. The policy should contribute to sustainable development and equitable distribution of resources. It should, in particular, focus on poverty reduction and on the needs and prospects of the poor. The Bill also stresses the need for enhanced commercial exchange as this can help raise the technical, quality and marketing standards of companies in the developing countries. Measures to improve investment climates should be supported in cooperation with Swedish companies and trade unions. Others should look to the fight of corruption and enhanced social responsibility. Cooperation with countries in Central and Eastern Europe should focus on their rapprochement of the European cooperation structures as an important part of the fight against poverty, and for mutually shared ethics and values.

3.2.2 Sida's Private Sector Development (PSD) Guidelines

The principles of Private Sector Development (PSD) are outlined in Sida's Policy Guidelines for support to PSD of October 2004. According to the document, PSD rests upon four fundamental elements:

- *Competitive markets*, including clear and non-discriminatory rules of the game, ensuring a 'level playing field'.
- *Entrepreneurship* as the source of innovation and change.
- Fair, non-discriminatory and effective *property rights*.
- *Decent work conditions* and *sustainable use of the environment*.

PSD is not limited to a sector in the conventional sense. It includes all types of market players: The self-employed in the informal economy; small, medium and large enterprises; and trans-national companies.

PSD has a strong institutional element in the sense that it looks to the interplay between the state as a formulator of the 'rules of the game', the 'players in the private sector', and also of civil society.

Private Sector Development plays a crucial role in *poverty reduction*, not only in relation to the material dimension of poverty, but also to the political, social and environmental dimensions of poverty, as well as to peace and stability. Support to PSD is primarily seen as an *instrument to achieve sustainable, poverty-reducing economic growth*. High rates of economic growth are a prerequisite to this end. At the same time the *quality of growth* is essential: its composition, distribution and sustainability are vital.

Increases in *employment and labour productivity* provide the main link between economic growth and poverty reduction. In order to reduce poverty, it is essential both to enhance the capacity of the economy to generate productive employment and to have decent working conditions. Strengthening the ability of the poor to gain access to and benefit from existing opportunities is also of key importance.

3.3 Swedish Network to the Resource Base

As basically supply driven schemes if seen from the Swedish partners' side, the Start Programmes involved NUTEK mainly as agent of Sida and the Swedish partner companies. NUTEK in turn used the Almi Företagspartner network for channelling of applications from Swedish companies. Channeling of requests came more rarely from the host countries of local alliance partners, while a number of alliances originate from various business to business contact initiatives. For example, several such

initiatives in Latin America helped in forming new contacts, while they did not form an integrated part of the Start Programmes.

4. Empirical Findings and Comments

The outcome of the Questionnaire Survey is presented in Section 4.1 below, and that of the site visits in Section 4.2. Appendix 4 adds more details on each of 30 site visit projects.

4.1 Survey Results

The Survey answers are organised by region and separated by Swedish and local partner companies to provide opportunity to compare their respective answers. The total number of Questionnaire returns is 99, of which 59 from Swedish and 40 from local partner companies. The distribution of returns by local partner countries and regions is as follows:

StartEast		Start South		
Central Europe	Eastern Europe	Africa	Asia	Latin America
Latvia	Bosnia-Herzegovina	South Africa	The Philippines	Chile
Lithuania	Serbia-Montenegro	Tanzania	India	Panama
	Russia	Zambia	Sri Lanka	
			Thailand	

4.1.1 Relevance

The two first questions in the Questionnaire are about the relevance of the Programmes as seen by the respondents. The following tables summarise the replies. In the first question we ask for an assessment of the Programmes' ability to meet the needs of the respondent companies.

Did the Programmes support meet the needs of your company?

Answers from Swedish companies

Region	Fully	To some extent	Marginally	Not at all	In sum
Central Europe	4	6	3	0	13
Eastern Europe	4	20	1	0	25
Africa	3	7	2	1	13
Asia	4	5	1	0	10
Latin America	1	2	1	0	4
In total	16	40	8	1	65

Did the Programmes support meet the needs of your company?

Answers from local partner companies

Region	Fully	To some extent	Marginally	Not at all	In sum
Central Europe	7	1	0	0	8
Eastern Europe	7	7	1	0	15
Africa	2	5	2	1	10
Asia	4	2	1	0	7
Latin America	3	1	0	0	4
In total	23	16	4	1	44

The two above tables show that the responding companies express a reasonably positive view of the Programmes' ability to meet their particular needs. Partner companies in the recipient countries, however, seem to hold a distinctly more positive view in this respect than do Swedish companies.

About 25 per cent of the Swedish companies and nearly 50 per cent of the local partner companies think that the Programmes support meets the needs of their companies fully. About 60 per cent respectively 40 per cent think the needs have been met to some extent.

The answers from the Swedish companies do imply some differences between regions. Their lowest marks are given to support to projects in Eastern Europe and the highest to projects in Asia. Only in 4 cases of 25 do the Swedish companies' answers indicate that the Programmes has met the needs of the company fully in Eastern Europe. For projects in Asia the corresponding figure is 4 out of 10. As for local partner companies in the recipient countries, the highest degree of satisfaction is reported by those in Central Europe and the lowest by companies in Africa.

The second question in this part of the Questionnaire sought to identify possible flaws in the Programmes that impeded the results. The table below shows the answers. One Swedish company and one local partner company have chosen not to respond to this particular question.

Important gaps in the support that may have reduced its value					
Answers from Swedish companies					
Region	Quite a lot	Some	A few	None at all	In sum
Central Europe	0	4	2	7	13
Eastern Europe	0	6	8	11	25
Africa	1	3	4	4	12
Asia	0	1	3	6	10
Latin America	0	2	1	1	4
In total	1	16	18	29	64
Important gaps in the support that may have reduced its value					
Answers from local partner companies					
Region	Quite a lot	Some	A few	None at all	In sum
Central Europe	0	3	0	5	8
Eastern Europe	1	6	2	6	15
Africa	0	2	3	4	9
Asia	0	1	2	4	7
Latin America	1	0	0	3	4
In total	2	12	7	22	43

The two above tables indicate fairly positive views of the Programmes, i.e. that no major gaps are seen. The views expressed by Swedish and local partners also tend to be more homogeneous with only minor differences between the two or between regions.

In both groups of respondents, about 45 per cent say that they have found no important gaps at all. In very rough terms, 50 per cent of the companies have identified a few or some important gaps. About five per cent report that they have found quite a lot of important gaps.

4.1.2 Effectiveness

This part of the Questionnaire has three questions. The two first seek to find out if the companies did formulate specific objectives when entering the Programmes and if, in the respondents' view, these objectives have been met. The answers are shown in the table below. Four companies have chosen not to respond to these particular questions.

About 30 per cent of the respondents report that they have formulated a full set of objectives and about half of them say that they have formulated some objectives. Similarly, one fourth is of the opinion that their objectives have been met fully, and about 60 per cent report that the objectives have been met to some extent. No major differences emerged in the responses from Swedish and local partner companies in the answers to the objectives question.

Unfortunately, most of the companies have not formulated objectives in their applications for support. It is therefore not possible to verify the answers of the Questionnaires by matching intended results to actual outcomes. Consequently, we have to rely on the answers in the Questionnaires.

A detailed analysis of the answers indicates some regional differences. According to the answers, about 40 per cent of the activities in Eastern Europe and Asia have been carried out under the guidance of a full set of goals. In Central Europe and Africa, to the contrary, this seems to be the exception. It should be noted, however, that the actual numbers are relatively small, which allows for a substantial influence of chance.

The third question on effectiveness seeks the views of the respondents on the effects of the Programmes on the companies' performance. It asks for the respondents' assessments of the Programmes' contribution to the companies' achievements. The table below presents the answers. Two Swedish companies have chosen not to reply to that particular question.

Programme contribution to company achievements

Answers from Swedish companies

Region	Substantial	Partial	Marginal	Negligible	In sum
(Central Europe) Baltics	3	8	2	0	13
Eastern Europe	10	8	6	0	24
Africa	4	3	6	0	13
Asia	5	4	0	0	9
Latin America	2	2	0	0	4
In total	24	25	14	0	63

Programme contribution to company achievements

Answers from local partner companies

Region	Substantial	Partial	Marginal	Negligible	In sum
(Central Europe) Baltics	6	1	1	0	8
Eastern Europe	9	5	1	0	15
Africa	3	5	2	0	10
Asia	6	1	0	0	7
Latin America	3	1	0	0	4
In total	27	13	4	0	44

About 40 per cent of the Swedish respondents and 60 per cent of their partner companies report that, in their assessment, the Programmes has made a substantial contribution to the companies' achievements. No companies report that they find the contribution negligible. In conclusion, the responses are quite favourable. As might have been expected, the recipient local partners are more positive on the influence on their company achievements, than are the Swedish partner companies.

4.1.3 Programme Impact

The Questionnaire has two questions about the Programme impact on sustained relations between the Swedish companies and their partner companies. The first question asks if the companies still maintain business relations with their counterparts. The second asks if these relations would have been estab-

lished without the Programme funding from Sida. The answers are presented in the table below. Four companies have chosen not to reply to these particular questions.

Programme contribution to business relations

Answers from all companies

Relations without funding from Sida

Business realtions	Certainly	Probably	Unlikely	Not likely	In sum
On a regular basis	12	33	25	8	78
To some extent	1	1	10	5	17
Rarely	0	0	2	1	3
Not at all	0	2	2	3	7
In total	13	36	39	17	105

45 of the 105 respondents report that they maintain business relations on a regular basis with their partners and that this certainly or probably would have been the case also in the absence of the funding from Sida. This outcome indicates that the attribution to the Programmes is modest in these cases. However, 33 respondents report regular business relations, but are of the opinion that these relations would unlikely or not likely have been maintained without the Programme support.

The second question in this module asks for opinions on the Programme contribution to expanding business opportunities for other firms as suppliers or clients. The table below shows the results. Two companies have chosen not to answer this particular question.

Programme contribution to increased business opportunities for other firms

Answers from all companies

Region	Substantial	Partial	Marginal	Negligible	In sum
Central Europe	5	9	4	2	20
Eastern Europe	11	17	9	3	40
Africa	10	7	4	2	23
Asia	8	5	4	0	17
Latin America	2	3	2	0	7
In total	36	41	23	7	107

In rough terms, one third of the respondents think the Programme contribution has been substantial. Approximately the same proportion of respondents say that the Programmes have contributed to increased business opportunities to some extent. One third is of the opinion that the Programmes has contributed only marginally or not at all.

The highest rating of the Programme contribution is reported by companies engaged in Programmes in the regions of Africa and Asia, but complex linkage effects are not easy to capture in Questionnaires.

4.1.4 Programme Sustainability

The first question in this part of the Questionnaire is about the long-term effects on the participating companies' business opportunities. Answers from the Swedish and local partner companies are summarised in the tables below. Two Swedish companies and one partner company have preferred not to answer this particular question.

Long term effects of the Programmes on the company's opportunities**Answers from Swedish companies**

Region	Significant	Valuable	Marginal	Negligible	In sum
Central Europe	0	11	2	0	13
Eastern Europe	2	20	2	0	24
Africa	2	4	6	1	13
Asia	3	4	3	0	10
Latin America	0	1	2	0	3
In total	7	40	15	1	63

Long term effects of the Programmes on the company's opportunities**Answers from local partner companies**

Region	Significant	Valuable	Marginal	Negligible	In sum
Central Europe	2	5	1	0	8
Eastern Europe	5	7	2	0	14
Africa	3	5	1	1	10
Asia	4	2	1	0	7
Latin America	3	1	0	0	4
In total	17	20	5	1	43

In their answers about 75 per cent of the Swedish companies and ca 85 per cent of their business counterparts report that they assess the long term effects of the Programmes on their companies' business opportunities as significant or valuable. The answers from the local partner companies do not imply any differences between regions. The answers from the Swedish companies, however, indicate a lower rating of the effects in the region of Africa.

We also asked the representatives of the participating companies about their assessment of the Programmes' help to profitable growth in their own companies and in those of their counterparts. The answers are summarised in the tables below. Eight Swedish companies and 15 partner companies have preferred not to answer these particular questions.

Assessment of Programme help to profitable growth**Answers from Swedish companies**

In our company	In the partner company				In sum
	Clear	Partial	Marginal	Negligible	
Clear	7	2	0	0	9
Partial	9	11	0	1	21
Marginal	7	2	5	1	15
Negligible	1	6	1	4	12
In total	24	21	6	6	57

Assessment of Programme help to profitable growth**Answers from local partner companies**

In our company	In the partner company				In sum
	Clear	Partial	Marginal	Negligible	
Clear	6	7	1	0	14
Partial	2	3	3	0	8
Marginal	1	0	3	2	6
Negligible	0	1	0	0	1
In total	9	11	7	2	29

In about half of the cases, the representatives of the Swedish companies assess that the help to profitable growth by the Programmes is clear or partial, with an evident overweight for the latter alternative. The local partner companies have an apparently higher rating of the helpfulness of the Programmes. About 50 per cent report the influence as clearly helpful and 30 per cent think it has been partially helpful to profitable growth of their own companies. This coincides quite well with the assessments by the Swedish companies of the helpfulness of the Programmes to profitable growth of their partner companies.

The answers do imply some differences between regions. The Swedish companies tend to give their highest ratings to activities in the region of Asia, followed by Central Europe and Eastern Europe. The lowest ratings are given to activities in Africa. From the answers of the business counterparts of the Swedish companies we can see similar tendencies but the number of answers is too low to allow any specific conclusions.

The last two questions in this part of the Questionnaire ask the respondents to assess the probability that the improvements brought by the Programmes to date will still be relevant in five years. The answers are summarised in the tables below. Twelve Swedish companies and 13 partner companies have chosen not to answer these particular questions.

Chance that improvements will still be relevant in five years

Answers from Swedish companies

In our company	In the partner company				In sum
	<25%	25–50%	50–75%	>75%	
<25%	8	4	2	3	17
25–50%	1	9	1	4	15
50–75%	2	0	9	1	12
>75%	0	0	0	9	9
In total	11	13	12	17	53

Chance that improvements will still be relevant in five years

Answers from local partner companies

In our company	In the partner company				In sum
	<25%	25–50%	50–75%	>75%	
<25%	4	2	1	1	8
25–50%	3	3	0	2	8
50–75%	1	2	3	1	7
>75%	1	0	2	5	8
In total	9	7	6	9	31

There is an apparently even distribution of answers between available alternatives. We see the same pattern among Swedish respondents as among the answers of the partner companies. Of the answers, roughly 25 per cent are allotted to each alternative, irrespective of which way you look at the figures.

The last question of the Questionnaire asks the respondents to rank the five, in their opinion, most negative factors affecting the Programmes. The answers are summarised in the table next page.

Five most significantly negative contributors to the programme (1=most important and 5=least important)										
Answers from Swedish companies										
Rating	Market response	Staffing difficulties	Raw materials	Working capital	Partner's strength	Programme coverage	Local bureaucracy	Local corruption	Personal relations	Programme duration
Not marked	35	35	41	27	33	46	26	37	49	46
1	8	9	5	9	5	1	12	3	1	4
2	3	8	3	10	9	4	6	7	3	2
3	7	2	5	8	11	3	8	4	2	3
4	5	9	1	4	4	8	6	5	9	6
5	6	1	9	6	2	2	6	8		3
Total	64	64	64	64	64	64	64	64	64	64
Five most significantly negative contributors to the programme (1=most important and 5=least important)										
Answers from partner companies										
Rating	Market response	Staffing difficulties	Raw materials	Working capital	Partner's strength	Programme coverage	Local bureaucracy	Local corruption	Personal relations	Programme length
Not marked	15	20	20	7	34	30	15	26	34	23
1	11	4	3	8	4	3	4	3	3	1
2	9	4	5	5	1		7	2		3
3	3	7	4	12		4	3	2	1	7
4	2	5	4	8	4	4	3	4	1	4
5	3	4	7	3	1	3	11	6	5	6
Total	43	44	43	43	44	44	43	43	44	44

The above tables show that Swedish companies rank local bureaucracy, manpower constraints and shortage of working capital as the main impeding factors. Lack of market response, limited access to raw materials and insufficient strength of the local partner come second.

The answers from local partner companies differ somewhat. They rank lack of market response and shortage of working capital first, and manpower constraints, raw materials access and insufficient strength of Swedish partner as well as local bureaucracy as second order constraints.

4.1.5 Other Criteria

Gender

We are also interested to know if the Programme support has materialised in an increased share of women employed by the partner companies and how the respondents assess the influence of the Programmes on that development. The answers to the two questions are summarised in the table below.

Increased share of women employed by the partner companies						
Answers from all companies						
Influence of the programme on the share of women employed						
Share of women	No answer	Distinct	Partial	Marginal	None	In sum
No answer	4	0	0	0	0	4
Increased share	0	9	27	11	12	59
No increased share	38	0	0	1	7	46
In total	42	9	27	12	19	109

The answers indicate that the share of women employed by the partner companies has increased in about half of the cases. Of those who report increased shares of women employed, about 15 per cent are of the opinion that the contribution of the Programmes has been distinct. About 45 per cent of those respondents regard the Programme influence as partial. The answers do not imply any major differences between regions.

Environmental Content

The Questionnaire also sought answers of environmental or ecological concerns have been an important part of the Programmes. A summary of the answers is given in the table below. Two companies have chosen not to answer this particular question.

Ecological concerns as an important part of the programme

Answers from all companies

Region	Considerable	To some extent	Marginal	Negligible	In sum
Central Europe	1	6	11	2	20
Eastern Europe	9	13	10	8	40
Africa	6	7	5	5	23
Asia	6	5	4	2	17
Latin America	5	0	1	1	7
In total	27	31	31	18	107

Of the respondents, almost 60 per cent report that ecological concerns have been part of the Programmes to a considerable or to some extent. The answers do not imply any major differences between regions.

4.1.6 Comparison between Matching Pairs of Respondents

The documentation of the answers has been arranged so as to provide an option of comparing replies from matching pairs of respondents. When answers from both participants in a specific Programme are available we are in a position to compare the views of the Programmes from the Swedish horizon and from the perspectives of the partner companies respectively.

In total, 66 answers useful for this purpose have arrived which gives us 33 matching pairs. In the tables below, answers of four main questions from these respondents can be found. Not all of these cases are complete with answers to all questions. For these reasons, the numbers in three of the tables add up to only 32 answers.

Assessment of Programme Relevance and Programme Effectiveness

Assessment of number of important gaps in the support Comparison of replies from Swedish companies and their business counterparts						Assessment of degree to which specific objectives have been met Comparison of replies from Swedish companies and their business counterparts					
Swedish companies	Partner companies				In sum	Swedish companies	Partner companies				In sum
	Quite a lot	Some	A few	None at all			Fully	To some	Marginally	Not at all	
Quite a lot	0	0	0	0	0	Fully	2	4	0		6
Some	0	2	1	4	7	To some extent	9	13	2		24
A few	1	2	1	2	6	Marginally	1	1	0		2
None at all	1	5	3	10	19	Not at all	0	0	0	0	0
In total	2	9	5	16	32	In total	12	18	2	0	32

Assessment of Programme Impact and Programme Sustainability

Business relations without programme support? Comparison of replies from Swedish companies and their business counterparts						Assessment of long term effect of support from Sida Comparison of replies from Swedish companies and their business counterparts					
Swedish companies	Partner companies				In sum	Swedish companies	Partner companies				In sum
	Certainly	Probably	Unlikely	Not likely			Significant	Valuable	Marginal	Negligible	
Certainly	2	1	0	0	3	Significant	0	2	0	0	2
Probably	2	5	0	0	7	Valuable	8	12	3	0	23
Unlikely	1	4	6	3	14	Marginal	3	1	2	1	7
Not likely	0	3	4	2	9	Negligible	0	0	0	0	0
In total	5	13	10	5	33	In total	11	15	5	1	32

The diagonal figures, specially marked with grey background colour, indicate where assessments from the Swedish companies and their business counterparts coincide. As can be seen from the tables, this is the case in between 13 to 15 answers from matching pairs, from a total of 32 or 33 pairs. This outcome makes it difficult to draw firm conclusions, but at least it indicates that the responses are not dramatically opposed.

Looking to the first table to the left above, Swedish companies tend to have a slightly higher rating of the Programme's support, with fewer indications of perceived gaps than reported by their local counterparts. A similar scrutiny of the first table to the right above indicates a rather even balance between the assessments of the two groups.

The two tables on Programme Impact and Programme Sustainability indicate that Swedish companies in the sample of matching pairs tend to believe to a higher degree than their local counterparts, that existing business relations would not have been established without the support of Sida.

As for the long term effects of the Programmes, the two groups of respondents tend to hold quite similar views. The long term effect is regarded as significant or valuable by 25 Swedish companies and 26 of their business counterparts.

4.2 Site Visit Findings

The site visits comprised 30 host companies. Site visits were carried out in the countries listed below, and the individual cases are presented in Appendix 4 with ratings and annotations.

StartEast		StartSouth		
The Baltics	Eastern Europe	Africa	Asia	Latin America
Lithuania	Bosnia-Herzegovina	South Africa	The Philippines	Chile
	Serbia-Montenegro	Tanzania	Sri Lanka	Panama
	Russia	Zambia		

About half of the projects where the local companies were visited rate "medium" or better on most counts in Appendix 4, including assessed sustainability. This would have been an indication of good overall success of the Programme, considering its "seed" support character. This would have been a justified conclusion, had the reviewed 30 projects not had a likely positive bias compared to several of the randomly sampled projects that could not be visited for reviewed. The reasons include the likelihood that sponsors of weak or failed projects would be more difficult to track down, as elaborated in Section 1.3.4 above on sample losses.

A positive finding is, however, good indications on Programme attribution. When evaluating the extent to which achieved objectives and impact can really be attributed to the Programme, a test on attribution was made for those projects rating medium or high on the assessed effectiveness and impact, as shown in Appendix 4. All of the 14 reasonably or clearly successful companies have strong connection to the Programme with medium or high attribution ratings.

4.2.1 Relevance

The relevance is "The extent to which a development intervention conforms to the needs and priorities of target groups and the policies of recipient countries and donors", and the needs of the local participant companies are taken as a proxy in the assigned ratings.

22 or almost 80 per cent of the 30 projects with conducted site visits have good relevance ratings for the Programmes, while the remaining 8 were assigned none or low relevance ratings. A prime cause for the lower ratings is poorly adapted business concepts to local markets, competition and risk.

The regions with the highest relevance ranking are Central Europe, Asia and Latin America.

Relevance					
	None	Low	Medium	High	In sum
Central Europe	-	-	1	5	6
Eastern Europe	-	3	3	1	7
Africa	3	1	3	1	8
Asia	-	-	3	2	5
Latin America	-	-	1	3	4
In total	3	4	11	12	30

4.2.2 Effectiveness

The effectiveness is “The extent to which an intervention has achieved its objectives, taking their relative importance into account”. We looked to output levels (achievements of budgets and turnover targets and the outcome level (achievement of self-sustaining profitable businesses that contribute to growth, employment etc.).

The results in the table below look reasonably good: 15 of the visited companies had their projects assigned “medium” or “high” effectiveness ratings and 13 similarly good ratings of outcome. A check on Programme Attribution of these outcomes did not materially change the picture.

However, 15 of 30 visited companies had projects with assigned “none” or “low” effectiveness ratings on output and 17 of the 30 “none” or “low” outcome ratings. You can see a minor difference between the regions, where Central Europe shows the highest ranking on both output and outcome level.

Effectiveness					
	None	Low	Medium	High	In sum
Output level					
Central Europe	1	1	1	3	6
Eastern Europe	1	3	1	2	7
Africa	2	3	2	1	8
Asia	-	1	3	1	5
Latin America	-	3	1	-	4
In total	4	11	8	7	30

Outcome level					
Central Europe	1	1	-	4	6
Eastern Europe	1	3	1	2	7
Africa	1	5	1	1	8
Asia	-	2	2	1	5
Latin America	-	3	1	-	4
In total	3	14	5	8	30

4.2.3 Programme Impact

The impact is “The totality of the effects of a development intervention, positive and negative, intended and unintended”. We have used this definition and evaluated the impact from each visited company in a broader perspective, including in terms of spill-over effects etc.

The table below presents the rated impact from just over half per cent of the projects of visited companies is none or low. About 27 per cent of the cases rate as high and the rest are rated “medium” on the Programme impact.

There are some difference between the regions, where Central Europe has the highest ratings. In Africa 75 per cent of the visited companies have impact ratings as “none” or “low”

Wider impact					
	None	Low	Medium	High	In sum
Central Europe	1	1	-	4	6
Eastern Europe	2	2	2	1	7
Africa	1	5	1	1	8
Asia	-	1	3	1	5
Latin America	-	3	-	1	4
In total	4	12	6	8	30

Some caution in the interpretation by regions is justified by the low numbers, while projects in Africa tend to rate lower on this and other counts in the site review.

4.2.4 Programme Sustainability

”The continuation or longevity of benefits from a development intervention after the cessation of development assistance”. We applied this definition by looking to the prospects of each local business to survive without continuous external support.

The table below shows that just over half of the visited companies were assigned medium or high sustainability ratings, and the rest none or low sustainability. Many of the visited companies are still quite dependent on the Swedish company or on market outlets through the Swedish partner, as the several outsourcing cases.

Combining these sustainability ratings and adding risks to sustainability (not least in the several cases with quite small Swedish and local partner companies), justifies caution. So does the fairly high sample loss for the site visit reviews. These factors must be considered when seeking to draw firm conclusions on the overall success of the Programmes.

Sustainability					
	None	Low	Medium	High	In sum
Central Europe	-	-	1	5	6
Eastern Europe	1	3	2	1	7
Africa	1	4	2	1	8
Asia	-	2	2	1	5
Latin America	-	3	1	-	4
In total	2	12	8	8	30

4.2.5 Programme Efficiency

The efficiency is “The extent to which the costs of a development intervention can be justified by its results, taking alternatives into account”.

The outcome of the efficiency ratings for Programmes support to the visited companies is again that just above half have medium to high ratings, while the rest have low to none ratings. Regionally, the ratings are higher for Central Europe and in Asia, while African projects again have low or none efficiency ratings in 75 per cent of the reviewed cases.

Efficiency					
	None	Low	Medium	High	In sum
Central Europe	1	-	1	4	6
Eastern Europe	1	2	2	2	7
Africa	1	5	1	1	8
Asia	-	1	3	1	5
Latin America	-	3	-	1	4
In total	3	11	7	9	30

4.2.6 Other Criteria

Efficient markets

The results of contribution to efficient markets show almost the same result as the efficiency evaluation. Outstanding regions on the positive side is Central Europe and on the negative side, again Africa.

Contribution to efficient markets					
	None	Low	Medium	High	In sum
Central Europe	1	1	-	4	6
Eastern Europe	1	3	2	1	7
Africa	1	6	1	-	8
Asia	-	2	2	1	5
Latin America	1	2	-	1	4
In total	4	14	5	7	30

Poverty reduction

Poverty reduction is defined as “The extent to which the intervention supports poverty reduction”. We used this definition and asked questions about the education level of the employees, the companies’ attitudes to employing the poor.

Only three of the projects have had any direct assessed influence on poor groups while 90 per cent of the projects have had “none” or “low” influence. The companies that have had an assessed influence are situated in South Africa (where the company employs people with disabilities) and in the Philippines (where the company operates in a low income rural area). In both cases the attribution to the Programmes are medium or high.

Influence on poor groups					
	None	Low	Medium	High	In sum
Total	15	12	1	2	30

Gender

The gender dimension is defined as “The extent to which the intervention supports gender mainstreaming.” We have used this definition and asked questions about if they take the gender into account when starting the company or choosing employees to their company.

Only three of the projects have had any assessed influence on gender, while 90 per cent of the cases had no influence. The attribution the Programmes in those cases where the gender situation improved is very low.

Gender influence					
	None	Low	Medium	High	In sum
Total	27	-	-	3	30

Impact on the physical environment

The physical environment impact is defined as “The extent to which a development intervention supports a sustainable use of natural resources and protection of the environment and the connection to poverty reduction.” We have used this definition and asked questions about the companies’ products and the view on environmental questions.

Only five of the projects have had any assessed influence on physical environment, while about 83 per cent of the projects have had low or no influence. The companies with high ranking were all in businesses with environmental products or services.

Influence on physical environment					
	None	Low	Medium	High	In sum
Total	14	11	1	4	30

Corruption

None of the companies have had any assessed material influence on corruption.

Influence on corruption					
	None	Low	Medium	High	In sum
Total	29	1	-	-	30

The character of corruption obviously makes it difficult to capture any influence by individual small business alliances, as only significant SME lobbies or business associations might expectedly have an influence on the fight on corruption.

Influence on HIV/AIDS

Only one project has had a medium assessed influence on HIV/AIDS by providing its employees with medical help and advice. 30 per cent of the companies have had no assessed influence, while the question is not applicable to the rest of the cases due to relatively less problems with HIV/AIDS in their locations than in Africa.

Influence on HIV/AIDS					
	None	Low	Medium	High	In sum
Total	9	-	1	-	30

Form of business cooperation

About 37 per cent of the visited local companies turned out to be wholly owned subsidiaries and about 17 per cent are joint venture companies. In Central Europe, that shows relatively higher ratings on most of the criteria, all the visited companies were subsidiaries of the Swedish company.

	Kind of co operation			In sum
	Alliance	J-V	Subs.	
The Baltics			6	6
Eastern Europe	5	1	1	7
Africa	5	1	2	8
Asia	3		2	5
Latin America	1	3		4
In total	14	5	11	30

The outcome confirms that manifest commitment by the Swedish partner is a clear success factor.

4.2.7 Examples of Successful Projects and Reasons for Lacking Success

There have been some successful projects within the Start Programmes (within our sample of site visits) within different areas. A few examples are presented below:

Bosnia – industry sector

A Swedish company started a cooperation with a Bosnian company in heating systems and equipment. The initial transfer of knowledge was crucial for the start of the cooperation that builds on the Swedish partner's product lines and know-how. The local host company today employs over one hundred people, while it experiences strained finances. With the support from its strong partner in Sweden, the Company has, however, been able to carry on its business, and the Swedish partner still regards the long-term prospects as promising.

South Africa – industry sector

The host company in South Africa is wholly owned by the Swedish company. The company produces a product "Ecoplug". It is used to halt or restrain the growth of trees in gardens and parks reducing the need for laborious and costly pruning etc. The product is unique of its kind in South Africa, while slightly more expensive than competing less environmentally friendly growth-restraining products. The company employs local disabled workers as a matter of policy, as the owner of the Swedish Company is also a disabled person. A recent order from the Government to supply the products to a test-area outside Cape Town brings prospects to secure more jobs.

Zambia – industry sector

The founder of the host company in Zambia was previously employed by the Swedish company. The know-how transfer and training is in the area of electrical installations and repairs. The company was a start-up and now employs about 40 poor people in a profitable and expanding local operation.

The Philippines – forestry industry

The owner of the company started a tropical forestry business some years back. Like other forestry projects, the investment will not pay off for some years, although tropical forestry has shorter cycles than e.g. forestry in Scandinavia. The company is still dependent on various support programmes that operate in the Country, but it has evident ecological merits and creates hundreds of job opportunities, including for unskilled workers in poor parts of the Philippines.

Sri Lanka – IT-sector

The host company is part of a group with the Swedish party as owner and outsourcing party of programming services. The project was a start-up business, while it now has about 80 qualified Sri Lankan employees.

Tanzania – production of security documents, a case where demand still lags.

Know how transfer and training focused on technical sales of security documents and ID products for the Tanzanian market. On the job training involved potential customers, like banks. The business line has not taken off as yet, while the potential market was deemed good initially. The training did, however, help in bringing more insight into security prints and ID systems in the Company and among potential clients in the Capital.

Many other projects have met market constraints or turned out outright failures. The principal causes are poorly assessed markets, misjudged competition, and lacking commitment or financial sustainability of the Swedish partner company. As in prior reviews, other cases indicate communication failure between the partners due to cultural differences etc.

4.3 Comments on Strengths and Weaknesses of the Programmes

In the Questionnaire we also asked the respondents to give their views on important influencing factors that might enhance or impede the functionality of their respective Programmes. We also provided an opportunity to comment on important issues not raised in the Questionnaire. The same questions were given in the interviews.

As might be expected, a pivotal factor mentioned in the remarks is the successful transfer of knowledge and skills. That, in turn, is a test of the trainers' skills in providing adequate information and to understand the needs and capacities of the receiving partners. In some answers, the companies stress the importance of combining formal education with hands-on training and practical work.

Wellfunctioning personal relations is another recurring theme in the comments on important influencing factors. There is a need for close contacts that can help establishing functioning business communications and relations. In some answers, the respondents stress the importance of the driving force of one or a few particularly committed persons.

Mutual understanding of cultural differences is a third important influencing factor. Knowledge of language and skills in communicating are stressed in many answers. It is necessary for the Swedish company to be or become familiar with the turns and twists of local bureaucracy in many of the societies where their partner companies work. In some answers, local corruption or outright fraud or other criminal offences are mentioned as important impeding factors. Some companies have also pointed out the importance of adding some training in cultural differences in the training sessions, to be able to understand each other.

Cultural competence is seen by many companies as a necessary prerequisite for successive market or product development. It is crucial to understand the basics of the local markets. In the answers, examples are provided of successful as well as less successful adaptations to local needs or preferences. It is, obviously, useless to provide high technology products in area where the necessary infrastructure is lacking. It is equally useless to try to produce and sell products that are too expensive for the local markets they are intended for.

A crucial point that has been raised by many of the host companies is the Swedish long-term commitment by i.e. ownership in the host company. This factor was seen as decisive for sustained continuation of the cooperation beyond the start-up and training period.

Another problem among many companies is that the staffs that have received the training have quit their jobs.

The respondents were also invited to give their comments on issues they considered as not covered by the Questionnaire. Most of these remarks are about the role and handling of the Programmes and of Sida's policies.

In general, the comments on the Programmes are positive. They were often regarded as an excellent help for Swedish companies to establish enduring partnerships in the selected countries. In some answers, the companies say out rightly that they would not have dared take the step into the new market without the support of the Programmes. A problem, according to some companies, is that the Programmes are restricted to a period of three years. They would have preferred a longer Programme duration.

As regards the role of Sida, the answers are quite mixed. On one hand, some companies remark that the actual activities would not have come about without the support of Sida and the commitment of Sida staff. On the other hand, quite a few companies complain of long handling times and lack of insight in private business development. Some companies would like Sida to provide better support in legal matters, for example contract formulation.

4.4 Summary of Comments by the Embassies

StartEast		Start South		
Central Europe	Eastern Europe	Africa	Asia	Latin America
Latvia	Bosnia-Herzegovina	South Africa	The Philippines	Chile
Lithuania	Serbia-Montenegro	Tanzania	India	Panama
	Russia	Zambia	Sri Lanka	
			Thailand	

We paid visits to the Swedish embassies in Chile, Tanzania, The Philippines, Sri Lanka, Bosnia-Herzegovina and Serbia-Montenegro. The remaining Embassies were contacted by phone or e-mail.

The opinions and experience from the Embassies is easily summarised. Those few of the Embassies that had any knowledge of the Programmes were quite positive, as the Embassies in South Africa, Russia, Colombia and Chile. The respondents in these countries pointed in particular to the good will and reference value of the ongoing collaborations. Several of the other Embassies did express an interest in the Programmes when informed of their existence and would like to be involved in the future.

4.5 Administration Mode and Programme Management Procedures

In our assessment, the Survey and interviews with local participating companies indicate that the Programmes tend to work well on the whole in terms of training and know-how transfer to the respective local partners. The administration, too, seems to work satisfactorily on the whole, while we see reasons to make some complementary remarks.

4.5.1 Cost of Administration of the Programmes 2000–2004

Below we present the cost of administration of the Programmes and the number of approved projects per year. As you can see, the administration cost per project has decreased with 32 per cent between 2003 and 2004, which is an indication of more efficient handling.

Table V. Cost of administration of the Programmes over the years 2000–2004

Year	Administration cost	Nbr of projects	Adm.cost/project
1998	n/a	44	n/a
1999	n/a	15	n/a
2000	750 000 SEK	27	27 777 SEK
2001	970 000 SEK	19	51 053 SEK
2002	3 460 000 SEK	52	66 538 SEK
2003	3 190 000 SEK	50	63 800 SEK
2004	3 838 000 SEK	89	43 123 SEK

4.5.2 Marketing

It is important to coordinate information about the Start- Programmes with other instruments applied in support of Private Sector Development and also to target particular regions. A closer cooperation with other interested parties might create more interest in involving Swedish companies in this kind of projects. Diffusion of information about the kind of Swedish support could, for example, benefit from more coordination with, for instance, SME promotion activities of the European Union.

4.5.3 Administration of Applications and Decision Making

Complaints of long handling times are frequent in the comments from the participating Swedish companies. One important cause of delay seems to be incomplete applications. This requires complementary information, and, consequently, longer time from the first application to approval. In our opinion, it would be to the benefit of applicants as well as decision making authorities if the application forms could be made more user-friendly.

5. Conclusions

In this final chapter we sum up the findings from the desk study, the Survey and the Site visits. According to the Terms of Reference, the purpose of the Evaluation is;

- to assess whether the Programmes have accomplished their stated goals and objectives,
- to assess to what extent the Programmes are in line with Sida's new Policy Guidelines on Private Sector Development, and
- to provide a basis for Sida's assessment of extending the Programmes beyond mid-2005, given the Policy for Global Development.

The Evaluation would also include recommendations with regard to design, scope and duration of continued Swedish support for private sector development in general and broader cooperation in particular.

5.1 Evaluative Conclusions

Based on the answers from interviews and Questionnaires and the final reports from each project, we can conclude that the Start Programmes have contributed to transfer of knowledge and know-how. As a result, they have generally worked in line with their stated goals and objectives.

The Terms of Reference state six specific criteria for the assessment of the Programmes. In the following section we discuss the results of the findings with regard to each of these criteria. This section ends by presenting answers to the aforementioned three main questions of the Terms of Reference.

5.1.1 Relevance

Definition

The extent to which a development intervention conforms to the needs and priorities of target groups and the policies of recipient countries and donors.

Assessment

In the opinion of the respondents, the Programmes meet the needs of their recipient partner companies. Few obvious flaws are reported by these. The Programmes have contributed to some increase in employment and turnover.

In the assessment of Relevance, the examination should analyse to what extent the Programmes satisfy the needs and requirements of the key stake-holders, the business firms in the East/South and their respective partner companies in Sweden. Further, the analysis should consider if the Programmes satisfy the policies and priorities of the target countries and Sida.

The company responses indicate that a sizable share of Swedish and local partner companies is of the opinion that the Programmes met their respective needs fully. Just a few companies say the needs have been met marginally or not at all.

During the site interviews most local companies said they were satisfied with the training and know how transfer. They regarded this support from the Swedish partner companies as particularly valuable.

The rating by the companies of the ability of the Programme to meet their respective needs differs to some extent between geographical regions. The highest marks are reported by companies operating in the Central Europe and Asia. Companies working in Eastern Europe and Africa report less appreciative opinions.

The respondents do not identify any major flaws in the Programmes. Only five per cent report that they have found quite a lot of important gaps in the support that might have reduced its value.

Another way to assess the relevance of the Programmes is to measure the possible influence of the Programmes on the companies' numbers of employees and financial turnover. We have asked the participating companies to report their numbers of employees and their figures of turnover (in SEK) before and after the projects, as an assessment with and without them would not be practically feasible. These answers are summarised in the tables below.

Table VI. Changes in number of employees and changes in turnover (SEK).

Changes in number of employees				Changes in turnover			
Region	Companies		Totals	Region	Companies		Totals
	Swedish	Partner	East/South		Swedish	Partner	East/South
Central Europe	361	233		Central Europe	109 050 999	135 816 3531	
Eastern Europe	255	128	976	Eastern Europe	496 774 925	163 147 947	904 790 222
Africa	881	27		Africa	15 921 995	39 714 666	
Asia	53	210		Asia	19 061 861	10 705 573	
Latin America	-8	3	1 166	Latin America	1 100 000	138 592	86 642 687
In total	1 541	601	2 142	In total	641 909 780	349 523 129	991 432 909

From the table to the left above one might conclude that the Programmes in general have had a positive impact on employment in the Swedish partner companies and, in this group, in particular in those working with counterparts in Africa. However, any attribution of the observed increase to the Pro-

grammes is complex, as a multitude of other factors influenced the growth of employment in the Swedish partner companies. (This includes business cycles, mergers, generally more active and outward-oriented owners and management in companies seeking international collaboration etc). The same considerations apply to changes in turnover. On this count, the Swedish partner companies show the biggest absolute turnover increases when partnering with companies in Eastern Europe.

It should be noted, however, that the distribution of improvements in turnover is extremely uneven. Two Swedish companies and one partner company in the region of Eastern Europe account for about 430 Million SEK of the increased turnover in the group. Some, 35 companies report a reduction of turnover, while this again may be unrelated to the success of the Programmes.

The reported relative changes in employment and turnover are also substantial. Participating Swedish companies have almost doubled their numbers of employees from approximately 1 600 to about 3 200, and turnover by about 70 per cent from approximately 0,9 to 1,6 billion SEK. This situation of the local counterparts looks similar though on a significantly lower absolute level. Their number of employees had risen by about 60 per cent from about 1 000 to around 1 600, and their turnover by about 160 per cent from ca SEK 220 to about 570 million. Again, any firm attribution to the Programmes is difficult to make, due to the numerous independent factors at play, including the aforesaid likelihood that outward orientated owners and management are more likely to see growth of their businesses. Independent industry concentration factors are also likely to have been at play.

A regression analysis shows a very weak correlation between relative change in turnover and assessments by respondents to the Questionnaire that the Programmes made a substantial contribution to the companies' achievements. On the other hand, company representatives who see the contribution of the Programmes to their companies' achievements as substantial, report a comparatively high increase in their turnover. Still, attribution is difficult to establish with any certainty even in these cases.

5.1.2 Effectiveness

Definition

The extent to which a development intervention has achieved its objectives, taking their relative importance into account.

Assessment

In the opinion of the respondents, Programme objectives have been met and the Programmes have made a substantial contribution to the achievements of the companies.

In the answers to the Questionnaire, 27 out of 105 companies report that specific objects of the Programmes have been met fully, and 63 report that they have been met to some extent. Only 15 companies report that the objectives have been met marginally or not at all. As mentioned earlier in this report, it has not been possible to verify this information by comparison with actual objectives in the applications or in the accounts of the companies.

In addition, 40 per cent of the Swedish companies and 60 per cent of their business counterparts say that they are of the opinion that the Programmes have made a substantial contribution to the achievements of the respective companies.

5.1.3 Programme Impact

Definition

The totality of the effects of a development intervention, positive and negative, intended and unintended.

Assessment

One third of the respondents report that they maintain business relations with their counterparts and that this would have been unlikely or not likely without support from Sida. One third of the respondents see the contribution of the Programmes to increased business opportunities for other firms as substantial. In addition, sustainable collaborations are more likely to have brought some external effects, as via linkages in the local economies.

In the assessment of the Programme impact we asked the respondents to report if they still maintain business relations with their respective counterparts and whether this would have been the case without support from Sida.

From the answers, we can infer that about half of the companies maintain such relations with their counterparts. One third of the respondents of the total number of respondents report that they maintain business contacts and that it is unlikely or not likely that this would have been the case without support from the Programmes.

Further, we have asked the respondents to assess the Programmes' contribution to increased business opportunities for other firms. In rough terms, one third of the respondents think that the Programmes' contributions in this respect are substantial. One third thinks that the contribution is partial and one third sees it as marginal or negligible.

5.1.4 Programme Sustainability

Definition

The continuation or longevity of benefits from a development intervention after the cessation of development assistance.

Assessment

A substantial majority of respondents think that the long term effects of the Programmes on their companies' opportunities is significant or valuable. About 15 per cent of the Swedish companies 50 per cent of their counterparts regard the Programmes' help to profitable growth in their companies as clear. Their views on the five- year relevance of present improvements seem to be diffuse.

In the assessment of Programme sustainability we asked the respondents about long term effects of the Programmes on their companies' business opportunities, about the contribution to profitable growth and the prospects that the Programme achievements would still be relevant in five years.

In their answers, 75 per cent of the Swedish companies and about 85 per cent of their business counterparts report that they assess the long term effects of the Programmes on their respective companies' opportunities as significant or valuable.

In about half of the cases, representatives of the Swedish companies think that the Programmes' help to profitable growth of their firm is clear or partial, with a distinct overweight for the latter alternative. The local partner companies have an apparently higher rating of the helpfulness of the Programmes.

The estimates of the chances that present improvements will still be relevant in five years are quite evenly distributed between available alternatives. About on quarter of respondents think that this chance is less than 25 per cent, 25–50 per cent, 50–75 per cent, and more than 75 per cent, respectively.

5.1.5 Other Criteria According to Terms of Reference

Criteria

Contribution to the creation of more efficient markets. Benefit to poor groups. Contribution to improved conditions for men and women. Impact on the physical environment. Effect on the prevalence of HIV/AIDS

Assessment

There are some examples of creation of more efficient markets, but also of the opposite. The effects on the opportunities of the poor are uncertain. About 15 per cent of companies report that the share of women employed has risen as an effect of the Programmes. Ecological concerns have been part of the Programmes to a considerable extent, according to answers from one third of respondents

Of the criteria above, it has not been relevant in this examination to address the criterion of HIV/AIDS. It is an area which cannot be assessed reliably within the framework of this study of SME business collaborations.

Efficient markets

Some of the projects have, according to our findings led to more efficient markets. The Questionnaire responses indicate, for example, that local subcontracting and outsourcing is practised in several cases, and several projects in the European and Russian transition economies sell producer goods or services to other businesses. Internationalisation was fostered when Swedish partners outsourced production to the Baltic countries and also in some cases to more remote countries like Sri Lanka. The Evaluation did, however, not identify any cases where the Programme supported privatisation.

Poverty reduction

As indicated above, the Programmes were not designed for direct poverty reduction, while they have added employment opportunities in some of the local participating companies. However, it is difficult to assess the extent to which this may have benefited the poor, though growth may ultimately lead to better opportunities also for the poor. In general, it seems that the direct influence on poverty reduction is limited. The project businesses were generally not in economically depressed geographic areas or of the kind that would employ large numbers of unskilled labour. Some participating local companies did in fact state that they were not reluctant to employ poor people, due to differences in life styles and ways of living.

Gender

The Questionnaire returns show that the share of women employed by the participating companies increased in about half of the reported cases. However, of those that report an increased share of women employees, only about 15 per cent are of the opinion that the Programmes contributed. The total increase in employment reported by local companies that say their share of women employees has increased and that attribute this to the Programmes are 180 out of the reported total increase in employment of over 2 000.

Environmental content

According to the responses from about one third of the participating companies, environmental and health and safety concerns have formed part of the Programmes to a notable extent. The same share of respondents say that such concerns have been included to some extent and the final approx. one third consider that these concerns were marginal or negligible.

5.1.6 Modes of Administration and Programme Management Procedures

Criteria

Efficiency in terms of outreach to potential clients.

Expediency in the screening and approval processes, monitoring and follow-up.

Cost-effectiveness of routines and procedures

Assessment

It is mandatory to keep close control of administrative costs. Administrative procedures tend to be regarded as cumbersome and slow.

Administrative costs have been rising until 2003, but the trend seems to have been halted in 2004. It is important to maintain close control of the administrative procedures and their costs.

In comments to the Questionnaire, some participating companies express concern about the modes of Programme administration and ways of handling applications for support. The system was seen as cumbersome and time consuming.

Complaints of long handling times tend to be rather frequent. However, one important cause of delay seems to be incomplete applications which require additional information. It therefore, appears desirable to even more simplify application forms and to produce extended guidelines for filling in the forms.

5.2 Compliance with the New Guidelines on Private Sector Development (PSD)

It should be noted that the Programmes were conceived and launched prior to the PSD Guidelines adopted in 2004.

Fundamental guideline elements for Swedish development support

- Competitive markets, including clear and non-discriminatory rules of the game.
- Entrepreneurship as the source of innovation and change.
- Fair, non-discriminatory and effective property rights.
- Decent work conditions and sustainable use of the environment.

Assessment

Uncertain, or at best, marginal effects on the creation of competitive markets.

Some support to entrepreneurship as the source of innovation and change.

Environmental concerns have been included to a considerable extent in many cases.

The above principles have justifiably influenced a change of Sida's private sector development collaboration, away from direct enterprise interventions towards others with a clear institution building focus.

The Start Programmes would obviously fit into this new conceptual framework, only if they had quite high external impact beyond the projects. The Programmes' design has, however, not focused on factors as markets enhancement, wider demonstration of successful private entrepreneurship. Neither have they looked specifically to influence fair and conducive private sector regulation or laws that affect efficient markets. It is therefore not surprising that this evaluation concludes that the impact of the Start-Programmes in these dimensions has been insignificant relative to the cost, including for the Programme administration.

To the PSD guidelines should be added the principles of Sweden's Policy for Global Development. These include focus on human rights and equity, gender perspective, sustainable development, and

equitable distribution of resources. Neither the PSD Guidelines nor the Global Development Policy has, however, influenced the design of the Start Programmes.

6. Lessons Learned

Definitions

Development Goals of StartEast:

- To support social and economic development in the region.
- To provide incentives for Swedish small and medium enterprises to establish economic contacts in the region.

Development Goals of StartSouth:

- To contribute to sustainable economic cooperation.

Assessment

Uncertain or, at best, marginal effects on social and economic development, and better on fostering of sustainable economic contacts and cooperation that can add growth over time.

6.1 Social and Economic Development

The development goals of the Programmes are expressed in quite general, broad terms. It is, in our opinion, not really possible to evaluate the contribution to wider social and economic development. The Programmes represent scattered interventions with obviously quite marginal wider contributions. The relatively small size of the projects makes it difficult to assess to what extent their external impact beyond the projects (via linkages, enhanced competition, demonstration etc.) may have contributed more significantly. Looking to the modest sustainability and efficiency ratings on average from projects with site visits, one must conclude, however, that the Programmes probably have had low-modest impact on social development and economic growth.

The sampled local companies experienced some increases in the numbers of employees and economic turnover. However, these effects appear to be very unevenly distributed, with one local partner company in Eastern Europe accounting for almost half of the increase in turnover reported by all partner companies. In addition, the effects on employment in Africa and Latin America by the projects would be negligible, although the Programme attribution is difficult, as so many other factors influenced developments. Similarly, the contribution of the Programmes to improved gender equality seems marginal based on the Questionnaire returns and interviews.

6.2 Business Contact “Additionality”

Only about one third of the respondents that report that they maintain regular business relations with their counterpart, say that this would have been unlikely or not likely at all without the support of the Programmes. About half of the remaining respondents that report regular business relations are of the opinion that this certainly or probably would have been the case even without the support from the Programmes.

A measured conclusion could be that the Programmes have, contributed on the margin to social and economic development and more clearly to fostering and consolidation of sustained business collaborations between the Swedish and local partners. The site visit findings in Section 4.2.1 do, however, point to modest or low efficiency and effectiveness on average.

6.3 A Sida-extension of the Programmes

In general, the achievements of the Programmes in relation to the stated or implied original objectives appear as modest to good from this Evaluation. The effects seem more marginal in relation to the more recent PSD guidelines and adopted Swedish Policy for Global Development. With reference to the findings in the light of the broader collaboration aims of Sweden with developing countries, the Evaluation still recommends a continuation of the Start Programmes in a suitably modified form.

6.4 A modified Programme Structure

The Start Programmes have an element of seed-money to encourage more collaboration attempts between small and medium size firms in Sweden and potential partners in mostly remote developing countries. In this sense, the Programmes seek to compensate for market imperfections, information gaps and high initial contact and transaction cost.

Applying a “seed capital” perspective, modest standardized grants to encourage the kind of collaboration attempts could be justified even in future. This may be the case, although only a minority of the programmes actually result in sustainable collaborations for mutually profitable business.

Seed capital projects of this kind regard a relatively high failure rate as a normal and expected outcome. In this light, the modest ratings of effectiveness and sustainability of the reviewed projects, may still be regarded as acceptable. In addition, the PGU may see good-will, cultural and trade promotion merits in the kind of Start-Programme. As mentioned before, any continuation of the Programmes should look to even simpler and more efficient administration, if the seed capital approach were to be continued.

6.5 Causes of Failure or Success

Lessons from this and prior evaluation clearly tell the following: a market-based approach is necessary. Programmes of this kind can only facilitate (but not design or operationally influence) the workings of market-based SME business alliances. In theory this would call for subsidies to be used only to compensate for market imperfections, as lacking access to information for SME's on international collaboration prospects.

Traditional PSD Programmes were typically designed to promote economic growth or economic transformation by providing investment support and at times technical assistance. However, due to lacking insight and understanding of market mechanisms, many of these direct enterprise interventions tended to be supply driven, rather than market driven. At worst, they responded to symptoms rather than the underlying problem of dysfunctional markets.

Many of the Questionnaire returns support the above reasoning. When asked to list the five most significant constraints that affected the Programmes, Swedish and local counterparts refer to lack of market response as the major constraining factor. In successful cases, understanding of the market seems to have been an important force behind their achievements, while the opposite applies to failure cases.

The lesson for the future is that good quality market assessments should be the prime approval condition in any continued Programme, even if its administration and criteria were to be simplified in other respects.

6.6 A Clear Strategy for Start Contributions as a One-off Support

The Programmes are intended to give support to companies in their initial stages of establishing or entering a new market. After that period, the partners are supposed to carry on with their business

activities on their own. Normally, the strategy of the donor is to halt support after the specific funding allocated to a project is spent and an approved report has been produced.

However, the Evaluators found that it often happened that applications for continued support are filed with, for instance, the motivation that the project has not reached a sufficient level of self survival and that, consequently, some additional funding is necessary. This poses the donor representatives in the awkward position of having to decide whether to risk the previous investment or, perhaps, spend good money after bad. In addition, the Evaluators found in at least one case that the initial project failed, while the Swedish partner was able to obtain a new round of Start support for a modified project in another locating with another local partner.

For the above reasons, any continuation of the Start Programmes should include a clear strategy for very restrictive handling of repeated applications.

6.7 Extension of the Swedish Network of the Resource Base

The Swedish resource base, hitherto utilised, is rather narrow and includes mainly the Swedish companies and to some extent Sida, consulting firms, and later on NUTEK. However, we think that there is a broader potential resource base in NUTEKs networks. These may include the Chambers of Commerce, the Export Council and various NGOs.

From our interviews we find that, in particular, Swedish Embassies and their trade representatives is an underused resource base. Most of the Embassies we visited proved to have no or only scant knowledge of the Programmes, while they expressed an interest in the Programmes and a willingness to make a more active contribution.

In view of the above, any continued Start-Programme variant should seek to involve the Embassies as an additional link for fostering of SME collaborations and to contribute know-how and understanding of the conditions of the respective local markets and cultures.

7. Recommendations for the Future of the Programmes

The sustainability of the reviewed projects came out as quite good for a “seed programme” of this character, when looking to the Questionnaire returns and the Site Visit findings as presented in Chapter 4. After adjusting for the considerable sample losses for the Questionnaire part in particular, we still concluded that the outcome looks reasonably good compared to many other seed-type Programmes for small businesses. We concluded that the survival rate of the Start projects over the reviewed and foreseeable period could be as good as 20–25 per cent. There were no big differences between the regions or with increasing distance from Sweden. The sole exception is the Africa region, where most of the countries have clearly riskier investment environments and a higher failure rate of projects as a result.

Overall this outcome can be regarded as satisfactory or better considering the character and aims of the two Programmes. In conclusion, however, it is important to seriously consider the justification in the aforesaid PSD guidelines for Sida to continue the Start-Programmes in their present form. The current review of Sweden’s future wider development collaboration may, however, consider if the merits could justify a continuation in some modified form. In this wider perspective we recommend Sida/NUTEK to merge the StartEast- and StartSouth-Programmes with a common budget. Further, the parties to whom the report has been submitted for consideration are broadly of the opinion that a continuation of the Programmes in modified form is justifiable.

Our general recommendation, therefore, is that the Programmes can merit extension beyond 2005. The findings of this Evaluation seem, however, to justify a change of the country focus and some design modifications.

1. We advise Sida to merge the Start Programmes into a single programme with a specific focus on establishing sustainable cooperation between Swedish SME:s and suitable partner companies in selected countries. The Swedish Policy for Global Development points i.a. to the potentials of Swedish business enterprises and labour unions in local development activities. We see an important role for a new programme in this respect.
2. The new programme should be closely aligned to the general goals of the Policy for Global Development. It should, so far as reasonable, focus on equitable and sustainable development with a particular eye on the needs and interests of poor people. Swedish business enterprises and labour unions could contribute considerably to environmental concerns, social responsibility and fight against corruption in local development. However, it is not advisable for Sida to seek to structure or influence the workings of the project businesses or the alliances, as these should be market-driven.
3. The Policy of Global Development envisages a concentration of Swedish aid to a restricted group of countries that are selected for long term cooperation and partnership. A new programme could fit well into this structure.
4. The PGU should look to the merits of the Start Concept as found in this Evaluation. The country selection should take into account that the business environments must be reasonably conducive to the success of SME business alliances. This justifies some concentration. The Start Instrument appears unsuitable for investment environments where the projects may face excessive market, regulatory or other risk. This in turn puts excessive demands on the internationalisation and support capabilities of the Swedish SME partner.
5. The existence of a viable market for the goods or services provided by the Swedish company and its local partners is an absolute requirement for success. We therefore strongly encourage Sida to stress the importance of well designed market analyses in applications for support.
6. The decision to support the establishment of a partnership between a Swedish company and its local partner should also include a clear exit strategy. We therefore advise Sida to introduce clear instructions that START offers one-off support to assist know-how exchange in the business alliances, and that repeat financing will not be considered, even if the business or partnership is modified.
7. We further recommend Sida to look closely into the sustainability of the Swedish business enterprise. It should have a healthy growth potential of its own, have the capacity to absorb the burden of the partnership and offer a reasonable likelihood of being a viable partner in a foreseeable future.
8. Sida is recommended to include operational goals in the respective decisions to support establishment of partnerships between Swedish and local companies with a view to enabling stringent follow up and evaluation. Sida should design workable records systems, where the Programmes were weak to date. Include a feature for retained contact beyond final reports to facilitate future outcome evaluation.
9. We advise Sida to simplify and streamline its application and approval procedures with improved information and formats to applicants and recipients.
10. We also recommend Sida to continue outsourcing to NUTEK and a more limited number of ALMI entities that show a true interest to participate.
11. We also advise Sida to consider involving Swedish Embassies in countries selected for future Start Programmes, defining their role in line with the mutuality and good will aims of Swedish policies for broader collaboration.

Appendix 1 Terms of Reference

1. Background

Since 1994 SwedeCorp and Sida have been providing financial support for the development of business alliances between Swedish firms and firms in Central and Eastern Europe (StartEast) and Africa, Asia and Latin-America (StartSouth).

The Development Goals of StartEast have been a) to support a social and economic development in the region and b) to provide incentives for Swedish small and medium enterprises (SMEs) to establish economic contacts in the region.¹ For StartSouth the Developmental Goal has been to contribute to sustainable economic cooperation. The Project Purpose of both Programmes have been to improve profitability and productivity of target firms in the East and in the South.

Since its inception approximately 400 projects have been granted loans out of the Programmes – of which about 300 from StartEast² and about 100 from StartSouth. Altogether projects in 35 countries have received Sida support- of these 12 in the East and 23 in the South. At the moment 19 countries in the South and 11 countries in the East are eligible for Sida support. The Baltic countries are no longer eligible for support.

Both Programmes offer financial support in the form of loans to Swedish SMEs (max 250 employees) for the start-up phase of joint projects with local companies. One type of loan (Write-Off Loan) is designed to facilitate competence development through transfer of know-how to the local company from the Swedish partner company. The other type of loan (Conditional Loan) is designed to promote investments in machinery and equipment in the local firm. The total sum of the two loans shall not exceed SEK 750,000 and may only cover up to 40 percent of the total cost of the project.

Up to 2002 Sida maintained most administrative functions with regard to the two loans in-house (with the exception of the monitoring of the Conditional Loans that was handled by ALMI). Since 2002 Sida has outsourced the execution of the Programmes to NUTEK/ALMI Företagspartner 2002. Four regional affiliated companies within the ALMI Group are engaged in these functions. Sida's role is to participate in the Approval Committee that meets six times per year to decide on the allocation of funds.

At the end of 1996 Sida commissioned an independent evaluation of the StartEast projects that were approved during the 1994 Decision Rounds. A sample of 19 projects were selected from a group of 49 projects that had been followed up by ALMI and Sida. This evaluation – focusing on outputs and near term effects of Sida's support – concluded that StartEast was a relevant and well managed programme (see details in "Sida Evaluations 97/6").

In 2004 Sida decided to allocate another 42 MSEK for StartEast and Start South. It is assumed that these allocations will allow NUTEK/ALMI Företagspartner to continue to be the Executing Agency for the Programmes during 2005.

Sweden's new Policy for Global Development (from December 2003) gives increased importance towards broadened structures of cooperation between countries. In this connection the Swedish government has invited Sida to assess the experience and outcome of various instruments that have been used with the purpose to generate mutual contacts with a broad group of Swedish actors (government authorities, NGOs, scientific institutions, commercial enterprises etc) and corresponding actors in developing countries.

¹ This goal was valid in the 1994–2004 period.

² Projects in Estonia, Latvia and Lithuania account for more than 90% of this number.

As a part of Sida's efforts to assess the value of these instruments Sida's Department for Infrastructure and Economic Cooperation (INEC) has decided to conduct another evaluation of the StartEast and Start South. This Evaluation should be conducted by a team of independent consultants with broad experience of private sector development in transition countries and developing countries.

2. Purpose and Scope of the Evaluation

The purpose of the Evaluation is to assess a) whether the programmes have accomplished their stated goals and objectives, b) to what extent the programmes are in line with Sida's new Policy Guidelines on Private Sector Development and c) to provide a basis for Sida's assessment of extending the Programmes beyond mid-2005 – given the mentioned Policy for Global Development. It is expected that the Evaluation will include recommendations with regard to design, scope and duration of continued Swedish support for private sector development in general and broader cooperation in particular.

3. The Assignment

The evaluation will be conducted on the basis of the following evaluation criteria:

3.1 Relevance

To what extent do the Programmes satisfy the needs and requirements of the key stakeholders, the business firms in the East/South and their respective partner companies in Sweden? Do the programmes satisfy the policies and priorities of the target countries and Sida?

3.2 Effectiveness

To what extent have the Programmes achieved their objectives at the output level and the outcome level? To what extent have the identified effects at the outcome level been caused by the Programme interventions? Identify subject areas and countries where the cooperation have been most successful and discuss the main factors that may have contributed to these positive effects (and vice versa, what were the reasons for failures).

3.3 Impact

To what extent have the Programmes contributed to create long-term business relations between the partner companies? To what extent did the Programmes contribute to the creation of positive or negative external effects, i.e. effects on that are not directly related to the implementation of the Programme interventions in the host companies? For example, has there been a spill over effect on other companies in the same sector in the host countries, did the partner companies enter into new contractual business agreements as a result of the interventions, did the host companies develop new techniques and technologies on their own without contribution from the Swedish partner?

3.4 Efficiency

To what extent have the Programmes achieved technical efficiency (could the same technical results been achieved using less costly interventions?) and allocative efficiency (in benefit-cost terms)? Comment on the cost-effectiveness of the Programme at the company level, e. g. by comparing the cost per trainee in different projects in the Write-Off Loans?

3.5 Sustainability

To what extent have the host companies been able to benefit from the transfer of know-how on a continuous basis?

3.6 Other criteria

With regard to the fulfilment of Sida's Private Sector Policy Guidelines the Consultant shall assess the extent to which the Programmes have:

- contributed to the creation of more efficient markets e. g. in terms of outreach, quality and price of the goods and services that are produced and marketed by the host companies (including an assessment of possible distortion effects)?
- benefited poor groups (directly or indirectly – as producers, consumers or employees)
- contributed to improved conditions for men and women
- impacted on the physical environment (including an assessment of the use of Environmental Impact Assessment Methods in the design and implementation of the interventions)

3.7 Modes of Administration and Programme Management Procedures

The Consultant shall assess the efficiency e. g. in terms of outreach to potential clients, expediency in the screening and approval processes, monitoring and follow-up. The Consultant shall also assess the cost-effectiveness of routines and procedures employed in the administration of the Programmes, including an assessment of the relations between Sida and the Executing Agency.

3.8 Recommendations and Lessons

Assess the feasibility and justification for extending the Programmes beyond 2005 – including a discussion of possible changes and modifications with regard to type of interventions, target groups, size and subsidy level of interventions, geographical coverage and modes of administration). The pros and cons of a possible merger of StartSouth and StartEast shall also be presented.

5. Methodology, Evaluation Team, Time Schedule and Reporting

Methodology

The evaluation shall focus on projects that have reached the completion phase for which final reports have been issued. An overall view of the projects result shall also be presented.

Study of relevant documentation available at Sida and NUTEK i.a

- Assessment and Decision Memos of Sida
- Project Application Documents up to 2003
- Sida Evaluation StartEast (Sida Evaluation 97/6)
- Agreements between Sida and NUTEK
- Progress and final reports
- Swedens Policy for Global Development
- Sida's Private Sector Development Guidelines
- Sida's Evaluation Manual (2004)

Following a desk study of above material the Consultant shall undertake interviews with representatives of Sida, NUTEK/ALMI and a small group of Swedish partner companies. On the basis of this work the Consultant shall present to Sida a "Method and Sample Selection Note". In this Note the Consultant will present a proposal of the group of host companies that will be subject for detailed studies and interviews. The proposal will include a number of successful projects as well as a number of "failures". The Consultant will present his approach to the mentioned evaluation criteria as well as to factors (type of company, type of intervention, size and financial strength of host company, type of developing country etc) that on the basis of the preliminary analysis appear to be crucial for success or failure.

Following Sida's approval of this Note- and the related budget for travels and further studies- the Consultant shall undertake field visits to the selected host companies. The interviews with the representatives of the host companies and their partner companies shall be based upon a structured questionnaire that will form a basis for the evaluation. This questionnaire shall be presented to Sida for approval before the start of the field visits.

Evaluation team

The Evaluation shall be conducted by a team of two independent consultants with a) broad experience of private sector development in transition countries and developing countries and b) experience on evaluation issues.

Time schedule and reporting

The evaluation will start on November 1. The evaluation report shall be written in English. A Draft Report shall be submitted to Sida not later than December 17, 2004. Within two weeks after receiving Sidas comments on the draft, a Final Report shall be submitted to SIDA. The outline of the Report shall be in line with recommendations in Side's Evaluation Manual

6. Undertakings by Sida

Sida will inform the relevant companies of the evaluation and forthcoming visits by the Consultant. The Consultant will be responsible for practical arrangements in conjunction with the field visits. Sida will make available all written material deemed to be of relevance to the Evaluation exercise by the Consultant and Sida.

Appendix 2 Questionnaire to Participating Companies

Background information

Company name	City/Area/Region	Country
Name of Swedish counterpart (company name):	City/Area/Region	Country

Number of employees	Turnover
Before the training:	Before the training:
After the training (last year):	After the training (last year):

Main field of operation	Service sector	Goods production
-------------------------	----------------	------------------

Information supplied by		
Name	Telephone No (incl country and area code)	E-mail address

Relevance of programme support to your company

In your assessment, did the programme support meet the needs of your company?

Fully	To some extent	Marginally	Not at all
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Have you identified important gaps in the support that you think may have reduced its value?

Quite a lot	Some	A few	None at all
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Programme effectiveness

Did you formulate specific objectives for what to achieve by entering the programme activities?

A full set objectives		Some objectives		In general terms		No objectives	
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In your assessment, have these objectives been met by the programme activities?

Fully		To some extent		Marginally		Not at all	
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In your assessment, what is the programme contribution to your company's achievements?

Substantial		Partial		Marginal		Negligible	
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Programme impact

Do you still maintain business relations with your Swedish counterpart?

On a regular basis		To some extent		Rarely		Not at all	
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If you maintain some business relations with your Swedish counterpart would that have been the case without the programme funding from Sida?

Certainly		Probably		Unlikely		Not likely	
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Do you think the programme has contributed to increased business opportunities for other firms (e.g suppliers, subcontractors, clients) in your area?

Substantially		To some extent		Marginally		Not at all	
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To what extent have environmental/ecological concerns been an important part of the programme?

Considerable extent		To some extent		Marginal extent		Not at all	
---------------------	--	----------------	--	-----------------	--	------------	--

Has the share of women employed by your company increased since the start of the programme?

Yes		No	
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If yes, was this change influenced by the programme?

Distinct influence		Partial influence		Marginal influence		No influence	
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Programme sustainability

How do you estimate the long term effects of the programme on your company's opportunities?

Significant	Valuable	Marginal	Negligible
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To what extent do you think the programme has actually helped profitable growth?

In your business?

Clearly helped		To some extent		Helped marginally		Not really	
----------------	--	----------------	--	-------------------	--	------------	--

In your Swedish counterpart's business?

Clearly helped	To some extent	Helped marginally	Not really
----------------	----------------	-------------------	------------

How do you assess the chances that improvements induced by the programme will still be relevant in five years?

In your business?

<25%	25-50%	50-75%	>75%
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In your Swedish counterpart's business?

<25%	25-50%	50-75%	>75%
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Influencing factors

Please indicate the factors (prerequisites) you think have been the most important contribution to the programme.

Please indicate the five factors you think have made the most significant negative contribution to the programme by ranking them from 5 (most negative) to 1 (least negative).

	Lack of market response/demand/or high competition
	Staffing difficulties, lack of skilled labour etc
	Limited access to raw materials/ components or other vital inputs
	Shortage of working capital/investment capital
	Insufficient strength of the Swedish partner
	Inadequate design and coverage of Programme
	Local bureaucracy and regulations/licensing problems
	Corrupt Government or local officials
	Difficulties in establishing good personal relations to the Swedish partner
	Inadequate length of the Programme

Other comments

Please reply to Ms Mai-Mai Fu before March 7th by e-mail: mai-mai.fu@bdo.se
fax +46 8 662 50 80 or by post to:

BDO Consulting Group

Att: Mai-Mai Fu

P.O. Box 24193

SE-104 51 Stockholm

Sweden

If you have any questions please do not hesitate to call Ms Mai-Mai Fu on +46 8 459 57 00.

Appendix 3 Sample of Companies for Site Visits

Former Candidate countries			Comments
1998-001086	Latvia	Rengörarna i Norrköping	No visit (questionnaire)
2001-02144	Latvia	PUPAB	No visit (questionnaire)
2001-003873	Lithuania	Tygma AB	Visit
2001-002566	Lithuania	Masens Skinnindustri AB	Visit
2001-003583	Lithuania	AB Alsterbo Bobinfabrik	Visit
1998-001002	Lithuania	Smålands trading AB	Visit
1999-000082	Lithuania	Maud Maria Design	Visit
1998-001122	Lithuania	Xperi AB	Did not show up at meeting
2002-51575	Lithuania	Ingstad & Co AB	No visit (questionnaire)
2002-01789	Lithuania	Scandi-Flex AB	Visit
Russia/Ukraine			
1998-002489	Russia	Fjellfrys AB	No visit (questionnaire)
1998-005857	Russia	Skand IFAB AB	No visit (questionnaire)
2000-000985	Russia	PPJT Invest AB	No visit (questionnaire)
2000-003703	Russia	Tyréns Infrakons. AB	No visit (questionnaire)
2000-000831	Russia	Alax Kons. AB	Visit
2001-002052	Russia	Kreera AB	No visit (questionnaire)
2001-02099	Russia	Gyllhammar & Sahlin AB/PÅ Wasberger AB	Visit
2002-01350	Russia	Consciso AB	No visit (questionnaire)
2002-01984	Russia	Klädesholmen Sea AB	No visit (questionnaire)
2003-00349	Ukraine	Lindberg Alf	No visit (questionnaire)
1998-004420	Russia	AB Gummiteknik	No visit (questionnaire)
Balkan/OSS			
2002-01251	Serbia	PC Medicus AB	Visit
2002-01302	Serbia	Kornboden i Stockholm AB	Visit
2002-01752	Bosnia	BoRö Pannan AB	Visit
2002-02085	Bosnia	All Remove Syd F..	Visit
2003-00637	Bosnia	GS Media	Visit
2003-02039	Bosnia	Sann & Smide	No visit (questionnaire)
Asia			
1999-003973	Sri Lanka	FAW Jacobi	No visit (questionnaire)
2000-003946	Sri Lanka	Programgruppen	Visit
2002-51502	Philippines	SEAC AB	Visit
2002-51544	Philippines	Mark2000Com AB	Visit
2002-01743	India	Jacobi Carbons AB	No visit (questionnaire)
2002-01330	China	Nordiska Etikettbolaget AB	No visit (questionnaire)
2002-01761	China	Räta linjen AB	No visit (questionnaire)
2002-01356	Thailand	Gustafsson & Sala	No visit (questionnaire)
2003-01434	India	Kaisha Associates	No visit (questionnaire)

2003-02085	Sri Lanka	Parcelhouse AB	Visit
2003-02026	Sri Lanka	Convenient	Visit (not in the original sample)

Latin America

1998-005252	Chile	Casma Gruppen AB	No visit (questionnaire)
1998-005253	Chile	Wash & Circulation System	Visit
2002-00252	Chile	DISAB-Tella AB	No visit (questionnaire)
2002-02150	Chile	Tindra tech AB	No contact
2003-01014	Chile	Net Intakt	No contact
2002-01996	Ecuador	SafelT Security	No contact
2003-02639	Guatemala	Original Film AB	No visit (questionnaire)
2003-02686	Panama	Cention AB	Visit
1998-002796	Chile	Cesium AB	Visit (not in the original sample)
1999-005743	Chile	Emendo AB	Visit (not in the original sample)

Africa

1998-002794	South Africa	KEFA Highted AB	Visit
2000-002652	South Africa	Clean Injection	Visit
2000-002380	Tanzania	Sira Konsult International HB	Visit
2000-004416	Ethiopia	SEC Medical	Rejected project
1998-005886	Tanzania	PTA Plastic	Visit
2000-002979	Zambia	Wijks Styrelinstallationer	Visit
2003-01662	South Africa	Indusec AB	Visit
2002-01745	Tanzania	Act Solutions AB	Visit

Appendix 4 Matrix

Swedish Company /Host Company	Project in brief	Region/Country	Effectiveness (fulfilment of local partner's objectives)	Wider impact	Sustainability	Efficiency	Contribution to efficient markets	Poor groups influence	Gender influence	Influence on physical environment	Influence on corruption	Influence on HIV/ AIDS	Relevance	Causal attribution to effectiveness and impact (medium and high rating)
Kornboden AB/ Kofeniks – Crep A.D. (alliance)	Start 2003, 500 000 sek, Transfer of knowledge in management consulting.	Serbia/Eastern Europe	Output level: Low. Outcome level: Low.	Low.	Low.	Low.	Low.	None.	None.	None	None	N/A	Low.	-
PC Medical/ Swemed (subsidi- ary)	Start 2002, 500 000 SEK, Transfer of knowledge of training and technical sales of dental material.	Serbia/Eastern Europe	Output level: None. Outcome level: None.	None.	None.	None.	None.	None.	None.	None.	None.	N/A	Low.	-
GS Media/RTV BN (alliance)	Start 2003, 350 000 SEK, Transfer of knowl- edge in radio/television program production.	Bosnia/Eastern Europe	Output level: High. Outcome level: High. Attribution: Medium	Medium.	High.	High.	Medium.	Low.	Medium. Attribu- tion: Medium.	None.	None.	N/A	Medium.	Medium.
Klottsrets fiende no 1/Marietti d.o.o. (alliance)	Start 2002, 500 000 sek, Transfer of knowledge in cleaning of graffiti.	Bosnia/Eastern Europe	Output level: Medium. Outcome level: Medium. Attribution: High.	Low.	Medium.	Medium.	Low.	Low.	None.	High.	None.	N/A	Medium.	High.
BoRöppanman/ Narodno Grijanje (alliance)	Start 2002, 500 000 SEK, Transfer of knowledge in heating system equipment.	Bosnia/Eastern Europe	Output level: High. Outcome level: High. Attribution: Medium.	High.	Low (with chance to improvement if the Swedish partner increases its stake).	High.	High.	Medium.	None.	High.	None.	N/A	High.	Medium.
Indusec AB/ Repro Supplies CC (alliance)	Start 2003, 294 000 SEK, Transfer of knowledge in distribution and technical sales of safety equipment in mines.	South Africa/ Africa	Output level: Low. Outcome level: Low.	Low.	Low.	Low.	Low.	None.	None.	None.	None.	None.	None.	-
KEFA Drytech AB/ Chemsales CC (alliance)	Start 1998, 500 000 SEK, Transfer of knowledge in KEFA roofing insulation material.	South Africa/ Africa	Output level: Low. Outcome level: Low.	Low.	Low.	Low.	Low.	None.	None.	Low.	None.	None.	Low.	-

Swedish Company /Host Company	Project in brief	Region/Country	Effectiveness (fulfilment of local partner's objectives)	Wider impact	Sustainability	Efficiency	Contribution to efficient markets	Poor groups influence	Gender influence physical environment	Influence on corruption	Influence on HIV/ AIDS	Relevance	Causal attribution to effectiveness and impact (medium and high rating)
Ecoplug Sweden AB/Mouldex (subsidiary)	Start 2000, 500 000 SEK, Transfer of knowledge in the products in the garden maintenance business.	South Africa/ Africa	Output level: Medium. Outcome level: Medium. Attribution: Medium.	Medium.	Medium.	Medium.	Low.	High. Attribution: Medium.	None.	None.	None.	Medium.	Medium.
Browijk/PEMAZ (subsidiary)	Start 2000, 500 000 SEK, Transfer of knowledge in electrical installation and repair.	Zambia/Africa	Output level: High. Outcome level: High. Attribution: Medium.	High.	High.	High.	Medium.	Low.	Medium. None. Attribution: Low.	None.	Medium. Attribution: Low.	High.	Medium.
PTA Plastic/Dabaga Vegetable and fruit canning co ltd. (joint venture)	Start 1998, 500 000 SEK, Transfer of knowledge in producing of ecological canning	Tanzania/Africa	Output level: Medium. Outcome level: Low.	Low.	Low.	Low.	Low.	Low.	None.	Low (the product is although better than the former with PVC- lining).	None.	Medium.	-
HBB Travel Experience/African Tours & Travel Bureau Ltd.(alliance)	Start 1998, 500 000 SEK, Transfer of knowledge in booking systems for scandinavian safari and beach tourists.	Tanzania/Africa	Output level: None. Outcome level: Low.	Low.	Medium.	Low.	Low.	Low.	None.	None.	None.	None.	-
Sira Konsult AB/ Computer Account Ltd.(alliance)	Start 2000, 450 000 SEK, Transfer of technical knowledge in improved production of ID-card and other secure documents.	Tanzania/Africa	Output level: Low. Outcome level: Low.	Low.	Low.	Low.	Low.	None.	None.	Low.	None.	Medium.	-
Active Solutions/JR Electronics Ltd (alliance)	Start 2002, 500 000 SEK, Transfer of knowledge in computer programs and IT-platforms.	Tanzania/Africa	Output level: None. Outcome level: None.	None.	None.	None.	None.	None.	None.	None.	None.	None.	-
Seac AB/PSI International Marketing Corp (alliance)	Start 2002, 146 760 SEK, Transfer of knowledge in rehabilitation and import of fish processing equipment.	The Philippines/ Asia	Output level: Medium. Outcome level: Low.	Medium.	Low. Swedish partner has gone bankrupt.	Medium.	Low.	Low.	None.	Low.	None.	Medium.	Medium.

Swedish Company /Host Company	Project in brief	Region/Country	Effectiveness (fulfilment of local partner's objectives)	Wider impact	Sustainability	Efficiency	Contribution to efficient markets	Poor groups influence	Gender influence	Influence on physical environment	Influence on corruption	Influence on HIV/AIDS	Relevance	Causal attribution to effectiveness and impact (medium and high rating)
Mark2000Com AB/ Botolan Agroforest Inc (subsidiary)	Start 2002, 500 000 SEK, Transfer of knowledge in the forestry industry.	The Philippines/Asia	Output level: Medium. Outcome level: Medium. Attribution: High.	Medium.	Medium (the company is still dependent on various support programmes before becoming a sustainable business)	Medium.	Medium.	High. Attribution: High.	None.	High.	None.	None.	High.	High.
Interesting organisation : Sthlm AB/Convenient.org (alliance)	Start 2003, 392 000 SEK, Transfer of knowledge in internet based information research for first of all scandinavian customers.	Sri Lanka/Asia	Output level: Medium. Outcome level: Medium. Attribution: Medium.	Medium.	Medium (but the local company is fully dependent on the Swedish company).	Medium.	Medium.	None.	Medium. Attribution: None.	None.	None.	N/A	Medium.	Medium.
Programgruppen/ Next 2nd Solution Ltd (alliance)	Start 2000, 500 000 SEK, Transfer of knowledge within computer programming.	Sri Lanka/Asia	Output level: Low. Outcome level: Low.	Low.	Low.	Low.	Low.	None.	None.	None.	None.	N/A	Medium.	-
Parcelhouse AB/ Parcelhouse Tech Ltd (subsidiary)	Start 2003, 500 000 SEK, Transfer of knowledge in IT-logistics.	Sri Lanka/Asia	Output level: High. Outcome level: High. Attribution: High.	High.	High.	High.	High.	None.	None.	None.	None.	N/A	High.	High.
Smålands trading AB/Uab Akadas (subsidiary)	Start 1998, 500 000 SEK, Transfer of knowledge in production of wooden garden furnitures.	Lithuania/Central Europe	Output level: High. Outcome level: High. Attribution: High.	High.	Medium (local company high dependent on outsourcing company's orders).	High.	High.	Low.	None.	Low.	None.	N/A	High.	High.
Scandi-flex AB/Uab Polikora (subsidiary)	Start 2002, 350 000 SEK, Transfer of knowledge in production of up-market wooden bed-frames.	Lithuania/Central Europe	Output level: High. Outcome level: High. Attribution: Medium.	High.	Medium (local company high dependent on outsourcing company's orders).	High.	High.	Low.	None.	Low.	None.	N/A	High.	Medium.

Swedish Company /Host Company	Project in brief	Region/Country	Effectiveness (fulfilment of local partner's objectives)	Wider impact	Sustainability	Efficiency	Contribution to efficient markets	Poor groups influence	Gender influence	Influence on physical environment	Influence on corruption	Influence on HIV/ AIDS	Relevance	Causal attribution to effectiveness and impact (medium and high rating)
Masens Skinnindus- tri AB/Uab Malunga (subsidiary)	Start in 2001, 425 000 SEK, Transfer of knowledge in nisch market leather garments.	Lithuania/Central Europe	Output level: High. Outcome level: High. Attribution: High.	High.	Medium (local company high dependent on outsourcing company's orders).	High.	High.	Low.	None.	Low.	None.	N/A	High.	High.
Tygma AB/Uab Ukmerges Detuva (subsidiary)	Start in 2001, 500 000 SEK, Transfer of knowledge in production of wooden garden furnitures.	Lithuania/Central Europe	Output level: High. Outcome level: High. Attribution: Medium.	High.	Medium (local company high dependent on outsourcing company's orders).	High.	High.	Low.	None.	Low.	None.	N/A	High.	Medium.
AB Alsterbro Bobinfabrik/Aub Mediniai Stebuklai (subsidiary)	Start in 2001, 350 000 SEK, Transfer of knowledge in turned wooden bobins and similar.	Lithuania/Central Europe	Output level: Low. Outcome level: Low.	Low.	Medium (local company high dependent on outsourcing company's orders).	Low.	Low.	Low.	None.	Low.	None.	N/A	High.	-
Maud Maria Design AB/ DeVilora (subsidiary)	Start in 1999, 336 552 SEK, Transfer of knowledge in cutting and stitching of linen garment.	Lithuania/Central Europe	Swedish company went bankrupt and the local company became Malunga (see above). Output: None. Outcome: None.	None.	None.	None.	None.	None.	None.	None.	None.	N/A	Medium.	-
Emendo/Minimet S.A (joint venture)	Start 1999, 500 000 SEK, Transfer of knowledge in licenced fabrication of prefab. effluent treatment plants.	Chile/Latin America	Output level: Medium. Outcome level: Medium. Attribution: High.	High.	Medium.	High.	High.	Low.	None.	High.	None.	N/A	High.	High.

Swedish Company /Host Company	Project in brief	Region/Country	Effectiveness (fulfilment of local partner's objectives)	Wider impact	Sustainability	Efficiency	Contribution to efficient markets	Poor groups influence	Gender influence	Influence on physical environment	Influence on corruption	Influence on HIV/ AIDS	Relevance	Causal attribution to effectiveness and impact (medium and high rating)
Wash & Circulation System of Scandinavia AB/ Ingepro Ltd (joint venture).	Start 1998, 500 000 SEK, Transfer of knowledge in water sanitation.	Chile/Latin America	Output level: Low. Outcome level: Low.	Low.	Low.	Low.	Low.	None.	None.	Low.	None.	N/A	High.	-
Cesium AB/World Clean Chila S.A (alliance)	Start 1998, 500 000 SEK, Transfer of knowledge in design an production of composting units.	Chile/Latin America	Output level: Low. Outcome level: Low.	Low.	Low.	Low.	None.	None.	None.	Low.	None.	N/A	High.	-
Cention AB/ Integrative Technologies (joint venture)	Start 2003, 476 800 SEK, Transfer of knowledge within IT-consulting.	Panama/Latin America	Output level: Low. Outcome level: Low.	Low.	Low.	Low.	Low.	None.	None.	Low.	None.	N/A	Medium.	-
Wasberger AB/ Wasberger Russia (joint venture- dominated by Swedish partner)	Start 2001, 410 000 SEK, Transfer of knowledge in reconditioning and technical sales of printing equipment and consuma- bles.	Russia/Eastern Europe	Output: Low. Outcome: Low. Business lags budget on highly competitive markets.	Medium.	Medium.	Medium.	Medium.	None.	None.	None.	None.	N/A	Medium.	-
Alax Fiskonserver/ Korppo (alliance)	Start 2000, 750 000 SEK, Transfer of knowledge in local line for marinating and packing of herrings.	Russia/Eastern Europe	Packing line moved to Kaliningrad with new support and local partner. Output: Low. Outcome: Low.	None.	Low (packing line closed. Training continues).	Low.	Low.	None.	None.	None.	None.	N/A	Low.	-

Definition:	Effectiveness:	Impact:	Sustainability:	Efficient:	Efficient markets:	Poor groups:	Gender issues:	Environmental issues:	Relevance:
None = No influence Low = Low influence Medium = Medium influence High = High influence	The extent of which a development intervention has achieved its objectives, taking their relative importance into account.	The totality of the effects of a development intervention, positive and negative, intended and unintended.	The continuation or longevity of benefits from a development intervention after the cessation of development assistance.	The extent to which the costs of a development intervention can be justified by its results, taking alternatives into account.	The extent to which the intervention makes a market more efficient.	The extent to which the intervention supports poverty reduction.	The extent to which the intervention supports gender mainstreaming.	The extent to which a development intervention supports the use of natural resources and protection of the environment and the connection to poverty reduction.	The extent to which a development intervention conforms to the needs and priorities of target groups and the policies of recipient countries and donors.

Appendix 5 List of Number of Projects within the Start Programmes (1998–2004)

Number of approved and closed projects in the Start Programmed in the period 1998–2004

	APPROVED	CLOSED
Start South - Africa		
Eritrea	1	0
Ethiopia	7	2
Ghana	3	0
Mozambique	3	1
South Africa	19	8
Tanzania	9	5
Zambia	5	3

Start South - Asia		
Bangladesh	2	0
The Philippines	3	2
India	9	5
China	23	3
Sri Lanka	9	5
Thailand	4	1
Vietnam	1	0

Start South - Latin America		
Bolivia	1	0
Chile	17	8
Colombia	2	1
Costa Rica	2	0
Ecuador	2	1
Guatemala	1	1
Honduras	1	0
Jamaica	1	0
Panama	1	1

Start East - Balkan/OSS		
Armenien	1	0
Albania	1	1
Azerbadjan	1	0
Bosnia	21	12
Kosovo	1	0
Macedonia	5	0
Moldova	3	2
Serbia	30	5

Start East - Russia/Ukraine		
Russia	48	28
Ukraine	13	4

Start East - Candidate countries		
Latvia	23	12
Lithuania	22	19

Appendix 6 Inception Report

”Utvärdering av Startprogrammen”

1. Bakgrund

Sedan 1994 har SwedeCorp och Sida tillhandahållit finansiellt stöd för utvecklingen av affärsallianser mellan svenska företag och företag i Central- och Österuropa (StartÖst) samt Afrika, Asien och Latinamerika (StartSyd). Sedan starten har cirka 400 projekt erhållit lån från programmet – cirka 300 från StartÖst och cirka 100 från StartSyd. För tillfället är företag i nitton länder i StartSyd-området och elva länder i StartÖst-området föremål för stöd.

För att bedöma värdet av programmens resultat och effekter har INEC beslutat att genomföra ytterligare en utvärdering av StartÖst- och StartSydprogrammen.

2. Krav på innehållet i utvärderingen

Målet med utvärderingen är att bedöma huruvida;

- Programmen har uppnått uppsatta målsättningar,
- i vilken utsträckning programmen överensstämmer med Sidas nya ”Policy Guidelines on Private Sector Development” samt
- att tillhandahålla en grund för Sidas bedömning att eventuellt förlänga programmet bortom mitten av 2005 givet policyn ovan.

Utvärderingen skall även inkludera rekommendationer med hänsyn till tillvägagångssätt och omfattning för fortsatt svenskt stöd till den privata sektorns utveckling. Uppdraget kommer även i vissa delar att genomföras i form av en processutvärdering. Utvärderingen kommer således att ha en lärande inriktning, där både bra och mindre lyckade exempel kommer att ligga till grund för förslag/rekommendationer.

Utvärderingen skall enligt Sidas Terms of Reference genomföras utifrån följande värderingskriterier:

- Relevans.
- Effektivitet.
- Påverkan.
- Effektivitet.
- Uthållighet.

Andra kriterier och aspekter som ska beaktas i utvärderingen är även följande :

- Bidrag till mer effektiva marknader.
- Förmån för fattigare grupper.
- Förutsättningar för män respektive kvinnor.
- Fysisk omgivning/miljö.
- Korruption.
- Hiv/aids.

3. Tillvägagångssätt

3.1 Dokumentation

Dokumentation som fungerar som utgångspunkt för utvärderingen är i huvudsak följande:

- Sidas bedömningar och beslutsunderlag.
- Ansökningsdokument från företagen (fram till 2003).
- Tidigare utvärderingsrapporter av Startprogrammen.
- Avtal mellan Sida och NUTEK.
- Del- och slutrapporter från företagen.
- Sveriges policy för global utveckling (prop.2002/03:122 ”Gemensamt ansvar”).
- En rättvisare värld utan fattigdom (SOU 2001:96).
- Sidas ”Private Sector Development Guidelines”
- Sidas utvärderingsmanual (2004).

3.2 Urval av företag

För att utvärderingen skall vara metodmässigt tillförlitlig föreslår vi att det görs ett urval av drygt 10% av beviljade projekt motsvarande cirka 50 företag för djupare studie i form av fältstudier i värdlandet (se bilaga). Som framgår av bifogad lista har företagen delats upp på olika regioner såsom;

- Kandidatländerna,
- Ryssland/Ukraina,
- Balkan/OSS,
- Asien,
- Latinamerika och
- Afrika.

Inom var och en av dessa grupper (regioner) föreslås ett urvalsförfarande som består av en kombination av en så kallad stratifierad metod och slumpmässigt urval.

Den stratifierade metoden innebär att man säkerställer att vissa skikt (strata) inom en given grupp kommer med i undersökningen. Vid ett renodlat slumpmässigt urval är risken annars stor att vissa länder inte kommer med vilket kan begränsa värdet av studien. Således, baserat på gruppens relativa storlek utifrån den totala potentiella undersökningsgruppen, bestäms hur många nivåer (strata) den skall ha, hur många företag inom varje nivå som skall väljas ut, och hur många av dessa som skall ”öronmärkas” respektive väljas ut slumpmässigt. Detta innebär att gruppen Balkan/OSS vid möte med Sida den 13/1 tillfördes två företag från Serbien samtidigt som två av de bosniska företagen flyttades över till den grupp som valts ut för att besvara enkätfrågor och inte bli djupintervjuade.

Urvalet har gjorts utifrån företag som beviljats lån från och med 1998–2004. Ett krav har varit att företaget skall ha inlämnat en godkänd slutrapport. I ett första urval, som nu har kompletterats, ingick även företag från tidigare år, men mycket få av dessa företag fick vi kontakt med på grund av olika skäl såsom konkurs, fel telefonnummer etcetera. Vid ovan angivet möte med Sida bestämdes att företag som deltagit i Startprogrammen före 1998 skulle utgå, dels beroende på att syftet, förutsättningarna och målsättningen med Startprogrammen ändrats under perioden, dels beroende på att Startprogrammen varit föremål för utvärdering för den tidigare perioden.

Innehållsligt eftersträvas så långt möjligt ett frågeinnehåll som är grundat på de aspekter som Terms of Reference baseras på. Se ovan.

Formmässigt föreslås en kombination av frågor med standardiserade svarsskalor och öppna frågor med individuellt anpassade följdfrågor. Styrkan med de förstnämnda är tillförlitlighet och jämförbarhet och med de sistnämnda meningsfullhet och fördjupning. En kombination är vanligtvis överlägsen ett antingen-eller förfarande.

Datainsamlingsmässigt föreslås således en kombination av telefonintervjuer med de utvalda företagens svenska motpart och personliga intervjuer med de cirka 50 företag som valts, se ovan. Därutöver kommer cirka 30% av den totala populationen av de företag som deltagit i programmen och avslutat projektet under perioden 1998–2004 att väljas ut för att besvara standardiserade enkätfrågor (se bilagda Questionnaire).

Den föreslagna metoden möjliggör redovisningar av såväl bilden i stort som jämförelser mellan regioner/grupper. Detta gäller framförallt frågor med standardiserade svarsalternativ. Svar på frågor med öppna svarsalternativ som främst kommer att användas vid besöken hos de utländska företagen används främst för att ge illustrerande fördjupningar och förklaringar inom kartläggningen olika områden som anges i Terms of Reference.

Utvalda företag har redan börjat kontaktas och resor är preliminärbokade. När ett företag inte har kunnat nås efter upprepade försök, har vi slumpmässigt valt ett nytt företag inom samma land/område, enligt den metod som redovisats ovan. Även representanter för det svenska företaget kommer som framgått att intervjuas.

Tonvikten kommer främst att läggas på analys av resultat och effekter. Vi avser även att analysera bedömningarna avseende resultat och effekter i slutrapporterna/rapport från fysisk uppföljning för projekten och jämföra detta med de iakttagelser och bedömningar som görs av oss på plats av de utvalda företagen och med deras viktigaste intressenter.

3.3 Period

Med anledning av att planeringen för utvärderingen sammanfallit med semestertider såväl i Sverige som i flera av de länder som skall besökas har det varit nästan omöjligt att få kontakt med företagen och även att kunna få tillgång till behövlig dokumentation. Vi hoppas därför att tidpunkten för att leverera ett utkast från utvärderingen kan flyttas fram till den 21 mars år 2005.

Stockholm 2005-01-21

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