



# Evaluation Summaries

## *Mid-term Evaluation of “Sustaining Competitive and Responsible Enterprises” (SCORE)*

### Quick Facts

**Countries:** South Africa, Indonesia, China, SCORE Global

**Mid-Term Evaluation:** March / April 2011

**Mode of Evaluation:** independent

**Technical Area:** Sustainable Enterprises

**Evaluation Manager:** Ritash Sarna, EMP/SEED

**CTA:** Michael Elkin

**Evaluation Team:** Isabelle Hirs, Peter Teuscher (BSD Consulting)

**Project Start:** September 2009

**Project End:** December 2012

**Project Codes:**

Global (GLO/09/53/SWI & GLO/10/52/NAD)

China (CPR/09/53/SWI & CPR/10/50/NAD)

South Africa (SAF/09/50/SWI & SAF/10/50/NAD)

Indonesia (INS/09/50/SWI and INS/10/50/NAD)

**Donor:** SECO, Switzerland (4,235,098 US\$) and NORAD, Norway (4,118,347 US\$)

**Keywords:** Enterprise Development, Workplace Practices, Productivity, Competitiveness, SMEs

### Background & Context

#### Summary of the project purpose, logic and structure

The SCORE project was developed as a response to the conclusions of the ILO Conference 2007 concerning the promotion of sustainable enterprises. It draws on the experience and performance of the Factory Improvement Programme (FIP). Additionally,

SCORE is based on the strategic collaboration of the International Labour Organization (ILO) with the United Nations Industrial Development Organization (UNIDO). The SCORE programme aims to support Small and Medium Enterprises (SMEs) in becoming more sustainable through being cleaner, more productive and competitive, and by providing more sustainable and decent employment. SCORE shall be implemented in a minimum of 1 sub-sector and at least 2 clusters targeting 10–15 enterprises in each cluster of the 7 SCORE countries. The core component is a set of 5 training modules, covering the following topics: Workplace cooperation, quality management, productivity and cleaner production, organize your people, organize your workplace. The training consists of classroom teaching as well as on-site coaching.

#### Present situation of project

With a budget line of USD 4,235,098, funded by the Swiss State Secretariat for Economic Affairs (SECO), the project was originally scheduled to end in December 2011. A global component is coordinating and facilitating the implementation in 6 countries: Colombia, Ghana, South Africa, Indonesia, India and China. In 2010 the Norwegian Agency for Development Cooperation (NORAD) joined as an equal partner and donated an additional USD 4,118,347. The project plan was revised in 2010, the project duration was extended until December 2012 and the seventh country Vietnam was included in the programme.

#### Purpose, scope and clients of the evaluation

The mid-term evaluation reviews the activities of the 3 most advanced SCORE countries that have been in operation for the last 18 months: China (machine parts manufacturing sector), Indonesia (automotive parts manufacturing sector) and South Africa (wildlife tourism sector). The evaluation further includes the activities of the SCORE global component in Geneva. It covers the period from September 2009 to the present to create an accurate and comprehensive picture of the project's context and development. The evaluation provides the project management team, ILO Country Office Directors and other field and headquarter staff with practical feedback as to whether the current project strategy, implementation mode, monitoring & evaluation (M&E) system, work plans and resource allocation is suitable to reach the project objectives within the given time frame. Clients of the evaluation are also the tripartite members of the Global Project Advisory Committee and National Committees of the evaluated countries.

### **Methodology of evaluation**

The methodology includes analysis of materials and documents, face-to-face and phone interviews with ILO and stakeholder representatives, and field visits to Indonesia and South Africa. Due to the limited available budget it was not possible to conduct comprehensive stakeholder dialogues. Instead, interviews with selected partners were conducted and complemented by document reviews.

Based on the analytical framework and standard evaluation criteria set in the Terms of Reference, specific questions were developed to guide the evaluation.

### **Main Findings & Conclusions**

The programme is generally recognized as a good approach in supporting SMEs become more sustainable and it contributes to the development of decent workplaces. The strategy to have a global set of training materials, combined with country-specific implementation strategies based on tripartite partnerships and training implementation on a training of trainers (ToT) basis is also appropriate. However, one of the major

restrictions for SCORE is the fact that the project implementation is significantly behind schedule. By March 2011 only 17.4% of the targeted number of enterprises and 12.4% of the targeted number of workers and managers had been trained in one or more modules. This was mainly due to many smaller and larger delays at every level of the project and – fortunately – not due to weak management. The evaluator met highly committed and knowledgeable staff who are capable of managing complex projects of this scale. With the exception of a solid performance measurement system at enterprise level, adequate systems and processes are in place to monitor project progress, and they build a solid basis for the continuation of the project. A weak point of the project is the quality of the data collected and improvement is needed in this area.

In South Africa, the evaluator was unfortunately confronted with a project that has until now only achieved very limited results. This is mainly due to poor project management in the initial phase of the project and unfortunate choices in the area of sub-sector as well as cluster. The evaluator, though, has the impression that through the new National Project Coordinator (NPC) many positive changes have been initiated to bring the project back on track.

The delays in implementation are mainly due to the fact that the time needed to establish the project in new countries had been underestimated in the project design. Added to this are lengthy decision-making processes due to the structure of the project set-up. One of the key lessons learned from the first 18 months of SCORE being operational in China, Indonesia and South Africa is that the establishment of an operational unit and partnerships with appropriate partners requires at least 1 year. Further contributed to the delay has also the initial approach to implement all 5 modules at the same time.

The evaluator therefore sees a strong need to concentrate resources and energy at a global as well as at a local level (e.g. implementation process, numbers of countries, scope of training, sectors, clusters, etc). It is recommended that the management places

emphasis on implementing the local training through a phased approach and sets a focus on the achievement of tangible results, convincing success stories and case studies to establish a broad recognition at the level of the relevant stakeholders and in order to retain and attract partners for further implementation and expansion of the SCORE project after 2012.

## Recommendations & Lessons Learned

### Main recommendations and follow-up

#### 1. Selection of Target Groups

The experience shows clearly that the training is not suitable for enterprises smaller than 50 employees. Therefore, ensure that companies participating in the training are SMEs in the sense of the definition used in the project plan (50–250 employees).

#### 2. Improve the Quality of Trainers

The qualification process for SCORE trainers differs currently from country to country. Initial experience showed that not all trainers are capable of providing training on all modules and at enterprise level. As a first step, the evaluator recommends establishing clear terms of reference for trainers as well as selection criteria. The next step is to start measuring the performance of trainers, which requires the development of an appropriate assessment tool. It is recommended that the ToT concept is re-evaluated at a later stage of the project.

#### 3. Training Material

The material is well perceived by both trainers and trainees, and is appropriate for use in the manufacturing sectors. However, solutions for improved collaboration with UNIDO in countries where UNIDO's presence is low (e.g. South Africa and Indonesia) have to be developed. If the training material is to be used in the service sector, then it needs to be further adapted as shown by the case of the tourism sector in South Africa.

#### 4. Phased Approach

In order to make efficient use of the remaining resources and time, to increase the number of trained enterprises, managers and workers, and to create solid structures for SCORE at a local level (partnerships, trainers, etc.), it is advisable to use a phased approach in the implementation of the training modules. This

approach, which is used in Indonesia, should be envisaged and developed for the other countries, except for China where all 5 modules have already been implemented.

#### 5. Increase Awareness at a National Level

A clear marketing strategy is needed to create a demand for SCORE training and to raise the interest of potential partners at a national level. The first step is the creation of tangible results and success stories – which can be achieved efficiently through a phased approach – that can be shared with the relevant stakeholders through appropriate communication channels.

#### 6. Improve the M & E System

The project management is supported through an adequate monitoring system based on the established log frame. It allows monitoring of the progress of the project on a local basis. However, the data quality at local level shows high deficits which impede the aggregation and comparability at a global level. First, there is a strong need to work with clear definitions and indicators (social marketing, trainer, etc.). Second, the global component must ensure the education of project personnel, as well as trainers who are in charge of the baseline assessment of appropriate data collection. Finally, the introduction of a common versioning (title, date, author, etc.) for all documents is recommended.

#### 7. Increase the Financial Sustainability

Even in the most advanced countries, such as China, Indonesia and South Africa, one can't expect that the project will be self-sustaining by the end of the project (end of 2012). Additionally, even if local training can be implemented in a sustainable way, the ILO components (global and local) will rely on further financing through donor funding. For this reason, the evaluator recommends that 1. the global component elaborates a business plan for 2013–2016; 2. the ILO defines the role of the project in the Enterprise Development Department and explores the possibility of structuring the project similar to Better Work; 3. SECO and NORAD define whether they are willing to contribute financially to the programme beyond 2012; 4. the ILO, together with the donors, establishes global partnerships with new donors if needed.

#### 8. Define the Next Steps for South Africa

The evaluator recommends that SCORE SA collaborates with an expert in the tourism industry to verify if the current version of the training material and training adds the desired value. Due to the fact that the potential for scaling up within the wildlife tourism industry is limited, it should be considered whether the training approach could be used in a broader sector such as hospitality in general. If this proves a viable approach, collaboration with Fair Trade in Tourism South Africa (FTTSA) could be envisaged, in which SCORE SA prepares enterprises for certification through its training. In addition, as resources and time are limited, it is advisable to focus on selected modules with high relevance and potential for impact on the project objectives.

### **Important lessons learned**

Several important lessons learned and potential good practices have been identified which underpin the recommendations.

#### *Inception of SCORE in new countries / sectors:*

- It requires extensive resources and time to establish the project in new countries, especially at a global level.
- The broader the scope of the project (no. of countries, modules and sectors), the less tangible the results achieved will be. Instead of starting up with many countries at the same time, countries should have been added gradually one by one.
- The choice of a narrow sub-sector with very specific characteristic (as done in South Africa) is not optimal for the pilot implementation of SCORE.
- Prior to the inception of SCORE in new countries as well as for a sector expansion it is advisable to do a well- founded analysis.
- Not all assumptions that were initially defined in the project document have proven valid.

#### *Implementation of SCORE:*

- The project implementation needs more time than expected. The formal recruitment of staff at NPC level takes up to 6 months.
- Focusing on Module 1 at the beginning of the project, combined with a step-by-step implementation cycle as applied in Indonesia, makes fast results possible

which can be used for marketing and communication activities in the early stages of the project.

- The strategy of making one module mandatory in order to proceed to the next module proved difficult to enforce.
- Physical meetings are extremely useful for experience sharing and for ensuring the quality of project implementation. Virtual meetings can also be useful.

#### *Training material & training of trainers:*

- As the case of South Africa showed, it is crucial to adapt the training material adequately to the respective sector.
- Many potential trainers do not have the necessary expertise and consulting experience. A regular training of trainers is often not enough to qualify them as SCORE trainers.

#### *Monitoring & evaluation system:*

- In order to make the monitoring and evaluation system more effective, the quality of documents and data submitted needs to be clear in terminology, versioning, authorship and dates.
- It is crucial to ensure that indicators are understood correctly and reported the same way throughout the project
- With regard to the baseline / endline assessments, SCORE has to make sure that trainers who collect the data know how to do the assessment properly in order to gather data effectively and consistently.

#### *Sustainability of the project:*

- A solid analysis of the market potential, existing training capacities and potential programme partners that in particular assesses if the final goal of financially sustainable activities without donor funding is viable should be done before entering new countries / sectors.
- Implementing the sustainability plan requires tangible results to build and communicate a solid business case for training and participation in the programme.
- A good practice learnt from China is to focus the financing model on different partners to increase cost coverage.