



## Sustaining Competitive and Responsible Enterprises Programme Phase III – Final independent evaluation

### QUICK FACTS

**Countries:** *Bolivia, China, Colombia, Ghana, Indonesia, Peru, Tunisia and Vietnam*

**Evaluation date:** *10 2021 to 02 2022*

**Evaluation type:** *Project evaluation*

**Evaluation timing:** *Final independent*

**Administrative Office:** *ENTERPRISES*

**Technical Office:** *ENTERPRISES*

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**DC Symbol:** *GLO/17/54/MUL*

**Donor(s) & budget:** *Swiss State Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD), USD 20'751'939*

**Key Words:** *SME; productivity; working conditions; OSH; factory; decent work; capacity building; vocational training; CSR.*

## BACKGROUND & CONTEXT

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

Sustaining Competitive and Responsible Enterprises (SCORE) Programme Phase III, was a partnership of the International Labour Organization (ILO) and the Swiss State Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD). The project was funded by SECO and NORAD with the sum of USD 20'751'939 and implemented by the ILO. The project aimed to support SMEs in national and global supply chains with regards to improving productivity and working conditions, and providing decent work. The project had two main expected outcomes: (1) Public and private implementing partners have embedded SCORE Training in their national programs and budgets SME development; and (2) Lead buyers support suppliers through SCORE training.

### Present situation of the project

The SCORE Programme Phase III started operations in November 2017 and ended in December 2021. It is planned that SCORE Phase IV would continue in four countries (Bolivia, Myanmar, Tunisia, and Ethiopia) until December 2024. In each country, the project worked with the appropriate government agencies, industry associations and employers' and workers' organizations and supports the local Decent Work Country Programme (DWCP). Due to the COVID-19 pandemic, SCORE Programme experienced some minor delays in project implementation and budget expenditure, and conducted additional activities to support SME development. The programme was granted a no-cost extension until December 2021 to achieve all planned deliverables.

### Purpose, scope and clients of the evaluation

The four purposes of this independent final evaluation were: (i) Assess the SCORE intervention focusing on what has worked, what has not worked, and why this was the case; (ii) Assess whether the SCORE Programme has effectively adapted its intervention during the Covid-19 pandemic; (iii) Examine if the best approach was taken and was optimally executed in order to achieve balance between the levels of impact and sustainability and time and resources used by the programme; and (iv) Provide a clear articulation of the 'lessons learned' and identify good practices. This evaluation covered project interventions under the programme from November 2017 to end of December 2021, with a full review for the following project components: Global, Bolivia, China, Peru and Tunisia, and a desk review for Vietnam, Indonesia, Ghana and Colombia. The gender and disability dimensions were considered as a cross-cutting concern throughout the methodology, deliverables and final report of the evaluation.

The primary end users of the evaluation findings are the project team, ENTERPRISES (ILO Geneva) and the project partners. Secondary parties making use of the results of the evaluation include the Swiss State Secretariat for Economic Affairs (SECO), the Norwegian Agency for Development Cooperation (NORAD) and other relevant stakeholders.

## Methodology of evaluation

Different evaluation tools were combined to ensure an evidence-based qualitative and quantitative assessment. The evaluators emphasized on cross-validation of data through triangulation and an assessment of plausibility of the results obtained. The methodological mix included a desk review, semi-structured focus groups or key informant interviews and a short survey. Data was gathered from different sources, by different methods for each of the evaluation questions, and findings were triangulated to draw valid and reliable conclusions. Data was disaggregated, at a minimum, by gender and by other dimensions where available. Conclusions and recommendations were based on evaluation findings (deductive reasoning).

## MAIN FINDINGS & CONCLUSIONS

**A. Relevance and strategic fit - Validity of programme's design:** The objectives of SCORE phase III intervention are consistent with beneficiaries' requirements and country needs, as well as donors' priorities. SCORE Programme is an appropriate solution to foster and promote SME productivity, competitiveness and decent working conditions in emerging countries – with the distinctive feature that it combines practical training and in-factory consulting. Although SCORE Programme did not address all the barriers facing SMEs to apply management best practices, it provided concepts and ideas that are widely applicable, and was progressively adapted to country or enterprise needs.

**B. Coherence:** SCORE complemented other ILO projects, such as Better Work that aims at compliance in larger companies.

**C. Effectiveness:** SCORE successfully delivered most of its outputs, despite significant constraints and challenges due to the COVID-19 pandemic and beneficiary SMEs being seriously hit by the crisis. The programme provided relevant training content and successfully digitalized the online training material. All projects were advised by national or global tripartite advisory committees. A wide majority of interviewees mentioned that the programme has low visibility locally and globally despite ILO's efforts in sharing success stories. Better promotion of the programme is crucial for the sustainability of the intervention. SCORE concept and promotional messages are not always well understood by the target audience. According to them, SME owners will not pay for training if they do not understand the concrete return on investment. The monitoring practices were adequate to track output-oriented - but inadequate to track outcome- impact-oriented data. The evaluation team's opinion is that it should be a priority for the programme to revise monitoring practices more in depth and that "less is more". The existing M&E database is complex and difficult to navigate. Most importantly it was not set up with an impact orientation, which limits the teams' ability to prove programme outcomes and their causal relations to expected impacts to which they are supposed to contribute. While revising the M&E system might be perceived as costly, the gains in terms of impact and avoiding investing efforts in less relevant monitoring practices would surely compensate the costs in excess.

**D. Efficiency:** The project made efficient use of its financial and human resources based on available resources and strategic planning. The intervention design and strategic planning did not include a more balanced allocation of resources between output- and outcome-oriented activities. The project did not allocate sufficient resources at the country level to monitor outcome level activities.

**E. Sustainability:** SCORE Programme provided solid capacity building to beneficiary countries and SMEs. It is very likely that the SCORE Training methodologies and tools will remain as they have been embedded in country implementation partners' services, provided to SME with a high rate of satisfaction. The evaluation collected divergent statements with

regards to reaching sustainability. In the actual context, according to a vast majority of interviewees, there is a risk that SCORE Programme results may not be maintained and scaled up notably without smooth transition supported by proof of viability, a common understanding of the way forward in terms of operations, who will drive them and how.

**F. Impact:** While SCORE Programme is aligned with longer-term development goals, the evaluation did not find evidence that the programme made significant contribution to broader and longer-term development. The scale of the programme is still too small and change is not yet “solidified” (as per Lewin’s change management model) at both country and SME levels. The design of the intervention is primarily output oriented rather than impact oriented. Based notably on the M&E data available, the number of underserved SMEs is high and it is too early to speak about impact and scale, also given the limited scope of the intervention on outcome.

#### **Conclusion 1 on relevance and strategic fit – validity of design**

SCORE Training is a high quality training programme that is consistent with beneficiaries’ requirements and country needs. SCORE Programme has the potential to serve a large number of underserved SMEs. Continued support is even more needed for SMEs facing challenges due to the Covid-19 pandemic. SCORE displays a huge potential to creating an enabling environment for SME business development in export and domestic sectors. Such endeavours require adequate resources, strategies and duration. The intervention design needs to be revised to better respond to the problem at hand. Since 2009, SCORE achieved impressive results at the output level thanks to the dedication and hard work of its teams. The issue is that the programme is not designed at the outcome level to tackle the root causes of the problem. This includes lead buyers and SMEs unwilling to pay, a huge amount of target companies not aware of SCORE, and the lack of business development and marketing capacity of implementing partners. The intervention design, strategic planning and M&E system are not aligned with best practices. It would not be relevant to continue with the same approach expecting different results as this issue has been already pointed out in the two previous evaluations. Short-term interventions with high quality training and tools do not necessarily lead to change, and do not solve key issues. There is an opportunity in Phase IV to design a more impact oriented intervention, in addition to the excellent training provided.

#### **Conclusion 2 on coherence**

SCORE Programme is perceived as being unique in its kind, focusing on productivity and working conditions in SMEs, and is complementary to other ILO projects, such as Better Work that aims at compliance in larger companies.

#### **Conclusion 3 on effectiveness**

The programme is in general very satisfactory at the output level. Significant efforts were done to successfully achieve most expected results at the output level despite the Covid-19 crisis. SCORE methodology, modules, practical tools and training digitalization are of high quality. ILO expertise and support is very well received. SCORE is an excellent programme addressing SME issues in a pragmatic and practical way. There is an opportunity for SCORE to strengthen its communication and marketing strategy to attract more funding and SME participation to achieve better outcome-oriented results. As already mentioned in the mid-term evaluation of Phase III, the short-term risk in focusing on deliverables that may not relate to Phase 3 Outcomes/Immediate Objectives is that effort will be spent on unnecessary activities while more significant ones are under-resourced or ignored.

#### **Conclusion 4 on efficiency**

Efficiency of resources at the output level is adequate. Allocating less budget to lower impact-oriented activities would help focusing on strategic activities that add more value at the outcome level. The project

hence did not allocate sufficient resources at the country level to monitor outcome level activities.

#### **Conclusion 5 on sustainability and impact**

As of end 2021, the viability of the intervention cannot be proven. Based on its design, the intervention is not outcome and impact-oriented. There is currently no systems change management approach at the global, national and company levels to fully support constituents and business owners, and track behavioural change. As also mentioned in the mid-term evaluation (MTE) of Phase III, the current indicators do not capture the magnitude of change so it is hard to know how meaningful the changes achieved are. The MTE already mentioned that worries within a country about sustainability are not necessarily captured in performance plans, and there is a possibility that national programmes are pursuing quantitative targets despite these having a weak relationship to Outcomes. If we had to formulate an assessment for the whole programme, it is useful but with the risk of not being sustainable in the longer term without continued external support - if no systemic change strategy is in place.

## **RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES**

### **Recommendations**

**Recommendation 1** (from conclusions 1, 3, 4 and 5) proposes to ILO to take steps (in Phase IV) to design and develop an “impact-oriented” intervention and M&E system with the support of M&E, management, business and systems change experts. Priority: High / Importance: High / Resource implication: Medium.

**Recommendation 2** (from conclusions 2, 3 and 5) proposes to ILO, tripartite constituents and implementing partners to strengthen SCORE visibility and sustainability. With the support of marketing, communication, business and systems change management experts, conduct effective marketing campaigns and create SCORE communities at national and global levels. Priority: High / Importance: High / Resource implication: Medium.

**Recommendation 3** (from conclusions 2, 3 and 5) proposes to ILO and National Tripartite Advisory Committee members to actively support implementing partners and to ensure that all tripartite interests are equally taken into consideration – including labour law compliance and social dialogue. Priority: High / Importance: High / Resource implication: Low.

**Recommendation 4** (from conclusions 1 and 5) proposes to ILO and donors to provide beneficiary countries with further additional support during 3-5 years in order not to lose momentum and achieve sustainable results. The project duration and budget should be defined based on a robust feasibility study. Priority: High / Importance: High / Resource implication: High.

### **Main lessons learned and good practices**

**Emerging lesson learned:** The programme did not systematically invest in “fertile” environments that can realistically foster intended outcomes and impact. In some countries, general assumptions were true, in others not. While Evaluation data shows that the programme notably plans to analyse and assess financial and operational sustainability of implementation partners at the end of Phase III, this should be done prior to implementing partner selection.

The programme developed a robust output-oriented M&E system rather

than a more impact-oriented system. As a consequence, significant resources (in terms of time, human resources and efforts) have been allocated without being able to generate outcome- and impact-data. Collecting the latter is crucial in order to monitor change most effectively throughout the intervention, test causal steps and verify assumptions. Monitoring outcome-driven data allows to ultimately generate more impact through corrective action. Pursuing quantitative targets that have weak relationships to outcomes affect the programme's cost effectiveness and sustainability. There is the risk that output indicators may suggest a more positive picture about sustainability than it perhaps is the case.

**Emerging good practice:** SCORE unique features of working specifically on productivity and working conditions is perceived as one of a kind compared to other ILO programmes. The high quality of the concise and practical training – including the digital training package developed during COVID-19 - is fully recognized and appreciated by constituents. The programme has gradually adapted its materials to countries' and SMEs' specific needs. The SCORE adaptive learning approach, and high quality training tools and methodologies, allow to provide SMEs with a custom learning experience. This applies notably to the training delivered online, which takes into considerations the shorter attention spans of participants. Combining high-quality training with in-factory consultancy allows a tailor-made support much needed by SMEs.