



## Experiences developing sector & territorial Strategic Frameworks for Promoting Private Sector Development

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# Overview



Selección de COBERTURA



1. Context
2. Approach
  - 2.1 Working with strategic frameworks
    - a) By sector
    - b) By Territory
3. Measuring Results
4. Challenges





## Pymerural: The context

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- Vague policies & strategies for rural, agricultural and SME development
- Scattered but strong donor interventions
- Fragmented private-private and public-private relationships
- Free Trade Agreements a growing trend
- Market not working inclusively
- Intention of Donor to increase “sector budget support” in order to have more outreach by influencing sector wide policies/strategies



## Pymerural: The Project

>7,200 SMEs

>48,000  
employees

> 105  
millions USD  
sales

**Goal:** E+I \* men and women \* rural areas \* Honduras and Nicaragua

**Objective:** SME sustainability in agro value chains & rural tourism

**Co-facilitator:** Public and NGOs at local and national level

**Target group:** Rural SMEs

**Component 1:** Capacity building => Public + private policies design + implementation

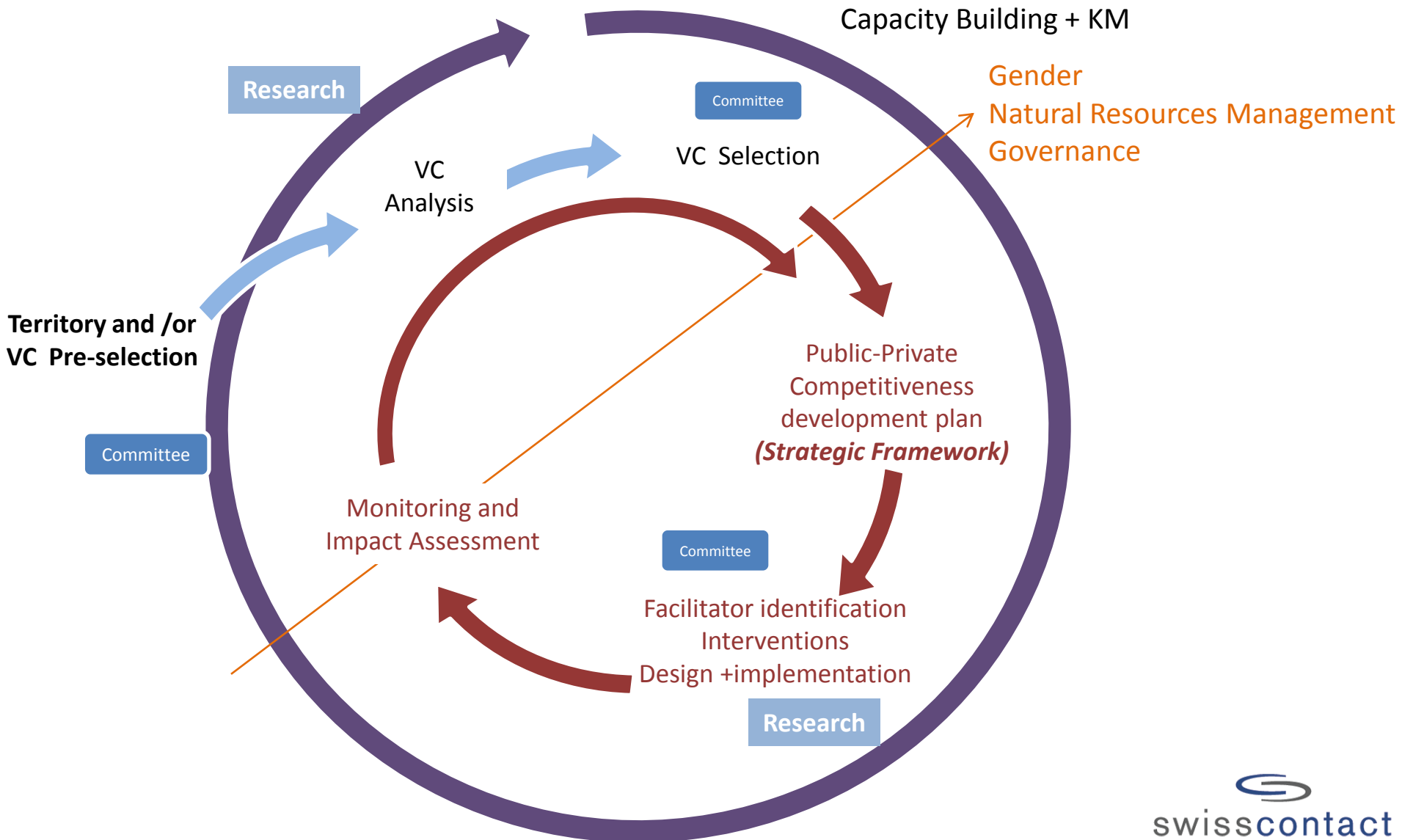
**Component 2:** Innovations => Bottle necks solvers to scale up (economic, social or environmental issues)

**Component 3:** Program management, KM, M&E

**CHF: 12.9 Mio (09.2008 -12.2012) + 1.5 Mio IADB + 0.8 Mio EC Total=15.2**

# Pymerural: Approach

[Value Chains + LED] + [Participatory sector/territory strategy development]

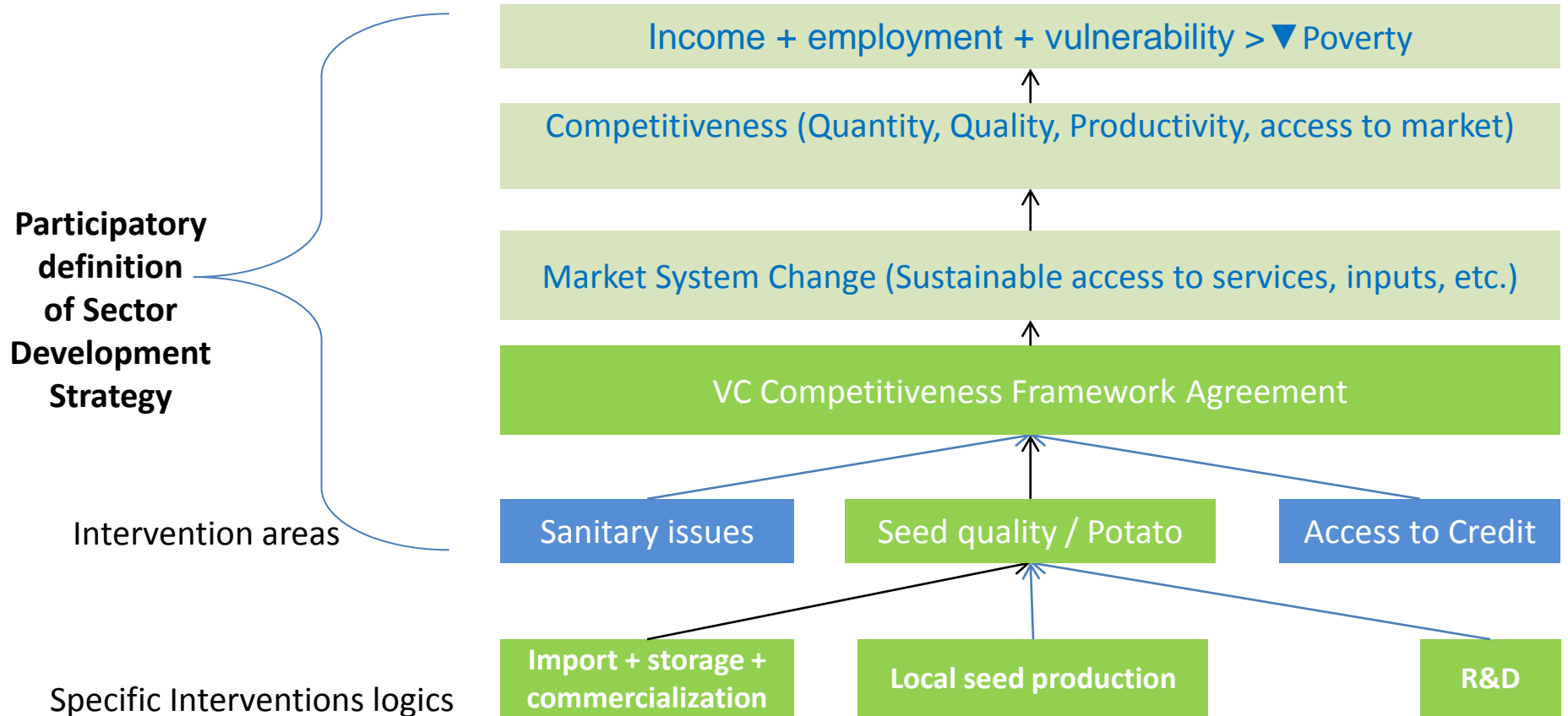


# Pymerural: sectors & territories

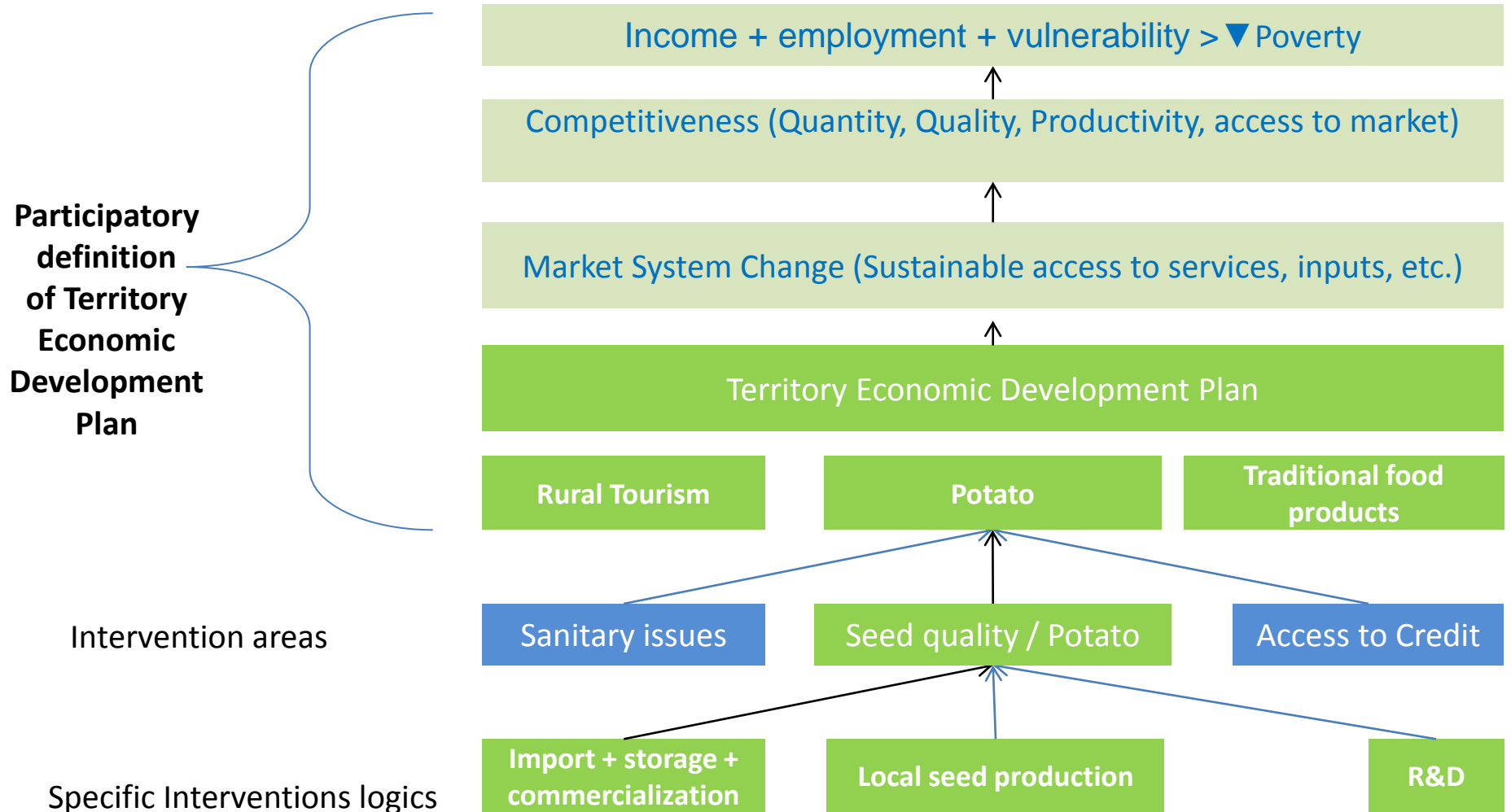


Value chains/subsectors	Honduras	Nicaragua	SMEs
Potato	Nationwide		3,500
Rural tourism	Local	Nationwide	204
Milk-Dairy	Nationwide		41,000
Beekeeping	Nationwide*	Nationwide*	3,546
Cocoa	Nationwide		1,300
Horticulture	Nationwide	Local	14,000
Tilapia (fish)	Nationwide		223
Coffee	Local		14,539
Red Beans	Local	Nationwide	150,000
Rosquillas (traditional snack)	Local	Local	703
Brown Sugar	Local	Local	150
Maize	Local		6,000
Furniture	Local		15
Clothing	Local		95
Bamboo		Local	11
Bricks		Local	22
Total approximate			232,000 (7%)

# Working with strategic framework: by sector



# Working with strategic framework: by Territory







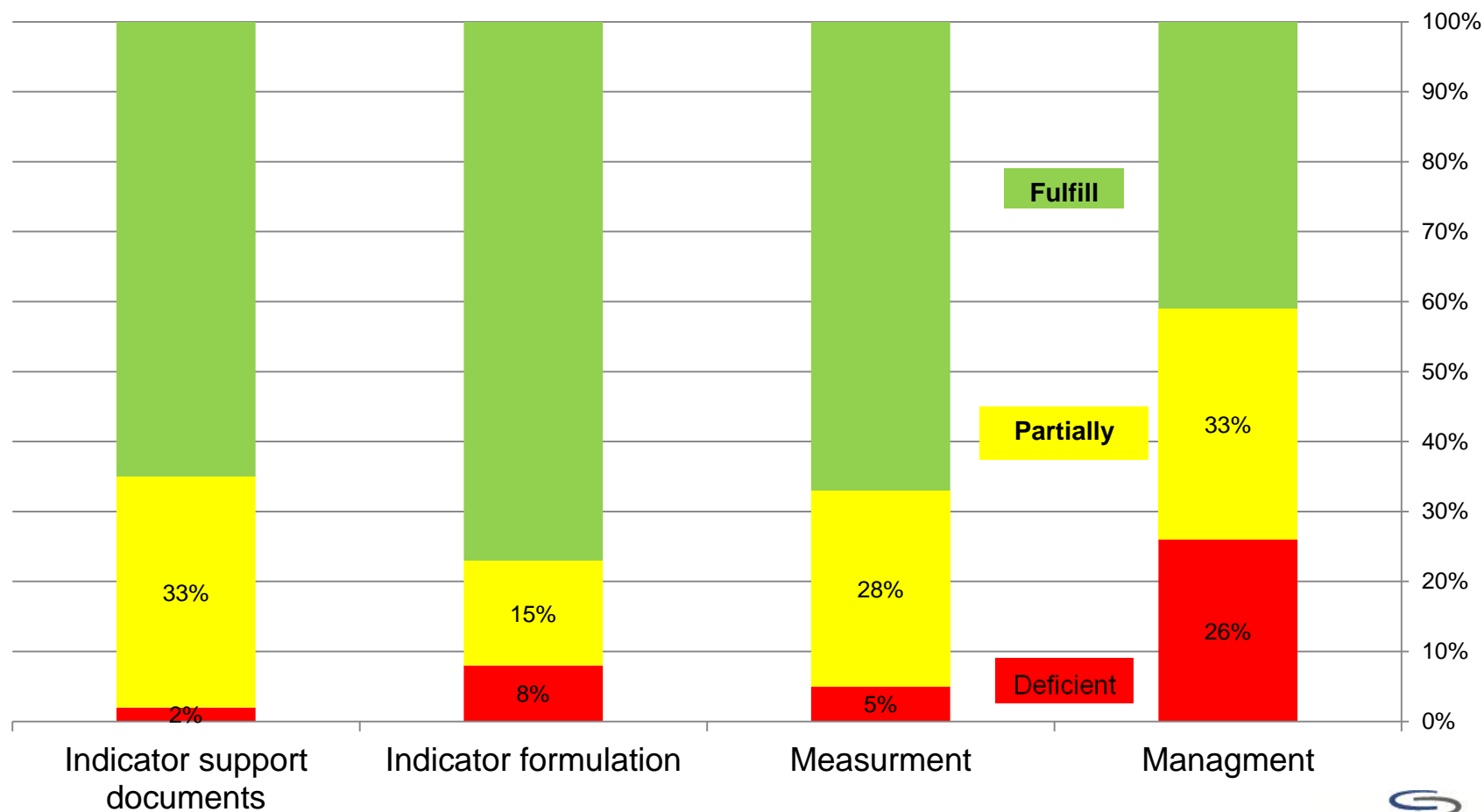
## Pymerural: Measuring results, our experience with the DCED standard

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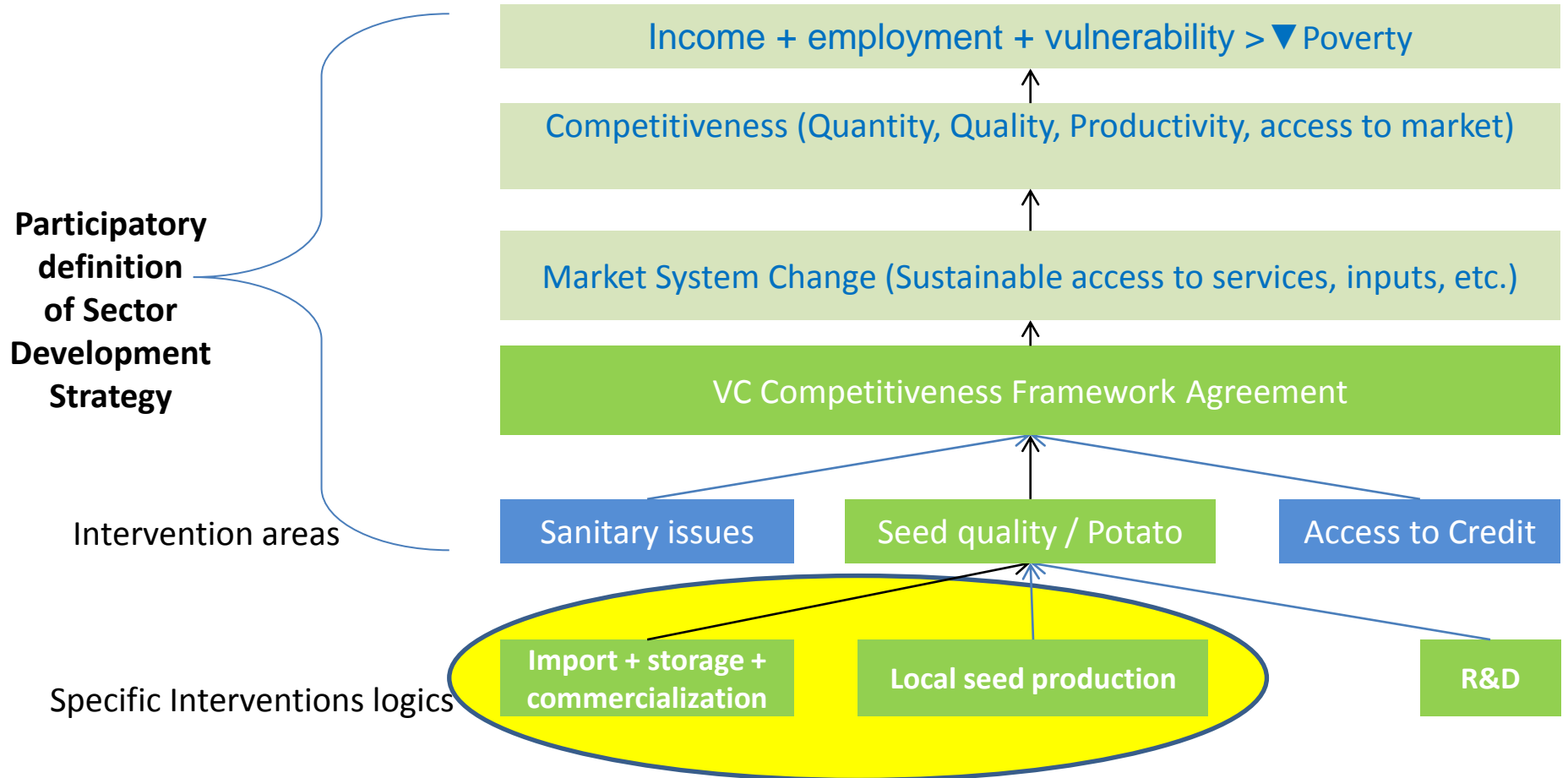
- Swisscontact Impact Assessment Manual as a first input (10.2009)
- Internal team discussion on the Standard –internalization process- (based on documents available in the web)
- SDC Measuring results workshop: Havana, Cuba (06.2010)
- Self assessment of compliance with the Standard (06-08.2010)
  - Socialization with partner institutions (Capacity Building)
- Fine-tuning “on the road” process (01-12.2011), 2 LED Strategies (including 17 VC and 151 interventions) + 7 VC Nationwide (78 interventions)



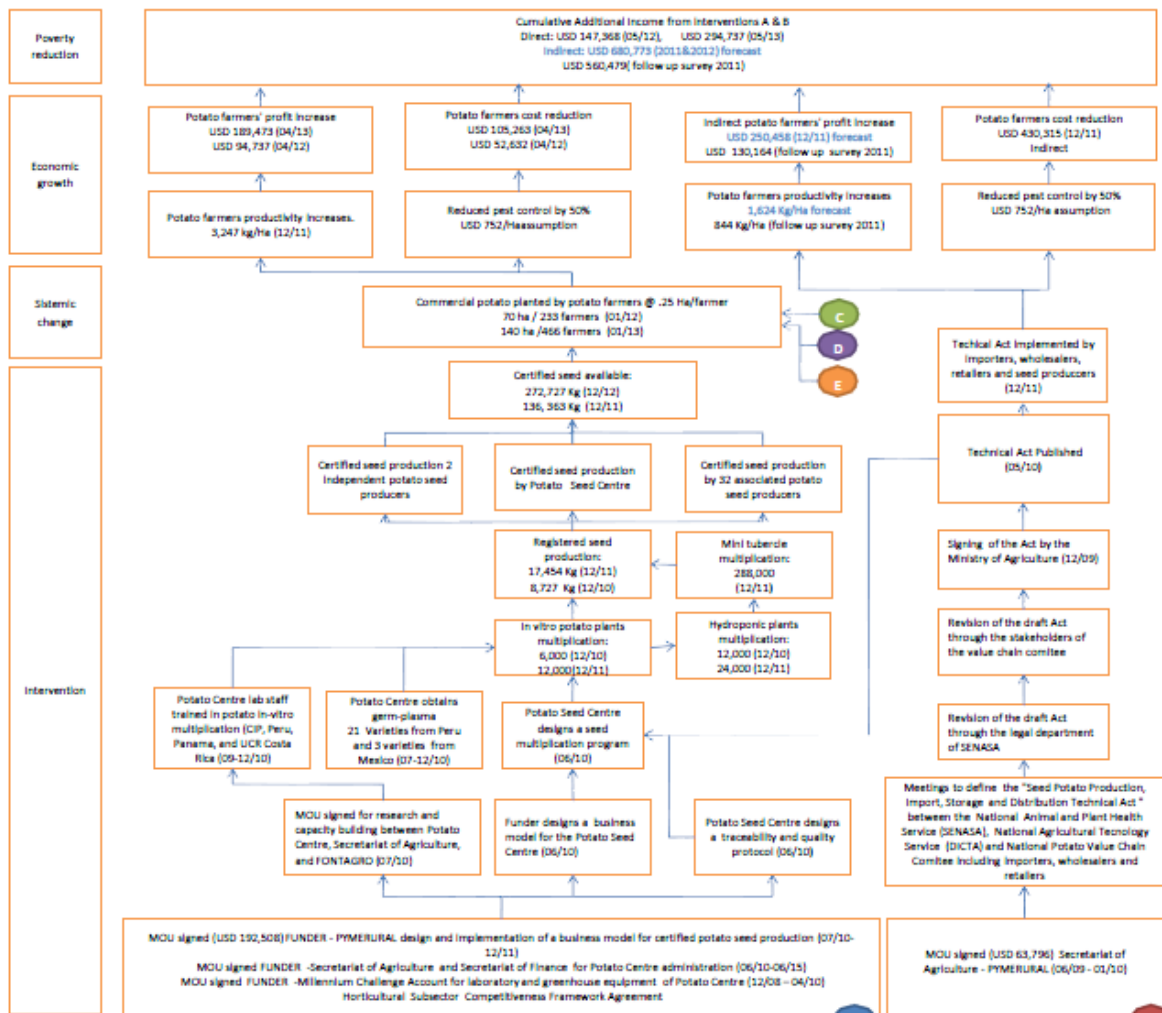
## Pymerural: Measuring results, self assessment against the Standard criteria fulfillment



# Measuring Results: The Potato case



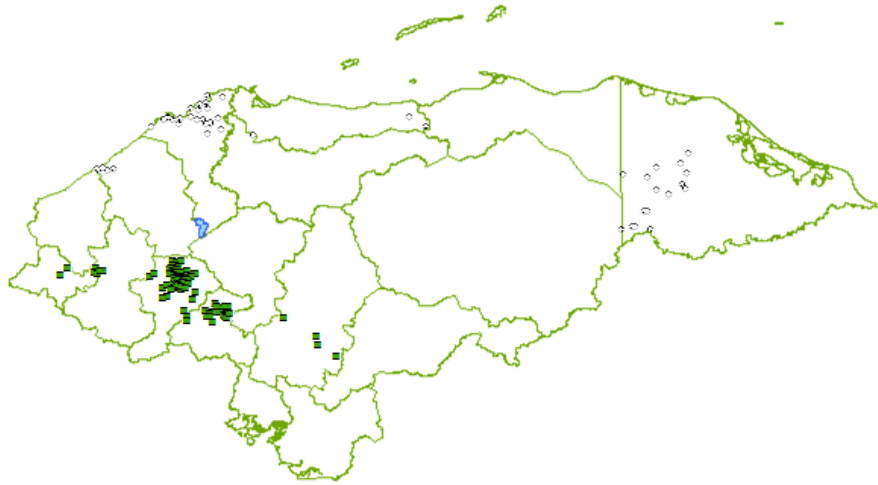
# Impact Logic for potato seed: 2 Interlinked interventions (Local production and quality regulation)



## Articulated interventions:

- A Business model for certified seed production
- B Seed Potato Production, Import, Storage and Distribution Technical Act
- C Contract farming
- D Access to credit
- E Technical assistance

## Measuring results: Large scale surveys to measure changes in potato VC



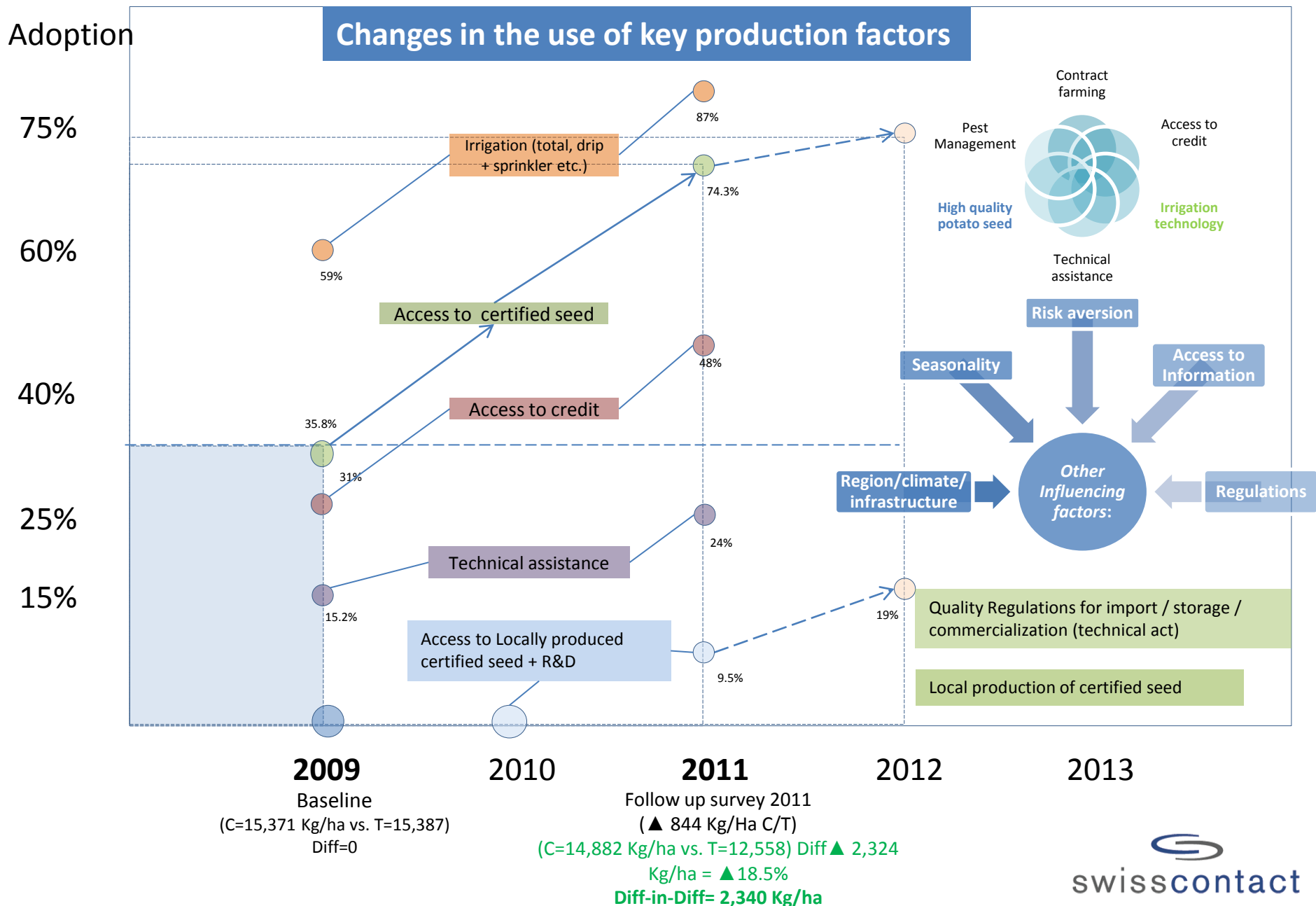
- related to particular intervention areas (supported by the program) direct and indirect

- wider changes linked to other intervention areas considered in the strategic framework, indirectly supported by the program.

Potato producers 2,313

- Survey form created jointly within National Potato Value Chain Committee (including Ministry of Agriculture)
- Pilot tested and conducted annually by local technicians
- Crosschecking at random by MRM official (using cell phone, producer association meetings, input suppliers, etc.)
- Entering and editing data (simultaneously, checking for outliers or suspicious patterns)
- Analyzing data around key intervention areas: Changes in access to services, use of technologies, identify effect of non previously identified factors ( i.e. phytosanitary problems)

# Measuring Results: Interlinked intervention areas in the Potato VC





## Measuring results: scale, income, employment (06.11)

	direct	indirect	Plan	% Plan	
				direct	direct + indirect <sup>1</sup>
<b>SMEs (Incl. producers)</b>	<b>7,236</b>	<b>8,392</b>	<b>7,200*</b>	<b>101%</b>	<b>217%</b>
<b>Employees (13% new)</b>	<b>12,644</b>	<b>20,385</b>	<b>48,000*</b>	<b>26%</b>	<b>69%</b>
<b>Sales (USD) Millions</b>	<b>29</b>	<b>38</b>	<b>105*</b>	<b>27%</b>	<b>64%</b>
<b>Budget (CHF) Millions</b>			<b>12.9</b>		<b>53%</b>

\* As initially planned in the log frame

<sup>1</sup> Includes part of the effect attributed to the program according to a scale of (total=100%, high=75%, partial=50%, low=25% and none=0%)



# Measuring results: Strategic framework utilization, a change in the system?

<b>Sustainability</b>	<b>Adapt</b>	<b>Respond</b>
	<p>Ministry of Agriculture assigning budget to consolidate processes and using VC Strategic Framework To develop its services and programs</p>	<ul style="list-style-type: none"> <li>•Measuring results and feedback</li> <li>•To strengthen facilitation functions</li> <li>• A continuous capacity building process</li> </ul>
	<b>Adopt</b>	<b>Expand</b>
<p>Value Chains is the pivot approach for Ministries of Agriculture</p> <p>Territorial development plans adopted by Ministry of Planning (opportunity)</p>	<ul style="list-style-type: none"> <li>•17 “new” Value Chains are adopting strategic framework to plan their competitiveness route (Ministry of Agriculture &amp; +/- private sector)</li> <li>•6 new territories (LED Network)</li> </ul>	
	<b>Scale</b>	





## Challenges on measuring results:

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- Initial indicators negotiated with SDC were based on sales (not net income), employment (not additional). Clarification on net effects on these indicators simultaneously demands a more precise follow up and quite complicated to measure variables.
- Managing updated sector information requires investment of time and resources to build a robust information system to conduct nationwide sector competitiveness development processes. Managing such system in a sustainable way demand a well prepared staff, this is still an ongoing negotiation with key (public) partner institutions, even though BMOs have been actively involved and are willing to continue collecting data.
- Some interventions, like dialogue platforms aimed to strengthen facilitation roles of public sector + donor harmonization, result mainly in indirect effects. A proper –less subjective- attribution of such results is still a challenge.



Thanks!

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