



Thai German Programme for Enterprise Competitiveness

DCED Seminar on Trends and Results in PSD
Session 2, Thursday 19 January 2012



Outline

- Overview of the Programme
- Programme Design and Implementation
- Result Measurement

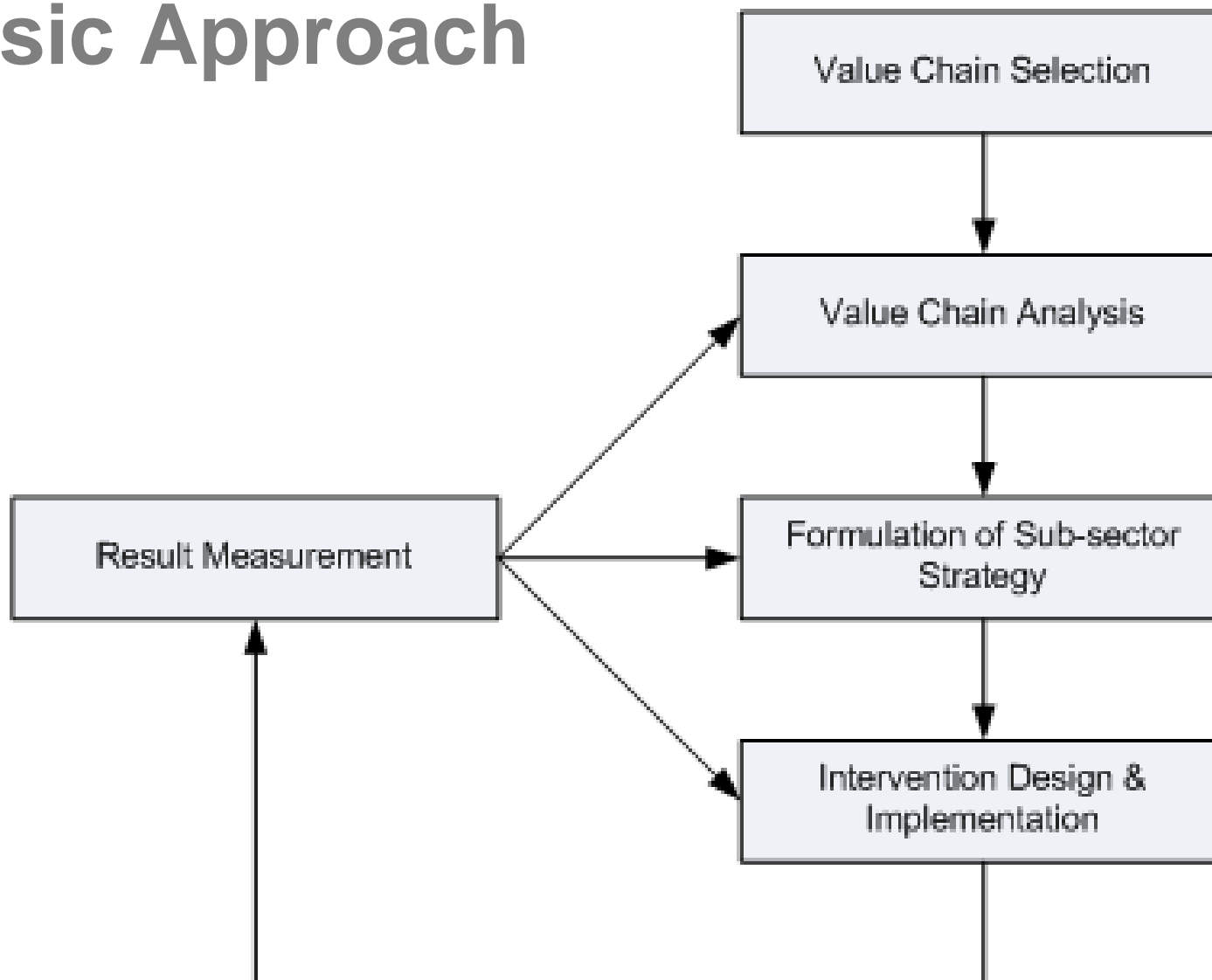


TG-PEC Overview

- Objective: To improve competitiveness, eco-efficiency and utilisation of renewable energies of Thai SMEs in the agro-industry
- Timeframe: 2 phases from 2004-2011
- Funding: Funded by BMZ 17.6 Mil. Euro
- 2 Components: A) Business and Financial Services
B) Resource Efficiency and Energy
- Target Sectors: Palm Oil, FFV, Shrimp, Tapioca and Saa Paper
- No. of Project : 22 Projects



Basic Approach





Programme Design and Implementation

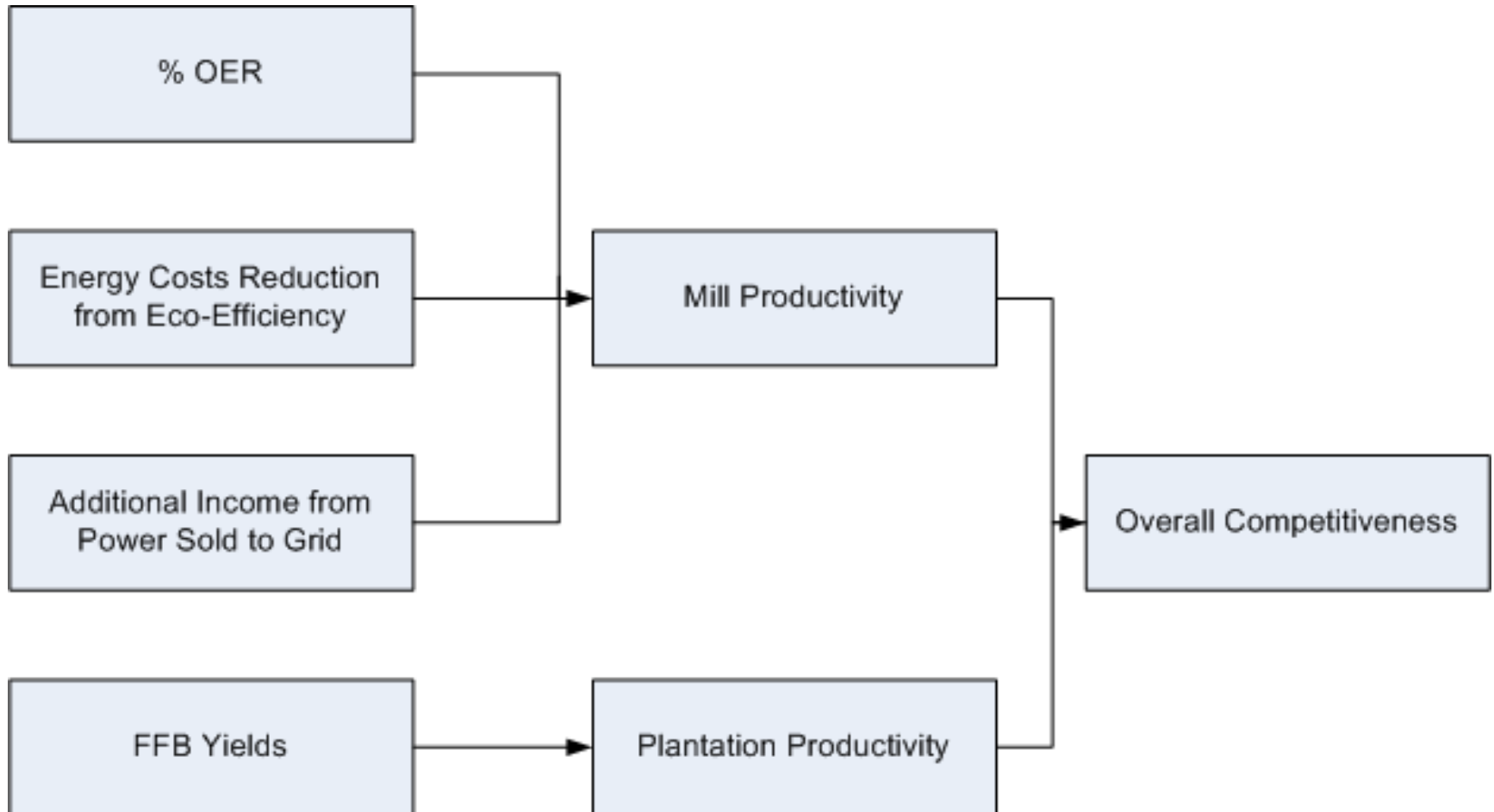


Sub-Sector Strategy

- The Relevance of the Sector
- Competitive Position
- Overall Strategy
- Programme Focus
- Summary of Interventions

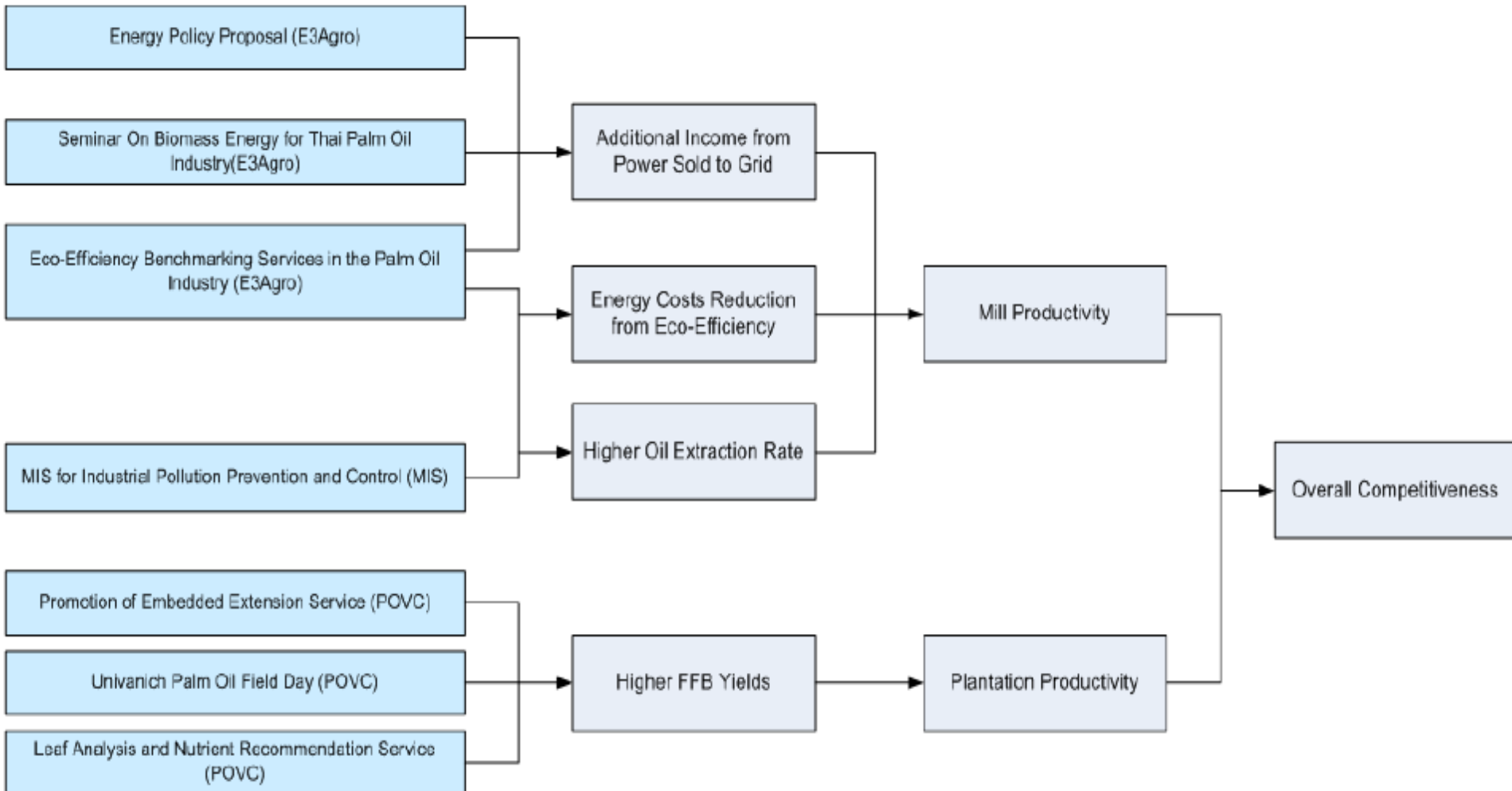


Programme Focus and Issue Diagram



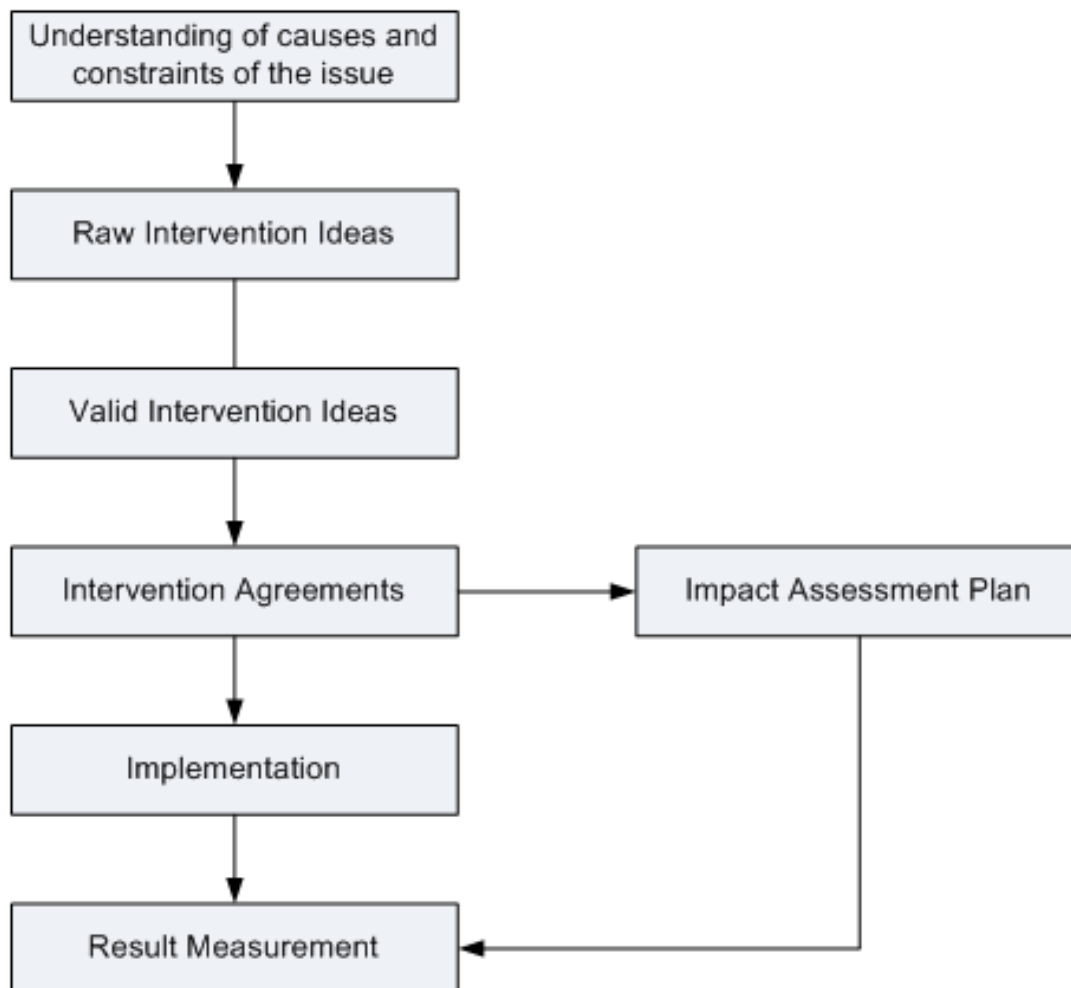


Interventions and Issue Diagram



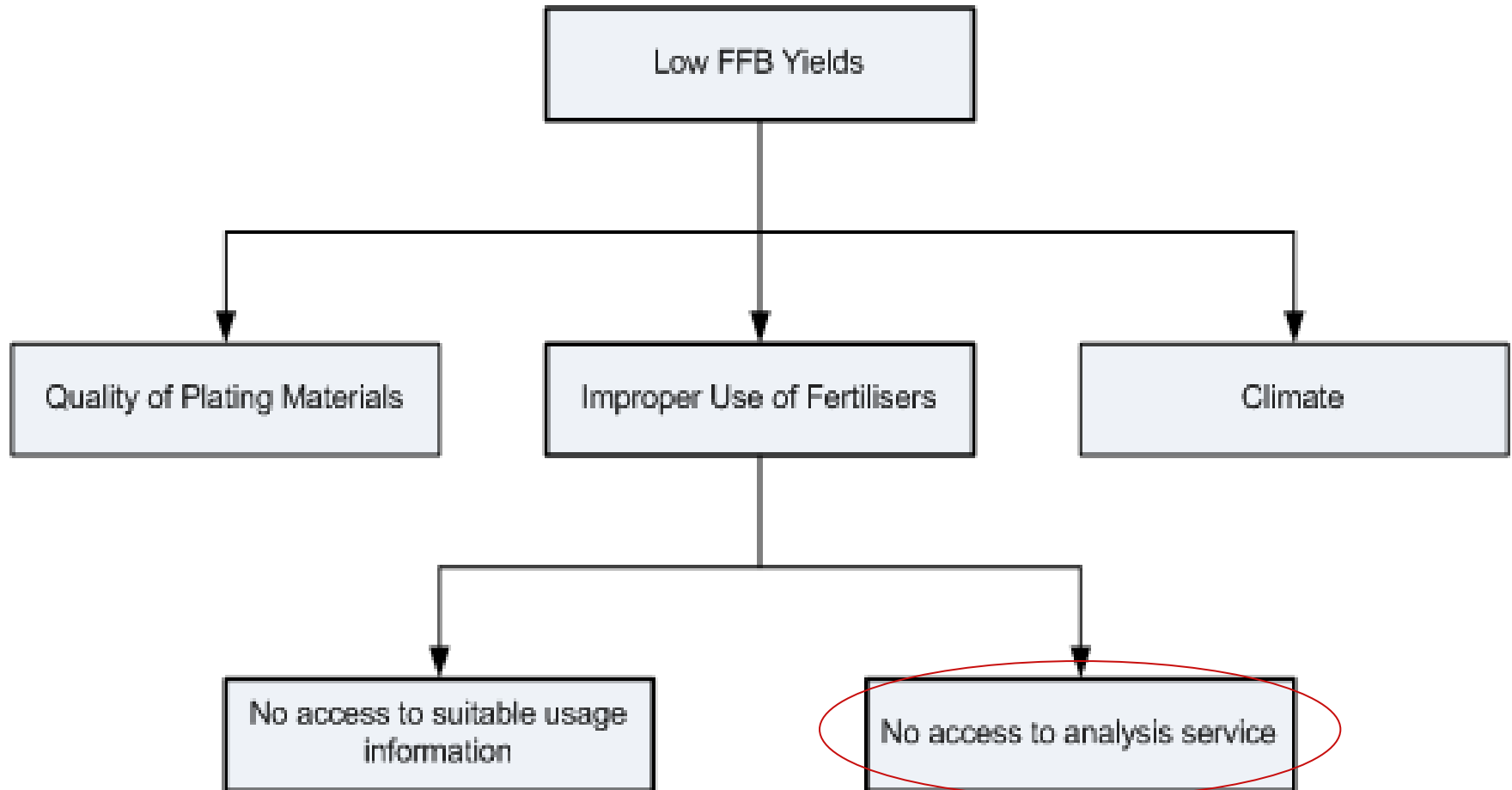


Intervention Design & Implementation





Intervention Design: Symptom to Causes





Leaf Analysis Service

Constraints

- Very low awareness and understanding on leaf analysis and nutrient recommendation service and its benefit.
- The service is not widely available and no commercial laboratory in the area.

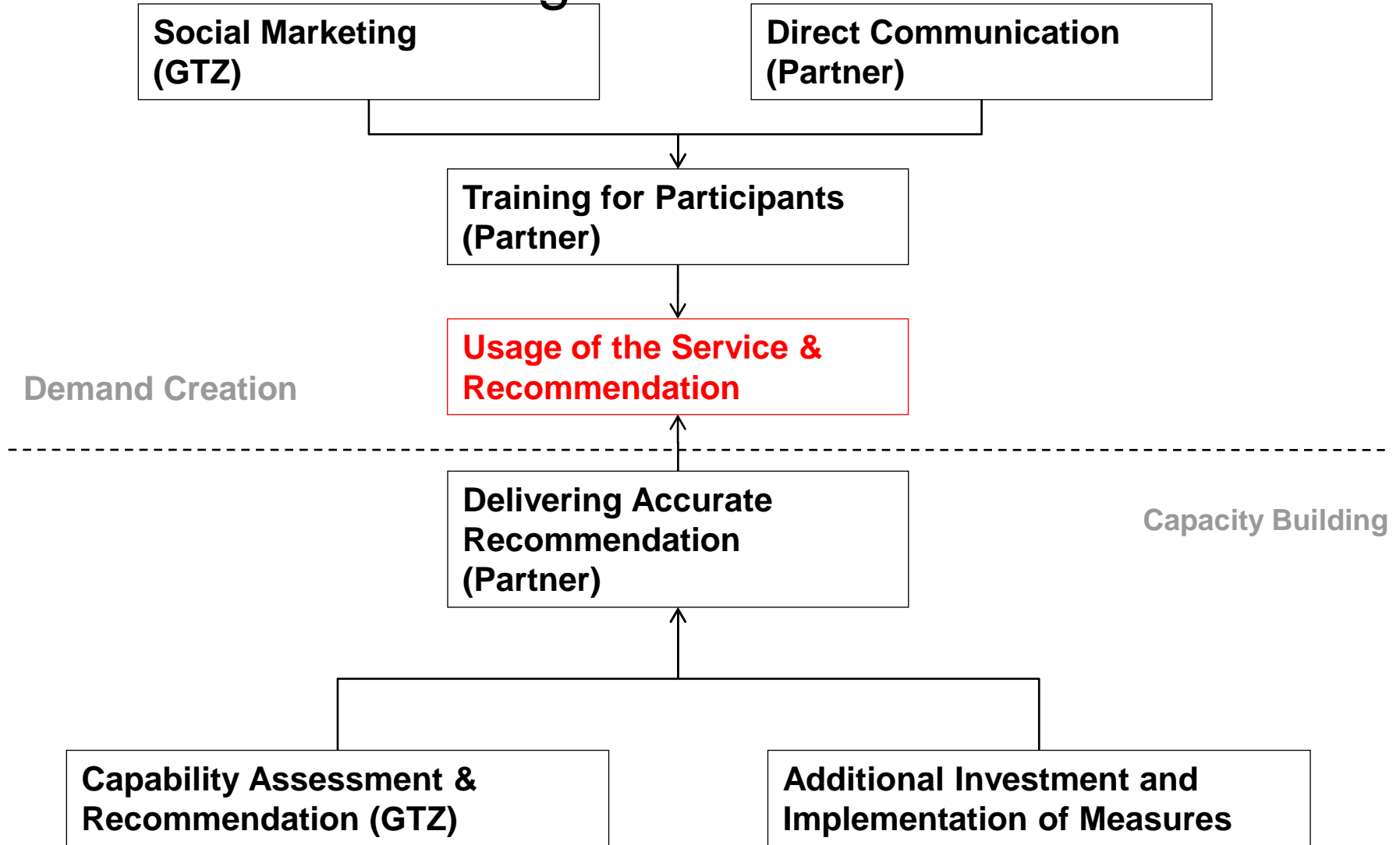
- Services from government laboratories are too slow. They have no incentive to provide it on a commercial basis.
- Demands is too low for commercial laboratory to add this new service
- There is a crushing mill in the area that has already invested in the laboratory and willing to offer this service to their regular suppliers.

Raw ideas

- Fee based service from public laboratories
- Fee based service from private laboratories
- Embedded service from crushing mills



Intervention Design





Intervention Agreement

- Background of the Project and its Strategy
- Background to the Intervention
- Competitiveness Issue
- Solution and Intervention Strategy
- Impact Assessment Method
- Budget & Responsibility

	GTZ	Vichitbhan
10.1 Additional analysis lamps		250,000
10.2 Calibration with DOA		50,000
10.3 Calibration with Malaysian laboratory		50,000
10.4 Laboratory Staff Training	25,000	50,000
10.5 Fertilizer recommendation staff training	25,000	50,000
10.6 Development of information sheets	25,000	25,000
10.7 Professional Marketer, including development and implementation of marketing plan	900,000	500,000
10.8 Training supply chain partners in sample collection and handling	25,000	25,000
10.9 Vichitbhan laboratory construction and development*		7,000,000*
10.9 Total	1,000,000	8,000,000

All expenses are expressed in Thai baht



Result Measurement



The Existing Measurement System Before Pilot Testing DCED Standard

- Overall Goal: Improve Competitiveness of Agro Industries
Component: Business, Financial and Eco-efficiency Services
- Strategy paper for each sector
- RBM & Impact Assessment Guideline
- Intervention Report and Impact Assessment Plan for each Intervention
- No M&E Department



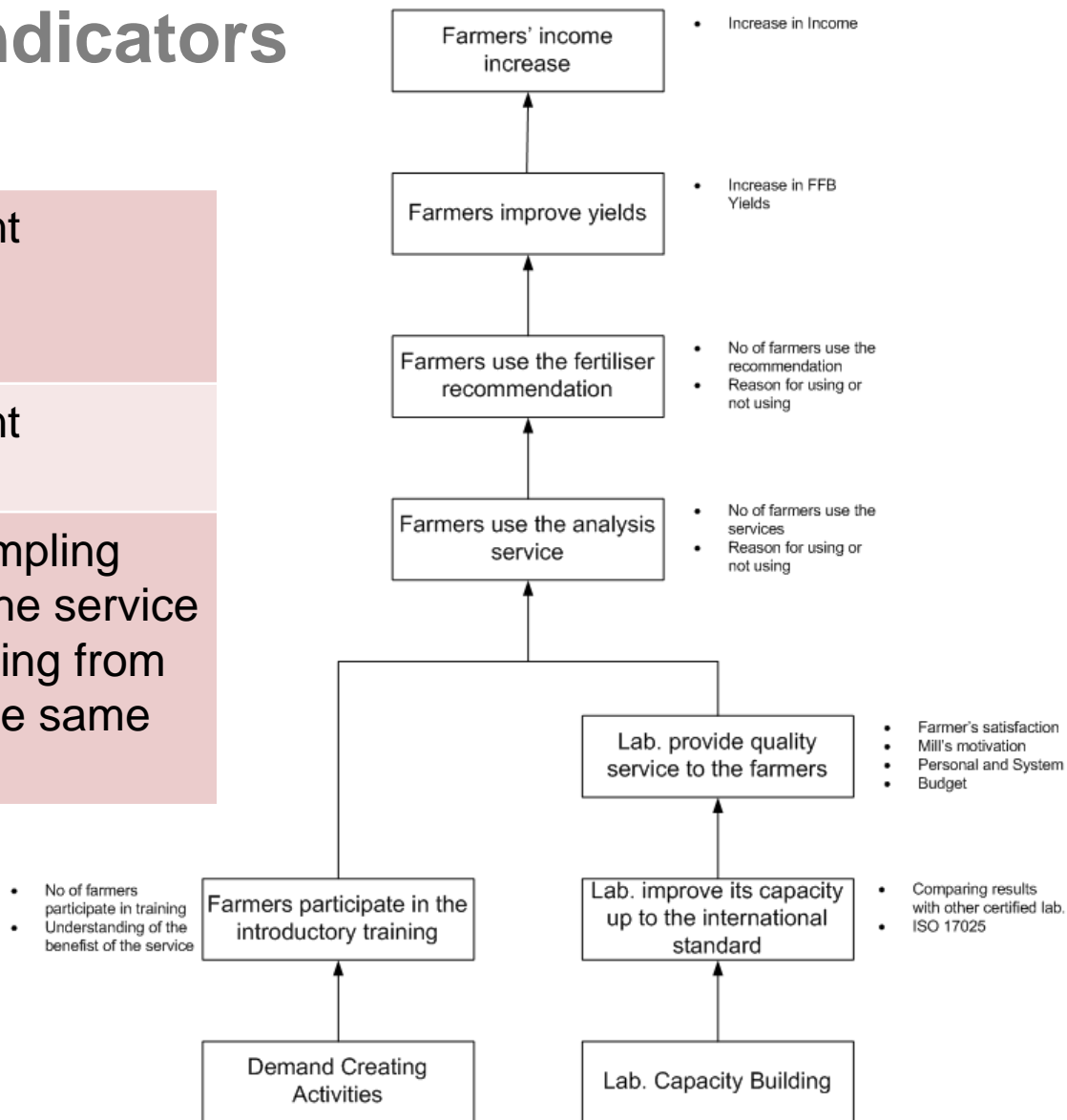
Implementation of DECD Standard

- Conducted pre audit of existing system compared to the standard in order to indentify the gaps
- Major items missing were:
 - explicit result chain at the intervention level for some interventions and analysis supporting the causal logic at the intervention level
 - universal impact indicator: net additional income
 - attribution methodology
 - scale and projection
 - direct and indirect impact
 - costs allocation and aggregation
- Revised the impact assessment guideline and related documents (strategy paper, intervention report and impact assessment plan) in order to deal with the above issues
- Conducted staff training on the new system
- Started to implement the new system



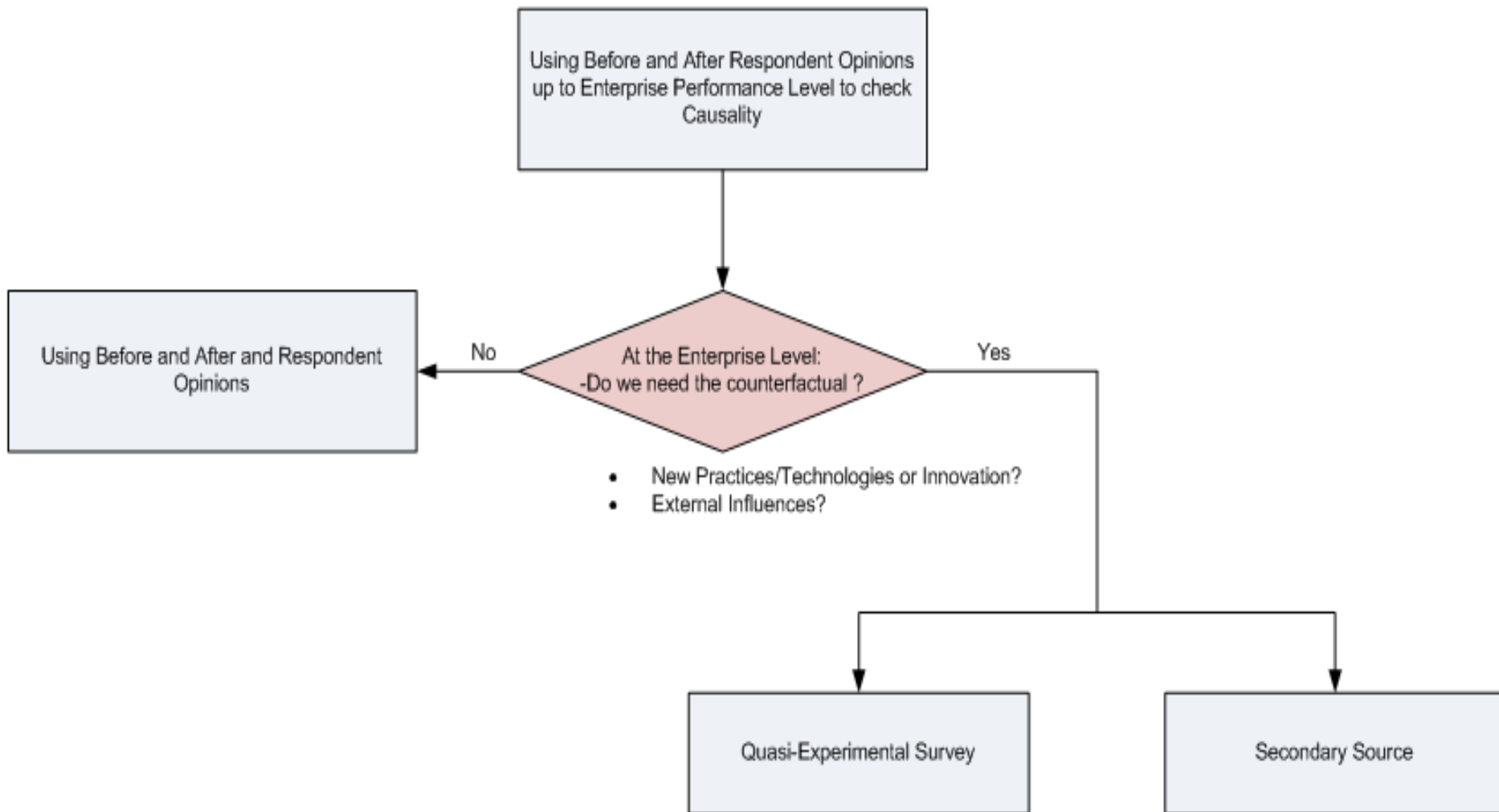
Impact Logic & Indicators

Required Sample size	30 for treatment 10 for control
Surveyed	60 for treatment 20 for control
Selection	Treatment: Sampling from users of the service Control: Sampling from non-users in the same area





Assessing Attribution





Intervention Impact Assessment Plan

- Competitiveness Issue and Goal Level Indicators
- Intervention Logic and Component Level Indicators
- Exit /Sustainability Strategy
- Impact Assessment Methodology: For each group,
 - What indicators will be measured ?
 - What attribution methodology will be used?
 - How will this data be gathered?
 - When will this data be gathered?
 - Who will collect this data?
 - What interim indicator will be monitored, how, when and by whom?
- Key milestones



Reporting Format

Indicator	Definition	Calculation	Assumptions	Status Before Intervention	Status After Intervention	Change Attributed to T-G PEC*
Improvement of FFB yield	Increase of average FFB yield /rai 18 – 20 months after applying recommended fertilizer	<p>Baseline</p> <p>Average yield of participated group : 2.468 ton/rai/year</p> <p>Average yield of control group: 2.237 ton/rai/year</p> <p>18-20 months</p> <p>Final Follow up</p> <p>Average yield of participated group : (A)</p> <p>Average yield of control group : (B)</p> <p>$(A - 2.468) - (B - 2.237)$</p>	Recommended fertilizer available in the market	<p>Baseline</p> <p>1. Average yield of participated group: 2.468 ton/rai/year</p> <p>2. Average yield of control group: 2.237 ton/rai/year</p>	<p>Final Follow-up</p> <p>(A) 4.123 ton/rai/year (participated group)</p> <p>(B) 2.883 ton/rai/year (control group)</p>	<p>Difference in output (yield) between treatment group and control group were recorded before leaf analysis service be delivered. End of 2008 , the second difference of yield between treatment group and control group will be worked out again. Impact of this intervention is the follow-up difference less the difference at the baseline.</p> <p>1.008 ton per Rai/Year</p>



Aggregation

- Start measuring results for each intervention
- Adjusting for the overlapping
- Summing up the results for each target

Target Beneficiary	Intervention	No. of smallholders/mills benefited			Add. Income	Additional Income Generated (THB/Annum)		
		Direct	Indirect	Total		Direct	Indirect	Total
1) Smallholders	1.1 Training Service	2,425.25	216.56	2,641.81	34,193.00	82,926,573.25	7,404,904.47	90,331,477.72
	1.2 Leaf Analysis	426	450	876	231,150.00	98,469,900.00	104,017,500.00	202,487,400.00
								292,818,877.72
2) Curshing Mills	2.1 Resource Efficiency	16	7	23	9,100,000.00	145,600,000.00	63,700,000.00	209,300,000.00
		16	7	23	3,192,000.00	51,072,000.00	22,344,000.00	73,416,000.00
		16	7	23	26,450,000.00	423,200,000.00	185,150,000.00	608,350,000.00
	2.2 Power generation from Biogas	5	20	25	6,694,080.00	33,470,400.00	133,881,600.00	167,352,000.00
Total								1,351,236,877.72



Benefits of the Standard

- Time and costs saving when setting up M&E system (Do not need to reinvent the wheel)
- Know what is the acceptable minimum requirements
- Improve intervention design and implementation
- Measurable indicators also improve the transparency and objectivity of performance assessment system
- Input for portfolio management and resource allocation
- Facilitate learning and knowledge sharing



Thank You