

.EXTERNAL EVALUATION – SHORT REPORT

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Quality infrastructure in support to sustainable economic development and trade capacities



Country | Region: Middle East

Project No.: 2013.2178.5
Period: 10.2013 – 03.2017

Executing Agency: no executing agency assigned
Implementing Partner: relevant national infrastructure institutions

PTB | Working Group: Q.54 – North Africa and Middle East
PTB | Project Coordinator: Mr. Alexander Haddad (until August 2016), Mrs. Elisabeth Niendorf (until January 2016); Mr. Nils Stauch (since August 2016)

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Bei der vorliegenden Evaluierung handelt es sich um eine unabhängige Begutachtung. Die Inhalte repräsentieren die Sicht der Gutachterin / des Gutachters und müssen nicht mit der Sicht der PTB übereinstimmen.

List of Abbreviation

BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung <i>Federal Ministry for Economic Cooperation and Development</i>
DAC	Development Assistance Committee
EQM	Export Quality Management
ITC	International Trade Centre
PTB	Physikalisch Technische Bundesanstalt <i>German National Metrology Institute</i>
QI	Quality infrastructure
QUISP	Quality Infrastructure for Sustainable Development

1. Project Description

The entire Middle East region finds itself in times of fundamental social changes challenging their internal cohesion. Political structures are questioned and put under pressure, creating insecure framework conditions. Several countries are directly involved or threatened by armed conflicts and partly suffer from terrorism. Decreased economic growth and regional crises maintain the issue of multidimensional poverty and related problems like unemployment, inequality, malnutrition and decrease of social safeguards. The loss of neighbouring markets, sharp declines in the revenues from traditional sectors like e.g. tourism and low prices for extractive resources jeopardize their efforts for creating a sustainable development path for their countries. In this context, participating in international trade outside of the region becomes increasingly relevant, while the role of consumer protection constantly rises considering the high dependancy on imports. At the same time all countries strive to bring about changes in their productive structure. All these efforts need a favourable enabling environment, including a functioning and demand-oriented quality infrastructure (QI). The regional quality system is not yet able to respond to the mentioned challenges. QI-related legislation and technical regulation lag behind in all countries, while national QI-structures and services still lack the appropriate international recognition.

Against this backdrop, Physikalisch Technische Bundesanstalt (PTB) was commissioned by Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ) in October 2013 to implement the project “Quality infrastructure in support to sustainable economic development and trade capacities”. Conceived within a regional focus, the project addressed originally six countries: Egypt, Palestinian Territories, Yemen, Jordan, Lebanon and Iraq, of which the first four belonged to the category of bilateral partner countries within German international cooperation. Iraq and Lebanon were included for technical considerations. Their change in status allowed only a limited participation once the project had initiated. Because of the still ongoing armed conflict, the cooperation with Yemen had to be suspended during the implementation. The development measure was originally programmed for a period of 3 years (10/2013 – 09/2016) and endowed with a financial volume of 1.55 million EUR. In June 2016 the implementation phase was extended, ending now in June 2017.

Main point of reference was the project objective “*National QI systems improve their range of services according to international requirements and the demand.*” Conceptually the project was directed towards the improvement of the technical capacities of the national QI systems (testing and metrology), in combination with an enhanced sensitisation effort of a broad range of stakeholders (ministries and private sector institutions, like chambers of commerce and business associations) for the importance of Quality Infrastructure in general and particularly in the context of trade promotion. The project offered mainly interinstitutional and cross border capacity development, using traditional as well as modernized methodologies (e.g. blended learning). In this context the applied approach of south-south cooperation led to an intensive engagement of excelling QI institutions from Jordan and Egypt in the implementation

of training events. Technical consultancy activities completed the array of the project's lines of work. Part of the implementation was realised in close cooperation with the International Trade Centre (ITC).

2. Assessment of the project

Regarding the status of the change process the OECD DAC (Development Assistance Committee) - criteria relevance, effectiveness, impact, efficiency and sustainability were assessed and acknowledged a good performance of the project with an overall rating of 2,3.

2.1 Status of the change process

Relevance

For the criterion *relevance* the following aspects were assessed:

- alignment with policies and strategies of the partner countries
- attention to the policies and needs of the partner institutions
- coverage of the needs of the target group
- orientation along international development goals and
- accordance with German government development orientations

The evaluation showed that the project was implemented in complete alignment with existing strategic orientations in the cases of those countries with general development strategies or sector strategies and policies at their disposal. In the few cases where official orientations had not been formulated, the trade-related reality of the countries produced enough evidence to confirm the alignment. The necessary attention to the policies and needs of the partner institutions were mainly backed-up by the interviews held during the evaluation process. Additionally it shall be reminded that most of the partner institutions are organisations of the public sector, which implies that their activities are guided by existing government orientations. The coverage of the needs of the target group was insofar assured as all QI-services targeted during the implementation could either be related to trade or consumer protection. In order to capture even better the "demand orientation" of QI services and the definition of priority areas in trade, a more proactive consultation of private sector institutions could have improved this aspect of *relevance*. Through its contents the project was directly connected to several of the Sustainable Development Goals (SDGs) as expressed in the Agenda 2030. Key concepts to be mentioned here are sustainable economic growth and industrialisation, responsible consumption and production, resilient infrastructure, global partnerships for sustainable development. With respect to its technical contents, the project follows the orientations of the BMZ sector concept "Quality infrastructure" and the concept "Aid for Trade – Trade related development policy" (2011) of the ministry. From a regional perspective it was aligned with the focal point areas and perspectives of German development policy in the Middle East / North Africa region". The project is attested a good alignment with respect to given orientations and expressed or derived needs of different stakeholders at different levels (overall rating: 2,0).

Effectiveness

The criterion effectiveness assesses the achievement of the project goal expressed through its indicators. The objective was formulated as follows: "*National QI systems improve their range of services according to international requirements and the demand*". Three indicators had been defined to follow-up on the achievement:

- QI aspects treated in trade facilitation workshops, conferences, publications, concepts and strategies in trade related institutions
- Additional QI services offered in national QI institutions in accordance with international standards in selected priority sectors
- Increased number of calibrations

At the time of the evaluation, the *effectiveness* of the project was judged between good and satisfactory (rating 2,5), as two of the three project indicators were either fulfilled or on its way to be achieved. One indicator was not yet in the condition to be assessed because of outstanding data.

Impact

With respect to the contribution to overarching development goals covered by the criterion *impact*, it was still too early to expect visible quantitative effects in the prolonged impact chain. The improvements achieved in the service provision of QI-institutions needed first of all to affect their clients. In the case of the trade focus of the project this would primarily refer to export or import-related structures in the private or the government sector. In the medium to long run it can thus be expected that the produced improvements in QI-services affect the initial links of the chain positively. Evaluating the soundness and the plausibility of the impact hypotheses and their linkage to the undertaken activities, the conclusion could be drawn that a successful contribution can be expected (rating 2,0).

Efficiency

Within this DAC-criterion the evaluation assessed the economic efficiency of the project structure and its management approach, the appropriateness of the chosen delivery modes, its cooperation performance as well as possible transaction costs for the partners deriving from the project interventions. Regionally and inter-institutionally organised capacity development events impact favourably on economic efficiency in the case for the activities implemented in the context of the metrology component, which benefited largely from the efficiency winning effects of south-south cooperation. Although being based on two ready-made products, Quality Infrastructure for Sustainable Development (QUISP) and Export Quality Management (EQM), the sensitisation and training measures in component 1 and 2 did not allow a similar positive assessment as their implementation relied practically exclusively on costly international expertise and the outreach remained limited. A balancing effect was achieved through PTB's remote management concept which impacted positively on the operating efficiency. Synergies were reached through cooperation with the Thünen Institut which conducted capacity development measures for the laboratory for wood testing in Egypt free of charge. Cooperation potentials with other bilateral projects in the region, in particular with GIZ, were not activated. It was thus concluded that the project has been managed satisfactorily (rating 3,0) with regard to the criterion of *Efficiency*.

Sustainability

The DAC-criterion *Sustainability* checks on the durability of achieved changes. From the point of view of their coordinating mandate, a national or regional chief executing agency can play a very relevant guiding and follow-up role during and after the life cycle of an intervention. For the Middle East project no adequate organisation with sufficient regional, technical and thematic authority had been identified to lead the development measure. Among the conceptual elements of the project approach supportive to sustainability must be pointed out the holistic and systemic stakeholder approach which foresaw to involve all relevant QI and non-QI actors. Unfortunately, the component-centred implementation strategy did not proactively exploit the potential interfaces and the interconnectedness between the components. The criterion *sustainability* of the initiative was thus supported primarily by the stable character of the partner institutions and the approach of south-south cooperation. An upgraded outreach and institutional embedding of the sensitisation tools of component 1 and 2 could have strengthened the criterion even further (rating 2,0).

2.2 Success factors for the observed results and change processes

With respect to the successful management of the implementation process, the factors *strategy*, *cooperation*, *steering*, *processes* and *learning/innovation* have been assessed. The gaps between potentially achievable and currently achieved factor realisations ranged from 20 to 40 % allowing for a series of improvements in an eventual follow-up project.

Strategy

Although the trade orientation had not been integrated explicitly in the project objective, and certain elements of uncertainty with respect to the participating countries and the sector focus were not favourable for the project start, the initial potential for strategy development and implementation was still high. The systemic understanding of the concept (broad stakeholder approach, connecting QI in the context of political decision making and demand-orientation towards the private sector) offered an important leverage to impact. At the same time, the sensitisation efforts were carried by two powerful ready-made products, QUISP and EQM. The approach of south-south cooperation was not only realistic, but would strengthen the region in the development of its division of labour. However, the implementation strategy was not shaped and guided in a way to sufficiently fill out the given space and activate the potentials. The components remained disconnected in strategy and management. The original holistic stakeholder concept was not turned into a holistic partner approach in implementation. The need orientation in the development of QI-services would have required a more explicit focus on demand-driven trade priorities derived from a more active involvement of non-QI stakeholders. The approach of south-south cooperation, on the other hand, was entirely unfolded and used as a platform to improve the cooperation potential.

Cooperation

Although the regional set-up of the project was seen more as a functional implementation mode to spur results on the national level, *cooperation* remains a relevant management factor within component 3 (metrology institutes), with respect to the national context (internal cooperation of national stakeholders) as well as concerning initiatives of other donors (external cooperation). The potential for the development of the factor of *cooperation* through the project was tangibly diminished as it had to confront a general lack of cooperation culture between the stakeholders on the national as well as on the regional level. The widespread geographical coverage and the lack of clarity concerning the participation of certain countries reinforced the given limitations. Under these conditions, and considering that the project had not aimed at regional cooperation as an explicit objective, the project has almost exhausted the given possibilities through the applied modalities of shared interinstitutional and cross border training, and south-south cooperation. In general, it can be said that the courses initiated a first dialogue and the contacts have mainly been used for subsequent informal exchanges, very few reached a more systematic intensity. The cooperation agreements the project had aspired for within the metrology component in the original project set-up did at the end not materialize because of the lack of interest and expressed needs by the national metrology institutes. Nonetheless, the reached degree of exchange represents a good starting point to intensify cooperation in the framework of a follow-up project. Apart from the cooperation with ITC in the context of EQM, no other donor (agency)-related cooperations were realised.

Steering structure

Apart from the logistical and organisational challenge cross border *steering* always brings along, the conditions to develop the success factor steering had been encouraging under a holistic stakeholder approach as the participating stakeholders had all experience with technical cooperation and manifested interest in being involved in steering. However, as the exploratory mission had advised to refrain from establishing a component-overarching steering structure, no shared architecture and steering processes embracing the entire project were put into place, leaving an important part of the steering potential unused. The argument had been that the three components were relatively isolated from each other, with different contents and partners. Apart from not sharing this point of view, the evaluators considered this an unfavourable decision to activate existing synergies and assure ownership in all parts of the program. Finally, only component 3 (metrology) established and worked systematically within a steering structure, using it for planning, monitoring and sharing of experiences made in this area.

Processes

The starting situation in the success factor *processes* showed a high potential for development, as many of the technical processes (core processes) in QI are highly standardised and because PTB-projects can

rely on the availability of methodologically and instrumentally sound approaches and long-term institutional experience with respect to all steering and support processes. All processes were clearly directed towards upgrading the level of competency of the partner institutions. While the core processes as the main carriers of project contents have basically been developed along their potentials, the support and steering processes (planning, steering structure, monitoring, knowledge management) showed a lot of room for improvement, needing sound investment in a future follow-up project. Many partners were familiarized with technical cooperation and could thus have participated more actively in the support processes, improving ownership and acquiring additional process competencies beyond the enhanced technical capacities.

Learning and innovation

The initial potential for the factor *learning and innovation* was regarded as favourable to receive the project's capacity development approach. The quality and the character of the project's working modes were oriented toward shared learning through organising interinstitutional and even cross-border events. Innovative learning products (QUISP and EQM) were used to enhance the transfer of knowledge and were highly appreciated by the participants. Their outreach though needs to be improved in order to produce a more significant impact. A clearer commitment to knowledge management and the transfer of methodological know-how on how to institutionalise products of further education could have contributed to anchor the learning contents.

3. Learning processes and learning experience

The existence of a regional executing agency might have been useful, but was not a must, considering that no "regional trade or QI-issues" were at stake, which could have benefitted from a regional player's guidance or intermediary role. Furthermore, no regional agency exists in the region that could have served as executing agency for the subject of the project and selection of countries.

- The exploratory character of the project was seen as useful, but it should have been supported through a more thorough appraisal process carried out by an appraisal team integrating a broader scope of expertise including knowhow on trade promotion and chamber development.
- It would have made sense to focus the project even more from the beginning (countries, sectors) and assure the connectivity between its components.
- The cooperation with ITC should be evaluated more critically in its costs and benefits. The coordination process was sometimes considered to have been cumbersome as the two institutions do not always share the same operative logic.

4. Recommendations

The main recommendation of the evaluators is to design an eventual new project as a follow-up measure to the current initiative and to further exploit the development orientation towards enhancing international trade options for some countries in the region. The focus should be on implementing an active approach of *targeted coordination and market-oriented interaction* of the three main players in trade promotion: the QI-system, the public sector with its leadership role in terms of policy and strategy building, and existing private sector institutions within their sector and enterprise promotion. The impact should be oriented primarily towards strengthening national coordination using regional modes of delivery. Fewer countries should be addressed to reduce heterogeneity. This would imply to work with a broadened partnership concept, where private sector institutions, export agencies and relevant sector ministries are integrated fully as partners. Consequently, all partners should be involved systematically and continuously in information and relevant steering processes (both strategic and operational). The different steering and support processes should be fully established along available methods and instruments in PTB. Within the capacity building approach continuity should be given to the successful experience of south-south cooperation, enhancing the partners' skills in programming, modern andragogy, course design and moderation.