

FWC SIEA 2018-LOT 2: Infrastructure, sustainable growth and jobs
EuropeAid/138778/DH/SER/multi

**West African Competitiveness Programme
(WACOMP) in Sierra Leone**

Final Evaluation

**Executive Summary of the
Final Report**

CRIS No of the Evaluated Contract
FED/2018/401-233



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**West African Competitiveness Programme (WACOMP) in Sierra Leone –
Increasing Sierra Leone's competitiveness
through enhanced productivity and trade compliance in selected value chains**

Final Evaluation

Executive Summary of the Final Report

20.06.2024

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Prepared by the Key Experts

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EXECUTIVE SUMMARY

This evaluation covers the West African Competitiveness Programme (WACOMP) in Sierra Leone implementation from December 2019 to October 2023. The programme aims to increase Sierra Leone's competitiveness through enhanced productivity and trade compliance in selected value chains. The intervention is financed by the EU and implemented by UNIDO and ITC.

Independent experts evaluated the intervention from October 2023 to January 2024, when a field mission took place, to follow five specific evaluation questions. The evaluation draws conclusions based on evidence and makes recommendations to improve the effectiveness, sustainability, and impact of future EU interventions in the sector, especially the forthcoming EU Action "Business Environment and Competitiveness for Salone" (BECS)¹. In summary, here are the conclusions and recommendations regarding the agreed specific evaluation questions.

EQ1 - To what extent WACOMP-SL has strengthened the capacities, commercial viability and export readiness of the supported MSMEs and agricultural cooperatives?

The impact on MSMEs and cooperatives varies across different intervention stages. Cooperatives and MSMEs that received technical assistance showed improved cassava and cocoa production. Those who benefited from both training and coaching experienced the greatest gains. However, based on the methodology used, which delivered tailor-made/hand-holding technical support, few cooperatives and MSMEs were reached beyond training workshops. Overall, the project effectively raised awareness and knowledge within the MSME ecosystem. However, the high input costs led to a limited number of pilot cases. Beneficiaries reported improved competitiveness mainly in the domestic market, which is positive but insufficient to enhance national competitiveness as initially intended. The slow improvement in the business environment remains a major challenge, with constraints such as market size, logistics, access to capital, corruption, licenses, and talent base hindering business development.

The project completed most planned activities but did not achieve all the intended outcomes. International experts made up more than half of the cost of the project, particularly, due to the lack of a solid base of technical-competent professionals at local level. The top-down approach on training did not fully enhance institutional capacity. Follow-up actions are needed to implement the acquired knowledge. Beneficiaries continue to struggle with the high cost of applying new knowledge from training. Evidence suggests that combining training with direct assistance and coaching is effective, even for microenterprises and rural cooperatives. Documentation on the project's success cases is still lacking for scaling up these pilots. Sustainability at the MSME/cooperative level requires an improved business environment for investments in innovation.

National institutions that support trade must get integrated support to have the capacity to assist MSMEs and cooperatives. Institutional learning was hampered by national partners' minimal involvement in firm-level operations.

External factors, such as the COVID-19 pandemic, complex institutional frameworks, inadequate rural infrastructure, and widespread corruption, negatively impacted project's performance on MSMEs and cooperatives. Mitigating these effects is crucial for improving outputs. Further technical assistance is needed to enhance MSME/cooperative competitiveness. The project's impact on commercial revenue is still undetermined due to the recent implementation of operations.

¹ See Action Document "Business Environment and Competitiveness for Salone" (BECS), OPSYS number: ACT-61709

Capacity building and coaching for Global G.A.P. practices improved production quality, especially in remote areas. The project increased production and export readiness by providing training and farming tools. Pilot activities with cooperatives in the cocoa and cassava value chains showed the potential to share their knowledge, but this has not yet been documented for wider dissemination. While the project provided significant training and assistance to MSMEs and cooperatives, national institutions and intermediary organizations still lack the capacity to extend these services to additional MSMEs. It is clear from the shared documentation that feedback from MSMEs' and cooperatives' organized activities is not being gathered in a systematic manner, making it challenging to determine how the project is affecting their operations. Customized capacity-building strategies could have been derived from systematic feedback collection. Insufficient data was available to accurately assess the impact.

EQ2 - To what extent the project has supported the national institutions and intermediary organizations to improve their service delivery to private sector and to create an enabling business environment?

WACOMP Sierra Leone has supported the Sierra Leone Standards Bureau (SLSB) to create an accredited Management Systems Certification Body. Two pilot companies are certified according to ISO 9001. Significant contributions included technical support and equipment for the SLSB. However, further development of the certification market and continued support for MSMEs are needed for sustained impact. The project also established a National Notification Authority and National TBT Enquiry Point, improving compliance with international standards. This raises the capacity of the Ministry of Industry and Trade.

The project enhanced service delivery, particularly in the cacao and casava value chains and in food processing. It provided training, farming tools, and support for adopting international standards, improving productivity and export readiness. Despite these gains, the project faced challenges like weak demand for quality services, political instability, recruitment of project personnel issues, and the COVID-19 pandemic. External and internal constraints limited the project's overall effectiveness and value for money. Additionally, inconsistencies in monitoring and financial reporting hindered the possibility to conduct an accurate cost-benefit analysis.

The project delivered services to private sector through various interventions. Training and technical assistance were provided to MSMEs and cooperatives using project structures. The existing national institutions and intermediary organizations participated in selected project activities, but there was no joint implementation designed or budgeted for. SLIEPA received support to improve its management practices, but not necessarily its service. The national institutions and intermediary organizations participated in training events or even hosted activities. The outcomes of the training, however, were not enough to improve their service delivery as other constraint continue to exist.

Engagement with the private sector of supported public bodies was weak, and sustainability of support services remains uncertain. The introduction of quality management courses in higher education shows promise for future BDS delivery. Policy-level efforts had mixed results. It is observed progress in developing the National Quality System. Policy improvements lag the proposed institutional changes for the SLSB and the new National Investment Board.

To summarize, WACOMP Sierra Leone made notable improvements in the business climate and MSME competitiveness but faced significant challenges that limited its overall effectiveness for service delivery to private sector by national institutions and intermediary organisations. Continued efforts and better strategies are needed for sustained impact.

EQ3 - What is the added value of the joint implementation modalities and coordination between UNIDO and ITC in achieving the results of the project?

The implementation of WACOMP Sierra Leone was managed indirectly through a Delegation Agreement, with UNIDO as the principal implementing partner and ITC as the other responsible UN agency under an interagency agreement. This joint implementation aimed to leverage the expertise of both UNIDO and ITC, introducing good practice models and expertise previously unavailable in Sierra Leone. UNIDO focused on improving product and service quality and market conformity, while ITC helped the country become export-ready and establish market linkages. However, in-country coordination between the two agencies was found to be insufficient. Although each agency addressed specific sub-outputs, their activities did not clearly complement each other. Beneficiaries noted a lack of field coordination, resulting in a siloed implementation approach. This was confirmed by various stakeholders, including national institutions, businesses, cooperatives, and farmer associations. Coordination issues were largely attributed to decisions being made at the respective headquarters rather than at the country level, creating a verticalized implementation structure.

Lockdowns further hampered ground-level communication and implementation. Project documentation was stored separately at the headquarters, with no joint repository created. Coordination did occur during the Project Steering Committee meetings (every 6 months), but it was not enough to link results at MSMEs/cooperative levels to institutional capacity building and policy-making. It appears that private sector representatives and inconsistent attendance from other institutional representatives missed opportunities for broader participation and sustained coordination post-project.

EQ4 -To what extent the WACOMP-SL established an effective monitoring and evaluation system that measured its short, medium, and long term intended and unintended results during the life of the project? How this could be improved for the next phase of the intervention or for similar interventions in the region?

WACOMP-SL uses a monitoring and reporting system which is not effective to measure medium, and long term intended and unintended results. Future interventions should have a result-based monitoring system. It should support managing and steering during the life of the project towards scaling-up what works and sharing knowledge.

The next phase of the intervention or similar interventions in the region should be geared towards results on competitiveness of local MSMEs. The Theory of Change must specify how actions increase the National Quality System's efficacy and improve the business environment to track progress. Evaluations need to validate the project's contribution to the outcomes.

WACOMP Sierra Leone's bi-annual progress reports utilize a monitoring system to track outputs and activities by UNIDO and ITC. However, there is limited data on the outcomes at beneficiaries' level, making it difficult to steer actions towards the most tangible results. The project's progress reports indicate that inputs often exceed results, and current monitoring data shows that anticipated improvements in the business environment and access to financing have not been achieved. Outcome monitoring was scheduled towards the end of the project, the data is still being collected. An output/activity-driven approach may have hindered project's progress. Many training and outreach activities were implemented as planned, but with general delays. It was not planned to measure outcome or the have feedback loops to adjust to evolving needs of private sector and trade support institutions. The monitoring system was not designed for accurate and effective result measurement. From the information provided to the Evaluation Team, it is challenging to have clear estimate on Value for Money for most of the activities. Due to the lack of solid and efficient local professional, more than half of the cost was on international experts. The reporting has no clear relation of cost and outcomes. This makes difficult to assess results and to design future scaling up activities.

Improved Monitoring and Evaluation (M&E) could be achieved with consolidated tables summarizing key data, such as consultants' deployment, types of support, locations, value chains, and training.

Strengthening national ownership and sustainability would involve developing and coordinating action plans at the community, cooperative, and public entity levels. Project-specific planning and M&E procedures, aligned with EU standard program management², would have been more appropriate to track the programmes' progress. The core documentation of the programme to which the Evaluation Team had access to does not allow to conduct an effective real-time monitoring. Work plans and progress reports of WACOMP were not aligned with the intervention logic outlined in Annexe 1 of the Delegation Agreement. Using the EU OPSYS format for M&E documents offers significant benefits.³

In summary, while WACOMP Sierra Leone has a monitoring system in place, it lacks adequate outcome and timely monitoring and comprehensive M&E practices. Improvements in these areas, along with better planning and documentation, are needed to enhance project effectiveness.

EQ5 - What should be the main priorities and activities in the areas of trade competitiveness and national quality system that should be supported in the future by the EU or other development partners?

To enhance Sierra Leone's national quality system and trade competitiveness, the EU Delegation should focus on several key areas for the future "Business Environment and Competitiveness for Salone" (BECS) initiative. Future programmes shall be complementary to existing Team Europe⁴, development partners and development financial institutions at regional (ECOWAS) and national level in relevant fields such as public sector policies, food safety and quality system, business development services, and trade facilitation.

Political sustainability is high, as WACOMP supports the Government of Sierra Leone in the efforts to create a favourable business environment. Institutional sustainability needs improvement through targeted capacity-building with local partners. Financial sustainability depends on integrating project activities into national budget planning and securing additional financing alongside BECS allocations. The future BECS programme should connect various thematic areas. It seems appropriate to ensure coordination across the different components of the programme by establishing a Programme Management Unit.

In addition, a Coordination Committee which includes all relevant parties (implementing partners and main beneficiary institutions) would enhance synergies and institutional alignment. The BECS programme will have a strong Technical Assistance component which could support the Delegation in conducting an effective monitoring of programme's activities. The implementing partners shall have significant presence in the country and more decision making shall be made by in-country teams. Proximity to the field is crucial to enhance decision-making and overall efficiency of future programmes in Sierra Leone. Ensuring a steady supply of testing and certification services to private sector is essential. It should be combined with financing (loans or grants) to cooperatives and MSMEs. Engaging EU enterprises and investors in the public-private dialogue can promote a favourable investment climate. Ownership by national partners significantly impacts sustainability. All stakeholders must be involved in planning to tailor activities to their needs. An institutional capacity assessment is recommended before starting the implementation of the upcoming BECS programme.

² See the INTPA Resources Guide at https://capacity4dev.europa.eu/resources_en

³ Check the latest methodological aspects and notes here: https://capacity4dev.europa.eu/resources/results-indicators/core-indicators-design-and-monitoring-eu-funded-interventions_en

⁴ Team Europe refers to the EU Institutions and 27 EU Member States.

Support to foster national institutions to foster their testing and certification services to private sector should go along with long term financial sustainability and exit strategies. Focus on outcomes, regular monitoring, and flexible budget allocation are necessary to ensure that after the provided support by donors, these institutions would have sustainable business models.

Tracking MSME-level outcomes is crucial, and an M&E framework with a project data repository should enable prompt access to data and documentation by the EU Delegation and key beneficiary institutions such as the Ministry of Trade and Industry.

Private sector involvement is crucial for the success of the upcoming programme, but it is also challenging due to weak organizational and financial capacity of local institutions and private sector.

The capacity of intermediary organizations like Chambers of Commerce to advocate for the private sector needs to be improved. Private-Public Dialogues (PPDs) are effective for regulatory compliance and private sector involvement. Effective communication and visibility are critical for strengthening the EU's global role and promoting its positive impact. Improved two-way communication with national partners and sharing knowledge with the public can enhance capabilities and contribute to the improvement of business environment. An easily accessible project repository and publications available on project and partner websites are essential for knowledge management and sustainability.

Summary of conclusions: While the project was able to complete most of its scheduled tasks, several challenges, including project design challenges, recruitment delays, equipment and logistical shortages, limited interactions with recipients and other stakeholders, and other administrative and logistical impediments, hampered the project's implementation. A targeted monitoring would have provided a better understanding of the training's impact on the beneficiaries. Thus, the inputs appear significant in comparison to the few visible outcomes. The evaluation concludes that despite significant outputs efforts and achievements, the project had little overall impact on the trade competitiveness of Sierra Leone.

Summary of lessons learnt: The evaluation states that using result-based monitoring and reporting are crucial for result management. EU standard formats have been recognized as best practice, particularly for the workplan, cost estimates, and financial reporting. The report emphasizes the importance of maintaining relevance analysis to improve intervention logic and executing the project in a better and more effective manner. Project designs should have an exit strategy build in, keeping in mind the sustainability and helping supporting institution to have sustainable business models.

Summary of recommendations

1. Strengthen management systems to achieve expected outcomes in the program environment, including a management structure with a Technical Assistance Team and a Management Coordination Committee to allow
 - better coordination between implementing partners,
 - better monitoring and oversight by the EU Delegation
 - better understanding about the projects' activities by beneficiaries' and general public,
 - more decision making by in-country team and better monitoring in the country.
 - A result-based M&E system, should inform the EU Delegation and the partner ministry at any time.

- New actions should use OPSYS Core Indicators for the design and monitoring of EU-funded interventions. These predefined indicators in OPSYS enhance the quality of intervention design and monitoring. Support for indicator selection can be provided by the DG INTPA D4 Unit or a consultant.
 - Gender-disaggregated indicators should be aligned with the EU Gender Action Country-Level Implementation Plan to ensure gender transformational outcomes.
2. Follow a systematic approach to stakeholder involvement and participate in resource mobilization planning. This includes
 - resource mobilization planning with each national partner led by MTI;
 - an institutional capacity assessment for planning and coaching the projected skills and capacities beyond training events.
 3. National partners' involvement in project activities needs to follow a systematic process to scale up learnings and improve action sustainability. A long-term financial sustainability is to be targeted.
 4. Private sector involvement must be mainstreamed, with systems and processes established upfront using a participatory approach, and business representation improved to meet the needs of MSME.
 5. Set up sector-specific PPDs linked to a framework for an improved regulatory framework and define priorities and expected outcomes at various levels of engagement.
 6. Restore and modernize the National Coordinating Committee on Trade (NCCT) to enhance sector coordination, including PPD and follow-up deliberations and linkages to policymaking and advocacy.
 7. Elaborate an exit strategy with a resource mobilization plan for capacity building interventions, collaboration with complementary programs, and utilizing the Program repository.
 8. Identify an operational plan to address aspects detected through a Mid-Term Review (MTR), with an assessment of Relevance of the intervention.
 9. Conduct an institutional capacity assessment at the start of BECS and maintain a SWOT analysis of the main stakeholders to address private sector involvement.
 10. Set up Thematic Working Groups (TWGs) to enhance sector coordination, including PPD and follow-up deliberations and linkages to policymaking and advocacy.

These recommendations are prioritized according to time scale, level of importance, and identification of the main responsibility for implementing the follow-up.