

KNOWING WHAT WORKS



# Central Project Evaluation

Support of economic cooperation in subregional initiatives in Asia

PN 2014.2101.5

## Evaluation Report

On behalf of GIZ by Elke Demtschück (ICON INSTITUT GmbH)

Published version: 15. May 2019

## Publication details

GIZ is a federal enterprise and supports the Federal German Government in achieving its objectives in the fields of international education and international cooperation for sustainable development.

GIZ's Evaluation Unit reports directly to the Management Board. It is separate from GIZ's operational business. This organisational structure strengthens its independence. The Unit is mandated to generate evidence-based results and recommendations for decision-making, to provide plausible verification of results and to increase the transparency of findings.

The Evaluation Unit commissioned external independent evaluators to conduct the evaluation. The evaluation report was written by these external evaluators. All opinions and assessments expressed in the report are those of the authors.

### Evaluators:

Elke Demtschück, ICON-INSTITUT GmbH  
Nguyen Thi Thu Que, ICON-INSTITUT GmbH

### Author of the evaluation report:

Elke Carolin Demtschück, ICON-INSTITUT GmbH

### Consulting firm:

ICON INSTITUT GmbH  
Von-Groote-Str. 28  
50968 Cologne  
+ 49 221 93 743  
caroline.haentzschel@gmx.de  
www.icon-institute.de



### Concept, coordination and management

Claudia Kornahrens, Head of section  
Lennart Bendfeldt-Huthmann, Specialist  
GIZ Corporate Unit Evaluation  
Central project evaluations section

### Responsible:

Dr Ricardo Gomez, Director  
GIZ Corporate Unit Evaluation

### Published by:

Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

### Registered offices:

Bonn and Eschborn

Friedrich-Ebert-Allee 36 + 40  
53113 Bonn, Germany  
T +49 228 4460-0  
F +49 228 4460 - 1766

E [evaluierung@giz.de](mailto:evaluierung@giz.de)

I [www.giz.de/evaluierung](http://www.giz.de/evaluierung)

[www.youtube.com/user/GIZonlineTV](https://www.youtube.com/user/GIZonlineTV)

[www.facebook.com/gizprofile](https://www.facebook.com/gizprofile)

[https://twitter.com/giz\\_gmbh](https://twitter.com/giz_gmbh)

### Design/layout.:

DITHO Design GmbH, Cologne

### Printing and distribution:

GIZ, Bonn

Printed on 100% recycled paper, certified to FSC standards.

Bonn, May 2019

This publication can be downloaded as a pdf file from the GIZ website at [www.giz.de/evaluierung](http://www.giz.de/evaluierung). For a printed report, please contact [evaluierung@giz.de](mailto:evaluierung@giz.de)

## Contents

<b>List of abbreviations.....</b>	<b>iv</b>
<b>The Project at Glance .....</b>	<b>vii</b>
<b>Summary .....</b>	<b>1</b>
<b>2. Evaluation objective and questions .....</b>	<b>6</b>
3.1 Objectives of the evaluation .....	6
3.2 Evaluation questions .....	6
<b>3. Object of the evaluation .....</b>	<b>7</b>
3.1 Definition of the subject matter of the evaluation .....	7
3.2 Results model including hypotheses .....	9
3.3 Target group analysis .....	11
<b>4 Evaluability and evaluation design – data sources, data quality and evaluation methods used.....</b>	<b>12</b>
4.1 Data sources, data quality .....	12
4.1 Evaluation design, basis for assessing OECD/DAC criteria and methods used .....	14
4.2 Evaluation process.....	17
<b>5 Assessment of the project’s results (OECD/DAC criteria) .....</b>	<b>18</b>
5.1 Relevance.....	18
5.2 Effectiveness .....	23
5.3 Impact.....	37
5.4 Efficiency .....	43
4.3 Sustainability.....	48
5.5 Long-term results of predecessor.....	51
<b>6 Overall rating.....</b>	<b>52</b>
<b>7 Key recommendations.....</b>	<b>55</b>
<b>Annex.....</b>	<b>56</b>
Annex 1: Evaluation matrix .....	56
Annex 2: List of resources.....	69
Annex 3: Terms of reference.....	72

## List of abbreviations

ACFTA	ASEAN-China Free Trade Agreement
ACPBG	ASEAN-China Pan-Beibu Gulf Economic Cooperation abbreviated: PBG
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AEO	Authorized Economic Operator
AfT	Aid for Trade
ASEAN	Association of South-East Asian Nations
ASEAN-SAS	ASEAN Sustainable Agrifood Systems
AQSIQ	Administration of Quality Supervision, Inspection and Quarantine (China)
BMZ	German Federal Ministry for Economic Cooperation and Development
CAREC	Central Asia Regional Economic Cooperation
CBEZ	Cross-Border Economic Zone
CIPEC	China-Indochina Peninsula Economic Corridor
CLV	Cambodia, Laos, Viet Nam
FTA	Free Trade Agreement
FTAG	Facilitating Trade for Agricultural goods
HCD	Human Capacity Development
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GMS	Greater Mekong Subregion Economic Cooperation
GTI	Greater Tumen Initiative
LCC	North-East Asia Local Cooperation Committee
LDC	Least Developed Country
LSC	Logistics Sub-Committee
MOFCOM	Ministry of Commerce (China)
MoiT	Ministry of Industry and Trade (Viet Nam)
MRA	Mutual Recognition Agreement
MSC	Most Significant Change
NTB	Non-tariff barriers
OECD DAC	Organisation for Economic Cooperation and Development Development Assistance Committee

PBG	Pan Beibu Gulf
REC	Regional Economic Community
RELATED	Regional Economic Integration of Laos into ASEAN, Trade and Entrepreneurship Development
RCI	Regional Economic Cooperation and Integration in Asia
SAP	Strategic Action Plan
SASEC	South Asia Subregional Economic Cooperation
SCSI	Support for Economic Cooperation in Subregional Initiatives in Asia
SDGs	Sustainable Development Goals
SME	Small and medium enterprises
SPS	Sanitary and phytosanitary
TC	Technical Cooperation
TIC	Trade and Investment Committee (of GTI)
ToR	Terms of Reference
UN-CSAM	United Nations Centre for Sustainable Agricultural Mechanization
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
VCA	Viet Nam Cooperative Alliance
VIETRADE	Viet Nam Trade Promotion Agency
WCO	World Customs Organisation
WTO	World Trade Organisation



# The Project at Glance

Project number	2014.2101.5
CRS purpose code	33130
Project objective	Economic cooperation between the People's Republic of China and selected, economically weaker neighbouring countries is strengthened through subregional initiatives.
Project term	1 April 2015 – 31 March 2019
Project volume	EUR 4,500,000
Commissioning body	German Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency	None (regional project located in China)
Implementing organisations (in the partner country)	Ministry of Commerce in China (MoU) Ministry of Finance in Mongolia (MoU) Greater Tumen Initiative (GTI) Secretariat Cooperation with ministries in focus countries
Other participating development organisations	Not formally





# Summary

## Project description and evaluation design

The evaluation of the project Support of Economic Cooperation in Subregional Initiatives in Asia (SCSI), implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, is one of a series of pilot evaluations under the newly introduced evaluation system agreed with the commissioning body, the German Federal Ministry of Economic Cooperation and Development (BMZ), with a view to encouraging more ambitious evaluation designs. Along with independent evaluation processes, the new system is to deliver better evidence of the effectiveness of measures, and enhance the credibility of evaluation findings (see GIZ, 2017a). The evaluation is also to provide a well-explained and reliable assessment of project success in line with the criteria proposed by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC). It will thus provide sound information and criteria for decision-makers, stakeholders and change agents related to the project. It is to serve as a joint strategic reflection on the course and interim results of the project, and provide valuable pointers for further planning and implementation on the basis of an assessment of the outputs and outcome along with a well-funded and substantiated forecast of planned output. This evaluation is an interim evaluation conducted almost one year before the current four-year term end (April 2015 - March 2019).

The module objective reads: Economic cooperation between the People's Republic of China and selected, economically weaker neighbouring countries is strengthened through subregional initiatives. To achieve this, the SCSI programme focusses on three main intervention areas:

- Strengthening subregional initiatives, including regional economic communities (RECs), in terms of organisational structure and political reinforcement, by providing international expertise, establishing knowledge-sharing platforms and providing training on internal institutional processes. Advising steering and decision-making bodies of the selected initiatives plays a crucial role in this context.
- Strengthening the capacities of national actors involved in subregional cooperation to undertake project planning, implementation and monitoring within the framework of RECs. This is to ensure the sustainable and effective implementation of agreements developed at the political level.
- Improving the private sector's ability to trade and overcome trade barriers in cooperation with export-oriented business associations; making more use of the ASEAN-China Free Trade Agreement (ACFTA) with a focus on agricultural exports. This sector was identified by GIZ experts and the project on grounds of expected sustainability. China's demand for agricultural products is also expected to rise steadily. There is felt to be a good potential for economic returns for Cambodia, the Lao PDR and Viet Nam (known as the CLV countries), if the private sector becomes more familiar with export processes and the public-private sector dialogue is improved, enabling stakeholders to make full use of ACFTA (see GIZ, 2017c).

The evaluation team adopted a theory-based approach that relied on the project's Theory of Change (ToC) as a basis for analysis. It also operated in line with the Terms of Reference provided by GIZ Evaluation Unit. The team also used a contribution analysis that explored the OECD/DAC criteria effectiveness and impact, and combined this with elements of the Most Significant Change (MSC) approach.

The challenge in assessing the OECD/DAC criteria in this regional project, which operates in four focus countries plus China, is less to measure changes but to understand the causes and the specific contributions of the project. This is because multiple stakeholder interests are involved in the formulation of strategies, agreements and recommendations, and the inputs provided by different change agents and development partners might compete. Implementation processes at the national, provincial and local level also depend on multiple systemic factors. The same applies to the counterfactual situation (i.e. the hypothetical situation that would have existed without the project intervention), which requires us to take into account stakeholder perceptions and reasoning.

### Assessment of OECD/DAC criteria

**Relevance:** The project is in line with the broad relevant strategic reference framework. It reflects and builds on key strategic GTI documents, including action plans and regional agreements, national strategies of focus countries (where known and available), the BMZ's Asia and Aid for Trade Strategy as well as the Sustainable Development Goals (SDGs). SCSI's chosen strategy is broadly suited to respond to the core problems/needs of the immediate target group, consisting of

- professional and managerial staff of relevant national agencies and subregional initiatives who do not have the knowledge of efficient working procedures, strategic approaches and tools they would need to further develop these initiatives and implement regional projects locally, and
- the export-oriented private sector in the form of business associations, chambers and entrepreneurs in the focus countries, who know too little about export markets.

The ultimate target group (economically weaker sections of the population in Cambodia, Lao PRD, Mongolia and Viet Nam), with limited participation in economic and social development, is addressed and will benefit only indirectly, as result chains are quite long, and interventions are more scattered than in bilateral projects. Vulnerable groups and gender mainstreaming do not really fit into a regional project focusing on economic cooperation and trade facilitation, although they were taken into account in the project design.

The concept was plausible at the time of planning, and reflected the needs and priorities of the partner institutions at that time. The broad proposal for this regional project gave the project team the flexibility to adapt its scope of action to changing conditions, choosing sporadic stand-alone measures in line with the needs of cooperation partners and stakeholders, and linking interventions to other projects. With a lean structure and ongoing monitoring of changes in the project context, the project is managing unpredictability in a highly volatile environment. The project's adaptability to changes in the environment was considered adequate by interview partners and the evaluation team. Special mention was made of its responsiveness and adaptability to the needs of partner institutions at organisational level. For relevance, the project scored 86 out of a possible maximum of 100 points, and was thus rated successful.

**Effectiveness:** SCSI has generally achieved objectives on time and in accordance with the indicators. The outcome indicators (current level of achievement between 40% and 100%) are all expected to be achieved by the end of the project term. Of 11 output indicators, 5 have already been achieved, 2 have been more than achieved, and 4 have been achieved to an extent of 33% (B1), 50% (D2) and 67% (A3 and C2) respectively. The latter are on track. SCSI combines the delivery of expertise for the further development of subregional initiatives with technical advice and practical training to build up knowledge on the individual and institutional levels.

The project has demonstrated its ability to respond flexibly to stakeholders needs. It picked up on the declared interest in more regional exchange and organised stakeholder dialogues. The team links its interventions to other GIZ projects making use of service agreements, and contracts external consultants to provide a broad range of expertise. The project is successfully implementing complexity management in a volatile political environment. Individual interventions are based on continuous learning about stakeholders needs and are embedded in a network of cooperation partners.

The services implemented by the project are assessed for their ability to help develop partner capacities in the three intervention areas. In all of these, the contribution analysis demonstrated how technical advisory services help develop partner capacities in line with the module objective. Finally, a number of additional and meaningful positive results were noted. No unintended negative results were identified. The overall score for effectiveness was 90 out of a possible maximum of 100 points, which translates as a rating of successful.

**Impact:** Attributable project contributions to the overarching long-term results were identified and validated during the field mission. They are more pronounced in the area of improved business environment and regional integration and less marked with respect to regional stability. Preliminary results for poverty reduction indicate how and under which conditions these impacts are achieved. All results chains are fairly long and the nature of SCSl project means that contributions are more limited. They are more geared to improving the business environment and regional integration, and less to enhancing regional stability.

Several opportunities for scaling up were identified, including trilateral cooperation with the Sino-German Centre for Sustainable Development, building on SCSl experience and the networks already established. In Viet Nam, scaling up is to be achieved through training of trainers who will then run training in the country's northern, southern and central regions, in cooperation with the Trade Promotion Centre and existing training facilities.

Of the three dimensions of sustainability, the economic dimension is most relevant, with contributions to opening up new business opportunities, and putting in place a fairer and more inclusive trade system. The social and environmental dimensions of sustainability are assumed to be addressed indirectly, through the more efficient provision of social and environmental trade policies and subregional agreements, compliance with international standards, and the export of products selected for sustainability. Additional opportunities to achieve more positive results have been seized, and the risks related to negative results are monitored and addressed as far as possible. Altogether, impact is rated successful, scoring 90 of 100 points.

**Efficiency:** The project management has coped with the challenges generally posed by regional projects, i.e. avoiding the danger of spreading efforts too thinly, and fostering the linkages between its interventions and other measures. Linkages between the various intervention areas are well designed and mutually reinforcing. Interviews conducted gave the impression that resource allocation (present and planned) is appropriate, and no way of maximising outputs by allocating resources differently was identified. It is difficult to assess the entire term, as there was little chance to manage the project efficiently between 2015 and 2016. As of 2017, with more stable working and general conditions, production efficiency rose and is rated as successful.

Allocation efficiency combines positive elements, such as the distribution of resources among the intervention areas, synergies between them, and synergies with other GIZ programmes, as well as efforts to make use of scaling up options. Altogether, although this was adversely affected by the initial project hurdles, which resulted in additional costs and staff shortages, it has since made up ground. The evaluation team observed a mostly efficient allocation of resources to attain the outputs. Altogether, efficiency is rated successful, with 86 of 100 points.

**Sustainability:** The degree to which advisory contents, approaches, methods and concepts of the project are already anchored/institutionalised in the partner system varies from one intervention area and geographical region to another. In North-East Asia, the field study revealed changes in working processes with more results-oriented planning and meetings, and peer learning that is allowing people to look beyond their own national perspectives and causing a shift in mindsets towards more strategic thinking. It can plausibly be assumed that, having achieved this level of solution-oriented approach, the likelihood of returning to mere consultation and dialogue without concrete problem solving is low, as GTI Secretariat staff, national focal points and coordinators all appreciate their new scope for action.

In South-East Asia, by contrast, due to the intervention level and intensity, and the delayed start of the measure sustainability is less developed. Export guidelines published and workshops on sanitary and phytosanitary (SPS) issues with subsequent documentation have been described as meaningful tools that will help facilitate exporting and complement activities of trade promotion centres and national support entities and other GIZ projects. Cooperation with the latter in Viet Nam, Cambodia and Lao PDR has gained momentum since the project team decided to develop replicable products that complement interventions of other projects and programmes to further involve the private sector into export.

The SCSI programme has some direct impacts on participatory development and good governance, and is fostering economic sustainability in North-East Asia by strengthening GTI, while in South-East Asia the focus lies more on strengthening export activities of the private sector. No negative interactions between the different sustainability dimensions were identified during the field mission. Nor were any indications of adverse results at the impact level observed. Sustainability prospects are different in each geographical areas. In North-East Asia it is expected that successful, long-term cooperation will be established. In South-East Asia, project interventions have been delayed, as the project had to shift from the Pan Beibu Gulf Economic Cooperation to ACTFA, because of the lack of activity of the former as subregional initiative. In addition, measures are more focussed on concrete products, such as export guidelines. On one hand, these products enhance the visibility of SCSI and its services, but they do require updating and dissemination by other projects and programmes as SCSI has limited resources. Thus, the long-term outlook and project's influence on sustainability are limited. In South-East Asia the measure is rated rather successful. The evaluation team's joint assessment produced a score of 74 points: rather successful.

Criterion	Score	Rating
Relevance	<i>86 of 100 points</i>	<i>successful</i>
Effectiveness	<i>90 of 100 points</i>	<i>successful</i>
Impact	<i>90 of 100 points</i>	<i>successful</i>
Efficiency	<i>86 of 100 points</i>	<i>successful</i>
Sustainability	<i>74 of 100 points</i>	<i>rather successful</i>
Overall score and rating for all criteria	<i>Average score of all criteria:85.2</i>	<i>successful</i>

100-point scale	6-level scale (rating)
92-100	Level 1 = very successful
81-91	Level 2 = successful
67-80	Level 3 = rather successful
50-66	Level 4 = rather unsatisfactory
30-49	Level 5 = unsatisfactory
0-29	Level 6 = very unsatisfactory

### Key recommendations to project team

- Carry on supporting the transformation process within GTI, since there seems to be a window of opportunity with the new director of the Secretariat; the team should pro-actively promote a conversion to an international service provider and project implementer. In doing so, the desired process could be driven forward.
- Cooperation partners have shown a marked interest in concrete products they can offer to SMEs to improve the knowledge they will need to enter the Chinese market. To further raise the project's visibility and the sustainability of introduced formats, it is recommended that work continues on developing and delivering products that can be replicated within the structures of cooperation partners.
- Interview partners from trade-related agencies in Viet Nam have asked for success stories and good practices to convince high-level decision-makers to integrate training on the use of export guidelines into existing training programmes. These examples could also be used to motivate SMEs to export to China on the basis of better knowledge.
- To further drive implementation and help achieve results, the SCSi project team should expand follow-up measures, to include post-ToT coaching for instance. That would help to overcome initial uncertainty and deepen knowledge. Another option would be to explore how CD measures conducted by partners/other GIZ projects could complement SCSi products in the context of export promotion.
- Anchoring results of a regional project with a number of separate interventions in partner structures is always a challenge. The SCSi project team should address the policy level of partners as far as possible, to support mainstreaming into partner structures and procedures.
- Continue ongoing cooperation with GIZ projects in South-East Asia, in particular the regional FTAG. SCSi can provide complementary products to improve access to the Chinese market, thus broadening export options for SMEs in Cambodia, Lao PDR and Viet Nam. The project team could identify opportunities to establish links to SME and private sector development measures.
- Look for opportunities to join forces with other donors e.g. SECO. SECO aims to improve trade promotion services for SMEs, including helping Vietnamese exports access Swiss and other European markets. SECO aims to help integrate Vietnamese businesses into global value chains by fostering efficiency and productivity gains for SMEs, ensuring compliance with international and voluntary standards, and delivering trade promotion activities and professional skills development.

- Participate in the planned trade cluster within GIZ Viet Nam to further link regional and bilateral projects with trade components, thus creating more opportunities to collaborate, harness synergy and scale up results.
- Looking into future, Viet Nam, which is currently a middle-income country, might become a development partner and require different cooperation schemes. In this context, SCSI should place its experience with China as development partner at the disposal of the country office in Viet Nam.
- As trilateral cooperation with China is a topic for the future, the SCSI project should explore the prospects for cooperation involving China, Viet Nam and Germany. It should make SCSI's experience available to the country office in Viet Nam.
- Continue to manage unpredictability with well-focused interventions based on careful selection and constant feedback to ensure that lessons are learned and necessary adjustments undertaken swiftly in line with the tenets of agile management.

## 2. Evaluation objective and questions

### 3.1 Objectives of the evaluation

The evaluation of the GIZ project Support of Economic Cooperation in Subregional Initiatives in Asia (SCSI) is one of a series of pilot evaluations under the new GIZ evaluation system, which aims to encourage more ambitious evaluation designs. Along with independent evaluation processes, the new system is to deliver better evidence of effectiveness and enhance the credibility of evaluation findings (see GIZ, 2017a). The evaluation is also to provide a well-explained and reliable assessment of project success in line with the criteria proposed by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC). It will provide sound information and criteria for decision-makers, stakeholders and change agents on how to proceed with the TC measure and the anticipated follow-on-measure.

This evaluation took the form of an interim evaluation, conducted almost one year before the current term ends (March 2019)<sup>1</sup>. It was designed as a joint strategic reflection on the course and intermediate results of the project, and was to enrich further planning and implementation, on the basis of the assessment of outputs and outcome, as well as providing a substantiated forecast of planned output.

### 3.2 Evaluation questions

Project interventions were assessed using GIZ's standardised evaluation criteria to ensure comparability. The team used the five OECD/DAC criteria, as well as BMZ's criteria of coherence, complementarity and coordination. It also considered contributions to achieving the 2030 Agenda for Sustainable Development and its principles (universality, integrative approach, leaving no one behind, multi-stakeholder partnerships). The evaluation questions also relate to cross-cutting issues such as gender, the environment and human rights. The nature of SCSI, with interventions in four focus countries plus China, and the subject matter addressed (fostering economic cooperation through subregional initiatives) make it more difficult to measure development-related and cross-cutting criteria. Results chains are longer, and geographically and politically more diverse than in other types of projects.

---

<sup>1</sup> The initial project term scheduled from July 2015 until June 2019 was brought forward to April 2015 to March 2019 in agreement with BMZ.

Overall, there is a vital interest in improving conditions for strengthening trade relations with China. Due to the size of the Chinese market, cooperation partners in the focus countries are interested in strengthening subregional initiatives, regional cooperation and integration in general and in finding out how the project can help lower non-tariff-barriers. These interests correspond with those expressed by GIZ (interviews A4, 5, 6). Both parties want to use results to fine-tune future interventions on the basis of a better understanding of what works and how the project can best achieve desired outcomes and impacts with limited resources. The GIZ project and other GIZ projects in the region want to know how to adapt existing strategies and international development projects to better integrate China (interviews A1, 2, 6, 7). GIZ's sectoral unit also expressed an interest in learning from this evaluation for the preparation of the follow up measure.

The entire list of evaluation questions with indicators and data sources can be found in the evaluation matrix in Annex 1; interview partners are listed in Annex 2.

## 3. Object of the evaluation

### Framework conditions

Overall, trade facilitation is seen as a lever for social and economic growth (see Cali et al., 2015; Helble and Sheperd, 2016) while regional trade agreements might be a first step towards more flexible trade liberalisation and could use economic diplomacy to help improve political relations. As negotiations on multilateral trade agreements have ground to a standstill, given the fact that unanimous approval is required, an international trend toward bilateral or plurilateral agreements can be observed. This is especially true in Asia, where the number of free trade agreements has risen from 51 (in 2000) to more than 226 (in 2015) (see GIZ, 2017c). Despite the rapid development and the increasing number of bilateral and multilateral free trade agreements (FTAs) in the region, trade facilitation measures are not yet sufficient. Intra-regional trade is thus still being hampered by tariffs, and even more by non-tariff barriers (NTBs), and regional integration is far from reaching its full potential (see ADB, 2017). If economically weaker neighbouring countries are to benefit from China's economic upturn, the People's Republic has to be incorporated into projects and joint action as development partner and knowledge carrier (see GIZ, 2014a).

### 3.1 Definition of the subject matter of the evaluation

The subject of this mid-term evaluation is the technical cooperation (TC) measure Support of Economic Cooperation in Subregional Initiatives in Asia (SCSI), with project number 2014.2101.5. It has a four-year term, from April 2015 to March 2019. The total project volume is EUR 4,500,000. It builds on the results and experience of the previous TC measure Regional Economic Cooperation and Integration in Asia (RCI) with PN 2010.2152.6, which ran from July 2011 to June 2015. It also draws on experience gained in international cooperation on a regional scale, in the fields of economic integration and private sector development.

While RCI focused on strengthening pivotal processes in regional economic cooperation, and on integrating various aspects of cooperation in selected regional initiatives in Asia, the current project is more streamlined. The project cooperates mainly with the Greater Tumen Initiative (GTI) located in North-East Asia and the ASEAN-China Free Trade Agreement (ACFTA) which spans South-East Asia. After the Pan Beibu Gulf (PBG) Economic Cooperation proved unsuccessful and the process stalled, this now provides a framework for project interventions in the field of cooperation between ASEAN and China. A multi-level and multi-actor approach is being used, bringing together interests and objectives on subregional, national, and local level, and involving



the professional and executives of partners. The countries and subregional initiatives receiving support are Mongolia within GTI, and Cambodia, Lao PDR, and Viet Nam within ACFTA.

The core problem is the failure of China's economically weaker neighbours to make sufficient use of economic cooperation with China within the framework of subregional initiatives for sustainable development (see GIZ, 2014a).

Strategically, SCSI is aiming to improve institutional structure, strengthen implementation capacities for subregional cooperation, foster an inclusive regional dialogue, and enable the private sector to harness the opportunities offered by regional cooperation and trade. SCSI supports enhancing the capacities of individuals, organisations and societies through advisory services in two ways: integrating regional best practices and building on the experiences of the European Union integration process in the context of regional economic cooperation and integration. This includes partners from national and local governments, the export-oriented private sector in form of business associations and chambers, and regional initiatives or regional economic communities (RECs) (see GIZ, 2016e). In addition, SCSI provides platforms for further knowledge building and exchange between the various actors in the focus countries. The project facilitates the coordination between actors to come up with coherent approaches towards RCI, especially in Mongolia. Due to its regional approach, interventions take place at both bilateral and regional levels, within the scope of cooperation between the focus countries and China.

The module objective is: Economic cooperation between the People's Republic of China and selected, economically weaker neighbouring countries is strengthened through subregional initiatives.

The SCSI programme focusses on three main intervention areas:

- Strengthening subregional initiatives, including regional economic communities (RECs), in terms of organisational structure and political reinforcement, by providing international expertise, establishing knowledge-sharing platforms and providing training on internal institutional processes. Advising steering and decision-making bodies of the selected initiatives plays a crucial role in this context.
- Strengthening the capacities of national actors involved in subregional cooperation to undertake project planning, implementation and monitoring within the framework of RECs. This is to ensure the sustainable and effective implementation of agreements developed at the political level.
- Improving the private sector's ability to trade and overcome trade barriers in cooperation with export-oriented business associations; making more use of the ASEAN-China Free Trade Agreement (ACFTA) with a focus on agricultural exports. This sector was identified by GIZ experts and the project on grounds of expected sustainability. China's demand for agricultural products is also expected to rise steadily. There is felt to be a good potential for economic returns for Cambodia, the Lao PDR and Viet Nam (known as the CLV countries), if the private sector becomes more familiar with export processes and the public-private sector dialogue is improved, enabling stakeholders to make full use of ACFTA (see GIZ, 2017c).

The approach therefore centres on strengthening and improving the quality of economic cooperation between the specified target countries and China, which is to adopt an active role as an economic and development partner, and as a driver of subregional cooperation and integration. In this connection, the project is providing assistance above all for trade facilitation measures, the maritime industry, cross-border economic zones and private sector development/trade promotion as forms of regional cooperation and regional integration processes. In remote border regions, especially where the economies and the structures in place are weak, the project aims to create pro-poor spillover effects by increasing economic integration, border trade and investment (see GIZ, 2014a).

The SCSI project office is located in Beijing, and the Chinese Ministry of Commerce (MOFCOM) constitutes the

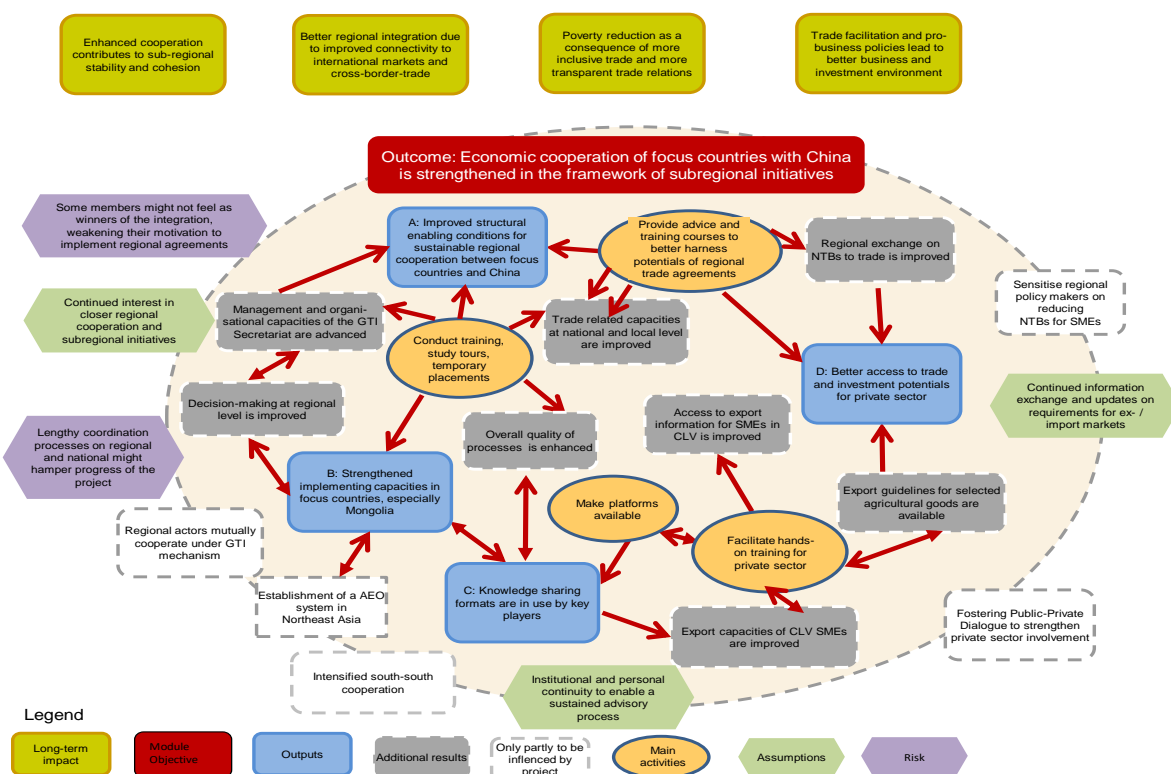


formal partner in China. The project cooperates with a number of other GIZ projects. In some cases it shares the costs of events and commissions work packages in focus countries, including Cambodia and Viet Nam. In Cambodia, a GIZ colleague (local technical staff) based at the General Directorate of Agriculture of the Ministry of Agriculture, Forestry and Fisheries is working part-time (20%) for SCSl. In Mongolia a local technical staff member has been funded by a related bilateral programme since 1 April 2018.

### 3.2 Results model including hypotheses

The project team has developed two separate process impact models, one for the improvement of regional economic cooperation and integration in North-East Asia, and the other one for private sector involvement in regional economic cooperation with a focus on SMEs, which is more related to South-East Asia. They reflect the two technical and geographical focal areas of the project. The evaluation team has combined and expanded the two models to produce a results model showing the outcome and long-term impact level and main activities discussed with the project team and slightly modified during field mission. It embraces the 4 output areas, additional results within system boundaries and assumptions and risks at the border of the project's area of influence.

Figure 1: Reconstructed results model



The Output for area A (The structural enabling conditions for sustainable regional economic cooperation between the focus countries and China are improved) refers to enhancing institutional structures and encouraging improved policy formulation through knowledge exchange and application of best practices within the regional initiatives receiving support, including GTI. Project activities involve roundtable meetings, expert forums, workshops/training and conferences with policy-makers or decision-makers to strengthen lateral multi-stakeholder cooperation. The underlying hypothesis is that the output can be achieved by integrating international experience and standards into regional policies and strategies, thus using tried and tested instruments and approaches to create well-balanced relations and generate benefits for all parties involved. Regional knowledge exchange and learning from best practices between partners, even from remote areas, can be beneficial and

can lead to innovation and quality development in policy-making and larger-scale political reforms in the long term (see GIZ, 2016e).

A better structuring of work processes within subregional initiatives, by establishing and strengthening capable working groups, primarily the GTI Trade and Investment Committee (TIC), the GTI Agriculture Committee (AC), the GTI Local Cooperation Committee (LCC) and its Logistics Sub-Committee, in conjunction with other capacity building measures such as international events and training on focal topics, will also help build effective structures and improve the quality of working processes.

A third hypothesis is that member countries' declared will to enhance cooperation and networking is reflected in active participation in designing joint structures and implementing projects. The evaluation of the predecessor project (see Veit, 2014) recommended developing cooperation and communication capacities further, as important success factors. The experience of the RCI programme were positive with respect to GTI's outputs and SCSI builds on that experience.

The output for area B (The implementing capacities of relevant actors in the focus countries are strengthened with respect to topics of cooperation, instruments and methods of regional economic cooperation with China) relates to improving national capacities (especially in Mongolia within the framework of GTI) and linking the provincial and subregional levels with the national level, since recommendations and agreements are to be designed and implemented in the focus countries themselves. The underlying hypothesis for improving implementation capacities for subregional cooperation is that the project provides a series of human capacity development measures<sup>2</sup> on focal aspects of regional economic cooperation and on organisational development at project level. Making GIZ experience available to the International Seminar on Trade Facilitation in North-East Asia, devising and holding training sessions on proposal writing for Mongolian GTI Focal Points, and helping partners attend international seminars and conferences are other ways of developing implementation capacities. Professional and managerial staff of relevant institutions in member countries of subregional Initiatives then apply their newly acquired knowledge and skills, making for more efficient and better quality internal working processes. Better communication skills, for instance, should accelerate decision-taking and enhance overall coordination. Regular regional knowledge sharing among various subregional initiatives should help produce new ideas for concrete cooperation projects and the replication of good practices.

The Output for area C (Formats for systematic regional knowledge sharing are used by professional and managerial staff of subregional initiatives and their member countries) aims to establish dialogue platforms and events. The underlying hypothesis is that providing opportunities for sharing practical experience and knowledge will help stakeholders design regionally harmonised national strategies and recommendations for implementation, while also stimulating South-South dialogue with the development of new cooperation ideas. The main project activities involve making platforms available and facilitating knowledge sharing between various subregional initiatives. This output is more crosscutting in nature.

The Output for area D (Private-sector representatives from the focus countries have better access to information on trade and investment potentials in the region for a sector selected on the basis of economic and ecological sustainability) involves communicating trade-related information. Private-sector representatives are business associations and chambers whose members are export-oriented SMEs. The underlying hypothesis is that the availability of national information papers/portals/databases will enhance the knowledge used by the private sector to harness trade potential offered by ACFTA. Special events, training sessions and advisory services provided by chambers and associations upgraded by the project can also provide relevant trade information. The main project activities in this area include producing guidelines, delivering advice, and holding workshops and training courses.

---

<sup>2</sup> See capacity development strategy of the project (GIZ 2016e) for details

These four output areas are not plausibly linked to the three action fields: 1. Enhancing institutional structure and policy advice, 2. Improving implementation capacities 3. Private-sector development. Output C relates to knowledge sharing among professional and managerial staff of subregional initiatives for better strategy development, and should therefore be integrated into Output B. The evaluator has drawn up a proposal for rearranging the four output areas into three, and this has been discussed with the project team.

Additional results refer to improved decision-making and to the overall quality of processes, advanced management and organisational capacities of the GTI Secretariat, as well as to better trade-related capacities at national and local level. In particular these include improved regional exchange on NTBs and access to export information for SMEs in Cambodia, Lao PDR and Viet Nam (CLV), availability of export guidelines for selected agricultural goods, and enhanced export capacities of SMEs in CLV countries.

Due to the complex character of the project and the mainly qualitative indicators, the hypotheses have been confirmed on the basis of plausibility, triangulation of information received from various stakeholders and the contribution analysis. The results model was validated with the project staff. The underlying hypothesis are plausible, consistent and complete. The model is based on a sound analysis of the conditions surrounding subregional initiatives and trade facilitation in North-East and South-East Asia.

The results imply contributions to poverty reduction as a result of increased and more inclusive trade, more transparent trade relations and wider export opportunities, both of which should result in increased income. A more favourable business and investment environment is to be created with the help of policies designed to facilitate international trade and facilitate business activities for the private sector in selected fields. More cross-border trade and improved connectivity with international markets should move regional integration forward.

Regarding the 2030 Agenda, the intervention is to help achieve SDG 1.1. (incomes, particularly of the poor, sustainably increased), SDG 8.3 (pro-poor growth promoted), 9.1 (conditions for production of export goods and services improved) and 17.10 (trade agreements and other policy measures relevant to trade drawn up and implemented with a development orientation).

The result model does show clearly defined system boundaries e.g. project has limited influence over cooperation among regional actors under GTI mechanism, which is therefore located at the system boundary.

Potential risks include lengthy coordination and consensus processes on different levels, no continuous ownership of progress achieved in the fields of regional economic cooperation and integration, and any decline in motivation if perceived benefits are felt to be inadequate as the project possibly does have limited effects on national level or if uneven distribution is assumed. No potential unintended results were identified.

A comprehensive analysis e.g. verification of Output area B (strengthening implementation capacities in focus countries) would require resources surpassing those available for the interim evaluation. The evaluation thus focused on efforts to strengthen structures and implementation capacities in the GTI context, and private-sector development in Viet Nam.

### **3.3 Target group analysis**

There is a relevance gap between the objective of the project and the target group defined in the project offer. Strengthening subregional initiatives and fostering trade will not benefit the whole population to the same extent, even with an economically powerful neighbour such as China, as demonstrated by international experience and research (e.g. Stiglitz and Charlton, 2006, Ravallion, 2007, Topalova, 2007, Harrison et al., 2003). And a target group of almost 175 million people is far too large for a project that addresses institutional strengthening on a systemic level. It would have been advisable to discuss this matter with BMZ, in order to

refine and narrow down the target group. To enable the team to assess the effectiveness and forecast impact, it was agreed with the project team that a distinction should be made between the immediate and ultimate target groups. The immediate target group comprises firstly beneficiaries of HCD measures undertaken by the project, including professional and managerial staff of relevant national agencies and subregional initiatives, and secondly the export-oriented private sector in the form of business associations, chambers and entrepreneurs. As trade facilitation in the long run is to foster general economic development and have a positive impact on welfare, the ultimate target group is to be maintained, with the understanding that long result chains are required.

Due to the nature of the concept (regional integration and trade promotion) there is limited scope for addressing disadvantaged groups and gender aspects (e.g. measures in peripheral regions, better integration of women in business). In all cooperation partners' organisations, women are assuming leadership roles<sup>3</sup>. The project works with female researchers exploring gender issues and the project ensures a gender balance in attendance at workshops and training sessions, and in the speakers at conferences.

## **4 Evaluability and evaluation design – data sources, data quality and evaluation methods used**

### **4.1 Data sources, data quality**

#### **Basic documents**

The basic documents as defined by the GIZ Evaluation Unit (see GIZ 2017a) were made available (e.g. offer to BMZ, annual progress reports, relevant BMZ, subregional and national strategies, GIZ standard documents, including the plan of operations, CD strategy, analysis of main actors, cost-commitment data). As specified in the inception report, these documents were used to produce an initial assessment of the various OECD/DAC criteria, and to identify information gaps to be bridged during field phase and with additional data mining. As the SCSI management prefers a lean structure, the project has not institutionalised any fixed steering structure.

The information provided at the different stages of the evaluation process was exhaustive, and the basic documents were of a good quality. It should be noted that the project team has taken the documentation of international roundtable meetings, conferences, expert fora and workshop very seriously. These documents not only summarise main findings in an easy-to-read format but enclose additional remarks and recommendations in order to stimulate follow-up measures after the events. The project website at [www.connecting-asia.com](http://www.connecting-asia.com) and the quarterly newsletter provide comprehensive status information that has been used to complement the annual reports, as no monitoring has been conducted using standard GIZ instruments on a quarterly basis.

#### **Baseline and monitoring data including partner data**

Project progress is documented in annual progress reports and surveys conducted after events and training sessions, where participants are asked to assess the usefulness and applicability of what they have learned, how they expect it to improve their work processes, and how they plan to share their new knowledge with colleagues. The project team reported that they had dedicated some time to wording non-guiding questions and to evaluating the results. In addition, 6 months after HCD measures, ex-post surveys are conducted. Although the

---

<sup>3</sup> e.g. VIETRADE's Deputy National Programme Director is a woman, as is the Vice-Director of Viet Nam Cooperative Alliance. Women can be found in senior posts within the GTI Secretariat and committees, and female researchers have been contracted in China and Viet Nam.

quality of the revised data is good, it would have been desirable to complement the surveys with additional information mining or focus group discussions. This would have given first-hand accounts of how newly acquired knowledge is used and identified possible limiting factors, which could have been utilised to modify training or complement it with coaching. Testimonials of this sort could also be used for promotional purposes.

In 2016, baseline information was consolidated on existing cooperation and activities with South-East Asian focus countries under the RCI project and their potential, as well as opportunities to engage with the private sector. This provided pointers for the design of the SCSI project in Cambodia, Laos and Viet Nam (GIZ, 2016a). In 2017, a fact-finding mission was conducted to formalise areas of collaboration with the private sector and coordination with other TC measures. Due to the turbulent situation at the beginning of the measure and the concomitant delay in launching implementation in South-East Asia, no baseline survey was conducted on the situation of the private sector and the conditions that must be in place if it is to harness regional trade potentials (outcome indicator M3).

Annual planning meetings with MOFCOM in China, and the GTI Secretariat and partners in CLV countries are used to jointly review cooperation. Sporadic meetings after HCD measures serve the same purpose. SCSI has not, however, established a systematic monitoring system that would deliver regularly updated monitoring data.

As explained in the inception report, key output indicators of the project mainly refer to the establishment of committees (A2), dialogue mechanisms (A1, A4, B1) and cooperation agreements (A3). Frequent monitoring is thus not considered to be expedient, as results will not be visible or measurable during normal monitoring intervals. In addition, the initial delay in implementation in South-East Asia meant that interim results came later than originally planned. The good working relations and long-standing experience with cooperation partners do apparently enable the project team to gauge the level of progress on key project indicators documented in the annual progress reports. The project ensures ongoing monitoring of the political context that could influence cooperation within the subregional initiatives, as this is crucial for project interventions. It must, however, be acknowledged that the complexity of relations and developments limits monitoring on this level. There is no systematic monitoring of achievements at impact level e.g. concerning improved government in focus countries or better representation of weaker countries in subregional initiatives. Neither would this be feasible at an acceptable cost. Overall, the lack of any results-based monitoring that could be used to assess and discuss project progress with cooperation partners might impact adversely on the measure if implementation delays and failures to achieve planned results are not identified in time.

The partial results model has been reconstructed by the evaluator and updated and discussed with project team. Overall, the available information is fairly good and meets the requirements of the evaluation.

Project interventions are mostly related to HCD measures within the framework of the subregional initiative GTI in North-East Asia, and with various cooperation partners in the focus countries Cambodia, Lao PDR and Viet Nam. This allows the project to keep primary data collection to a minimum. Additional reports and presentations complement the monitoring data. For some indicators, however, no up-to-date data was available at the time of the evaluation (for details, see Chapter 5.2).

### **Additional data collected**

Additional documents (e.g. studies on trade facilitation and trade policies, analysis of development processes in Asia, documents of stakeholders in focus countries) were researched and collected during the inception and field phases. Documents used are listed in Annex 4. Additional data gathered during the field phase aimed to give the evaluation team a better understanding of the needs, expectations and value judgments of stakeholders and of results processes, particularly with respect to the contributions made by project interventions to achieving observed changes. Additional data collection was primarily based on qualitative methods (semi-structured interviews with various stakeholders, feedback sessions and group discussions). Interviewees were

selected on the basis of various stakeholder maps of the project and included cooperation partners in China and Viet Nam (director, current and former staff members of GTI, trade-related organisations such as the Viet Nam Trade Promotion Agency (VIETRADE) and the Viet Nam Cooperative Alliance (VCA), staff of trade promotion organisations), representatives of relevant ministries in China and Viet Nam, other GIZ projects in the region, GIZ sector programmes, and researchers working on trade facilitation and regional integration. This mix was chosen to complement and triangulate information obtained from different sources, obtain the views of different stakeholders and broaden the evaluators' understanding. The interviews focused on the quality of project services, the achievement of results, additional intended and unintended results, alternative interventions and their potential benefits, and partners' forecasts of impact and sustainability.

The evaluation team counterchecked initial findings and insights, and discussed these in various reflection rounds with the project team, gaining further understanding, questioning first conclusions, and broadening their spectrum of information. The hypotheses laid out in the Theory of Change were discussed with cooperation partners and researchers to ascertain whether or not they were confirmed. The evaluation team presented the preliminary results of the mid-term evaluation to the project team, GIZ colleagues from other projects and the GIZ country director in Viet Nam at a final workshop. The invited local partners from trade promotion agencies were unfortunately unable to attend, as they were required to attend another event at short notice.

## **4.1 Evaluation design, basis for assessing OECD/DAC criteria and methods used**

### **Evaluation design**

The evaluation team adopted a theory-based approach that relied on the project's Theory of Change as the basis for analysis, in line with the Terms of Reference provided by GIZ Evaluation Unit. In addition, the team used a contribution analysis related to the OECD/DAC criteria effectiveness and impact, and combined this with the Most Significant Change approach.

The challenge involved in appropriately assessing the attainment of OECD/DAC criteria in this regional project, that operates in four focus countries plus China, is less the problem of measuring changes but of understanding the mechanisms that have brought about a particular change and identifying the specific contributions of the project. This is because multiple stakeholder interests are involved in the formulation of strategies, agreements and recommendations, and the inputs from a number of change agents and development partners might compete. Implementation processes at the national, provincial and local level also depend on multiple systemic factors. The same applies for the counterfactual situation (i.e. the hypothetical situation without project intervention), which can only be understood if stakeholder perceptions and reasoning are taken into account.

Therefore, the evaluation design is based on the contribution analysis with respect to verifiable changes at the results level, along with the assessment of specific contributions achieved by the project and other influencing factors. A contribution analysis seeks to identify the extent to which the project has contributed to the observed results beyond the hypothesis laid out in the Theory of Change and taking into account contextual factors that play a role in achieving (or not achieving) the project's objective. This approach permits an in-depth understanding of the case and its context, and provides a detailed explanation of both. Due to the agreed time table, and the limited field phase – see Annex 3 with the evaluation schedule - steps 5 and 6 could not be conducted.

The contribution analysis was complemented with elements of the Most Significant Change (MSC) approach. This tool generates and analyses personal accounts of change and identifies which accounts are most significant, and why. MSC can be very helpful in explaining HOW change comes about (processes and causal mechanisms) and WHEN (in what situations and contexts). However, during the field mission it became apparent that the sporadic nature of SCSi interventions made a more extended application of MSC inappropriate.



The elements of the Theory of Change – i.e. anticipated changes at output, outcome and impact level and the pertinent causal hypotheses – were contrasted with evidence. The difference between the assumed and observed results and causal relations largely determines the outcome of the evaluation.

### Presentation of the basis for assessing the OECD/DAC criteria

As a systematic basis for assessing the intervention on the basis of OECD/DAC criteria, the evaluation matrix provided by GIZ was adapted to the context by the evaluation team. For each criterion, the guiding questions were translated into concrete evaluation questions, and indicators, data sources and evaluation methods identified. The full evaluation matrix can be found in Annex 2.

The evaluation dimensions of the **criterion relevance** cover 1. the alignment of the SCSI objectives with relevant international, regional and national strategic frameworks, 2. the suitability of the project strategy to address core problems/needs of the immediate and the ultimate target groups, 3. the appropriateness of the project design considering the results logic and 4. the pertinence of adaptations made to bring the concept into line with changing conditions.

The criterion **effectiveness** analyses progress towards the intervention's objective. This analysis focused on assessing progress towards achieving the module objective indicators (outcome level) and the output indicators. In addition to the indicator-based analysis, the assessment of effectiveness included an analysis of the quality of key processes supported by the intervention and their contribution to results as well as an analysis of any unintended results. During the inception phase some issues arose regarding evaluability and achievability of outcome indicators. These were discussed during field mission with the project team. The results are laid out in Table 2.

**Table 2.** SMART analysis of the module objective indicators

<i><b>Project objective indicator according to the offer/ original indicator</b></i>	<i><b>Assessment according to SMART criteria</b></i>	<i><b>Adapted project objective indicator</b></i>
M1: In the four focus countries (Laos, Cambodia, Viet Nam and Mongolia), competent decision-making bodies have agreed on recommendations prepared by relevant state structures and agreed on in subregional working groups, concerning the implementation of more sustainable and inclusive measures in selected areas of cooperation (measures aimed at facilitating trade, maritime economy, cross-border economic zones and public-private partnerships)	Additional information mining and discussions with project team during field mission led to the conclusion that the indicator is achievable during the project term.	The indicator should be maintained.
M2: Three of the decisions are 30% implemented in selected focus countries. Baseline value: 0	This indicator is not SMART. Firstly, while indicator M1 relates to agreement on recommendations, M2 relates to implementation of decisions,	Content and possible measurement of this indicator was thoroughly discussed with project team during field mission. When

	<p>which is a different category. Secondly, it is unclear how an implementation rate of 30% of decisions can be measured. Thirdly, implementation in selected focus countries is not specific enough and not measurable.</p>	<p>designing the project, the indicator was formulated in relation to PBG with its road map and 7 priority areas. Even there, however, measurement would have caused methodological problems. It was decided together with the programme director to measure instead joint projects as a proxy indicator for transfer of recommendations to implementation.</p>
<p>M3: 70% of the members of relevant export-oriented chambers and associations of the focus countries confirm that their conditions for harnessing regional trade and investment potentials have improved by one point (e.g. because they are now familiar with market access regulations) in one sector selected on the basis of sustainability criteria.</p>	<p>The indicator is SMART, but very ambitious in terms of resources required for data mining and processing. As far as possible survey results should be supplemented with statistical data on rises in exports to China at the end of the term.</p>	<p>The indicator should be maintained. The target value will be defined by the researcher commissioned with the study on poverty-reducing effects through economic cooperation or rather regional integration.</p>
<p>M4: Studies confirm that two of the project-backed measures for strengthening economic cooperation or the cooperation topics fostering regional integration have poverty-reducing effects.</p>	<p>The level of this indicator is not linked to the module objective that aims to strengthen economic cooperation between the four focus countries and China within the framework of subregional initiatives. It is impact-related and thus transcends the module objective.</p>	<p>Although the existing three success indicators are sufficient to measure the outcome of the TC measure, it is recommended that the ongoing study of how the reinforcement of private-sector instruments is helping achieve more equal social and economic development and reduce poverty rates in Viet Nam be conducted, with a possible replication in Cambodia or Laos.</p>

The assessment of the **criterion impact** is based on 1. the attainment of four overarching development results, as established in the results model; 2. the contributions of SCSI to achieving these, on the basis of several examples 3. a description of additional positive and/or unintended negative results.

The **criterion efficiency** was assessed on the basis of 1. production efficiency, i.e. the appropriate use of resources with regard to the achieved outputs and 2. allocation efficiency, i.e. the appropriate use of resources with regard to achieving objectives and additional results at the outcome level.

The criterion **sustainability** examines the extent to which the positive results of the intervention can be expected to continue once the intervention has been finalised. In this regard, the evaluation team analysed the efforts of the intervention to ensure sustainability, e.g. the extent to which approaches and tools are already used, further developed and updated by cooperation partners to foster ownership. The assessment comprised



a forecast of the durability of project results and an analysis of the balance between the three sustainability dimensions (social, economic, environmental).

### Methods used

Since data collection methods and evaluation methods for each OECD/DAC criterion are documented in detail in the evaluation matrix in Annex 1, the methods applied for this evaluation are briefly summarised here:

- **Document analysis** for all OECD/DAC criteria and all evaluation dimensions, using a systematic approach. All documents analysed and screened are listed in Annex 4.
- **Semi-structured interviews** for all OECD/DAC criteria and all evaluation dimensions. The focus of the interviews varied according to the perspectives and involvement of the specific stakeholders (see list of interviewees and the evaluation schedule in Annexes 2 and 3). Interviewees provided detailed qualitative information on the processes but also on factors in the political context that are highly relevant for achieving results.
- **Contribution analysis and elements of Most Significant Change approach** were used to obtain additional insights into how project interventions influence results and change processes in a complex environment.
- Systematic **data triangulation** and/or **method triangulation** was used whenever possible. It has to be acknowledged that most interview partners could only triangulate some of the evaluation aspects, since interviewees in North-East Asia are naturally not particularly aware of project interventions in South-East Asia and vice versa. Triangulation of preliminary results took place at the end of the mission with the project team, the GIZ country director in Viet Nam and representatives of other GIZ projects in Viet Nam.
- **'Follow-the-money'** tool used to assess the resource allocation within the project in relation to output and outcome attainment, and to possibly identify potential efficiency gains.

## 4.2 Evaluation process

The evaluation process comprised an inception phase (final draft of the inception report submitted on 14 March 2018), a field phase in China and Viet Nam (26 March to 6 April 2018) and a reporting phase (deadline for the final version of the evaluation report: 24 July 2018). The stakeholders of the evaluation are identical to the project stakeholders of the evaluation. Potential users of evaluation findings and recommendations are the stakeholders who will be closely involved in the discussion and decision-making processes for the follow-on module planned from 2019 onwards. Besides the project staff, key stakeholders are the GTI Secretariat, MOFCOM (China), VIETRADE, Viet Nam VCA, other GIZ projects, the GIZ Evaluation Unit and GIZ regional and sectoral organisational units.

The evaluation matrix (Annex 1) provides a comprehensive set of evaluation questions. Additional interest expressed by various stakeholders (trade-related GIZ-projects, the GIZ Evaluation Unit) was related to the measurement of poverty reduction through trade facilitation. Since the results of the study are not yet available, a literature review was conducted. Preliminary findings of the mid-term evaluation were shared with the project team, the GIZ country director in Viet Nam and GIZ colleagues. Cooperation partners from VIETRADE had to cancel their participation in the final workshop as they were called to attend another official meeting at short notice.

## 5 Assessment of the project's results (OECD/DAC criteria)

### 5.1 Relevance

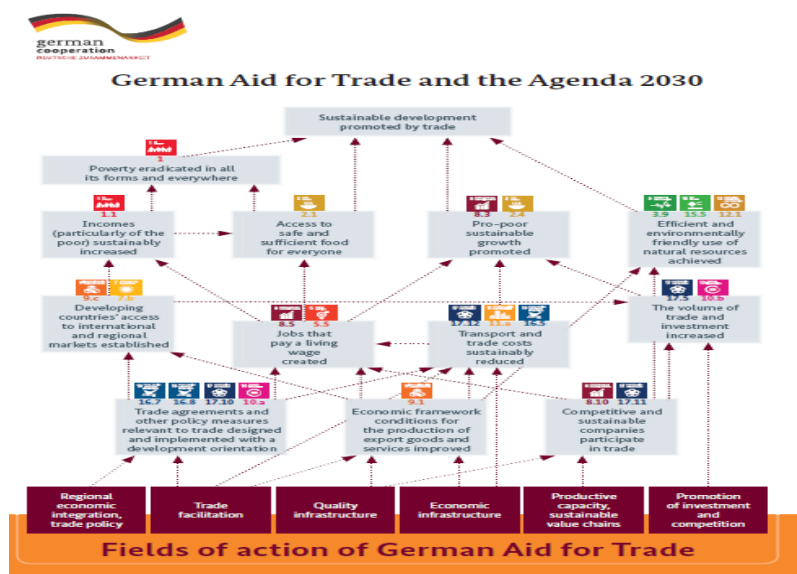
In line with the evaluation matrix, the relevance dimension of the evaluation covers criteria such as 1. alignment of the project's objectives with relevant strategic frameworks, 2. suitability of the project strategy to address core problems of target groups, 3. pertinence of design and adaptations to prevailing conditions. It is related to the compliance of project interventions with the defined global and regional strategies at the beginning of the TC measure and during implementation.

#### Alignment with the relevant strategic reference frameworks

In terms of the German government's strategic framework, the intervention addresses core needs identified in the BMZ strategic documents, mainly 'The BMZ's New Asia Policy. Using Asia's dynamism' – (see BMZ, 2015a) and the recent strategy paper 'Free and fair trade as a driver for development. The German strategy for Aid for Trade' (see BMZ, 2017). Their main statements are summarised below:

#### BMZ's New Asia Policy (2015)

- Promote regional economic integration and cooperation, as together with trade, they reinforce stability and peace.
- Support regional organisations such as ASEAN, as regional cooperation fosters stability in the region, gives rise to growth potential, promotes regional trade and diminishes the risks of conflict.
- Share experiences with the model of European integration and the German social and environmental market economy, from which Asia can benefit.
- Intensify dialogue partnerships particularly with China on social, environmental and economic issues in the in the context of a new global partnership to attain the Sustainable Development Goals.
- Apply innovative approaches e.g. supporting emerging economies in establishing their own development cooperation structures as new donors.



The German Aid for Trade (AfT) approach takes the 2030 Agenda 2030 and the SDGs as its central framework. According to the relevant BMZ strategy paper (see BMZ 2017), the fields of action of German Aid for Trade are integration and trade policy, quality infrastructure, trade facilitation, productive capacities, promotion of investment and competition, and economic infrastructure. German AfT measures help achieve several SDGs (SDGs 1, 2, 5, 7, 8, 9, 10, 11, 12, 16, 17).

Figure 2: The Aid for Trade approach in relation to the 2030 Agenda

For trade and investment to result in sustainable economic growth, the institutional conditions must be sound. This includes a clear and transparent legal system, efficient public administration at all levels, responsible management of public finances, an independent judiciary and measures for combating corruption.

In terms of the strategic framework of subregional initiatives, the GTI strategic action plan 2017-2020 (see GTI, 2017) aims to enhance GTI's strategic focus, prioritising the areas of transport, trade and investment, agriculture, tourism, energy and environment as a cross-cutting issue. It emphasises policy coordination and implementation of specific projects with practical value to member governments, reflecting mutual interest and improving the capacities of the GTI framework as a pragmatic and result-oriented platform for regional cooperation. Like all GTI member countries, Mongolia has pledged to help achieve the United Nations Sustainable Development Goals by 2030 (State Great Hural of Mongolia, 2016). This is also reflected in the national development plans of most focus countries, including the eighth national five-year plan of Lao PDR (2015). The Laotian Government aims to lift up the country out of the least developed country (LDC) category. In 2012, Viet Nam approved a sustainable development strategy for 2011-2020 with a transformation of growth model into harmonious development. The Cambodian national strategic development plan 2014-2018 subtitled 'For growth, employment, equity and efficiency to reach the status of an upper-middle income country' aims to improve and enhance public institutional capacity, promote good governance, and modernise economic infrastructure in order to foster economic growth, create jobs for all citizens, ensure social equity, and increase public sector efficiency as well as protecting natural and cultural resources, which is vital for sustainable development and poverty reduction (see Kingdom of Cambodia, 2014).

Increasing exports to China requires a more pronounced import strategy on the part of this important trading partner. In May 2017, Chinese President Xi Jinping announced at the Belt and Road Forum for International Cooperation in Beijing that China will host the China International Import Exposition (CIIE) as of 2018. It represents an important move for China to open its market and promote trade, while also serving as a platform for international cooperation for all countries to showcase their development achievements and discuss global economic and trade issues.

Export of agricultural goods is one of the action lines of SCSI and all focus countries, especially in South-East Asia, have adopted agricultural development strategies in view of high employment rates in the agricultural sector<sup>4</sup>. In Cambodia, for example, nine laws came into effect between 2000 and 2016, addressing different aspects of agriculture and food production. The country is currently drafting two new laws on plant protection and quarantine as well as food safety. In Lao PDR a new agricultural development strategy 2025 and vision to 2030 have been published. They aim to ensure food security, produce competitive agricultural commodities, develop clean, safe and sustainable agriculture and shift gradually to a modernised, resilient and productive agricultural economy that is linked to rural development and contributes to the national economy (Lao PDR / MAF 2015). In Viet Nam the Prime Minister ratified a plan in November 2017 to restructure the agriculture sector over the period 2017 to 2020. As of 2015, the ASEAN Economic Community made increasing regional trade a priority area and defined agriculture as a core sector.

To sum up, the project is aligned with relevant strategic reference frameworks at all levels (subregional, national policies and strategies, international standards, BMZ strategies). As shown in Figure 2 above, trade facilitation is a broad area for cooperation, that is linked to several developmental issues and can be integrated into different strategies. As the regional project can address the strategies only selectively and to a limited extent, the fit of the project into the relevant strategic reference frameworks is rated high, but is not accorded the maximum possible points, at **37 of 40 points**.

### **Suitability to respond to problems/needs of the target groups**

According to the project offer (see GIZ 2014b), the target groups are the entire populations of Cambodia, Lao

---

<sup>4</sup> Cambodia: 49%, Lao PDR 73%, Viet Nam 48%

PDR, Mongolia and Viet Nam, with limited access to participation in economic and social development. They are to benefit from growing intra- and interregional trade, increased investment and related income and employment effects. Although this results chain seems logical, international research shows mixed results (see Chapters 5.1. and 5.3. for further details) and highlights the need to combine trade facilitation with other supporting policies.

As mentioned in Chapter 3.3, an agreement has been reached to make a distinction between the immediate target groups consisting of 1. beneficiaries of HCD measures undertaken by the project, including official and managerial staff of relevant national ministries, agencies and subregional initiatives, and 2. the export-oriented private sector represented by business associations and chambers. Challenges in project planning, management and implementation capacities in combination with insufficient coordination among GTI stakeholders have been identified as core problems (see SCSI, 2017d). Upgrading the processes of the GTI Secretariat, and providing support for committees and working groups are suitable ways of addressing the needs of this part of the target group and putting in place an enabling environment for more sustainable and inclusive development. This will also help economically weaker countries to articulate their interests within the subregional initiatives, as is the case with Mongolia within GTI. The second target group is addressed by providing better access to trade-related information and concrete guidelines, but also through an increased public-private dialogue on trade facilitation and the requirements for creating a more business-friendly environment. As already explained, the ultimate target group – the population of focus countries – can be reached only indirectly.

To combine the approach and contents with explicit reference to particularly disadvantaged groups would be an overload for the SCSI project as the 'leaving no one behind' (LNOB) principle calls for a more specific focus. Increased economic links with an enormous market like China and trade as a driver for development will most likely contribute to welfare effects in economically weaker neighbouring countries, thus addressing the ultimate target group. More specifically, cross-border trade is meant to benefit ethnic minorities who settle in border regions and are to benefit in their capacity as service providers and small retailers (interviews B5 and C5). In South-East Asia with a focus on the export of agricultural goods, the SCSI project is relevant for small farmers who often belong to the poorer sections of the population.

Gender awareness is a cross-cutting issue. Nonetheless, the gender analysis for the project (see GIZ, 2014b) concluded that definition of gender-relevant objectives and indicators are difficult to achieve in this regional project, which operates mainly at macro and meso levels. The analysis recommended that gender mainstreaming and gender-specific promotion be borne in mind throughout design and implementation of the project e.g. ensuring a gender balance among participants in events, capacity building and training, and the project has followed this recommendation. Overall, it has to be acknowledged that the nature of the concept (regional integration and trade promotion) means that there is limited scope to addressing disadvantaged groups and gender aspects.

To sum up, the strategy selected by SCSI is largely suitable to respond to the core problems/needs of the various target groups described in the framework of a regional project. Vulnerable groups and gender mainstreaming do not really fit into a regional project focusing on economic cooperation and trade facilitation. The positive assessment is mainly related to the declared satisfaction of partner interviewees who highlighted the responsiveness and adaptability of the measure to the needs of partner institutions at organisational level. It is given a score of **25 of 30 points**.

### **Appropriate design**

In its capacity as a regional project dealing with quite different focus countries – middle -income Viet Nam, LDCs Lao PDR, and Cambodia, plus Lao PDR and Mongolia as landlocked developing countries (LLDCs) – SCSI has to meet a number of different demands, interests and requirements for cooperation measures. The key link is economic cooperation between the focus countries and China, and support for regional integration.

The SCSI approach works on three levels: strengthening subregional initiatives in their organisational capacities as policy platforms for the coordination of regional integration and cooperation, strengthening the implementation capacity of actors involved in subregional initiatives, and improving the capacity of the private sector to engage in trade and overcome barriers to trade in cooperation with export-oriented business associations.

An implicit Theory of Change was incorporated in the offer submitted to BMZ, and the project team has designed a results model for both intervention regions. On this basis, the evaluator reconstructed the results model and discussed it with the project team during the field mission, to illustrate the assumed causal relations and underlying hypothesis as precisely as possible. Due to the fact that the project offer spans a variety of possible interventions and topics - based on a stipulated project team of up to 8 persons - the small project team that actually took up work with only three technical staff had to narrow down their field of action to make best possible use of available resources and achieve tangible results (interview A1). The project design, with three main intervention areas (improved structures, implementation capacity, private sector instruments), reflects a consistent multi-level approach with interlinkages and reflects the necessary complexity. It is well anchored in the strategic reference framework. The results model is closely linked to international state of research (see ADB, 2017, DIE, 2016, Deval, 2014, ESCAP, 2017, GIZ, 2016, 2015, interview A4) and German approaches to trade facilitation (interview A5). Generally, it is assumed that trade can be used to leverage economic and social growth and that strong regional economic communities/subregional initiatives are in a better position to negotiate favourable trade conditions with other members and facilitate the full inclusion of less developed countries into the world trading system under the WTO framework. The hypotheses detailed in Chapter 3.2 are plausible, the related assumptions and risks comprehensible and realistic. They were crosschecked with the project team during field mission and with selected stakeholders during the interviews.

One limitation of the project design lies in the fact that the three intervention areas are linked to the first three dimensions of the module objective (agreement on more sustainable and inclusive design of selected cooperation areas, implementation in focus countries and integration of private sector). The fourth success indicator, demanded by BMZ, is an impact indicator as poverty-reducing effects of project-backed measures for strengthening economic cooperation are to be assessed.

All in all, the project design largely responds to the module objective and is awarded a score **of 17 of 20 points**.

### **Adaptability to changes in the framework conditions**

An initial change in framework conditions went far beyond the influence of the project: the decision taken by the German Government to wind up development cooperation with China in 2009 with discussion still ongoing on the implications for regional and global programmes and on establishing a new basis for cooperation. Thus, at the outset, the new project had to face a series of unforeseen difficulties, such as difficulties in obtaining visas for seconded international staff due to the lack of a political partner. The subsequent problems in appointing a programme director, meant that the current director who took up the post in December 2016, is the third person to hold the post since April 2015.

Another change in framework conditions is related to the Pan Beibu Gulf (PBG) Economic Cooperation initiated by China in 2006 to create a maritime cooperation area with neighbouring countries. The PBG Economic Zone covers the Chinese provinces of Guangxi, Guangdong and Hainan, Viet Nam, Malaysia, Singapore, the Philippines, Indonesia, Brunei and Cambodia. The predecessor project provided support to draw up the PBG roadmap and SCSI was meant to continue assistance to this subregional initiative. As stated in the second progress report (see GIZ, 2017b), PBG is losing its influence as a dialogue platform, since contributions are now made unilaterally by the Chinese side, and not all members have ratified the PBG roadmap to institutionalise cooperation. Consequently, the project redirected its cooperation interventions, to the ASEAN-China Free Trade Agreement (ACTFA). Stakeholders and GIZ colleagues confirmed that this decision was appropriate (interviews A4, 5, 11, 12) as ACTFA provides a suitable framework for addressing issues of cooperation between

China and CLV neighbours. This is particularly true of the role of the private sector in SCSi interventions and expanding institutional partnerships in the focus countries Cambodia, Lao PDR and Viet Nam. It also allows SCSi to cooperate more closely with other GIZ projects in Cambodia, Lao PDR, and Viet Nam. The project team identified agriculture as the focal sector for cooperation with the private sector, since the offer to BMZ mentioned working with sustainable products. This has proved to be a wise decision in view of the importance of agriculture as source of income and employment for SMEs in the focus countries.

As mentioned above, the design of this regional project is fairly broad. This given the project team the flexibility to adjust its scope of action, choosing specific measures in line with the needs of cooperation partners and stakeholders and linking interventions to other projects. With a lean structure, the project is managing complexity and taking the right decisions within its restricted sphere of influence. After changes in prevailing conditions, the conceptual design was adapted appropriately, giving the measure a score of **7 of 10 points**.

To sum up, the evaluation team concludes that the project is well aligned with the broad relevant strategic reference framework, as far as these are known in case of partner countries. It reflects and builds on key strategic documents of GTI, national strategies (where available), BMZ strategies and the Sustainable Development Goals. Therefore, the project scored a high 35 of 40 points. The suitability of the strategy to address core needs of the immediate target group is rated high, although interventions are more sporadic than in bilateral projects and impacts on poverty reduction are limited. The core needs of the ultimate target group are naturally addressed to a lesser extent, producing a final score of 25 of 30 points. The design of the project is felt to be largely appropriate for the chosen goal. The conceptualisation at the time of planning was plausible and reflected the needs and priorities of the then partner institutions. This reflected in a score of 17 of 20 points. The project's adaptability to changes in the framework conditions has been rated as adequate by interview partners and the evaluation team with 7 of 10 points.

The overall score for the assessment criterion relevance adds up to 86 out of 100 points, which means the measure is rated as successful.

Criterion	Assessment dimension	Score
Relevance	The project is in line with the relevant strategic reference frameworks	<i>37 of 40 points</i>
	Suitability of the concept to respond to core problems/needs of the target groups	<i>25 of 30 points</i>
	The design of the project is suited to achieving the objective.	<i>17 of 20 points</i>
	The project adapted to changes in line with requirements and re-adapted where applicable.	<i>7 of 10 points</i>
<b>Overall rating for relevance: successful</b>		<i>86 of 100 points</i>



## 5.2 Effectiveness

The criterion effectiveness measures progress toward achieving the project objective. This includes an analysis of the degree to which the outcome indicators are achieved, as well as an analysis of the extent to which the project successfully contributes to the achievement of the objective. For that reason, output indicators are assessed as well. In addition, the occurrence of additional, not formally agreed results is examined.

### Degree of goal achievement

In this section, the current level of achievement is assessed on the basis of the indicators, and the attainability of outstanding indicators by the end of the current term is gauged. Project contributions will be assessed in the following section.

- Outcome indicator M1: “In the four focus countries (Laos, Cambodia, Viet Nam and Mongolia), competent decision-making bodies have agreed on recommendations -prepared by relevant state structures and agreed on in subregional working groups – concerning the implementation of a more sustainable and inclusive measures in selected areas of cooperation (measures aimed at facilitating trade, maritime economy, cross-border economic zones and public-private partnerships)

The first recommendation refers to the Strategic Action Plan (SAP) of the GTI Agricultural Committee which has received support from SCSl in the form of technical advice and feedback and is based on the member states’ national strategies, according to interview partners. The Agriculture SAP focuses on creating synergies among existing initiatives and thus scaling up their benefits to the level of the entire Greater Tumen region. Three goals are defined, namely the creation of a permanent mechanism to build regional and local capacity for agricultural collaboration, increasing cross-border trade and investment in the agricultural sector, and regular agricultural science and technology transfer (see GTI, 2016).

The second recommendation, indeed practically a series of recommendations, stems from the GTI Trade and Investment Cooperation Roundtable Meeting in August 2017 in Changchun, Jilin Province of China. It concluded with a list of recommendations for concrete cooperation projects in 6 priority areas of the Road Map for Trade and Investment Cooperation 2017-2020<sup>5</sup> (see GIZ, 2017e).

SCSl has supported the elaboration and issuing of the GTI Authorized Economic Operator (AEO) Mutual Recognition Agreement (MRA) among the Customs Administrations of GTI Member States. The MRA will be signed by the GTI Consultative Commission in June 2018. Providing easier access to conformity assessments for traded goods, the agreement constitutes a tool for trade facilitation. The AEO programme is based on the core concept of the Framework of Standards to Secure and Facilitate Global Trade introduced by the World Customs Organization (WCO) to increase the security of international trade flows from producers to consumers, as well as ensuring supply chain security. An AEO is approved and certified by or on behalf of a national customs administration having demonstrated compliance with WCO or equivalent supply chain security standards. The MRA is already acknowledged as good practice and other regional initiatives have already expressed an interest in adopting it as a model of good practice (interviews A1, 2).

According to interview partners (B3 and 4), SCSl inputs included providing systematic assistance throughout the elaboration process, and the delivery of sound technical advice resulting in quality documents and speeding up the preparation and adoption of these recommendations. Good working relations and the reputation of the project team were mentioned as additional success factors. The contribution level was rated as moderate, as SCSl played a supportive role to initiatives already under way. As SCSl is the only international project

---

<sup>5</sup> The recommendations are related to: 1. accelerating trade liberalisation and facilitation; 2. promoting the development of cross-border e-commerce to lower non-tariff costs; 3. improving regional supply chain connectivity and integrating regional logistics; 4. supporting regional private-sector cooperation; 5. enhancing cooperation on special economic zones; 6. promoting regional infrastructure development

providing that kind of aid, no alternative reasons for the success were identified.

Finally, it has to be stated that attaining this indicator refers only to North-East Asia as cooperation with PBG subregional initiative could not take place.

- Outcome indicator M2: Three of the decisions are 30% implemented in selected focus countries.

This indicator was thoroughly discussed with the project team, as the indicator is not measurable. It was created in view of the planned cooperation with PBG in line with the roadmap and 7 focus areas. But even within a different framework, methodological difficulties would have been encountered in measuring this indicator, which would have overstretched the capacities of the regional project. It was finally decided to substitute a proxy indicator: implementation of joint projects. It would have been advisable to agree on a different indicator with the commissioning party, BMZ.

The project's contribution consisted of assisting partners to more systematically follow-up on recommendations and results of working groups, to improve working procedures and the output orientation of meetings, and to mediate between the various interests as neutral partner. This was identified in the course of several discussion rounds with the project team (A1, 2) and GTI representatives (B2, 3, 4, 5), and counterchecked with stakeholders and researchers (C6, 7). An alternative explanation is the pressure exerted by the member states to deliver concrete results and the perceived competition from the Road and Belt Initiative. The level of contribution is rated as moderate.

With respect to GTI staff, the MSC revealed the difference in organising and conducting technical board and committee or working group meetings to be the most significant. Prior to SCSi interventions, meetings were described as a form of getting together without an agenda, where it was more important to discuss issues than to agree on recommendations or make decisions. Following interventions, and with the help of various templates provided by SCSi, meetings became results-oriented and more efficient.

At stakeholder dialogue meetings organised by SCSi, recommendations are given e.g. on how to better adopt international standards and raise the competitiveness of SMEs in focus countries (see GIZ, 2017f and interviews B1 and C1). They follow recommendations made at the 2015 workshop on cross-border cooperation e.g. to develop a strategic and programmatic approach and put this into practice through joint projects. One example is the joint meeting and field visit to the Far Eastern Customs Administration of the Federal Customs Service of Russia and a visit to the ports of Vladivostok and Zarubino in March 2018, based on the information relating to logistical bottlenecks shared at a meeting of the Logistic Committee (see SCSi, 2018b). Another example is provided by a technical study tour and training on harvesting and post-harvesting with the UN Centre for Sustainable Agricultural Mechanization (UN-CSAM), which put into practice one of the recommendations laid out in the Strategic Action Plan of the Agricultural Committee: building regional and local level capacity through existing training schemes.



The regional workshop on exporting agricultural goods led to the recommendation to clearly define the responsibilities and decision-making authority of public actors involved (see GIZ, 2018a). Awareness has been generated of the need to tackle an important constraint at national level (interviews B 12,13,14), and if the momentum is used to promote proposals at decision-making level, this would be a leap forward. The recommendations on building a platform for business cooperation and for GTI chambers, in combination with establishing the North-East Asia National Chambers Association under GTI, has been summarised in a concept paper entitled Business Cooperation Working Group, which was reviewed by SCSi and submitted to the GTI Consultative Commission (see SCSi, 2018a).



Figure 3: ACFTA workshop

A GTI policy dialogue project proposal on industrial estates is planned for the North-East Asia Expo which is to take place in August and September 2018. It is to include recommendations on how to enhance the function of regional trade fairs and on the promotion of trade and investment in cross-border cooperation zones (see SCSi 2018a).

- Indicator M3: 70% of the members of relevant export-oriented chambers and associations in focus countries confirm that the conditions for harnessing regional trade and investment potentials have improved by one point (e.g. because they are now familiar with market access regulations) in one sector selected on the basis of sustainability criteria.

The questionnaire-based, representative survey of chambers and umbrella associations of export-oriented enterprises is currently being drawn up. The researcher who is conducting the study on the impacts of increased economic cooperation and promoting regional integration on poverty reduction will develop the methodology and implement the ex-post surveys. The study will be conducted in the coming months, with the involvement of two relevant organisations in Viet Nam. Afterwards, the same Vietnamese researcher is to be commissioned to repeat the survey in Laos together with a local researcher and in Mongolia. Cambodia, with its still weak chamber system does not appear to meet the preconditions for conducting a representative survey. As no baseline has been established, it will not be possible to compare the baseline and actual situations.

Based on the positive feedback already received after stakeholder dialogue meetings and other events (e.g. ACFTA workshops, TIC roundtable meeting) the ongoing public-private dialogue in which stakeholders share their knowledge of constraints on trade and endeavour to identify possible solutions appears to be improving knowledge about the potentials offered by exporting. It can be plausibly assumed that export-oriented SMEs will rate conditions for harnessing regional trade as improved, and will make use of the export guidelines compiled by the project in Viet Nam and Cambodia. Details of the project's contribution will be captured in the forthcoming survey, and further insights are expected regarding beneficial and less beneficial measures and tools.

- Indicator M4: Studies confirm that two of the project-backed measures for strengthening economic cooperation or the cooperation topics fostering regional integration have poverty-reducing effects.

The study, conducted by a Vietnamese researcher, provides background information on the impact of trade-related HCD activities on SMEs in Viet Nam. It designs a research toolkit for an empirical baseline study on the impact of trade guidelines and training on the performance of SMEs. The study answers the questions of how international trade contributes to SME growth and thus to poverty reduction in general, and discusses ways in which trade-related HCD activities help improve the performance of SMEs, with positive effects on poverty reduction. The study also empirically assesses the impact of capacity building activities on the performance of private-sector enterprises, and finally suggests ACFTA-related services needed by Vietnamese SMEs from the

public agencies. According to preliminary findings, increased trade always leads to welfare gains and poverty reduction (interview C5).

The findings are in line with a recent ADB publication edited by Helble and Sheperd (2017) which emphasises the fact that trade liberalisation is beneficial overall for all income groups, including the poor. To be effective though, it 'must be accompanied by sound supporting policies ... (including) those that facilitate and transmit trade, such as competition policies in traded sectors; smooth adjustments in factor markets, such as labour market frictions and capital reallocation costs; encourage specialization in goods with comparative advantage, such as technical advice or input adoption; and help the losers in the short term and make them winners in the longer term.' To help small and medium-sized enterprises (SMEs) to connect to international markets and reap the benefits of improved connectivity, it is recommended that companies be offered assistance in dealing with NTMs (non-tariff-measures) on relevant markets, both at home and abroad.

Summarising the attainment of the outcome indicators, the first has already been achieved to a degree of 75%. The second is not measurable, but proxy indicators can be substituted. On this basis it has been achieved. The third – consisting of surveys at the end of the project term – has good prospects of being achieved in full, and the fourth was achieved in part at the time of the interim evaluation, with equally good prospects of being achieved in full by the end of the project term. All in all, the degree of **goal attainment scores 36 of 40 points**.

In the following section a contribution analysis is used to ascertain whether or not the various hypotheses related to each of the four output areas can be confirmed.

#### **Service implementation/contribution of project interventions to achieving the objective**

As the three intervention areas are not logically linked to the four output areas, service implementation is assessed along with the output areas for better understanding. The assessment of the level of achievement of output indicators demonstrated good progress. The findings were counterchecked with project team.

Output area A: The structural enabling conditions for sustainable regional economic cooperation between the focus countries and China are improved.

The first hypothesis to be assessed here is that the desired effect can be achieved by integrating international experience and standards into regional policies and strategies, in order to take advantage of proven instruments and approaches to create well-balanced relations and benefits for all parties involved. Focus group discussion with the GTI Secretariat and individual interviews with former staff members (interviews B 2, 3, 4, 5, 6, 7) revealed that SCSi has contributed transferrable expertise from other subregional initiatives and regional communities to GTI and ACTFA participating countries, that has been incorporated into their further development.

Some examples: during the UNESCAP/GTI international seminar on trade facilitation, in North-East Asia, a technical paper was given entitled 'Supporting the Implementation of the WTO Trade Facilitation Agreement- GIZ's approach for Trade Facilitation with a focus on the role of the Private Sector'. Interview partners expressed the opinion that it encouraged members to engage more in activities under the WTO TFA. During the 5th GTI Local Cooperation Committee (LCC) Meeting & 3rd Logistics Sub-Committee (LSC) Meeting in Heihe, China, SCSi presented European Experiences of Regional Development. According to the interview partners, these examples have demonstrated the need to channel cooperation in a strategic way with a multi-thematic focus that is now followed in the work of the Committees. In addition, it was recommended that action plans be drawn up and the support provided by SCSi in this process is felt to have been helpful. Recommendations based on international experience have strengthened the LCC, with an increased number of meetings and more decision-making authority thanks to a broader representation of North-East Asian local governments. The project also recommended integrating private-sector representatives into LCC, and this has been put into practice. Staff members of GTI (B3, 4 and 5) and researchers (C1) have rated this as beneficial.

Transferring good practices from other parts of the world is always an ambitious endeavour. Several interview partners convincingly reported that in North-East Asia in particular there is a strong willingness to learn from experience gained in other parts of the world and to transfer and adapt it to conditions in their own region (interviews B2, 3, 6 C2 and C3, C7). The conviction was also expressed that SCSI has gained a reputation as a reliable and long-standing partner, which has made partners open to taking on board the advice and proposals of the SCSI team. The documentation of regional events and meetings by the project was acknowledged as an additional benefit, which has facilitated the adaptation and transfer of these good practices. Alternative explanations e.g. receiving similar information and insights at other international conferences and workshops that would have served as good examples have been refuted by interview partners, who state that SCSI has chosen the most appropriate examples for their partners. The hypothesis could be verified, and the project contribution was rated as strong.

There has been exchange beyond the region as well. For instance, contacts between GTI and Andean Community technical officers, that had been initiated after GIZ-supported international meetings on Regional Economic Communities (RECs) in Germany and South Africa during the RCI measure, were taken further under SCSI, thus further expanding the exchange of experience (interview A2).

The second hypothesis to be validated, or not, is that a better structuring of work processes in subregional initiatives achieved by establishing and strengthening capable working groups (primarily the GTI Trade and Investment Committee, (TIC), GTI Agriculture Committee (AC) and GTI LCC LSC), in conjunction with other capacity building measures such as organising international events and training on focal topics, can build effective structures and improve the quality of working processes.

During the current project term, three working groups/committees were established: the GTI Trade and Investment Committee TIC (2016)<sup>6</sup>, the Agricultural Committee (2015) and the China-ASEAN Port City Cooperation Network (2017), receiving project support for trade facilitation measures. During the first TIC roundtable meeting, participants shared information on their best practices in promoting trade and investment, including a new Customs Code, national strategies to open markets to FDI (Foreign Direct Investment), and the organisation of a trade and investment EXPO. During the discussion of project proposals, TIC members showed a strong commitment to actively participating in the implementation of the project Study on the Soft Environment of Regional Supply Chain Connectivity, which was approved at the 17<sup>th</sup> GTI Consultative Commission Meeting. Further projects under TIC could involve paperless trade<sup>7</sup>, e-commerce, and further AEO cooperation.

SCSI has also organised an annual planning meeting, and knowledge sharing on technical tools, templates, and formats for project and cooperation management. In a difficult environment, strengthening the GTI Secretariat has been rated as an asset (interview C1). GTI staff and former staff (interviews C2, 3, 4, 5, 6, C1) have confirmed that there has been a considerable change in all working groups, which have become much more results-oriented. Formerly the general rule was discussion without taking decisions or action. It was also reported that the various templates provided by SCSI help structure the sessions and that communication training has fostered dialogue and agreement. Working group meetings now take place immediately before committee meetings, which links results to next higher level. All these changes were directly attributed to the SCSI interventions.

Alternative factors that could be responsible for progress include growing pressure for greater effectiveness from member states, stakeholders and former supporters including UNDP and the challenges posed as other cooperation initiatives such as the Road and Belt initiative become stronger. These factors have certainly ex-

---

<sup>6</sup> The Trade Facilitation Committee has been restructured into the Trade and Investment Committee (TIC), which will tackle issues pertaining to customs and trade in the specialised Customs Subcommittee.

<sup>7</sup> Cooperation with the UNESCAP project Capacity building towards cross-border paperless trade for trade facilitation in Mongolia and East and North-East Asia and Central Asia

erted some pressure but would not have been sufficient to bring about the described changes. The second hypothesis has thus also been verified, with a moderate contribution on the part of the project.

The third hypothesis is that the declared willingness of member countries to enhance both cooperation and networking is expressed in active participation in designing joint structures and implementing projects together. A number of interviewees (B1, 2, 3, 4, 5, 6, 7, C 1) confirmed that SCSI has fostered the will to cooperate by delivering advice on concrete measures that would benefit all parties involved, again acting as an honest broker who has gained confidence and trust over the years and was thus listened to. Regular regional knowledge sharing between various subregional initiatives brings forth new ideas for concrete cooperation projects and the replication of good practices. Other factors identified that have influenced the readiness to increase cooperation links and to design and implement joint projects include the growing financial involvement of member countries after the withdrawal of UNDP. This was at once a challenge and an opportunity to design and agree on new forms of cooperation between member countries. The better structuring of work processes and the transfer of good practices from other regions are other influencing factors (see hypotheses one and two). The third hypothesis was validated with a moderate level of contribution for North-East Asia. In South-East Asia, where a different approach was adopted, contributions are only now becoming apparent.

The following examples of contributions made by the project were given. The 2016 Seoul Declaration of the highest body of GTI, the Consultative Commission, involves two declarations of intent. The first involves an agreement on mutual recognition of systems of authorised economic operators within the AEO Cooperation Scheme among Customs Administrations, which is to be signed in June 2018 at the next meeting of the Consultative Commission. SCSI supported preparations (interviews A1 and 2, B2) The second declaration of intent relates to the full support for the establishment of the Agricultural Committee and its cooperation with the Trade and Investment Committee, which has also been backed by the project. And finally, the Logistics Sub-Committee has proven to be a viable mechanism within the GTI LCC that regularly brings together representatives of the logistics sector and the public sector at provincial level. The LCC provides a platform for communication and cooperation among the participating government bodies. It thereby helps to close cooperation gaps between national, regional and local policies, and to foster economic growth, especially in border areas (see GIZ 2015c). Since GTI is not a legal body, commitment of member states is more flexible, because the legal framework of other countries is not affected. It nevertheless exerts pressure on the countries to move towards mutual goals and to integrate recommendations into national policies. Local ideas are thus being transformed into governmental commitments through these initiatives (interview B1).

Three of four output indicators have been achieved or overachieved, and the remaining indicator has been achieved to a level of 67%.

Output area B: The implementing capacities of relevant actors in the focus countries are strengthened with respect to topics of cooperation, instruments and methods of regional economic cooperation with China

The underlying hypothesis for improving the implementation capacities for subregional cooperation is that the project provides a series of human capacity development measures<sup>8</sup> on focal aspects of regional economic cooperation and on organisational development at project level. At the same time the programme complements ongoing capacity development measures of the partners. Professional and managerial staff of relevant institutions of subregional initiatives in member countries then apply their newly acquired knowledge and skills, making for more efficient and better quality internal working processes.

The annual capacity building course for the GTI Secretariat and courses on proposal writing for Mongolian focal points are examples of these measures, as well as the participant of partners in international seminars and conferences. Short surveys of participants are conducted after all events. Professional and managerial staff of

---

<sup>8</sup> See capacity development strategy of the project (GIZ 2016e) for details.

relevant agencies in the member countries are asked how they use newly acquired knowledge to improve internal working processes. By March 2018, a total of 147 persons from different countries had attended various events. A total of 40% of them stated they were applying what they had learned. Capacity building workshops include events on drawing up terms of reference (ToR) and proposals for the implementation of the GTI Strategic Action Plan as well as project guidelines, thus helping to enhance policy coordination and project implementation. With the initial help of the capacity building activities, seven different transfer projects have been started to further enhance the conceptual work of GTI and its member countries. It is noticeable that more co-operation projects are now being designed (interviews C1, 2, B3). The GTI Consultative Commission has adopted the guidelines for projects prepared by the member states.

SCSI communication training for GTI has triggered the introduction of new communication channels and generally professionalised and streamlined e-mail communication through the adoption of standard guidelines. In 2018, the GTI Customs Sub-Committee decided to introduce quarterly video conferences, to step up communication among the TIC members and strengthen the role of the country holding the chair, in terms of leading the process of drafting project proposals and coordinating important agendas during the one-year term. The GTI AEO Working Group of the Trade and Investment Committee (TIC) established a WeChat group to provide a quicker and smoother exchange of information between customs authorities of GTI member countries, and a Facebook group was set up to connect the GTI focal points in Mongolia. In addition, stakeholder dialogues are increasingly stimulating implementation capacities thanks to the exchange of experience and joint development of improvements (interviews A1, B1, 2).

These changes have all been directly attributed to the SCSI Interventions. Contributions have thus been rated as strong. No other factors that have impacted on these changes positively or negatively were identified by interviewees or the evaluation team.

To further strengthen implementation capacities, technical input and recommendations, a study on logistical cooperation between Viet Nam, ASEAN, and China was conducted in 2015, and another study on possible future modus operandi for regional integration in Asia is to be finalised in 2018.

All in all, the first output indicator has been achieved to a level of 33% while the second has been overachieved.

Output area C: Formats for systematic regional knowledge sharing are used by professional and managerial staff of subregional initiatives and their member countries

The underlying hypothesis for output area C is that opportunities for exchange of practical experience and acquired knowledge will help design national strategies and recommendations for implementation on one hand while stimulating South-South dialogue and developing new cooperation ideas on the other.

The contribution analysis for this part showed a moderate result. The following examples were given to validate the hypothesis. In 2015, an expert forum was held in Bangkok, Thailand which brought together representatives from member countries of five different subregional initiatives in Asia. At the forum, policy-makers and practitioners from Asian regional initiatives were able to discuss different approaches to cross-border cooperation, trade facilitation and sound institutional structures for RCI. Participants identified success factors for subregional organisations and agreed that the key element in the implementation of a 'perfect' RCI organisation was long-term commitment and a high level of trust in the institutional structures (see GIZ, 2015a). Stakeholders (interviews C1, C2, B 3), felt this provided one way of obtaining new insights and stepping up dialogue with other subregional Initiatives such as Central Asia Regional Economic Cooperation (CAREC), the Greater Mekong Subregion (GMS) Economic Cooperation, and South Asia Subregional Economic Cooperation (SASEC) (see SCSI, 2015a).

South-South cooperation is still at the early stages, and time is needed to achieve and implement agreements. Project contributions here mainly involve providing platforms for systematic knowledge sharing, documenting results and recommendations, and follow-up. Another example is the annual Seminar on Trade Facilitation in North-East Asia which is held at a different location every year. The 2017 event in Ulaanbaatar, Mongolia, was organised jointly by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and GTI. The main topic was the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA). Participants from relevant ministries and agencies of the GTI member countries as well as UNESCAP, the World Customs Organization (WCO), and WTO expressed their views on advancing implementation of the WTO TFA and enhancing trade facilitation in the region, with better custom procedures and transport connectivity. As a long-standing partner of GTI, the GIZ SCSI project presented GIZ's experience with the Global Alliance for Trade Facilitation. As a relatively new instrument to strengthen the WTO TFA in developing countries, GIZ highlighted the importance of involving the private sector in project implementation to address specific trade bottlenecks in developing and emerging economies.

Of the 2 output indicators for area C, the first has already been attained, and the second to a level of 67%

Output area D: Private-sector representatives from focus countries have better access to information on trade and investment potentials in the region for a sector selected on the basis of economic and environmental sustainability

The private sector is represented by business associations and chambers with export-oriented membership. The underlying hypothesis is that the availability of national information papers/portals/databases will enhance the knowledge of the private sector, and enable it to harness trade potentials within the framework of ACFTA. Events, training and advisory services provided by chambers and associations upgraded by the project are another way to improve access to relevant trade information. Various agricultural goods that are traded have been selected. Examples are given in the next sections.

Private-sector representatives and researchers (interviews B 8, 11, 13, 14, 18 and C 3, 4, 5) expressed the view that improved access to information on trade and investment potential is crucial, if the export potential in the region is to be fully exploited. According to the afore-mentioned interviewees, the project provides comprehensive and easily available information in that respect, creating a sound base for the private sector. In combination with the recently launched training and the coaching provided, this is expected to help boost exports of the selected agricultural goods. Alternative explanations include rising demand for these products in China. Demand is deemed volatile, due to the strategies adopted by Chinese purchasers. Representatives of export promotion agencies (interviews B 8, 11, 13, 14, 17, 18) pointed to the importance of a good level of information to cope with unpredictable and fluctuating demand. The hypothesis could be validated with moderate contribution on the part of the project. The project's website, which records up to 589 visitors a month, offers a comprehensive list of sources with links to regional and global platforms and databases. It is broken down into 3 sections:



## Link to trade related database and portals on SCSI website

- **Section 1: Trade Stats** with links to 10 databases e.g. UN COMTRADE: the largest depository of international trade data provides well over 1.7 billion data records spanning a period of 45 years; the ICT Trade Map with indicators relating to export performance, international demand, alternative markets and competitive markets, as well as a directory of importing and exporting companies for 220 countries and territories and 5,300 products covered by the WCO's Harmonised System; the East Asia Business Council with various features including an FTA gateway, tariff finder, an option for seeking advice online and a network of chambers, buyers and sellers.
- **Section 2: Trade Facilitation Indicators** with subcategories 2.1. Global Trade Facilitation Indicators listing information from global institutions on tariff and non-tariff measures affecting trade, 2.2. Regional Trade Facilitation Indicators with information from regional institutions on tariff and non-tariff measures affecting trade, and 2.3 Country Specific Facilitation Indicators with a link to the Trade Information Portals of Cambodia, Lao PDR and Viet Nam.
- **Section 3: FTA DATA** with links to 8 portals including the ASEAN-China Free Trade Area Business Portal with wide-ranging information and national documents on tariffs, trade in goods, investments, economic cooperation single window, statistics, and certificates within the ASEAN-China Free Trade Area, the ADB ARIC FTA Database with a comprehensive listing of all bilateral and plurilateral FTAs that include at least one of ADB's 48 regional members as signatory, the ASEAN SME Service Center offering comprehensive information on and legal documents related to Free Trade Agreements in the ASEAN region, SME services broken down by country and type of business, and information on initiatives regarding SME development in the ASEAN Economic Community (AEC), from policy to programme level, as well as best practices from across the region. The Asia-Pacific Trade and Investment Agreement Database (APTAD) contains information on all preferential agreements within the area, the Global Preferential Trade Agreements (GPTAD) database provides information on preferential trade agreements (PTAs) around the world, and the WTO PTA Database contains information on preferential trade arrangements (PTAs) that are being implemented by WTO members.

As this collection of databases is quite exhaustive and wide-ranging, no additional national information papers or information portals are required. In addition, workshop documentation and presentations are available on the SCSI website. The website constitutes a comprehensive source of information, making it superfluous to compile national information papers or portals, as laid out in the success indicators. Interviewees from the public and private sector in the two countries where the field study took place confirmed that they were useful and indeed used. They stated that they used the trade data in training for TPOs and entrepreneurs (interviews B 8, 11, 14, 18).

The project uses various information channels to communicate news about project activities and technical knowledge. Apart from the website, a quarterly newsletter with over 3,500 subscribers is published, and Twitter is used to share technical information and updates (see SCSI, 2016b). The software used can monitor the number of visitors and downloads.

In February 2017, SCSI conducted a fact-finding mission in Cambodia, Lao PDR, and Viet Nam (CLV) and held two ACFTA – Recent developments in exporting agricultural goods to China workshops, one in Hanoi and one

in Phnom Penh. The mission was meant to update the actors map and generate better insights into obstacles and barriers to regional trade and exports to China. Based on feedback during the fact-finding mission, SCSl commissioned the compilation of export guidelines in close cooperation with partners on site. Two workshops on the export guidelines were organised, one in Viet Nam and one in Cambodia, to obtain feedback from various stakeholders on the drafts. A total of 75% of workshop participants rated the knowledge acquired as relevant to their own work.

#### **A possible success story: export guidelines for Viet Nam and Cambodia**

The elaboration of export guidelines is not really mentioned in the results matrix but was an important intervention from 2017 onwards. It made SCSl more visible in South-East Asia. The point of departure was the finding during the field mission in 2017 that the failure to fully exploit the potential for exporting agricultural goods to China is not the result of a lack of legal knowledge, as initially assumed, but stems from a lack of knowledge of the concrete procedures, required documents etc. involved. SCSl then consulted agricultural experts working for other GIZ projects, in order to select agricultural products suitable for export to China by SMEs, taking sustainability criteria into consideration. Two Vietnamese researchers were commissioned with the compilation of guidelines for Vietnamese SMEs aiming to export watermelons, longans, lychees, and dragon fruit to China.

*Figure 4: Export fruits*



The experts conducted a series of interviews with the public and private sector and presented the four draft guidelines for feedback from participants. This feedback is to be incorporated in the further development of the guidelines; VIETRADE ownership of the guidelines was strengthened. The final guidelines were introduced to stakeholders at a workshop in January 2018, organised in close cooperation with VIETRADE.

The four export guidelines for Vietnamese products are available on the SCSl website [www.conecting-asia.org](http://www.conecting-asia.org) and on the VIETRADE website in Vietnamese. To further encourage and facilitate the use of the guidelines, the project is considering digital tools e.g. smartphone versions and QR codes.



*Figure 5: Feedback to export guidelines*

This process was repeated in Cambodia. The export guidelines cover mangoes, bananas, longans and dragon fruit, the products selected as suitable with the collaboration of colleagues from the GIZ project Facilitating Trade for Agricultural Goods (FTAG). The draft version in Khmer, compiled by 2 national experts, was presented at a consultation/training workshop to relevant ministries, agencies, associations SMEs and entrepreneurs to obtain feedback from public- and private-sector representatives on how to further improve the guidelines. The final guidelines are expected to be completed in July 2018 and training courses will be held on how to use them.

This work is also intended to foster the public-private dialogue and to support political processes between Cambodia and China leading to a new protocol on the export of fresh fruits to China. SCSl is supporting this process by issuing the export guidelines.



All guidelines lay out the documents required by the national side and the Chinese side. They specify contact points, the ministries involved and transport and logistic companies. It is too early to expect a direct rise in exports of these products to China, but the guidelines offer greater procedural certainty and transparency in export processes. Interview partners have confirmed that the contents are useful and the presentation good. They are considered to be well-structured and easy to read (interviews A13, 15,16, B 8, 9, 10 and C 3, 4). Training on how to use the guidelines was launched in Viet Nam by VIETRADE after the final versions became available in January 2018.

#### SPS Workshop on opportunities and challenges involved in exporting agricultural goods to China

The regional workshop on challenges and opportunities involved in exporting agriculture goods to China (on 6 and 7 December 2017) brought together experts from relevant government ministries and agencies in Cambodia, China, Lao PDR and Viet Nam. As poor sanitary and phytosanitary (SPS) management often prevents national enterprises becoming involved in regional and global value chains, the workshop aimed to support Cambodia, Lao PDR, and Viet Nam in terms of cross-border SPS measures in cooperation with China.

Representatives from Ministries of Agriculture, Trade and Commerce and relevant chambers shared their experience and knowledge relating to export practices, and discussed challenges. Inputs and updates on current SPS regulations and import processes in China were provided by Chinese experts from the Chinese Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). In the fields of information sharing, capacity building, and technical measures a set of recommendations was drawn up for future cooperation activities. A detailed documentation (see GIZ 2018) and a status report (see GIZ 2017g) are available on the SCSi website.

Pre-feasibility studies were meant to be elaborated within the framework of cooperation with PBG. The PBG Roadmap identified trade finance as one priority area of action. Against this backdrop, SCSi identified the elaboration of two pre-feasibility studies concerning projects in the subregions as one success indicator. These are to be from private-public resources and submitted to the relevant ministries. With the shift to ACFTA, the indicator has become obsolete in its current form and is to be replaced by project proposals that have already been presented, e.g. the project proposal for ADB Augmenting Regional Investment Facilitation Capacity for North-East Asia - Approval of Regional Small-Scale Transaction Technical Assistance (R-S-TRTA). Likewise, investment opportunities were outlined at the 2015 Roundtable Meeting about Regional Infrastructure Investment Initiatives in Hangzhou, China.

#### **Project contributions**

The SCSi project combines expertise that is to be incorporated in the development of subregional initiatives with technical advice and practical training, in order to build knowledge at individual and institutional level. In addition, SCSi has organised an annual planning meeting, and shared knowledge relating to technical tools, templates, and formats for project and cooperation management. In a difficult environment, strengthening the GTI Secretariat is an asset (interview C1). As shown in the verification of hypotheses in previous sections, the various interventions have led to more strategic thinking, honed the problem-solving attitudes of working groups, enhanced the organisation of meetings and communication skills, and resulted in better proposals.

In North-East Asia the project has been able to build on long-standing trustful cooperation with GTI. Several interview partners affirmed the role and appreciation of GIZ as a reliable and trustworthy partner that transfers German effectiveness to partners through advisory services (interviews B1, 2, 3). Even more, as Germans institutions are deemed to have good organisation skills and strategic thinking, the project's recommendations concerning the development of policy recommendations as well as process improvements fell on fertile ground.

The project has demonstrated its ability to respond flexibly to stakeholders' needs, acting on the declared interest in more regional exchange and organising stakeholder dialogues. Although at a first glance, sharing experience at roundtable meetings and conferences might seem too little to impact on the formulation of new, more sustainable policies, if participants are carefully selected they can in fact form part of a results chain and trigger

subsequent measures.

Synergies with other GIZ projects including the regional ASEAN SAS<sup>9</sup> and RELATED in Lao PDR<sup>10</sup> have been exploited with the help of complementary approaches, cost-sharing and constant and transparent communication, actively managed by SCSI and specified by researchers as a success factor (see Klijn, E. H. and J. Koppenjan, 2016).

Regional projects must master the trade-off between interventions meant to foster changes at political and systems level, which might entail long-term political consultation and coordination on the one hand, and more immediate, but much smaller scale interventions related to enhancing private-sector access to trade information (A4, 5). The project is not in a position to systematically monitor how recommendations are translated into practice in member countries.

In a volatile political environment, SCSI utilises sporadic interventions, based on its gradually increasing understanding of stakeholders' needs and embedded in a network of cooperation partners. The team links its interventions to other GIZ projects, making use of service agreements, and contracts external consultants to offer a broad range of expertise. This strategy enables the project to deal with unpredictability, which is one of the main components of complexity, while monitoring, fine-tuning and adapting the interventions on an ongoing basis. The way the project manages complexity can be rated successful. Stakeholders confirm the impression of the evaluators (interviews B7, C1).

It was discussed whether a steering structure would be advantageous, but since the intervention levels in North-East and South-East Asia diverge, it was decided to bring these two regions together within the scope of concrete projects and events. This allows SCSI to retain its flexibility, in combination with project-based implementation and a lean structure. In addition, sporadic interventions in South-East Asia have helped raise visibility of the project.

The services implemented by the project have helped develop partner capacities in the three intervention areas. In all of these, the contribution analysis identified how the project's technical advisory services help increase partner capacity in line with the module objective.

The services implemented by the project help achieve the objective and a score of **27 of 30 points has been awarded**.

## **Additional results**

### Enhanced public-private dialogue

Improving economic cooperation within subregional initiatives naturally will not work if the needs of the private sector are not duly considered. Providing platforms for public-private dialogue has been rated as an expedient initiative of SCSI (interviews B1, 2, 7), which has managed to broaden perspectives, combine viewpoints of both sectors, integrate an increased number of stakeholders, communicate topics and joint issues to more people, increase networks and helped ensure more holistic policies. Raising commitment and encouraging the two sectors to join forces are other perceived advantages.

### Fostering trilateral cooperation

A first initiative involving trilateral cooperation (China and Germany as development partners for Viet Nam) with cost sharing took place in 2017. Although cross-border economic zones are an important tool for the development of economic corridors such as the North-South Corridor connecting China and the ASEAN region, the bilateral management of such zones proves to be challenging.

---

<sup>9</sup> For further details: [www.asean-agrifod.org](http://www.asean-agrifod.org)

<sup>10</sup> For further details: [www.giz.de/de/downloads/giz2014-en-related-laos.pdf](http://www.giz.de/de/downloads/giz2014-en-related-laos.pdf)

To enhance the planning and management of Sino-Vietnamese cross-border economic zones the Department of Commerce of Guangxi Zhuang Autonomous Region and the Ministry of Industry and Trade of Viet Nam jointly organised a study tour to the Horgos Cross-Border Economic Zone (CBEZ) connecting Xinjiang, China and Kazakhstan as well as the Boten-Mohan CBEZ between Yunnan, China and Lao PDR. Good integration in national development plans and effective implementation on the local level were identified as success factors. This finding will be incorporated in the planning of future cooperation and could be followed up at another cross-border zone.



Figure 6: Study tour to Chinese-Lao border crossing

### Upgrading Mongolia's role in the region

Within North-East Asia, the project focuses in particular on Mongolia, which is the weakest country within the framework of GTI<sup>11</sup>. SCSI interventions comprised training on proposal writing for Mongolian GTI focal points and other stakeholders. The training was not only to improve the quality of proposals but also to encourage Mongolian representatives to play a more active role in the various committees (B 2, 3, C2, 6). Training on AEO for representatives of Mongolia's Customs Office helped to improve the Customs Office's internal processes relating to documentation procedures, accuracy of information, safekeeping of data and documentation, and developing the AEO portal system (SCSI, 2015c). In December 2017 a conference on Mongolia's Regional Integration and Trade Policy was held for the first time. It brought together national and international researchers to present the latest research on trade facilitation, cross-border economic zones, trade policy and other core processes of regional integration and cooperation. According to interviewees, the project has managed to boost Mongolia's strategic orientation and motivation (interviews B2, 6 and C1).

### Converting GTI into an independent international organisation

The transformation of GTI into an independent organisation after the withdrawal of UNDP, which initially created GTI as an UN project in 1995, has been an ongoing discussion for several years and received support from the RCI project. If GTU were to become a legal entity, it could apply for international funds within the framework of further regional integration and infrastructural upgrading. SCSI has commissioned an external consultant to draw up a proposal with a road map entitled 'Establishing a Greater Tumen Initiative Project Office: Rationale, Objectives, and Tasks'. The project office will be comparable to an office of a development bank, and will concentrate on sourcing resources and facilitating the processes of project development. It might even implement projects. The proposal is currently under discussion in the member states. Another building block for the conversion of GTI is to build a knowledge institution to provide more value-added service to the stakeholders with more human resources. To become more effective, discussions are taking place with SCSI, on the provision of planning and monitoring tools (interviews A1, B1). No decision on the establishment of the project office has yet been taken, since the expectations of China and Russia diverge, regarding broader or more limited regional relations (C1 and 2).

The additional results are all positive and there is no direct evidence of any project-related negative results.

## **Risks and challenges to implementation**

Overall the challenge for SCSI is to manage cooperation links, with a number of players and other donors possibly causing high transaction costs. Different procedures in use in focus countries for signing service agreements with GIZ offices is just one example, while the costs and time spent on travel is another.

<sup>11</sup> In the 2017 World Bank Doing Business Report, Mongolia ranked 64 out of 190 countries on the ease of trading across borders. The Logistics Performance Index 2016 ranks Mongolia 108th out of 160 countries and it has one of the lowest scores for customs clearance and border crossing (GIZ, 2017e).

For implementation and dissemination of project interventions such as the export guidelines, SCSI depends on cooperation with other projects and partners. It needs to convince, to align with partners' main thrusts of action and priorities and needs them to develop a growing commitment to integrate SCSI products into own services. The project maintains good communication and cooperation relations with main cooperation partners to bolster their participation.

Despite rising commitment and active participation, there is always a risk that cooperation partners do not perceive the benefits as sufficient to warrant their continued participation in SCSI interventions. The volatile political environment is another challenge, as is the possibility that other international projects and funds might prove more attractive. SCSI and GTI will have to continuously underline the benefits for all members.

Although the project has demonstrated its flexibility, greater flexibility would have been beneficial in some areas. It would have been expedient to start work on the export guidelines earlier, as this is a product that is both needed and appreciated. The project team relied too much on the initial assumption that the private sector would need more information on free trade agreements, whereas in fact what was needed was practical information about procedures, documents to be presented etc. Secondly, it would have been beneficial to shift cooperation from PBG to the more promising ACTFA at an earlier date, along with the smaller, country-based interventions that were initiated later on.

To sum up, the project has largely achieved the objective on time and in accordance with the indicators. The stated outcome indicators, currently achieved at levels of between 40% and 100%, are all expected to be achieved by the end of the project term. Of 11 output indicators, 5 have already been achieved, 2 are over-achieved, and 4 have been achieved to levels of 33% (B1), 50% (D2) and 67% (A3 and C2) respectively. The latter are on track. The services implemented by the project have helped develop capacities in almost all areas. In every area, the contribution analysis was able to identify how the project's technical advisory services help increase the capacities of the immediate target group in line with the module objective. The evaluation team awards 27 points out of a possible total of 30 for the successful contribution to achieving objectives. Finally, the occurrence of unintended positive or negative results is rated successful, with a number of additional and meaningful positive results. In conclusion, the evaluation team awards 27 of 30 points. The overall score for the criterion effectiveness adds up to 90 out of 100 points, which translates as a rating of successful.

Criterion	Assessment dimension	Score
Effectiveness	The project achieves the goal on time in accordance with the project objective indicators.	36 of 40 points
	The services implemented help achieve the project objective.	27 of 30 points
	The occurrence of additional (not formally agreed) positive results was monitored and additional opportunities for further positive results have been seized.	27 of 30 points
	No project-related negative results have occurred – and if any negative results occurred the project responded appropriately.	
<b>Overall rating for effectiveness: successful</b>		90 of 100 points

## 5.3 Impact

The impact criterion measures the extent to which the intervention helps achieve overarching development results. In this regard, the evaluation questions related to the occurrence of the intended overarching long-term results and the contributions of the project to attaining these results and the SDGs, taking into account factors impacting positively or adversely on this. Project contributions to widespread impact and the three sustainability dimensions are to be analysed, as well as the occurrence of additional, not formally agreed positive or negative results, opportunities and risks.

Several overarching development results are laid out in the results model (see Chapter 3.2. for details) and impact achievement is presented below.

### Trade facilitation and pro-business policies lead to better business and investment environment

One dimension looks at improving the business and investment environment. The reduction of non-tariff trade barriers is rated as an important step in trade, both in theory and research (ADB, 2017a, DIE, 2016. Helble et al., 2017) and by practitioners (interviews C1, 2, 3, 4, 5). The export guidelines are a concrete example. If exporters from focus countries comply with Chinese standards and regulations, they will further increase their international competitiveness. A better knowledge and understanding of market conditions and requirements will enhance their negotiating position, given that Chinese buyers take advantage of the lack of information on the sellers' side. In the long run, reasonable prices and more transparent business relations are to be expected. In addition, exporters will find it easier to become integrated into international value chains. This is particularly important for the small and medium enterprises that constitute the backbone of all economies the project is dealing with. Further strengthening the SME sector and its international competitiveness will have positive impacts on employment and income generation. This is especially true for the agricultural sector which is very labour-intensive. This results chain was discussed and verified with various interview partners (interviews A1, 2, 6, B1, 2, 3, 6, 7, C 3, 4, 5).

On the institutional side, the better organisation of agencies and ministries involved in issuing trade certificates and permits will ensure greater transparency and is one way to combat corruption. Corruption is considered to be one of the constraints on poverty alleviation (interview A6), and although countries declare their will to take steps to stamp out corruption, the relevant indices are still high. According to research by Djankov/Freund/Pham (2010) institutional quality is an important determinant of bilateral trade.

A second example of contributions made by SCSI to improving the business environment is the regional Mutual Recognition Agreement of AEO systems in North-East Asia, which was recognised at the GTI Consultative Commission Meeting in June 2018. It will facilitate trade-related procedures, shorten transport and waiting time at borders, and give scope for exporters to increase their profit margins. It is expected to go some way to lessening the loss of perishable goods – a common problem in border regions with China - with more efficient export and import procedures.

To further streamline cross-border trade procedures, the project is promoting e-commerce, complementing projects like UNESCAP's 'Capacity-building towards cross-border paperless trade for trade facilitation in Mongolia and East and North-East Asia and Central Asia' project (May 2016–April 2018). Discussions are also ongoing with the Sino-German Centre for Sustainable Development.

A third example is the regional SPS workshop. SPS measures remain a central obstacle to exporting agricultural goods to China, and the project-facilitated workshop was able to showcase the manifold related problems within the framework of a dialogue involving the public and private sector as well as exporting and importing countries. First of all, the regional SPS workshop served as a platform for sharing knowledge on national SPS Contact/Enquiry Points as well as the latest certification and documents required for the Chinese market. The nitty-gritty of export and import procedures needs to be known and stumbling blocks analysed from different angles to overcome these constraints.



Figure 7: SPS workshop

Secondly, it became apparent that only blaming China for its lack of transparent import regulations distracts attention from internal issues in focus countries. They lack clear competences, as responsibilities are scattered between various ministries. In Viet Nam, for instance, the administration of SPS-related issues is a matter shared between several ministries and agencies (see GIT, 2017h)<sup>12</sup>, and the government agencies involved often lack up-to-date knowledge of the requirements and standards in force on the Chinese market.

Moreover, the lack of any effective exchange of information between the public and private sector has made the system slow. Workshop participants recommended ensuring that the latest information on standards and requirements was available, and learning from the experience of others, to enhance regional communication. As a neutral and reliable partner SCSI has been instrumental in providing a platform for the joint analysis of these homemade obstacles and taking participatory approaches to developing possible solutions, as well as broadening courses of action within the public sector (interviews A3, 7, 8, B1, 2, 3, 7). The translation of import regulations from Chinese to English is a small but much appreciated contribution of SCSI in this context. And a Mutual Regional Agreement on SPS laboratory tests has already been proposed at a GTI AC meeting.

<sup>12</sup> The documentation of the workshop (GIZ 2017h) includes a diagram illustrating the situation.



### Better regional integration due to improved connectivity to international markets and cross-border-trade

Two different strands are to be considered here. The first involves strengthening GTI, in particular its Secretariat, as regional facilitator for aligning cooperation on and coordination of policies and project implementation. Although SCSl is not in a position to advise on all five priority sectors (transport, trade facilitation, tourism, energy and environment), the HCD interventions and the platforms for knowledge sharing provided by the project at institutional level, help enhance cooperation within the scope of projects developed and implemented jointly, as well as broadening the scope for action for member countries from a regional perspective, identifying problems and resolving practical problems with cross-border trade at local government level with the help of the responsible Local Cooperation Committee. Better cooperation at local and provincial levels feeds back to national level, as national coordinators are responsible for the coordination between line ministries, the GTI Secretariat and the Consultative Commission which is made up of Vice Ministers. The Consultative Commission is the decision-making body of GTI. The more active and innovative role of the GTI Secretariat has reinforced this development (interviews B1, 2, 3, 4, 5).

Interviews with the GTI Secretariat and stakeholders demonstrated that the narrow bilateral framework is overcome at GTI meetings, and that growing participation and interrelations in this subregional initiative can be attributed to the perceived benefits of regional integration derived from joint work and projects (interviews B1, 2, 3, 4, 5, 6, 7, C1, 2). Development of soft infrastructure – such as laws, regulations, government institutions, and human capacities – within the framework of GTI enhances effectiveness and efficiency, helping keep commitment high. Although hard infrastructure is not an area of SCSl, strategic advice is given. This helps identify common ground and synergies between various infrastructure programmes.

Several initiatives are active at local level, including the Association of North East Asia Regional Governments NEAR, an international organisation that comprises 77 local organisations from 6 countries committed to contributing to the co-development of the region and world peace by enhancing mutual exchange and cooperation, on the basis of the spirit of reciprocity and equity. SCSl promotes exchange beyond GTI, aiming to establish closer relations with other subregional initiatives. European experience, which has been presented at various events, illustrates the fact that topical projects establishing lasting and genuine cross-border cooperation and permanent cross-border structures with a multi-thematic focus are more appropriate to channel cooperation in a strategic way. This also requires the establishment of a road map or an action plan with concrete projects in order to provide a strategic perspective for socioeconomic development and territorial integration. SCSl is encouraging GTI to work in that direction. And decentralised cross-border cooperation, as practiced through the Local Cooperation Committee, enhances territorial integration by achieving a situation close to what is normally experienced in a domestic context.

The second strand relates to improved connectivity to regional markets and the better integration of SMEs in cross-border trade. SMEs in particular frequently lack knowledge about market access, export opportunities and marketing resources on the other side of the border. This limits their potential to export larger volumes or negotiate higher selling prices (see GIZ 2015b). The SCSl interventions impact at the individual and at the institutional level. Exporting to the enormous Chinese market is attractive for SMEs – this point was reiterated by all interviewees - and SMEs that are in a better negotiating position due to enhanced knowledge, will certainly benefit. At institutional level, a better system of trade-related information helps lower non-tariff barriers, thus moving closer to an open and non-discriminatory trade system that is based on internationally agreed rules. Furthermore, linking trade and investment with labour standards and environmental issues, as required when adopting international standards, will influence competitiveness (see GIZ 2017f).

In general, international experience has shown that if growing international connectivity leads to an increase in agricultural production, related economic activities will spread to rural areas, thus helping reduce regional inequality (see Urata and Narjoko 2017).

### Enhanced cooperation contributes to subregional stability and cohesion

Increased trade, and closer economic and social relations between regions and countries are regarded as influencing political cohesion and stability, although there is little empirical evidence that purely economic interdependence has historically led to the avoidance of inter-state conflicts. Interview partners pinpointed the change of mindset and the peculiarities of GTI which targets central, province and local levels. This is an asset that other subregional initiatives cannot provide. The structure of GTI also allows for bilateral meetings to discuss and possibly resolve problems and conflicts (interview C1).

Closer relationships in the Greater Tumen sub-region opens new prospects for concrete projects and overall development. One example is GTI's trans-national tourism initiative, which is meant to bring the cultural variety and wealth of North-East Asia to international tourists and improve mutually beneficial cooperation among the tourism industries and tourism authorities in GTI region. Another is the involvement of ethnic minorities, most of whom live in border regions of GTI, in providing services to tourists (accommodation, traditional dishes, handicrafts, etc.). This is designed to improve their livelihood. Integration of ethnic minorities<sup>13</sup> is also a concern in South-East Asia and could be a way of preventing social conflict (interviews C5, B4 and 5). The predecessor project was involved in promoting tourism. An annual GTI Tourism Forum is still held and the GTI Tourism Centre continues to explore the potential offered by tourism for the region.

### Poverty reduction as consequence of more inclusive trade and more transparent trade relations

A further literature review and interviews during field mission on trade-induced poverty reduction still present heterogeneous findings. A recent ADB publication (see Helble and Sheperd 2017) on how international trade can help meet the sustainable development goals emphasises, 'Trade liberalization is good, in aggregate and across the income distribution, including the poor. Yet trade liberalization must be accompanied by sound supporting policies ... (including) those that facilitate and transmit trade, such as competition policies in traded sectors; smooth adjustments in factor markets, such as labour market frictions and capital reallocation costs; encourage specialization in goods with comparative advantage, such as technical advice or input adoption; and help the losers in the short term and make them winners in the longer term.' To help small and medium-sized enterprises (SMEs) enter international markets and reap the benefits of improved connectivity, it is recommended that firms are given assistance in dealing with NTMs (non-tariff-measures) on the relevant markets, both at home and abroad.

A reduction in the cost of border transit thanks to simplified regulations and processes benefits not only the traders but potentially also consumers through lower consumer prices, which benefit population groups threatened by poverty.

As shown in the above instances, the overarching long-term results have been achieved or are foreseen. This dimension is awarded **35 of 40 points**.

### **Project contributions**

SCSI interventions, particularly in South-East Asia, address issues related to NTMs and some indications can be given of possible benefits for SMEs, most of which belong to poorer sections of the population in the focus countries. More inclusive trade involving a larger number of SME in international trade might lead to 'learning-by-exporting' in which firms become more productive as they start exporting. This empirically confirmed linkage (see Van Biesenbroeck, 2005) is to become effective in SCSI focus countries, where trade promotion agencies such as VIETRADE conduct training and provide advice to upgrade SMEs. Adopting international standards such as SPS regulations might be used as competitive tools and as a way to reap the higher returns associated with safer products (see Wilson, 2017; Henson 2007, Neeliah, Neeliah, and Goburdhun 2013). This assumption was validated with both Vietnamese cooperation partners (VIETRADE and Viet Nam Cooperative

---

<sup>13</sup> In Viet Nam there are 54 different ethnic groups, in Lao PDR 49.



Alliance). It was also reported that coping with Chinese standards might be a step on the way to integration into other international markets (interviews B8, 9, 10, 13, 14).

In addition, better market knowledge opens up new export options and trade channels. For instance, in Viet Nam and Cambodia smallholders depend on a small number of intermediaries, and could benefit from an expansion in their trading partners (interviews A13, 14, 15, 16, B8, 9, 10).

All results chains are quite long and the nature of SCSI means that project contributions are more limited than in other cases. For instance, a trade liberalisation that shows poverty-reducing effects must be accompanied by sound supporting policies, such as institutional frameworks strengthening the SME sector, economic policy (e.g. other taxes, distortions), competition policies in traded sectors; smooth adjustments in factor markets, such as labour market frictions and capital reallocation costs; encouraging specialisation in goods with comparative advantage, such as technical advice or input adoption; and help the losers in the short term and make them winners in the longer term.

In South-East Asia, results are to be scaled up through training of trainers, who will then run training in the northern, southern and central regions of Viet Nam and are linked to the Trade Promotion Centres of VIETRADE and VCA. TPOs have periodic meetings with companies located in their provinces and will introduce the export guidelines during these meetings. There are plans to incorporate specialised training on how to use these guidelines into the annual training plans of TPOs and to run some initial coaching sessions for trainers of TPOs (interview 14). VCA has its own training centres and is currently evaluating how to integrate training in the use of the export guidelines into its training programme (interviews B8, 9, 10). Thus, SCSI is building on structures already in place with qualified trainers adding new knowledge. Another element is dissemination of (nationally adapted) export guidelines by the regional FTAG programme in Cambodia and Viet Nam, and by RELATED in Lao PDR.

Another opportunity involves trilateral cooperation with the Sino-German Centre for Sustainable Development ([www.sg-csd.org](http://www.sg-csd.org)). The Chinese side could take responsibility for regularly updating requirements and translating them from Chinese into English. The next step would be for the Chinese side to become involved in the training of trainers and to design and conduct training on how to export to China from third countries. German methodological know-how on practice-oriented training would be combined with Chinese technical knowledge and contribute to different ways of designing training in China (interviews A7, 8). Trilateral approaches could build on SCSI experience and the networks already established.

Clearly attributable project contributions to the overarching long-term results were identified and validated during the field mission. They are more pronounced for improved business environment and regional integration and less marked for regional stability. Preliminary results on poverty reducing-effects indicate how and under which conditions these take place.

Looking at the three dimensions of sustainability, the economic dimension is most relevant. With regard to the immediate target group (partner institutions and private sector representatives), the project helps open up new business opportunities, and put in place a fairer and more inclusive trade system. Social and ecological dimensions of sustainability are assumed to be addressed indirectly through the more efficient provision of social and environmental trade policies and subregional agreements, compliance with international standards and the export of products that have been chosen on the basis of sustainability criteria. All in all, the contribution of the project to achieving the overarching long-term results scores **27 of 30 points**.

### **Additional results, opportunities and risks**

As already described in Chapter 5.2, SCSI technical assistance to prepare for the conversion of the GTI Secre-

tariat into an international, independent body funded by the member states, marks a big step forward in the regional integration process. Another positive result that has not formerly been agreed on is a better quality of agricultural products and food, if cheaper chemicals can be used that meet China's test standards. It is a fact that perishable goods currently rot at border control stations. A better SPS system and improved knowledge of producers and carriers will help to smooth and accelerate processes at borders. Henson (2007) acknowledges that new standards could restructure production.

There are several opportunities to intensify cooperation with other projects and programmes. The Sino-German Centre for Sustainable Development in China is interested in scaling up some of the SCSi interventions and using them in trilateral cooperation and in the bilateral dialogue on development cooperation. One possibility mentioned was to combine SCSi's HCD and training tools with Chinese technical knowledge in the joint training of third parties (interview A7). Cooperation with FTAG, in the field of trade with ASEAN, could add the commercial link to China, and finally existing expertise in trilateral cooperation with China could be used as a model for preparing any future trilateral cooperation with Viet Nam (interview A9). If bilateral and regional projects in Viet Nam, in the field of trade and trade facilitation, are to be transferred into a trade cluster, SCSi (interviews A9, 11) could join this cluster.

Other factors in the environment cannot realistically be addressed by the project. Informal cross-border trade with China is important in the region. It is marked by a lack of transparent structures, unequal conditions, and a high level of insecurity for sellers from the focus countries. No statistics exist on the scale of this trade, but interview partners reported that it constitutes an important percentage of all exports to China (interviews C3, 4, 5). SCSi is trying to create alternatives with better conditions and transparent structures, but will only be able to convince exporters to trade officially if trade partners abide by formal agreements, creating a more level playing field for exports and imports, lessening dependencies, and resulting in higher selling prices for small producers and traders.

Non-governmental bodies often introduce standards without governmental supervision or authority. Various different SPS standards can make for unhelpful overlaps and make it difficult for exporters to retain an overview of the many different standards and regulations. Additionally, these new or additional requirements are often less transparent, raise barriers to market access, increase costs, and redistribute benefits in the value chain. That makes it harder for SMEs and other smallholders to be competitive and enter a value chain or cooperate with major retailers (see GIZ 2017h, interviews B11, 14, 18).

Researchers also express concerns that non-tariff barriers (NTBs), such as labels and food safety regulations, which may be used to trade up, would arise and limit both trade and the welfare-enhancing benefits of freer trade (see Henson 2007; Henson, Masakure, and Cranfield 2011; Wilson 2017). Market distortions might leave small-scale producers excluded from profitable export markets.

Although players in Asia are endeavouring to increase regional integration and cooperation, their commitment is relatively flexible and might suddenly change if other options seem to be more promising or if they perceive benefits as not being sufficient (see GIZ, 2017g and interview C1). SCSi is trying to keep its interventions attractive with tailor-made inputs, and contributions that open up new prospects of regional cooperation and integration.

As demonstrated, additional opportunities for attaining further positive results have been seized and the risks related to negative results are monitored and addressed as far as possible. This evaluation dimension is awarded **28 of 30 points**.

In view of the aforementioned contributions to the overarching long-term results, the considerable project contributions, the adequate risk monitoring and response, and the absence of project-related negative results, impact scores **90 of 100 points**.

Criterion	Assessment dimension	Score
Impact	The intended overarching results have occurred or are foreseen (should be plausibly explained).	<i>35 of 40 points</i>
	The project contributed to achieving the intended overarching long-term results	<i>27 of 30 points</i>
	The occurrence of additional (not formally agreed) positive results has been monitored and additional opportunities for further positive results have been seized.	<i>28 of 30 points</i>
	No project-related negative results have occurred – and if any negative results did occur the project responded appropriately.	
<b>Overall rating for impact: successful</b>		<i>90 of 100 points</i>

## 5.4 Efficiency

The extent to which objectives of a project are achieved cost-effectively is measured by the efficiency criterion. Two dimensions must be taken into consideration: production efficiency (the transformation of inputs to outputs) and allocation efficiency (the transformation of inputs to outcomes). Firstly, there are several constraints regarding the precision of the following data and cost distribution.

There had already been two project directors before the current one took over in December 2016, and it has been difficult to retrace distribution of costs from 2015 until 2016. A second limitation is the fact that many project activities and costs incurred are related to several output indicators simultaneously and cannot be separated. The GTI Trade and Investment Cooperation Roundtable Meeting in Changchun, China in 2017, for instance, contributed to outputs A1, B2, C2 concurrently (see GIZ, 2018) as well as to the capacity building measures for the GTI Secretariat. Against this backdrop, and taking into consideration the extremely limited human resources with 1 team leader, an international junior advisor, 1 local programme coordinator and other local part-time staff on cost-sharing base with other GIZ programmes, international and national staff have divided their time fairly evenly between output areas, although this might not reflect precisely the actual time allocation. A third limitation is imposed by the difficulty of measuring degree of achievement at an interim stage of implementation as well as the problems involved in quantifying qualitative indicators. A fourth restriction is the fact that partner contributions can only be estimated, since there is no formal partner and not all of the financial inputs and inputs in kind have been quantified or accounted for. They consist of technical and managerial staff of cooperation partners to organise and implement international conferences, roundtable meetings etc. and other support for project activities, totalling around 1.5 to 2 million euros in the technical offer (see GIZ, 2014a). These financial contributions, mainly attributed to the Chinese side, are a good sign of seriousness and commitment, even if they are lower than originally planned.

That said, the statements hereafter have to be considered as approximate values with a limited validity.

The mandatory tool for assessing both dimensions of efficiency has been used to analyse the money disbursed by SCSi and committed for the four output areas of the results matrix, in combination with a qualitative assessment of progress achieved in the outcome-related areas.

## **Production efficiency**

The total contract value of the German contribution for the whole duration of the project (April 2015 to March 2019) is EUR 4,500,000. The distribution of costs among outputs was discussed with the officer responsible for the commission, based on the 'follow-the-money' tool developed by the GIZ Evaluation Unit.

Due to the limited permanent resources – 2 full-time international advisors, 1 local programme coordinator and several part-time local staff<sup>14</sup> instead of 3 international and up to 5 national professional staff – more than 20 service contracts have been concluded to cover the broad areas of expertise and knowledge required and to provide cooperation partners with specific experience at workshops, international meetings and other events. Partner contributions comprise translations and interpreters, organisation, coordination and logistics for events, hall rent, hospitality costs, travel costs, and the provision of technical staff for co-advice.

The fact that the 4 outputs and 3 intervention areas are closely linked is reflected in resource allocation.

Output A (improving structural conditions to enable sustainable regional economic cooperation between focus countries and China) consumes half of the budget. Costs involve fees for international consultants and specialists invited to speak on international experience with regional integration, cross-border trade etc. (e.g. workshop on recent developments in exporting agricultural goods to China in 2017 and the expert forum on Asian regional integration 2015 in Bangkok) at conferences, workshops and seminars, as well as travel costs for participants from focus countries. Some of the travel costs as well as rent of premises for these events are covered by partner institutions in the countries where the events are held.

Implementation and attainment of Output B (strengthening implementing capacities of relevant actors in focus countries) accounts for a quarter of the project budget. This comprises preparations for and staging expert forums, support for GTI committee and workshop meetings, and capacity building with related costs.

Costs related to Output C (use of formats for systematic knowledge sharing) involve regional workshops and conferences such as the SPS workshop in Beijing, the international capacity building programme on trade facilitation, study tours and other capacity building measures to foster an exchange of experience and ideas between participants.

Project activities and costs incurred for Output D (better access to trade information for private sector representatives) mainly covers fees for 2 experts contracted to compile separate guidelines for the export of Vietnamese watermelons, longans, lychees, and dragon fruit to China, and another 2 experts contracted to compile guidelines for the export of Cambodian mangoes, bananas, longans, and dragon fruit to China, followed by consultation workshops in Hanoi and Phnom Penh.

---

<sup>14</sup> Another local technical advisor started work in April 2018 to support SCSi in Mongolia.

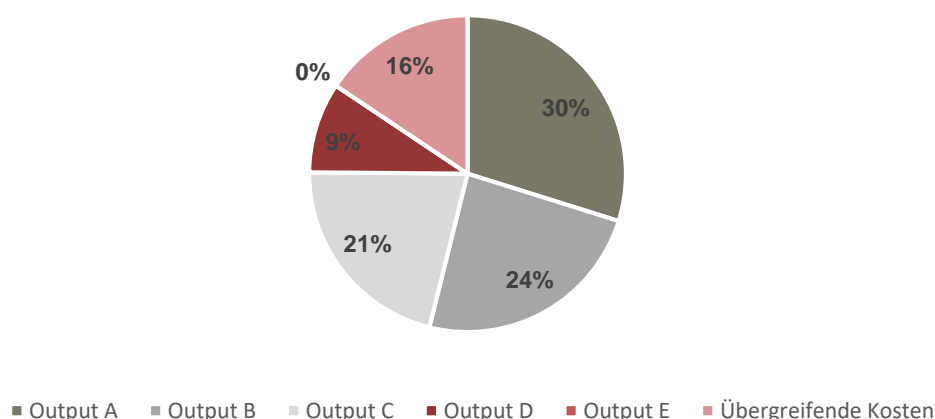


Figure 8 : Total expenses related to SCSi outputs

Note: Although output E does not exist, it could not be eliminated from the diagram.

The most significant discrepancy between planned and actual costs is related to professional and administrative services. Time recorded on the timesheets of GIZ offices, in particular, was much higher than planned. This can be explained by the regional nature of the project and its service packages agreed upon with GIZ offices in focus countries. In China, a contributing factor was almost certainly the unclear visa situation at the beginning of the current term. Resolving this matter took a great deal of time on the part of the portfolio manager and the country director China (interviews A1, 2), but no robust data are available. The percentage of total timesheet records is presumably particularly high as a result of BMZ's small portfolio in China. The fact that travel expenses were over budget has been attributed to the difficulties in obtaining visas during the first year, which meant that international staff were flying in and out, and that more intensive travel was needed to coordinate measures and take complementary action with cooperation partners and other GIZ projects in South-East Asia. Additional expenses were entailed because of different mandatory procedures in GIZ offices in focus countries when entering into a service contract (interviews A9, 11, 13, 16). Some other cost items were originally underestimated, including rising costs for housing, office rent and other operating costs<sup>15</sup> in Beijing, as well as fees of local experts and travel expenses of cooperation partners.

On the other hand, expenditure budgeted for participation in project events and HCD measures was significantly lower than planned, as all events are organised on a cost-sharing base with partners. This is true not only of China as development partner but also of partners in focus countries.

Given that SCSi is a regional project, the project team is making efforts to focus intervention areas and concrete measures, thus pooling resources. The project team conducted a fact-finding mission before starting activities, to better involve private sector in project activities in South-East Asia and build on partners' needs. It aims to strengthen linkages between cooperation partners and stakeholders in GTI, in focus countries and at different level in order to generate synergy effects and mainstream results. Financing agreements, short-term consultancies and HCD measures addressed key stakeholders. International events are organised in such a way that committee meetings follow on back to back to economise on travel expenses. The UNESCAP/GTI international seminar on trade facilitation, for instance, was organised back to back with GTI Customs Sub-Committee (CSC) and the GTI Trade and Investment Committee (TIC) in November 2017.

The evaluation team discussed with interview partners any way of maximising outputs using the same resources under the given conditions to achieve the same or better quality, but no options were identified. The

<sup>15</sup> Charges related to rent, communication costs, insurance, leasing, workshop costs and other administrative expenses, etc.

project team is cost conscious and trying to make best use of resources. For example, in output area 4 (improved access to information on trade) the original plan was to establish four national information papers portals or databases. This was considered inappropriate and too expensive by the project team, who then built a section on the project website offering links to a considerable number of trade portals and databases as laid out in Chapter 5.2. Furthermore, costs must be allocated as efficiently as possible in a regional project dealing with interventions in four focus countries plus China, if visible results are to be achieved. The project team has looked for cost-sharing opportunities with other GIZ projects and programmes as far as possible, but has had to deal with the different procedures in place in the GIZ offices in focus countries, with additional expenses. Smooth communication and cooperation between SCSI and the various GIZ offices kept extra expenses to a minimum (interview A11). No other options were identified that might have resulted in a better output/resource ratio.

Further planned expenditures are mostly equally distributed between output areas A, B and C bearing in mind their interlinkages. Two of the 3 output indicators for intervention area D (better access to information) have already been achieved, meaning that additional money is required for ex-post surveys after events without considerable cost implied. Overall, it can be concluded that both current and planned spending is responsible and well-distributed.

The project management has been able to meet the challenges generally entailed by regional projects, avoiding a dilution of efforts and fostering linkages between its interventions and its counterparts. The interviews give the impression that resource allocation (current and planned) is effective and no suggestions were made as to how alternative resource allocation could have maximized outputs. An assessment for the whole term is difficult insofar as there was little chance to manage the project efficiently between 2015 and 2016. From 2017, with more stable working and general conditions, the production efficiency raised efficiency levels and the project is rated as successful. Overall, and acknowledging the project's efforts, the production efficiency for SCSI is awarded **61 of 70 points**.

### Allocation efficiency

Allocation efficiency relates inputs to outcomes by monetising the added value of outcomes. The evaluation team analysed the use of resources in view of the outcome objectives and indicators, and discussed possible alternative options and opportunities for synergies with the project director.

Progress has been made towards all four outcome indicators. M1, regarding agreement on recommendations concerning the implementation of a more sustainable and inclusive design of selected cooperation areas, has been achieved to a degree of 75%. M2, concerning implementation of decisions in selected focus countries has been removed from assessment due to methodological constraints, although there is evidence of application on a project base (see Chapter 5.2 for details). In view of this adaptation, indicator M2 will be achieved. Indicator M3, improved conditions for harnessing regional trade potentials according to assessment by private-sector representatives, will be measured in the coming months. Based on positive feedback already obtained, it can be assumed that M3 will be achieved with the project term. Indicator M4, confirmation of poverty-reducing effects of project-backed measures, has good prospects of being achieved by the end of term. The draft of the first study for Viet Nam has already been submitted to SCSI, and a second one with similar methodology is to be conducted in the second half of this year.

From a conceptual point of view, the linkages and the almost equal distribution of costs between the various project interventions and outputs are convincing (e.g. conferences, workshops and roundtable meetings serve simultaneously to transfer knowledge, share experience and develop joint regional projects). They are relevant for the allocation efficiency since they generate synergies which are the precondition for aggregate outcomes that exceed the linear results in individual intervention areas. Concerning cooperation with the subregional initi-

ative GTI, the project appears to be making use of opportunities to exert influence on strengthening further integration with special regard to Mongolia as weakest partner.

Improving conditions for better harnessing potentials to export to China is more related to project interventions in South-East Asia. Both approaches with different HCD measures and technical advice are intended to enhance economic cooperation with China, and results are positive. Close cooperation with other GIZ projects adds to this.

Whether more direct support for a second regional initiative would have yielded a similar outcome was discussed during the field mission, and it was concluded that the decision taken by the project team to address individual information needs of the private sector in focus countries instead was appropriate. Intensifying cooperation with subregional initiatives obviously implies longer time horizons with less tangible results than concrete measures such as compiling export guidelines and linking these to existing structures for dissemination and future scaling up. First interrelations between the two target regions are emerging. The project did well to follow the flow of the political and institutional changes in the sub-sector, focusing activities on one subregional initiative and implementing a larger number of one-off interventions. SCSI's complexity management has already been praised and the idea of building on existing good cooperation in the political context of GTI in conjunction with some well-placed interventions addressing the private sector seems to be effective.

Opportunities for scaling up can be seen firstly with respect to the export guidelines as a marketable product, but this will depend on initial project support to train trainers and disseminate the guidelines, in order to convince more decision-makers within partner structures (interviews B8, 14). Scaling up at GTI is related to more efficient working procedures. Here the challenge is not so much the design of tools and mechanisms, but the much more complicated process of supporting change and development processes for better regional integration and increased cooperation. Several interview partners stated that the project acts as a catalyst, by providing platforms for regional knowledge and experience sharing, encouraging changes in behaviour patterns and the way stakeholders relate to each other (interviews B 6, C1, 2). Picking a subject and developing relevant expertise, and then sharing that knowledge with member countries could be a useful model for all sectors of GTI (interview B2).

In view of this, and on the basis of discussions with project staff (interviews A1 and 2), the evaluation concludes that resources are appropriately distributed among the intervention areas and that they are appropriately weighted in terms of their contribution to achieving the module objective.

Regarding synergies with other funding sources, much effort is made to obtain leverage. Cooperation and service agreements with regional projects, including ASEAN-SAS and the successor FTAG, RELATED in Lao PDR, and UNESCAP, enable SCSI to connect to processes already taking place and to complement ongoing approaches and interventions to increase inter-ASEAN trade with activities to improve trade relations with the Chinese market. The considerable partner contributions are meaningfully complementing resource allocation and are relevant for achieving the outcome and for the project's allocation efficiency.

Allocation efficiency combines positive elements such as distribution of resources among the intervention areas, the pronounced synergies between them and the synergies with other GIZ programmes, and efforts to make use of scaling up options. Overall, the allocation efficiency is awarded **25 of 30 points**.

Altogether, although production efficiency was adversely influenced by the initial project hurdles leading to additional costs and staff shortages, it has gained momentum and the evaluation team ensured a largely efficient allocation of resources to attain the outputs.

The overall score for the assessment criterion efficiency adds up to 86 out of 100 points: successful.



Criterion	Assessment dimension	Score
Efficiency	The project's use of resources is appropriate with regard to the outputs achieved.  [production efficiency]	61 of 70 points
	The project's use of resources is appropriate with regard to achieving the outcome.  [allocation efficiency]	25 of 30 points
	<b>Overall rating for efficiency: successful</b>	86 of 100 points

## 4.3 Sustainability

Being an interim evaluation, the assessment of sustainability achieved so far is limited and has to focus mainly on the traceable forecast of sustainability. Three main criteria are to be examined to rate sustainability: firstly, to which extent results are already anchored in partner structures, secondly, forecast of the durability of results and thirdly, the balance between the economic, social and environmental dimensions of sustainability.

### Extent to which results are anchored in the partner structures

The degree to which advisory contents, approaches, methods and concepts of the project are already anchored/institutionalised in the partner system varies from one intervention area and geographical region to another. In North-East Asia, the project has helped the Secretariat develop and establish more efficient working procedures, that have landed on fertile ground. Interviews held at the GTI Secretariat and with former staff members (interviews B1, 2, 3, 4, 5, 6, 7, C1, C2) revealed changes in working processes e.g. agenda setting that went beyond the usual exchange of ideas and generated solutions to day-to-day problems at provincial and local level. Peer learning takes place and new forms of exchange are tested, such as the study tour to China undertaken by Vietnamese technical staff. According to the interview partners, impacts have gone far deeper, causing a shift in mindsets towards more strategic thinking and results-based planning and meetings.

It can plausibly be assumed that once this solution-oriented approach has been introduced, it is unlikely that stakeholder will return to mere consultation and dialogue without concrete problem solving, as members appreciate their new scope for action. Mongolia, the weakest partner in GTI, has managed to increase its participation and professional attitude, as evidenced by the AEO process. To further strengthen Mongolia's active role with high-quality contributions and proposals, one national staff member has been contracted for one year as of April 2018.

Overall, in North-East Asia SCSi has helped put in place enabling structures/strengthened cooperation links between the countries and within the Secretariat, and member countries appear to be committed to continuing

the results achieved independently. The project's exit strategy regarding cooperation with GTI consists of helping the Secretariat become an independent institution.

In South-East Asia sustainability is less developed due to the nature of the intervention, and the delay in starting activities. The export guidelines and SPS workshops with subsequent documentation have been described as meaningful tools and contributions to facilitating exports. It is believed that they complement the activities of trade promotion centres and national support entities (interviews B8, 9, 10, 14) and of other GIZ projects (interviews A7, 8, 11, 12, 13, 15, 16). Consultation workshops to validate draft versions have helped adapt them even better to the needs of target groups. Apart from the contents, interview partners also underlined the fact that the consultants managed to explain complicated issues in a way that is easy to understand, thus making them even more attractive (interviews B 14, C3 and 4). To attain sustainability, the guidelines will have to be regularly updated. In Viet Nam VIETRADE already has declared interest in taking on this responsibility, although financial support will initially be required.

Ideas have been developed to further facilitate access to export guidelines such as QR codes or versions for mobile phones that could be interpreted as sustained interest. Partners have explained various measures to raise the awareness and interest of small farmers in exporting their produce (interviews A1, 2, B 11, 12, 13, C3, 4, 5).

Trainers will be trained over the coming months to give existing trainers at the Trade Promotion Centres additional and complementary knowledge on export procedures. The newly trained trainers will conduct training in 3 regions of Viet Nam and will be coached by experts to consolidate their knowledge and to provide quality control. Making use of existing trainers also makes sustainability more probable.

Overall, the anchoring of projects results in the partner structures is **awarded 30 of 40 points**.

### **Forecast of durability**

Cooperation with other GIZ projects in Viet Nam, Cambodia and Lao PDR, including the regional FTAG, has gained momentum since the project team decided to develop replicable products to further involve the private sector so as to complement the interventions of other projects and programmes. Another opportunity to anchor project results sustainably into cooperation partners' structures is to involve China's international cooperation through the Sino-German Centre for Sustainable Development. Methodological knowledge could be incorporated into training concepts and programmes for third countries, particularly African states (interviews A7 and 8).

The project has an exit strategy: Should SCSi end after the current term, there are good prospects that other GIZ projects, including those mentioned above, could take over responsibility for updating the export guidelines as they are felt to complement their own interventions (interviews A11, 13, 15 and 16). The export guidelines are appreciated as a good basis and a useful instrument, that are likely to facilitate access to export markets for SMEs. The quarterly newsletter Connect Asia and the website [www.connecting-asia.org](http://www.connecting-asia.org) could be transferred to other projects in the field of trade facilitation.

Another factor that fosters sustainability in South-East Asia is the fact that promoting exports of agricultural goods is high on the agenda of the focus countries. There are obvious advantages in improving knowledge of export procedures and requirements, adopting international standards with the resultant higher selling prices and expanding public-private dialogue fostering tailor-made services for exporters.

SCSi has some direct effects on participatory development and good governance (marker PD/GG1) particularly through the interrelations between the local, national and subregional levels successfully established at GTI, and the public-private dialogue in both North-East and South-East Asia that provides a bigger picture of trade

facilitation and regional integration, increasing the transparency of political processes.

There is a risk that small farmers, in particular, might find it difficult to cope with the Chinese safety system for food imports which comprises four different sorts of legal instruments: international agreements, laws, regulations and administrative rules. By 2017, China had issued 12 laws, 20 regulations and some 695 administrative measures under its quarantine legislation system.

To anchor the planned training in the use of the export guidelines in partner structures, such as their annual training plans, decision-making bodies must be addressed more directly. They do not attend training, and have to be convinced of the usefulness of and need for training. Systematic action at top political level in South-East Asia would, however, possibly overstretch SCSI's personnel resources, causing some limitations to sustainability.

A limiting factor in expanding services to GTI member states might be the small number of staff at the Secretariat. But if GTI becomes an independent, non-profit organisation, it will be easier to attract and receive funds from international organisations. Administrative procedures have hitherto followed UNDP standards, making it difficult to meet the requirements of other potential funding agencies. And with the energetic director of GTI Secretariat, there are good chances of getting things done.

Another risk is that the Chinese Belt and Road Initiative or other large-scale infrastructure projects deflect the interest, efforts and resources of GTI member countries away from GTI. If this were to happen, the project could only try to encourage GTI members to rely on the integration already achieved and to negotiate from a subregional perspective instead of individual national stances.

Overall, the **forecast of durability** for project results is positive in both North-East and South-East Asia, with stronger signs in North-East Asia than in South-East Asia.

### **Balancing of sustainability criteria**

As a trade facilitation project, SCSI is primarily fostering economic sustainability, in North-East Asia particularly by strengthening GTI, while the focus in South-East Asia is more on involving the private sector in export activities. Intended positive results with regard to the environmental and social aspects of sustainability have been incorporated into GTI's strategic action plans, helping raise awareness (interviews B2, 3, 4, 5, 6, 7, C1 and 2). One concrete example is the GTI tourism board and its efforts to foster cross-border sustainable tourism that would benefit families in the villages who could offer accommodation for international tourists, as well as the handicraft and services sectors. Employment would be created and revenue generated in villages and small towns (interview B5). With respect to the export guidelines, GIZ colleagues helped identify agricultural products that not only have export potential but also comply with sustainability criteria e.g. production capacity according to climate, soil conditions, irrigation requirements etc. (interviews A1 and 2).

Preliminary investigations of the links between trade and poverty reduction (interview C5), indicate no detrimental or discriminatory effects of increased trade on the poor. The most limiting factor for small and poor farmers is the lack of access to information. This has been described and is to be addressed by the easy to read export guidelines. Chinese buyers have been described as very smart, exploiting asymmetries in market knowledge that could be redressed through better knowledge of procedures etc. Using trade fairs to establish contact with Chinese buyers and to organise group meetings was also recommended.

No negative interactions between the different sustainability dimensions were identified during the field mission. Nor have any indications of project-related negative results been observed at the impact level. Though no formal risk monitoring was established, the project team is constantly monitoring the political environment, as this is of key importance for their interventions.

As sustainability prospects differ in the two geographical areas, the general assessment for North-East Asia is successful, whereas in South-East Asia the rating is only rather successful. The evaluation team has tried to come to a joint assessment, which rates sustainability overall as rather successful.

Criterion	Assessment dimension	Score
Sustainability	Prerequisite for ensuring the long-term success of the project: results are anchored in (partner) structures.	<i>30 of 40 points</i>
	Forecast of durability: results of the project are permanent, stable and resilient in the long term.	<i>20 of 30 points</i>
	Are the results of the project environmentally, socially and economically balanced?	<i>24 of 30 points</i>
<b>Overall rating for sustainability:</b> rather successful		<i>74 of 100 points</i>

## 5.5 Long-term results of predecessor

The original design of SCSI was closely based on the conceptual approach of the predecessor RCI (Regional Economic Cooperation and Integration in Asia) PN 10.2152.6-001.00 which ran from July 2011 until February 2015. RCI focused on strengthening pivotal key processes in regional economic cooperation and integration in various aspects of cooperation in selected regional initiatives in Asia. SCSI was intended to support economically weaker countries to enable them to harness the potential offered by closer economic cooperation with China within the framework of 2 subregional initiatives, namely GTI and ACPBG (ASEAN-China Pan-Beibu Gulf Economic Cooperation). Spillover effects were to provide significant impetus for growth and development. As ACPBG increasingly became a unilateral platform for China, the SCSI project team had to reconsider cooperation partners and started working more directly with countries in the ASEAN context. The team also decided to focus its interventions in South-East Asia more on concrete products that could be incorporated in existing structures and projects. To achieve more visible results within a shorter time, SCSI is scaling down the scope of intervention areas in South-East Asia. Due to the different approach and the existence of a previous project evaluation of the predecessor, it was agreed with the project director not to carry out a broader assessment of the predecessor RCI.

The continued cooperation with GTI is building on good working relations and the trust gained during several years of successful collaboration. The reputation as a reliable partner makes stakeholders serious about adopting SCSI contributions, and enables the project to point to shortcomings, propose new and alternative

measures and continuously indicate ways of improving processes, while realising that stamina is needed to bring about some changes within the subregional initiative, as in the case with transforming GTI into an independent organisation. RCI supported the conversion of GTI, the process is now gaining momentum. Interview partners acknowledged and appreciated GIZ's long-term engagement, which is an important success factor when it comes to influencing policies. Another example of long-term results is the tourism board that still builds on and benefits from an RCI-commissioned study on tourism and its strategic approach.

One of the results of the predecessor RCI project was the Road Map for ACPBG, which provides a strategic framework, intervention planning and implementation. These tools are also used in SCSi interventions.

## 6 Overall rating

Across all assessment criteria, SCSi is meeting its objectives. At technical level, the project team is providing highly relevant and effective advisory services to the partner. In North-East Asia SCSi builds on long-standing relationships with GTI and on its reputation as a reliable partner. In South-East Asia the project team has managed to establish cooperation links with other GIZ projects working in Cambodia, Lao PDR and Viet Nam, complementing their service offers and interventions. Below, each of the five evaluation criteria will be briefly discussed separately.

**Relevance:** the project is in line with the broad relevant strategic reference framework. It reflects and builds upon key strategic documents of GTI, national strategies, BMZ papers and the Sustainable Development Goals. The suitability of the strategy to respond to core needs of the immediate target group is rated high, although there are differences in the scope and nature of interventions in North-East and South-East Asia respectively. Overall, these interventions are indeed more sporadic than in bilateral projects. The core needs of the ultimate target group are naturally addressed to a lesser extent and poverty reduction can only be achieved through longer result chains. The design of the project is largely suited to achieving the objective. The conceptualisation at the time of planning was plausible and reflected the needs and priorities of the then partner institutions. The project's adaptability to changes in the framework conditions has been rated appropriate by interview partners and the evaluation team. Altogether, for relevance the project scores 86 of 100 points (rating: successful).

**Effectiveness:** SCSi generally achieves objectives on time and in accordance with the objective indicators. The outcome indicators, currently achieved to degrees of between 40% and 75%, are all expected to be achieved by the end of the project term. Of 11 output indicators, 5 are already achieved, 2 are overachieved, 4 are achieved to degrees of 33% (B1), 50% (D2) and 67% (A3 and C2) respectively. The latter are on track. The services implemented by the project are contributing to increasing capacities in almost all areas in accordance with stakeholder rating. Finally, the occurrence of unintended positive or negative results is assessed as successful, with a number of additional and meaningful positive results. The overall score for the assessment criterion effectiveness is 90 out of 100 points (rating: successful).

**Impact:** Verifiable indications of project contributions to the overarching long-term results have been identified and validated during field mission. All results chains are quite long and project contributions are limited to some extent by the nature of SCSi. They are more pronounced for improved business environment and regional integration and less for regional stability. Preliminary investigations of impacts on reducing poverty illustrate how and under which conditions these take place. Considering the three dimensions of sustainability, the economic dimension is most relevant with contributions to open up new business opportunities, and put in place a fairer

and more inclusive trade system. Social and environmental dimensions of sustainability are assumed to be addressed indirectly through the more efficient provision of social and environmental trade policies and sub-regional agreements, compliance with international standards and export of products that have been chosen on the basis of sustainability criteria. Additional opportunities for attaining further positive results have been seized and the risks related to negative results are monitored and addressed as far as possible. The overall score for impact is 90 of 100 points (rating: successful).

**Efficiency:** The project management has been able to meet the challenges generally entailed by regional projects generally imply, that is avoiding spreading efforts too thinly, and fostering the linkages between its interventions and its counterparts. Linkages between the various intervention areas are well-founded and mutually reinforcing. Interviews gave the impression that resource allocation (current and planned) is well-distributed and no suggestions were made as to how any other allocation of resources could have maximised outputs. Allocation efficiency combines positive elements such as distribution of resources among the intervention areas, the pronounced synergies between them and the synergies with other GIZ programmes, and efforts to make use of scaling up options. Altogether, although production efficiency was adversely affected by the obstacles initially encountered, which resulted in additional costs and staff shortages, it has gained momentum and the evaluation team observed a largely efficient allocation of resources to attain the outputs. The overall score for efficiency is 86 of 100 points (rating: successful).

**Sustainability:** The degree to which advisory contents, approaches, methods and concepts of the project are already anchored/institutionalised in the partner system varies from one intervention area and geographical region to another. In North-East Asia, the field study revealed changes in working processes. Peer learning is not only helping people see the bigger picture at national level, but is bringing about a shift in mindsets toward more strategic thinking and results-based planning and meetings. It can plausibly be assumed that once this solution-oriented approach is introduced it is unlikely that stakeholders will return to mere consultation and dialogue without concrete problem solving, as members appreciate their new scope for action.

In South-East Asia sustainability is less developed due to the nature of the intervention, and the delay in starting activities. The export guidelines and SPS workshops with subsequent documentation have been described as meaningful tools and contributions to facilitating exports. It is believed that they complement the activities of trade promotion centres and national support entities and of other GIZ projects. Cooperation with other GIZ projects in Viet Nam, Cambodia and Lao PDR, including the regional FTAG, has gained momentum since the project team decided to develop replicable products to further involve the private sector so as to complement the interventions of other projects and programme. The SCSI has some direct effects on participatory development and good governance, and is fostering economic sustainability, in North-East Asia particularly through by GTI while in South-East Asia the focus is more on involving the private sector in export activities. No negative interactions between the different sustainability dimensions were identified during the field mission. Nor have any indications of project-related negative results been observed at the impact level. As sustainability prospects differ in the two geographical areas, the general assessment for North-East Asia is successful and for NE-Asia with no prior cooperation and a late beginning of a different kind of interventions in SE-Asia where the project has to rely on cooperation partners to disseminate the developed products and to anchor them into co-operation partner structures. Due to the limited resources there is not much scope for complementary action such as repetition of coaching or additional ToTs that would raise prospects of sustainability. Therefore, in South-East Asia the project is rated only rather successful. The evaluation team has tried to come to a joint assessment, which rates sustainability overall as rather successful.

Criterion	Score	Rating
Relevance	86 of 100 points	Successful
Effectiveness	90 of 100 points	Successful
Impact	90 of 100 points	Successful
Efficiency	86 of 100 points	Successful
Sustainability	74 of 100 points	Rather successful
Overall score and rating for all criteria	85,2 of 100 points	Successful

100-point scale (score)	6-level scale (rating)
92-100	Level 1 = very successful
81-91	Level 2 = successful
67-80	Level 3 = rather successful
50-66	Level 4 = rather unsatisfactory
30-49	Level 5 = unsatisfactory
0-29	Level 6 = very unsatisfactory



## 7 Key recommendations

The subsequent recommendations all address SCSi.

- Carry on supporting the transformation process at GTI since there seems to be a window of opportunity with the new director of the Secretariat, who is pro-actively promoting the conversion into a service-providing and project-implementing institution.
- Cooperation partners have shown a marked interest in being equipped with concrete products they can offer to SMEs to give them the knowledge they need to export to the Chinese market. To further raise the project's visibility, it is recommended that work continue on developing and delivering products that can be replicated within cooperation partners' structures.
- Interview partners from VIETRADE and VCA have asked for success stories and good practices they could use to convince high-level decision-makers to integrate training in the use of the export guidelines into existing training programmes. At the same time, these examples could be used to motivate SMEs to export to China on the basis of better knowledge.
- To further foster implementation and results achievement, the SCSi project team should expand follow-up of their interventions with measures such as coaching after training of trainers. That would help overcome initial uncertainties and give trainers more in-depth knowledge. Another option would be to explore how SCSi products could be combined with HCD measures in the context of export promotion activities conducted by cooperation partners/other GIZ projects.
- Anchoring the results of a regional project with more sporadic interventions in partner structures is always a challenge. The SCSi project team should address the policy level of partners as far as possible, to encourage the transfer into partner structures and procedures.
- Continue ongoing cooperation with GIZ projects in South-East Asia, i.e. the regional FTAG, as SCSi can provide complementary products geared to improving access to the Chinese market, which can thus enhance export options for SMEs in Cambodia, Lao PDR and Viet Nam. The project team could map additional opportunities to establish links to projects and programmes with a focus on SME and private sector development.
- Seek opportunities to join forces with other donors e.g. SECO. SECO is working to improve the provision of trade promotion services to SMEs, including access of Vietnamese exports to the Swiss and other European markets. Through an improvement in SMEs efficiency and productivity, compliance with international and voluntary standards, trade promotion and professional skills development, SECO aims to help Vietnamese businesses become integrated into global value chains.
- During the meeting with the GIZ country director in Viet Nam, the possibility of creating a trade cluster was discussed, which would combine various regional and bilateral projects with trade components. SCSi could be part of this cluster and take advantage of greater opportunities to collaborate.
- Looking into future, Viet Nam, which is currently a middle-income country, might become a development partner and require different cooperation schemes. In this context, SCSi should place its experience with China as development partner at the disposal of the country office in Viet Nam. And SCSi should play an active part in exploring prospects of future trilateral cooperation China – Viet Nam – Germany.
- Carry on managing unpredictability with well-focused interventions based on thoughtful selection of interventions and constant feedback, that allows the project to learn from experience and adapt its scope of work swiftly as recommended by the tenets of agile management.

# Annex

## Annex 1: Evaluation matrix

Evaluation Dimension	Analysis question	Evaluation indicator	Available data source	Other planned data collection projects	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)	Results of Evaluation
<b>RELEVANCE</b>							
The project fits into the relevant strategic reference frameworks	Which framework conditions or guidelines exist for the project?	Fitting into GTI strategies, focus countries strategic plans (in general terms and as much as known and existing) and policies, BMZ policies (Aid for Trade, Asia, China as global development partner)	Intervention's proposal and annual progress reports (2 available), reconstructed results models, various studies on trade facilitation in the region	Not required	Document analysis	Good, as comparison between approach and strategy documents should lead to a sustained judgement	SCSI projects fits well into all relevant strategic reference frameworks as well as these are known and explicitly formulated
	To what extent does the project contribute to the implementation of the underlying strategies (if available, especially the strategies of the partner countries)?	Various regional cooperation strategies and agreements	Regional and national strategies, national trade strategies (if in English) See annex with bibliography Reconstructed ToC	Interviews with intervention staff, partners and stakeholders	Document analysis Semi-structures interviews with key informants Comparison between framework conditions and risks described in project documentation and by inter-view partners	Comparison of relevant strategies and methodological approach of the regional TC-measure, in selected cases in combination	Design of SCSI puts a specific, China related focus on trade facilitation and combines this with regional integration and practical tools to ease export for SMEs
	To what extent does the TC-measure fit into the programme and the BMZ country strategy (if adequate)?	BMZ regional strategy Asia and aid for trade strategy					
	How was the country's implementation and accountability for Agenda 2030 set up and what support needs were defined?	n/a					

	<p>Sectors etc. Is there a prioritisation of the objectives of Agenda 2030 within a country context? To which SDGs does the project contribute? To what extent is the contribution of the intervention to the national/global SDGs reflected in the ToC?</p>	<p>SDG 1 poverty reduction, 8 economic growth and employment, 10 reducing inequalities, 17 global partnership</p>		<p>opinions of key stakeholders in regional initiatives (GTI, ACFTA), scientists, entrepreneurs</p>		<p>with feedback by selected stakeholders allows for a reliable assessment on the fitting into relevant strategic reference framework</p>	<p>Naturally, there is a prevalence of SDGs 8 and 17, others are addressed to a lesser extent</p>
	<p>Cross-sectoral change strategies, etc. Where has work been carried out on a supra-sectoral basis and where have such approaches been used to reinforce results/avoid negative results?</p>	<p>Regional integration and trade promotion is per se supra-sectoral</p>					<p>Supra-sectoral strategies are mainly applied in NE-Asia with 5 different GTI committees, reinforcement takes place on local / provincial level</p>
	<p>To what extent are the interactions (synergies/trade-offs) of the intervention with other sectors reflected in conception and ToC – also regarding the sustainability dimensions (ecological, economic and social)?</p>	<p>Qualitative assessment of the interactions with regard to all 3 sustainability dimensions</p>					<p>Project conception as well as ToC reflect interrelations</p>
<p>Suitability of the project concept to match core problems/needs of the target groups</p>	<p>To what extent was the concept designed to reach particularly disadvantaged groups (LNOB principle)? Which prerequisites were addressed for the concept and used as a basis?</p> <p>How are the different perspectives, needs and concerns of women and men represented in the change process and how are the objectives represented (Safeguard &amp; Gender)?</p>	<p>Due to the character of the concept - regional integration and trade promotion – addressing disadvantaged groups as well as gender aspects is only possible to a limited extent Qualitative assessment and partners' confirmation that the intervention's objective is relevant to their and the ultimate target group's needs</p>	<p>Project proposal, gender analysis</p>	<p>Partners' confirmation on relevance to their and the ultimate target group's needs, complemented by interviews with researchers on relevance of trade projects for poverty reduction</p>	<p>Triangulation of document analysis with opinions of key stakeholders mainly in China and Viet Nam (covering the other focus countries as much as possible)</p>	<p>Verification to be achieved through consideration of different perspectives and joint critical reflection on potential alternatives</p>	<p>Addressing LNOB and gender issues in a trade-facilitation project would overstretch concept, intervention areas and implementation. To some degree ethnic minorities are considered, no specific</p>

				Inter-views with partners, inter-vention staff, stake-holders			training offers for women required
	To what extent is the chosen TC-measures' goal geared to the core problems/needs of the target group?						Stakeholder inter-views plausibly evinced appropriateness of TC-goal to meet immediate target group needs (better capacities on individual and institutional level)
The design of the project is adequately adapted to the chosen goal	<p>Results logic as a basis for monitoring and evaluability (Theory of Change)</p> <ul style="list-style-type: none"> <li>o Are the hypotheses plausible?</li> <li>o Are the risks presented plausibly?</li> </ul>	<p>No explicit theory of change available      Risks presented in inter-vention's proposal and progress reports are plausible      Hypotheses as well as risks in concept and progress reports are plausible.</p> <p>Intervention proposal and progress reports refer to strategic reference framework and related changes      Changes in the framework conditions relevant for the interventions are reflected in the intervention's progress reports.</p>	Intervention's proposal, gender analysis Results models Progress reports Reconstructed theory of change	Reflection with project team, assessment by researchers and stakeholders	Document analysis, complemented with assessment by stakeholders	See above	Reconstructed ToC is adequate, underlying hypothesis are plausible, consistent and complete as well as risks. The model is based on a sound analysis of the framework conditions of sub-regional initiatives and trade facilitation in NE- and SE-Asia. The result model
	Is the strategic reference framework well anchored in the concept?						

							does show clearly defined system boundaries e.g. cooperation of regional actors under GTI mechanism can only partly be influenced by the project and is therefore located at the system boundary.
	To what extent does the strategic orientation of the project address changes in its framework conditions.					Comparison between framework conditions and risks described in project documentation and by interview partners	The project's adaptability to changes in the framework conditions has been rated as adequate by interview partners and the evaluation team
	How is/was the complexity of the framework conditions and guidelines handled?  How is/was any possible overloading dealt with and strategically focused?						
The conceptual design of the project was adapted to changes in line with requirements and re-adapted where applicable.	What changes have occurred?	Changes in the framework conditions relevant for the project's intervention are reflected in the intervention's progress reports.	Progress reports, interviews with AV and staff, other stakeholders	Opinion of project team to be contrasted with those of key stakeholders of the intervention areas	Document analysis in combination with qualitative assessment	Fair	In reaction to the changing character of Pan Beibu Gulf Economic Cooperation becoming an unilateral platform for the Chinese
	How were the changes dealt with?		Progress reports, interviews with AV and staff, other		Semi-structured interviews with key informants		

				stake- holders				side, project success- fully has redi- rected its inter- vention to punc- tual measures on a bilateral base.
--	--	--	--	-------------------	--	--	--	---

	Evaluation Dimension	Analysis question	Evaluation indicator	Available data source	Other planned data collection projects	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)	Results of Evaluation
	<b>EFFECTIVENESS</b>							
<b>Effectiveness</b>	The project achieves the goal on time in accordance with the TC-measures' goal indicators agreed upon in the contract.	To what extent has the agreed TC-measures' goal already been achieved at the time of evaluation, measured against the goal indicators?	Plan of operation serving as monitoring tool	Plan of operation Progress report no. 3 (forthcoming)	Reflection round with project staff and validation combined with interviews	Reflection round with project staff and validation combined with interviews	As outcome indicators are mainly qualitative, they are subject to biased answers	The 4 outcome indicators are currently achieved between 40-100% and are all expected to be achieved by the end of the project term. Out of 11 output indicators, 5 are already achieved, 2 are overachieved, 4 are attained between 33% (B1), 50% (D2) and 67% (A3 and C2). The latter ones are on track.
		To what extent is it foreseeable that unachieved goals will be achieved during the current project term?	Assessment and forecast	Plan of operation Progress report no. 3 (forthcoming)	Interviews with project staff and stakeholders	Document analysis, interviews	As outcome indicators are mainly qualitative, they are subject to biased answers	
	The services implemented by the project successfully contribute to the achievement of the goal agreed upon in the contract	What concrete contribution does the project make to the achievement of the agreed TC-measures' goal, measured against the goal indicators?	Assessment of supporting structure building through HCD, knowledge and experience sharing	Ex-post surveys after events and trainings, reports	Interviews with various stakeholders	Document analysis, contribution and counterfactual analysis	As outcome indicators are mainly qualitative, they are subject to biased answers	The services implemented by the project are assessed to successfully contribute to increasing individual as well as institutional capacities of in almost all areas. In every action area, the contribution analysis could carve out how the project's technical advisory services help increase capacities of immediate target group in line with the module objective.
		Which factors in the implementation contribute successfully to the achievement of the project objectives?	Success factors cited in project documentation and by key stakeholders in interviews	Project documentation	Interviews with various stakeholders	Document analysis, contribution and counterfactual analysis	Fair, as it depends on qualitative data	Long-term trustful relations with GTI, cooperation with implementing partners and other GIZ-projects in SE-Asia, carefully choosing measures that can be replicated by partners
		What other/alternative reasons contributed to the fact that the objective was achieved or not achieved?	Reasons cited in interviews and project documentation	Project documentation	Interviews with project team and various stakeholders	Document analysis, contribution and counterfactual analysis	Fair, as it depends on awareness of stakeholders	
		Are core, support and management processes designed in such a way that they contribute to the achievement of the objective?	Description of processes and steering structure, assessment by stakeholders and partners	Description of processes and steering structure	Additional interviews to further understand processes and their appropriateness	Reflection with project team, interviews with stakeholders	Fair, as it depends on awareness of stakeholders	Design of key processes has been rated as suitable, SCSI is enhancing its scope of action through co-operation with other projects

		To what extent have risks (see also Safeguards & Gender) and assumptions of the Theory of Change been addressed in the implementation and steering of the project?	Chances to influence risks have been correctly characterised as limited	Progress reports	Additional interviews to further understand risk management	Reflection with project team, interviews with stakeholders	Fair, as it depends on awareness of different stakeholders	Project is constantly monitoring risks and applying mitigation strategies as much as possible
	The occurrence of additional (not formally agreed) positive results has been monitored and additional opportunities for further positive results have been seized.  No project-related negative results have occurred – and if any negative results occurred the project responded adequately.	Refers to Option A, Sustainability (determination of interactions in effectiveness and impact):						
		To what extent were risks of unintended results assessed as observation fields by the monitoring system (e.g. compass)?	n/a as scope of monitoring is limited	Operation plan	Addressing risks, unintended effects as well as positive ones to be considered in all stakeholder contacts	Reflection with project team, interviews with stakeholders	see above	n/a
		To what extent have the project's benefits produced results that were unintended?	Description of possible unintended results caused by benefits due to interview partners	Progress reports			see above	SCSI has produced a series of positive additional results, namely: enhanced public-private dialogue, fostering trilateral cooperation, upgrading Mongolia as being weakest partner in GTI, transformation of GTI into an independent international organisation exploiting cooperation opportunities with other projects and agencies at national level
		Which positive or negative unintended results (economic, social, ecological) does the project produce? Is there any identifiable tension between the ecological, economic and social dimensions?	Description of possible unintended results by interview partners	Progress reports			see above	
		How were negative unintended results and interactions counteracted and synergies exploited?	Description of mitigations strategies towards unintended results and strategies to exploit synergies according to project team and selected stakeholders				see above	
		What measures were taken?		Progress report no. 2 operation plan			see above	Cooperation with different partners in all focus countries

	Evaluation Dimension	Analysis question	Evaluation indicator	Available data source	Other planned data collection projects	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)	Results of evaluation
	IMPACT							
Impact	The announced superordinate long-term results have occurred or are foreseen (should be plausibly explained).	To which superordinate long-term results should the project contribute (cf. module and programme proposal, if no individual measure; indicators, identifiers, narrative)?	Outcome indicator 1 addressing poverty reduction through better harnessing regional trade opportunities (applied to case study in Vietnam)	Draft study of poverty reducing effects In Viet Nam, literature review	Semi-structured interviews in Viet Nam e.g. with authors of the study, VIETRADE, additional literature	Contribution analysis in combination with Most Significant Change Approach and interviews with entrepreneurs and private sector representatives	Limited, due to the long causal chains to achieve impacts at level of final beneficiaries	According to preliminary results of the study, in Viet Nam increase in trade always benefits all strata of population
		To what extent will the project contribute to the implementation (of the partner country's national strategy) for implementing Agenda 2030/to the SDGs?	Contributions to poverty reduction through increased trade involvement of SME and through raising their capabilities					Contributions to SDGs 8, 17, and to a lesser extent to 10 and 1 could be carved out, although result chains are quite long
		Which dimensions of sustainability (economic, ecological, social) does the project affect at impact level? Were there positive synergies on the three levels?	Plausibility forecast on export growth for selected agricultural products and estimated	Export statistics, study on agricultural development	see above	Analysis of statistical data / forecast	Limited, impact of project contribution to growth of export can only be forecasted at this moment	
		'Leave No One Behind': To what extent have targeted marginalised groups (such as women, children, young people, the elderly, people with disabilities, indigenous peoples, refugees, IDPs	n/a					



		and migrants, people living with HIV/AIDS and the poorest of the poor) been reached and is there evidence of the results achieved at target group level?									
The project contributed to the intended superordinate long-term results.	To what extent is it plausible that the results of the project on the output and outcome levels (project goal) contribute to the superordinate results? (contribution-analysis approach)	Assessment of contribution of intervention and plausibility of ToC	Results model, progress reports, intervention proposal	Interviews and reflection with project team, external actors and partners	Contribution analysis in combination with Most Significant Change Approach	It can be plausibly explained, as trade facilitation is seen as leverage to achieve economic and social growth, but long result chains are involved	Contribution analysis showcased contributions of project outputs and outcome to improved business environment, better regional integration through connectivity and cross-border trade, and to some extent to stability and cohesion, poverty reduction				
	What are the alternative explanations/reasons for the results observed? (e.g. the activities of other stakeholders)	Narrative assessment of alternative explanations	Progress reports			Fair					
	To what extent do changes in the framework conditions influence superordinate long-term results?	Political changes on regional level, political changes on national level, economic crisis				Fair					
	To what extent is the effectiveness of the development measures positively or negatively influenced by other policy areas, strategies or interests (German ministries, bilateral and multilateral development partners)? What are the consequences of the project?	Narrative assessment of positive or negative influence that the project experiences from the mentioned parties				Fair	Positive influence as trade development, export of agricultural goods and regional cooperation is high in the agenda of all focus countries				
	To what extent has the project made an active and systematic contribution to widespread impact? (4 dimensions: relevance, quality, quantity, sustainability; scaling-up approaches: vertical, horizontal, functional or combined)? If not, could there have been potential? Why was the potential not exploited?	Has to be assessed narratively Case study in Viet Nam for assessing scaling up potential				Fair					
	Referring to the three dimensions of sustainability (economic, ecological, social): How was it ensured that synergies were exploited in the three dimensions? What measures were taken? (-> discussion of interactions in the sense of trade-offs below for unintended results)	Narrative assessment of synergies between the 3 dimensions of sustainability in the implementation of the project				Fair					
The occurrence of additional (not formally agreed) positive results has been monitored and additional opportunities for further positive results have been seized.  No project-related negative results have occurred – and if any negative results occurred the project responded adequately.	Which unintended positive and/or negative results/changes at the level of superordinate results can be observed in the wider sectoral and regional environment of the development measure (e.g. cross-cutting issues, interactions between the three sustainability dimensions)?	Narrative assessment		Interviews and reflection with project team, external actors and partners	Contribution analysis in combination with Most Significant Change Approach	Fair					
	To what extent is the (positive or negative) contribution of the project plausible?										
	What are the alternative explanations/reasons for the results observed? (e.g. the activities of other stakeholders)										
	Have negative results occurred?	Description in progress report	Progress reports					Interviews with intervention staff, partners and external actors	Contribution analysis	Depends on level of critical assessment by interview partners	Not identified
	To what extent were the risks of negative, unintended, superordinate results	n/a						n/a	n/a	n/a	n/a

		identified and assessed in the monitoring system? To what extent were these negative results in the sense of (negative) interactions or trade-offs in the ecological, economic and social dimensions already known during the conception of the project and reflected (e.g. in the module or programme proposal)?						
		Was there a corresponding risk assessment in the TC-measures' proposal? How was the ability to influence these risks originally assessed?	Risk assessment in the proposal with moderate ability to influence these risks	Intervention proposal	Reflection with project team, assessment vy stakeholders	Contribution analysis	Fair	Risk assessment was rated as appropriate
		To what extent have the project's services caused negative (unintended) results (economic, social, ecological)? Is there any identifiable tension between the ecological, economic and social dimensions?  -Economically: Impairment of competitiveness, employability, etc.  -Socially: How should the impact be assessed in terms of distributive results, non-discrimination and universal access to social services and social security systems? To what extent can particularly disadvantaged population groups benefit from the results or have negative results for particularly disadvantaged population groups been created?  -Ecologically: What are the positive or negative environmental impacts of the project?	Description of unintended negative results along the 3 sustainability dimensions with narrative assessment of tensions	Progress reports	Interviews with project team	Document analysis in combination with interviews and reflection with project team	Fair	
		What measures have been taken by the project to counteract the risks/negative interactions?	Description of mitigation measures by the intervention towards risks	Progress reports	Interviews with project team	Interviews and reflection with project team	Fair	Reorientation towards more promising cooperation partners, in Viet Nam dealing with several implementing agencies
		To what extent have the framework conditions for the negative results played a role? How did the project react to this?	Description of framework conditions that influence impacts and actions taken by project team	Progress reports	Interview with project team, stakeholder	Interviews and reflection with project team	Fair	

	Evaluation Dimension	Analysis question	Evaluation indicator	Available data source	Other planned data collection projects	Evaluation strategy (evaluation design, method, procedure)	Expected evidence strength (narrative)	Results of Evaluation
	<b>EFFICIENCY</b>							
<b>Efficiency</b>	The project's use of resources is appropriate with regard to the outputs achieved.  [Production efficiency: Resources/Services in accordance with the BMZ]	To what extent are there deviations between the identified costs and the projected costs? What are the reasons for the identified deviation(s)?	Comparison between cost commitment report and cost-obligo	Project cost commitment report and cost-obligo document	Discussion with project director	Quantative assessment and interview with project director to retrace differences in resource allocation	Limited as not all supporting documents could be retrieved	Explanatory strength of instrument limited as not all required documents have been available (3rd director, activities related to various outputs simultaneously, time allocation difficult, particular situation at beginning of project, estimation of partner contributions)
		To what extent could the outputs have been maximised with the same amount of resources and under the same framework conditions and with the	Reflection with project team, assessment by stakeholders	See above	Discussion with project team , concrete examples	Interview with AV to retrace differences in resource allocation	See above	Not identified

		same or better quality (maximum principle)?						
		To what extent could outputs have been maximised by reallocating resources between the outputs?	Assessment and reflection with project director	See above	Not possible	Interview with project director to identify reallocation potential	See above	As project interventions mainly have contributed to several outputs in parallel, reallocation would have been difficult and not expedient
		Were the output/resource ratio and alternatives carefully considered during the design and implementation process – and if so, how?	Cost-obligo document, interview with project director	See above	Discussion with project team, concrete examples	Interview with project director to identify reallocation potential	See above	Since the project deals with interventions in 5 countries, allocation of resources is carefully planned and monitored, several examples could be given
		For interim evaluations based on the analysis to date: To what extent are further planned expenditures meaningfully distributed among the targeted outputs?	Cost-obligo document, interview with project director	Project planning with cooperation partners	Discussion with project team and selected stakeholders	Joint revision of project planning and discussion with project team	See above	Description of activity planning for the rest of the term was assessed as appropriate
	The project's use of resources is appropriate with regard to achieving the TC-measures' goal (outcome).	To what extent could the outcome have been maximised with the same amount of resources and the same or better quality (maximum principle)?	Assessment and reflection with project director	Project cost commitment report and cost-obligo document	Discussion with project director	Joint analysis of possible alternatives	Fair	No maximisation potential identified
	[Allocation efficiency: Resources/Services in accordance with the BMZ]	Were the outcome-resources ratio and alternatives carefully considered during the conception and implementation process – and if so, how? Were any scaling-up options considered?	Comparison between financial offer and cost-obligo	Financial offer and cost-obligo	Discussion with project director	Joint analysis of possible alternatives	Fair	Consideration during conception and initial implementation process could be retrieved only to a limited extent, since 2017 good, as scaling-up is taking place
		To what extent was more impact achieved through synergies and/or leverage of more resources, with the help of other bilateral and multilateral donors and organisations (e.g. Kofi, MSPs)? If so, was the relationship between costs and results appropriate?	Number of cost-sharing events in both regions	Documentation of events, partly expenditure sharing	Interviews with other GIZ projects and GTI	Interviews	Fair	All GTI-events take place on a cost-sharing base, additional costs due to differences in procedures in GIZ-offices in focus countries

	Evaluation Dimension	Analysis question	Evaluation indicator	Available data source	Evaluation strategy (evaluation design, method, procedure)	Other planned data collection projects	Expected evidence strength (narrative)	Results of Evaluation
Sustainability	Prerequisite for ensuring the long-term success of the project: results are anchored in (partner) structures	What has the project done to ensure that the intended effect can be achieved in the medium to long term by the partners themselves (working aid review)?	Advice on strategy formulation, training on the job, discussion on exit strategy with cooperation partners		Document analysis, assessment by different stakeholders for triangulation	Document analysis, semi-structured interviews and group discussions, discussion with stakeholders regarding the degree to which results are anchored in partner structures (opinions regarding the stability and significance of structural anchorage beyond the formal aspects)	Some formal aspects of the anchorage of results in partner structures can be objectively verified (e.g. integration in policies, strategies, routine operational processes). The extent to which these verifiable aspects provide a solid basis for the long-term success of the project must be evaluated on the basis of stakeholder assumptions and is, therefore, more prone to possible misjudgements	Various GTI staff have reported permanent use of new working procedures (planning of events, communication and decision taking in working groups and committees, strategy formulation), training of trainers planned to create a self-sustained base for export-related training, one partner already conducting training on export guidelines
		Which advisory contents, approaches, methods and concepts of	Working procedures at GTI and in Mongolia, establishment of working groups, information system, in Viet Nam export guidelines		Interviews with stakeholders			

		the project are anchored/institutionalised in the (partner) system?					
		To what extent are they continuously used and/or further developed by the target group and/or implementing partners?	Working groups with new procedures established, updating of export guidelines		Semi-structured interviews with participants / stakeholder of each intervention area		
		To what extent are (organisational, personnel, financial, economic) resources and capacities in the partner country (longer-term) available to ensure the continuation of the results achieved (e.g. multi-stakeholder partnerships (MSPs))?	Cooperation with GIZ-projects in Cambodia, Laos and Viet Nam, continuing with some interventions, UNESCAP, involvement of private sector and cross-border cooperation		Reflecion with project team and key stakeholders, external assessment		The project has developed an exit strategy, especially for SE-Asia and is discussing with other GIZ programmes to possible take over continuation
		To what extent are national structures and accountability mechanisms in place to support the results achieved (e.g. for the implementation and review of Agenda 2030)?  o What is the project's exit strategy? o How are lessons learnt prepared and documented?	Assessmenmt of existing networks and partnership with GTI Secretariat, in Viet Nam: SME Trade Promotion Desk				Anchoring of project interventions in SE-Asia depend on cooperation partners having declared their willingness to do so, in NE-Asia / GTI there is evidence of use and up-grade of tools

	Forecast of durability: Results of the project are permanent, stable and long-term resilient	To what extent are the results of the project durable, stable and resilient in the longer-term under the given conditions?	Further development of methods introduced by the project, self-organised continuation of working groups, upgrading of informational sources		Core criteria for the sustainability evaluation are assumption-based instead of measurement based	see above	Interviews with several stakeholders and elements of contribution analysis should yield resilient data	In NE-Asia several examples of self-organised continuation of introduced tools, in SE-Asia up to now mainly related to export guidelines
		What risks and potential are emerging for the long-term protection of the results and how likely are these factors to occur? o (Example: Adaptability of target groups and institutions regarding economic dynamism & climate change; particularly disadvantaged groups are able to represent themselves in the long term and their individual countries have the capacity for their participation; changes in behaviour, attitudes and awareness among target groups and institutions that support the sustainability of the project's results,	Assessment of motivation of member states in subregional initiatives, and conditions for long-term cooperation with private sector		Discussion with project team and stakeholders on how to counter-balance these risks	see above		Risks: In NE-Asia: other funding opportunities, especially infrastructure projects might appear to be more attractive to GTI members, In SE-Asia, high-level decision-taking levels still have to be convinced to integrate SCSI tools into training programmes

		etc.? o What has the project done to reduce these risks and exploit potential?						
	Are the results of the project ecologically, socially and economically balanced?	Evaluation of the outcome results with regard to interactions between the environmental, social and economic dimensions of sustainability	Narrative assessment of three dimensions of sustainability		The evaluative judgement will be based on a qualitative analysis of potentially relevant sustainability dimensions and the respective interrelations and possible trade-offs.	Interviews with project team, external actors and cooperation partners	Limited, due to the long causal chains, time frame of evaluation, lacking possibility to visit all focus countries	Outcome results are mainly related to economic sustainability to be achieved within a longer time, some examples for positive social and ecological results to be achieved were pointed out (sustainable tourism, export products selected under sustainability criteria)
		Which positive or negative intended and unintended results (economic, social, ecological) does the project produce? (Assign intended and unintended results from the effectiveness evaluation to the three sustainability dimensions)	Description and mapping of these various dimensions					
		Is there any identifiable tension between the ecological, economic and social dimensions? o Economically: Impairment of competitiveness, employability, etc o Socially: How should the impact be assessed in terms of distributive results, non-discrimination and universal ac-	Mapping and qualitative assessment of tensions between sustainability dimensions on the impact level					No tensions identified, better quality of export products and adopting of international standards should produce better selling prices, in border regions international tourism might benefit ethnic minorities belonging to poorer strata of population

		<p>cess to social services and social security systems? To what extent can particularly disadvantaged population groups benefit from the results or have negative results for particularly disadvantaged population groups been created?</p> <p>o Ecologically: What are the positive or negative environmental impacts of the project?</p>						
		<p>If negative interactions have been avoided and synergies exploited, how was this ensured? What measures were taken?</p>	<p>Mapping of project's measures to avoid negative interactions and exploit synergies</p>					<p>Synergies with other projects based on stakeholder mapping and good cooperation and communication</p>



## Annex 2: List of resources

- ADB (2017a): Aid for Trade in Asia and the Pacific. Promoting Connectivity for inclusive development
- ADB (2017b): Trade Facilitation and Better Connectivity for an Inclusive Asia and Pacific. Highlights
- ADB (2014): Asian Development Bank. SASEC trade facilitation strategic framework 2014–2018
- ADB (2010): Institutions for Regional Integration. Towards an Asian Economic Community.
- ADB (2015): ASEAN Economic Integration through Trade and Foreign Direct Investment: Long-Term Challenges. ADBI Working Paper Series No. 545
- BMZ (2017): Free and fair trade as a driver for development. The German strategy for Aid for Trade. BMZ Paper 07 | 2017.
- BMZ (2015a): The BMZ's new Asia policy. Using Asia's dynamism. BMZ-Paper 5 / 2015. Position Paper
- BMZ (2014): Auftragserteilung mit Auflagen – Förderung wirtschaftlicher Kooperation in subregionalen Initiativen Asiens. BMZ-Nr.:2014.2101.5 vom 11.12.2014
- BMZ (2011): Aid for Trade in German Development Policy. BMZ Strategy Paper 7 | 2011e
- Bannister, J. G., / Thugge, K. (2001): International trade and poverty alleviation. IMF Working Paper.
- Cali, M. / Hollweg, C. H. / Ruppert Bulmer, E. (2015): Seeking shared prosperity through trade. Policy Research Working Paper 7314. Washington, D.C.: World Bank Group
- Daumal, M. (2013): The Impact of Trade Openness on Regional Inequality: The Cases of India and Brazil. *International Trade Journal* 27(3): 243–280.
- Deaton, A. (1989): Rice Prices and Income Distribution in Thailand: A Non-Parametric Analysis. In: *Economic Journal* 99 (395): 1–37.
- Dennis, A. / Shepherd B. (2011): Trade Facilitation and Export Diversification. In: *The World Economy* 34(1):101-122
- Deval (2015): Aid for Trade. Policies and Strategies in German Development Cooperation.
- DIE (2016): Implications of the Trade in Services Agreement (TiSA) for Developing Countries. Discussion Paper 10/2016
- Djankov, S., C. Freund, and C. Pham. 2010. Trading on Time. In: *Review of Economics and Statistics* 92(1): 166–173.
- ESCAP (Economic and Social Commission for Asia and the Pacific) (2017): Enhancing regional economic cooperation and integration in Asia and the Pacific.
- Farole, T. (2012): Competitiveness and connectivity: integrating lagging regions in global markets.
- Funnell SC / Rogers PJ (2011): Purposeful Program Theory: Making Effective Use of Theories of Change and Logic Models. San Francisco, CA: Jossey-Bass.
- GIZ (2018): Exporting Agricultural Goods to China. Challenges and Opportunities of Sanitary and Phytosanitary (SPS) Measures. Proceedings of Regional Workshop on SPS 6-7 December 2017 Beijing, China
- GIZ (2017a): Terms of Reference. Central project evaluation of the project “Support of economic cooperation in subregional initiatives in Asia” (2014.2101.5)
- GIZ (2017b): Recent Developments in Exporting Agricultural Goods to China. Workshop on ASEAN-China Free Trade Agreement (ACFTA. Ha Noi, Viet Nam, 24 February 2017

- GIZ (2017c): Berichterstattung zur TZ-Maßnahme Förderung wirtschaftlicher Kooperation in subregionalen Initiativen Asiens. Projektnummer: 2014.2101.5. Berichtszeitraum. 01.04.2016 – 31.03.2017
- GIZ (2017d): GTI Trade and Investment Cooperation. Proceedings of the Roundtable Meeting on 30 August 2017 Changchun, PR China
- GIZ (2017 e): Sanitary and Phytosanitary (SPS) Measures. Status Report on Agricultural Trade between Cambodia, the Lao PDR, Viet Nam and China
- GIZ (2017f): Recent Developments in Exporting Agricultural Goods to China. Workshop on ASEAN -China Free Trade Agreement (ACFTA). Phnom Penh, Cambodia, 03 March 2017
- GIZ (2017g): Recent Developments in Exporting Agricultural Goods to China. Workshop on ASEAN -China Free Trade Agreement (ACFTA). Ha Noi, Viet Nam, 25 February 2017
- GIZ (2017h): Mongolia's Regional Integration in Northeast Asia. Conference: Regional Integration and Trade Policy. Ulaanbaatar, Mongolia 14. December 2017. Connecting Asia by Support for Economic Cooperation in Sub-Regional Initiatives in Asia (SCSI) Programme.
- GIZ (2016a): Kooperationen und Aktivitäten mit südostasiatischen Fokusländern Laos, Kambodscha und Vietnam 2010-2015
- GIZ (2016b): Supporting the Implementation of the WTO Trade Facilitation Agreement. GIZ's approach for trade facilitation with a focus on the role of the private sector.
- GIZ (2016c): Berichterstattung zur TZ-Maßnahme Förderung wirtschaftlicher Kooperation in subregionalen Initiativen Asiens. Projektnummer: 2014.2101.5. Berichtszeitraum. 01.04.2015 – 31.03.2016
- GIZ (2016 d): Capacity Building on Proposal Writing in the GTI Framework. Ulaanbaatar, Mongolia, 26-27 September 2016
- GIZ (2016e): Capacity Development Strategy: Support for Economic Cooperation in Sub-Regional Initiatives in Asia
- GIZ (2015a): Expert Forum: Asian Regional Integration Revisited. New Perspectives for Old Institutions? Proceedings of the Expert Forum on 27-28 May 2015 in Bangkok, Thailand
- GIZ (2015b): European experiences of cross-border cooperation. Elaborated by Jens Gabbe, chairman of the AEBR Advisory Committee, in the context of the 3rd Meeting of the Greater Tumen Initiative's NEA Local Cooperation Committee 7th of August 2015, Choibalsan City, Mongolia
- GIZ (2015c): Regional Infrastructure Investment Initiatives: Zero-Sum Game or Win-Win Collaboration? Proceedings of the Roundtable Meeting on 11-12 September 2015 in Hangzhou, PR China
- GIZ (2015d): Monitoring approaches applied in Regional Economic Communities (RECs). Monitoring regional economic integration in practice.
- GIZ (2014 a): deutsche Entwicklungszusammenarbeit mit Asien N.A. Angebot zur TZ-Maßnahme Förderung wirtschaftlicher Kooperation in subregionalen Initiativen Asiens. Projektnummer 2014.2101.5. Wiederholungsangebot
- GIZ (2014b): „Förderung wirtschaftlicher Kooperation in subregionalen Initiativen Asiens“. Genderanalyse
- GTI (2017a): Strategic action plan for 2017-2020. 17<sup>th</sup> GTI Consultative Commission Meeting. June 28-29 2017.
- GTI (2017b): GTI Trade and Investment Cooperation. Proceedings of the Roundtable Meeting on 30 August 2017 Changchun, PR China
- GTI (2016): Agriculture Cooperation Strategic Action Plan for 2016-2020
- GTI /UNDP (2015): Greater Tumen Initiative. Trade facilitation study report. Prepared by Ratnakar Adhikari with contributions from Sudeep Bajrachaya
- Harrison, G. W. / Rutherford, T. F. / Tarr, D. G. (2003). Trade liberalization, poverty and efficient equity. *Journal*

*of Development Economics*, 71(1), 97-128.

Helble, M. / Sheperd, B. (Eds.) (2017): Win-Win. How international trade can help meet the sustainable development goals. Asian Development Bank Institute

Henson, S., / S. Jaffee (2008): Understanding Developing Country Strategic Responses to the Enhancement of Food Safety Standards. In: *World Economy* 31(4): 548–568.

Henson, S. / O. Masakure / J. Cranfield. 2011. Do Fresh Produce Exporters in Sub-Saharan Africa Benefit from Globalgap Certification? In: *World Development* 39(3): 375–386.

Henson, S. 2007. The Role of Public and Private Standards in Regulating International Food Markets. In: *Journal of International Agricultural Trade and Development* 4(1): 63–81.

Kingdom of the Netherlands (2017): Agriculture in Vietnam.

Klijn, E. H. and J. Koppenjan (2016) Governance Networks in the Public Sector.

Lao PDR. Ministry of Agriculture and Forestry (2015): Agriculture Development Strategy to 2025 and Vision to the year 2030.

Mayne J (2001) Addressing attribution through contribution analysis: using performance measures sensibly. *Canadian Journal of Program Evaluation* 16(1): 1–24.

Moise, E. / Le Bris, F. (2015): Trade Costs: What have we learned? A synthesis report. OECD trade policy paper.

Neeliah, S. A. / H. Neeliah / Goburdhun, D (2013): Assessing the Relevance of EU SPS Measures to the Food Export Sector: Evidence from a Developing Agro-Food Exporting Country. In: *Food Policy* 41: 53–62.

Patton MQ (2012): Essentials of Utilization-Focused Evaluation. A utilization-focused approach to contribution analysis

Patton MQ (2011) Developmental Evaluation: Applying Complexity Concepts to Enhance Innovation and Use.

Ravallion, M. (2007). Looking beyond averages in the trade and poverty debate. In: *The Impact of Globalization on the World's Poor* (pp. 118-144).

Royal Government of Cambodia (2014): National Strategic Development Plan 2014-2018.

SCSI (2018): Connect Asia Newsletter No. 16 (29.03.2018)

SCSI (2017a): Connect Asia Newsletter No. 12 (30.03.2017)

SCSI (2017b): Connect Asia Newsletter No. 13 (30.06.2017)

SCSI (2017c): Connect Asia Newsletter No. 14 (30.09.2017)

SCSI (2017d): Connect Asia Newsletter No. 15 (30.12.2017)

SCSI (2016a): Connect Asia Newsletter No. 8 (01.03.2016)

SCSI (2016b): Connect Asia Newsletter No. 9 (01.07.2016)

SCSI (2016c): Connect Asia Newsletter No. 10 (01.10.2016)

SCSI (2016d): Connect Asia Newsletter No. 11 (23.12.2016)

SCSI (2015): Connect Asia Newsletter No. 7 (01.12.2015)

State Great Hural of Mongolia (2016): Mongolia Sustainable Development Vision 2030

Stiglitz J. / Charlton A. (2006): Fair Trade: Agenda für einen gerechten Welthandel

Swinnen, J. (2014): Global Agricultural Value Chains, Standards, and Development. RSCAS Working Paper 2014/30

Topalova, P. (2007). "Trade Liberalization, Poverty and Inequality: Evidence from Indian Districts." In: Harrison, A. Ed. Globalization and Poverty.

United Nations Development Programme in China (2015): 2015 Report on the Sustainable Development of Chinese Enterprises Overseas, Beijing: UNDP in China.

Urata, S. / Narjoko, A. (2017): Trade and Inequality. In: Helble, M. / Sheperd, B. (Eds.) (2017): Win-Win. How international trade can help meet the sustainable development goals. Asian Development Bank Institute, pp. 175-203.

Veit, R. (2014): Bericht zur Projektfortschrittskontrolle. Regionale wirtschaftliche Kooperation und Integration (RKI) in Asien

Wilson, N. (2017): Trade, Labeling and Food Safety. In: Helble, M. / Sheperd, B. (Eds.) (2017): Win-Win. How international trade can help meet the sustainable development goals. Asian Development Bank Institute, pp. 317-335.

### **Internal project documents**

SCSI (2017a): Background study on the impact of trade related human capacity development activities on SMEs in Viet Nam. Draft.

SCSI (2017b): Country Planning GIZ in Mongolia. Review. Ulaanbaatar, Mongolia, 07. March 2017

SCSI (2017c): Programme introduction. Cluster "Global Development". Beijing, China 22. Nov 2017

SCSI (2017d): Evaluation AEO working group meeting.

SCSI (2017e): Evaluation GTI TIC roundtable.

SCSI (2016a): Background: MofCom. Stand: 1. April 2016

SCSI (2016b): Kommunikationsstrategie SCSI 2016-2019

SCSI (2016c): Long-Term Evaluation of the Workshop/Training on Building Communication Capacity for the GTI Secretariat. Beijing, 22-23 September 2016

SCSI (2016d): Evaluation GTI training on communication training.

SCSI (2015a): Evaluation of training on the topic of "Korea's Authorized Economic Operators (AEO). Seminar for Mongolian Customs Officials". 14-18 September 2015, Cheonan, Korea

SCSI (2015b): Evaluation GTI training on ToR proposal writing.

SCSI (2015c): Follow-up meeting after feedback of training on the topic of "Korea's Authorized Economic Operators (AEO).Seminar for Mongolian Customs Officials". 14-18 September 2015, Cheonan, Korea

## **Annex 3: Terms of reference**

WISSEN WAS WIRKT



## Terms of reference

Central project evaluation of the project

“Support of economic cooperation in subregional initiatives in Asia” (2014.2101.5)

# Contents

## List of abbreviations

<b>1. Central project evaluations at GIZ .....</b>	<b>5</b>
1.1 Context and objectives.....	5
1.2 Designing implementation of the multi-year evaluation portfolio .....	5
<b>2. Object and goal of the evaluation .....</b>	<b>6</b>
2.1 Project description and object of the evaluation .....	6
2.2 Goal of the evaluation .....	6
<b>3. Process and inputs.....</b>	<b>7</b>
3.1 Responsibilities .....	7
3.2 Overview of central project evaluation process .....	7
<b>4. Specific requirements for inputs .....</b>	<b>10</b>
4.1 Quality requirements for central project evaluations .....	10
4.2 Profile for evaluators .....	12
4.3 Methodological procedure.....	12
4.4 Participatory approach .....	13
<b>5. Scope and content of the bid to be submitted .....</b>	<b>13</b>
<b>6. Specification of inputs.....</b>	<b>13</b>





## List of abbreviations

ACFTA	ASEAN-China Free Trade Agreement
AV	Officer responsible for the commission
BMZ	German Federal Ministry for Economic Cooperation and Development
CV	Curriculum vitae
DeGEval	DeGEval – Evaluation Society
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GTI	Greater Tumen Initiative
GVR	Joint Procedural Reform
OECD-DAC	Organisation for Economic Co-operation and Development (OECD)/Development Assistance Committee (DAC)
PN	Project number
RCI	Regional economic cooperation and integration
RBM	Results-based monitoring (system)

# 1. Central project evaluations at GIZ

## 1.1 Context and objectives

GIZ's evaluation system is facing a number of new challenges, which include increasingly diverse types of commissions and projects, the growing complexity of implementation contexts and projects, and new information requirements on the part of policy-makers (short-term achievement of results, other evaluation criteria, etc.). In addition, there are the new evaluation requirements arising from the 2030 Agenda for Sustainable Development and the Joint Procedural Reform in commissioning procedures with BMZ. Requirements related to how GIZ evaluations are used have also changed. 'Learning from evaluations' is still an important function of evaluations. The main task here is to process the knowledge generated by the evaluations to precisely facilitate decision-making. In addition, the requirements for accountability (and hence for the quality and independence of evaluations and evaluation reports) have become increasingly rigorous in recent years. Against this backdrop, GIZ's Management Board decided to fundamentally reform the GIZ evaluation system in December 2016. The goals of this reform are particularly:

- **to improve evidence of effectiveness:** The new evaluation system is intended to put GIZ in a better position to observe long-term results and the sustainability and mainstreaming of approaches in the partner structures. In addition, evaluations should be conducted at a time when statements about results and sustainability are possible and appropriate, and should be designed using the appropriate methodologies and procedures to ensure this is the case.
- **Enhance credibility of evaluation findings:** We want to further increase the credibility of our evaluation findings by strengthening the independence of project evaluations. Project evaluations will accordingly be managed by and under the responsibility of the Evaluation Unit, which reports directly to the Management Board and is separated from operational business. Implementation is carried out by specialist external evaluators. Evaluations will be conducted in line with recognised national and international standards and quality criteria, and the evaluation reports will be published.
- **Gearing project evaluations to new challenges:** Central evaluations should take into account the growing complexity of projects and implementation contexts, the increased requirements for accountability and the evaluation challenges arising from the 2030 Agenda and the Joint Procedural Reform.

## 1.2 Designing implementation of the multi-year evaluation portfolio

Central project evaluations generally concern projects that GIZ carries out on behalf of BMZ. Central project evaluations involve a critical analytical review of the results and implementation of a project. They can be carried out at different times. Completed projects are evaluated some eight months after the end of their term, which is usually three years (final evaluation). Projects with planned follow-on measures are also evaluated during their term (interim evaluation), depending on the intended use (submission for planning the follow-on commission, project steering, reporting to the commissioning party, strategic reflection). Both the interim and final evaluations take predecessor projects into consideration (where substantively relevant) in order to make statements about long-term results and sustainability.

In BMZ business, all projects with a commission value over EUR 3.0 million are included in the evaluation process on a standard basis. A two-stage procedure is used to select projects for evaluation. In the first stage the projects to be evaluated are selected by means of a regionally stratified random sample. In a second stage the sample is supplemented by evaluations that are selected in accordance with specific information requirements (criteria-based selection).

Overall, it is planned to ensure that in the medium term, project evaluations cover between 30% and 50% of the total population of all projects with a commission value exceeding EUR 3.0 million in business with BMZ. This will mean carrying out some 100 central project evaluations a year. The total number of evaluated projects should be large enough to make a representative statement about the assessment of the OECD-DAC criteria for the total population of all projects.

An EU-wide tender will be carried out for implementation of the first evaluation portfolio. The goal is to enter into framework agreements with pools of evaluators who are structured by technical sector and regional knowledge and experience, and who will carry out evaluations for this random sample up to 2020. As completion of the contract award procedure cannot be expected before the second quarter of 2018, the first pilot evaluations at the end of 2017 and beginning of 2018 will be put out to tender as individual services using a short list or an e-tendering procedure.

## **2. Object and goal of the evaluation**

### **2.1 Project description and object of evaluation**

Regional economic integration (RCI) processes in Asia have led to a significant reduction of trade barriers. The rapid development and still increasing number of bi- and multilateral Free Trade Agreements (FTAs) in the region shows Asia's growing importance for global trade liberalisation. To further build and sustain regional mechanisms and structures for a free flow of trade and cross-border investments, collective efforts and the development of joint interests of all stakeholders are necessary. Despite the fact that some agreements have been reached in the Asian region, trade facilitation measures still lack sufficient implementation. As a consequence, non-tariff barriers (NTBs) are hampering intra-regional trade. Given the development gaps in the region, especially less developed countries (LDCs) encounter obstacles in fully reaping the potential benefits of regional economic integration.

So far intra-regional trade flows in Asia remain relatively low while regional free trade agreements like the ASEAN-China Free Trade Agreement (ACFTA) remain underutilised. Sub-regional initiatives can strengthen and facilitate RCI and FTA processes in the region and support the inclusion of lesser developed countries. Our Approach The SCSI Programme aims to support both public stakeholders at the national, (sub-) regional and local level, and private stakeholders from the areas of business, and academia in the context of sub-regional cooperation. In doing so, the programme intends to enhance the structural conditions of regional economic cooperation, improve the implementation capabilities of the relevant stakeholders, and foster the inclusion of the private sector in related processes. The approach centres on strengthening and improving the quality of economic cooperation between the specified target countries – Cambodia, Lao PDR and Viet Nam in the framework of the ACFTA, as well as Mongolia in the framework of the Greater Tumen Initiative (GTI) – and the PR China.

China is to adopt an active role as both, an economic and development partner as well as a driver of sub-regional cooperation. In this connection, the project is providing assistance above all for trade facilitation measures, cross-border economic cooperation and private sector engagement as tools of regional integration. In remote border regions, especially where the economies and the structures in place are weak, the project aims to create pro-poor spill-over effects by increasing economic integration, border trade and investment.

The project builds on the results of the predecessor project "Regional Economic Cooperation (RCI) in Asia" as well as on the experience gained in international cooperation with regional programmes in the fields of economic integration and private sector development. The information and training courses offered by the project on the use of regional trade agreements by the private sector improve access to the Chinese market for poorer neighbouring countries. The project also encourages the inclusion of private companies in local cross-border cooperation. The capacity of partner countries to become involved in economic integration processes through regional initiatives is enhanced thanks to sector studies and the development of skills and resources. Training courses and, in particular, the regional transfer of knowledge as a form of South-South cooperation have also helped to make the regional initiatives and secretariats more professional.

Subject to this evaluation is the technical cooperation module (PN 2014.2101.5) with an overall term starting from 01.02.2017 - 31.01.2019. If relevant, the predecessor module (PN 2010.2152.6) and further predecessor modules should be considered within the framework of the evaluation in order to obtain reasonable results on long-term impacts and sustainability of the project.

### **2.2 Goal of the evaluation**

A key element of evaluation work at GIZ is that evaluations should be geared to their intended use. The central project evaluations follow this fundamental approach and are intended to support decision-making.

- Evaluation processes and findings help strengthen the decision-making competence of decision-makers and other change agents.
- This leads to decisions that improve either public policies, the design and implementation of GIZ projects, or GIZ corporate strategies.
- These improvements in turn lead to improved service delivery by partners for their own citizens, by GIZ for its partners and target groups, and for its commissioning parties and employees.
- This will ultimately increase the effectiveness of public policies and GIZ projects for the target groups, and enhance satisfaction among partners, clients and employees.

This is an interim evaluation. The evaluation is intended to rate the success of the current module. This is done in line with the OECD-DAC criteria, based on data, facts and figures, and within the framework of a predefined rating system. As already noted in Section 2.1 above, predecessor modules are also taken into consideration (if substantively relevant) in order to make statements on the long-term results and sustainability of the project.

At an initial meeting between the contractor and the Evaluation Unit, the officer responsible for the commission at the project and possibly the partner, the information requirements are spelled out in detail and the object of the evaluation is jointly defined.

### **3. Process and inputs**

#### **3.1 Responsibilities**

The Evaluation Unit is responsible for planning and steering the evaluation portfolio of central project evaluations. The contractor is responsible for preparation, implementation, quality assurance and backstopping, and reporting on individual evaluations with due regard to the requirements for inputs listed under Section 4 below. The evaluation team always consists of two members (one international and one local evaluator). The contractor is responsible for the choice and integration of the regional/local evaluator. GIZ assists at various points in the individual process steps.

Support by the project or local country office covers:

- providing relevant documents, background information and evaluation/monitoring documents
- recommendation for a suitably located hotel
- identification of relevant interview partners and coordination / support to development of interview plan
- Transport to partners, where necessary

The procedure for the evaluation, including clarification of roles, can be seen in the following process overview. The process chart is based on the experience of the Evaluation Unit with the independent evaluation programme and decentralised project evaluations, and will now be examined within the framework of central project evaluations, and successively modified where necessary. Joint assessment with the contractor at the end of the evaluation is planned for this purpose.

#### **3.2 Overview of central project evaluation process**

The following inputs must be provided in the period from 15.01.2018 to 15.06.2018. The timeline is provisional and might be subject to minor changes. The local evaluation mission will take place in China/ South East Asia.

Work step	When	Responsible	Collaborating	To be informed
<b>Preliminary clarifications</b> including agreement on timing of evaluation	November 2017	Evaluation Unit	AV, partner(s)	
<b>Provision of documents</b>	Until 12. Januar 2017	Evaluation Unit (standard evaluation documents)  AV, project team (project documents )		
<b>Clarification of commission incl. role clarification in evaluator team</b>	16.01.2018	Evaluation Unit	International evaluator, local evaluator	
<b>Launch meeting</b> (if needed) to clarify roles and determine information requirements	18.01.2018	Evaluation Unit	AV, partner(s) international evaluator, local evaluator	
<b>Letter informing central stakeholders</b> at the start of evaluation (inc. information on process and roles)	25.01.2018	Evaluation Unit		Director of division, country director or head of section, AV, partner(s), BMZ
<b>Desk study</b> inc. initial preliminary clarification of content at GIZ and <b>(if needed) local check</b> (local evaluator) - data available (inc. RBM) - partner systems - partners' information requirements	15.01.2018-12.02.2018	International evaluator/ Local evaluator	GIZ staff	
<b>Preparation for travel</b> (sometimes only possible after inception report)	Jan - March. 2018	International evaluator	Local evaluator, AV/project team, (country office)	
<b>Draft inception report (IR)</b> in accordance with GIZ specifications and template, report language: English	<b>Submission of IR 19.02.2018</b>	International evaluator	Local evaluator	

<b>Quality check of IR</b>	Feedback to contractor: 22.02.2018	Evaluation Unit	
<b>Revision of IR</b>	28.02.2018	International evaluator	(Local evaluator)
<b>Quality check 2 of IR</b>	Feedback to contractor: 09.03.2018	Evaluation Unit	AV, partner(s) (for material accuracy)
<b>Revision 2 of IR</b>	16.03.2018	International evaluator	(Local evaluator)
<b>Approval of IR</b>	21.03.2018	Evaluation Unit	BMZ
<b>Formulation and agreement of interview plan</b>	01.02.2018- 21.03.2018	Int. & loc. evaluators	AV, partner(s)
<b>Performance of mission</b>	<b>26.03.2018 – 06.04.2018</b>	International and local evaluator	
<b>Launch meeting, local briefing</b>	26.03.2018	International and local evaluator	AV/project team, country director, partner(s),
<b>Documentation of provisional findings</b> for local final presentation/debriefing (in accordance with GIZ specifications)	06.04.2018	International and local evaluator	
<b>Final presentation, debriefing/ final meeting, local</b>	06.04.2018	International and local evaluator	AV/project team, country director, partner(s),
<b>Evaluation, analysis, report</b>	until 02.05.2018	International evaluator	Local evaluator
<b>Submission of evaluation report</b> (in accordance with GIZ specifications and template; report language: English)	<b>02.05.2018</b>	International evaluator	(Local evaluator)
<b>Quality check 1 on evaluation report</b>	Feedback to contractor: until 11.05.2018	Evaluation Unit	
<b>Revision 1 of evaluation report</b>	Until 22.05.2018	International evaluator	(Local evaluator)

<b>Quality check 2 on evaluation report</b>	Feedback to contractor: until 04.06..2018	Evaluation Unit	AV, partner(s) (for material accuracy)
<b>Revision 2 of evaluation report</b> (including linguistic and editorial quality assurance)	Until 11.06.2018	International evaluator	(Local evaluator)
<b>Approval of evaluation report</b>	18.06.2018	Evaluation Unit	
<b>Final meeting by Skype</b> (joint assessment of evaluation)	21.06.2018	Evaluation Unit, int. evaluator	(Local evaluator)
<b>Publication of evaluation report</b>	July 2018	Evaluation Unit	Evaluators AV, partner(s)

## 4. Specific requirements for inputs

The inputs must be provided as shown above in Section 3.2 in the period from 15.01.2018 to 31.06.2018. The inception report (IR) must be submitted by 16.02.2018 in English, any revision based on feedback to the contractor must be completed by 16.03.2018. The evaluation report must be submitted by 02.05.2018 in English, any revision based on feedback to the contractor must be completed by 11.06.2018 (for the detailed procedure, see process overview in Section 3.2).

### 4.1 Quality requirements for central project evaluations

In its evaluations GIZ follows the evaluation standards of the Evaluation Society (DeGEval): usefulness, feasibility, fairness and accuracy, and the OECD-DAC quality standards for development evaluation. As a basis for developing quality assurance instruments, the Evaluation Unit defines the quality standards for process quality, methodological quality and product quality.

The **usefulness** of an evaluation ensures that the information requirements of its users are taken into account and the desired information is provided to them.

- Identification of participating and affected parties: the individuals or groups of individuals involved in the object of the evaluation or affected by it should be identified so that their interests can be clarified and, as far as possible, taken into account in setting up the evaluation.
- Clarification of the purposes of the evaluation: it should be made clear what the purposes of the evaluation are, so that participating and affected parties can state an opinion on this and the evaluation team can follow a clear work order.
- Credibility and competence of the evaluator: persons carrying out evaluations should be personally credible and possess the required methodological and technical expertise so that the evaluation findings offer maximum credibility and acceptance.
- Selection and scope of information: the selection and scope of the information collected should enable treatment of the questions to be investigated for the object of the evaluation and at the same time take into account the information requirements of the commissioning party and other recipients.
- Transparency of values: the perspectives and assumptions of the participating and affected parties on which the evaluation and interpretation of findings are based should be described in such a way that the



basis for the assessment is clearly comprehensible.

- Completeness and clarity of reporting: evaluation reports should provide all material information, and be easy to understand and verifiable.
- Timeliness of evaluation: evaluation projects should be started and completed in time for the evaluation findings to be incorporated into impending decision-making processes and improvement processes.
- Use and benefits of evaluation: planning, execution and reporting of an evaluation should encourage the participating and affected parties to review the evaluation attentively and use its findings.

The **process quality** meets the DeGEval standards for feasibility and fairness. The way the process of an evaluation is designed is decisive for the use of the evaluation. To make the evaluation as useful as possible for decision-making processes, the following standards should be met.

- Appropriate procedure: evaluation procedures, including the procedure for obtaining necessary information, should be chosen so that there is a reasonable relationship between the burden on the object of evaluation or participating and affected parties and the expected benefits of the evaluation.
- Diplomatic approach: evaluations should be planned and carried out such as to achieve the greatest possible acceptance of the evaluation approach and findings among the various participating and affected parties.
- Efficiency of the evaluation: there should be a reasonable relationship between the effort involved in conducting the evaluation and its benefits.
- Formal agreements: the obligations of the parties to the contract for the evaluation (what should be done, how, who by and when) should be set down in writing so that the parties are obliged to meet all the conditions of the agreement or renegotiate it.
- Protection of individual rights: evaluations should be planned and carried out so that the security, dignity and rights of the persons included in an evaluation are protected.
- Complete and fair review: evaluations should investigate and present the strengths and weaknesses of the object of the evaluation as fully and fairly as possible, so that the strengths can be further developed and the weaknesses addressed.
- Impartial execution and reporting: the evaluation should make clear the different views of participating and affected parties with regard to the object and findings of the evaluation. Reports and the overall evaluation process should demonstrate the impartiality of the evaluation team. Assessments should be made fairly and be as free as possible from personal feelings.
- Publication of findings: the findings of the evaluation should be made accessible to all participating and affected parties as far as possible.

The **methodological quality** of an evaluation relates to the application of the methods of empirical social research for data collection and analysis and corresponds to the DeGEval criterion of accuracy.

- Description of the object of the evaluation: the object of the evaluation should be clearly and accurately described and documented, so that it can be unambiguously identified.
- Context analysis: the context of the object of the evaluation should be investigated and analysed in sufficient detail.
- Description of purposes and approach: the object, purposes, questions and approach of the evaluation, including methods used, should be accurately documented and described so that they can be identified and assessed.
- Citation of sources of information: the sources of information used in an evaluation should be documented with sufficient accuracy to assess whether the information is reliable and appropriate.
- Valid and reliable information<sup>16</sup>: the procedure for obtaining data should be chosen or developed and applied in such a way as to ensure the reliability of the data obtained and their validity for answering the questions in the evaluation in line with technical standards. The technical standards should be aligned with the quality criteria of empirical social research.
- Systematic error checking: the information collected, processed, analysed and presented in an evaluation should be systematically checked for errors.
- Analysis of qualitative and quantitative information: qualitative and quantitative information in an evaluation should be appropriately and systematically analysed to technical standards so that the questions in the

---

<sup>16</sup> i.e. verified and reliable information

evaluation can be effectively answered.

- Justified conclusions: the conclusions drawn in an evaluation should be derived from findings in a way the recipients can follow.

## 4.2 Profile for evaluators

- Experience of evaluation
- Experience with complex evaluation designs
- Social-scientific research methods (quantitative, qualitative and participatory methods)
- Sectoral knowledge and experience: regional economic communities, trade facilitation, trade policy, organizational development
- Experience with GIZ
- demonstrated regional experience (China, Cambodia, Lao PDR, Viet Nam and Mongolia)
- Experience in applying and assessing the OECD-DAC criteria
- An excellent written and oral command of English (international and regional/local evaluator)
- A passive knowledge of German (international evaluator) are mandatory and thus, not part of the assessment.

As stated above, the evaluation should be carried out by an (international, regional) evaluation team. The contractor is responsible for the choice and integration of the regional/local evaluator. The CV of the local evaluator must be approved by GIZ. The same profile requirements listed above also apply to the regional/local evaluator, except for knowledge of German. The local evaluator doesn't have to be part of the bid and can be recruited after the acceptance of the bid. Only the profile of the international expert will be weighted in the assessment of the bid. The bid must explain the cooperation and division of labour (see the specifications in Section 5 Scope and content of the bid to be submitted). For reasons of independence, neither evaluator may have participated in designing, planning, implementing, providing advisory services to or evaluating the project.

## 4.3 Methodological procedure

For the central project evaluations it is generally sufficient as a basis for credible accountability to document as robustly as possible the contribution that the project under consideration has made towards achieving objectives (*contribution*). It is a matter of showing a plausible relationship between the project and the results, i.e. using methodological and data triangulation to collect sufficient evidence that the observed intended results are most probably due to the project. Besides documenting the project contribution, understanding and knowledge should be increased of *what is working and what not*, in order to be able to make sound decisions on the future orientation of the project.

To enable robust proof of results in the central project evaluations, GIZ prescribes a theory-based approach to evaluation. Theory-based approaches, such as realist evaluation, process tracing and contribution analysis, are distinguished by the following methodological elements:

- a *results model*, which is contained in the project proposal at GIZ and visualises expectations of the project's causal relationships and shows pathways from the inputs via activities and outputs to the desired outcomes and impacts.
- A *theory of change* based on the results model, which formulates *hypotheses* and possibly *mechanisms* to explain the causal links embodied in the results model and which can be investigated and assessed in the evaluation. Possible risks involved in implementing the project must also be taken into account.
- A *contribution story* that shows the observed changes and contribution made by the project to achieving results, evaluated on the basis of sound, verifiable and credible evidence. For this, alternative explanations (e.g. context factors or third-party measures) must also be analysed and the *theory of change* modified if necessary.

When selecting theory-based evaluation designs, the central project evaluations should give preference to those that match the information requirements and object of the evaluation. Based on the GIZ results model and RBM system, the indicators formulated in the offer and the hypotheses underlying the results model can be taken as a basis for assessment and examined for plausibility. Appropriate quantitative and qualitative methods

are used for data collection, e.g. document analysis, exploratory individual and group interviews and standardised online questionnaires. Theory-based approaches must be supplemented by additional methods to document unintended results and to assess efficiency.

#### **4.4 Participatory approach**

Partner orientation is an important characteristic of central project evaluations. This is reflected in the different phases of project evaluation and evaluation management (e.g. by defining the partners' information requirements in the ToRs, briefing at the local start of evaluation, documentation of partner perspectives, debriefing).

### **5. Scope and content of the bid to be submitted**

The Evaluation Unit would like to ensure that the choice of evaluators conforms to the need for their independence. As defined by the Evaluation Unit, this applies to all evaluators not involved in designing, planning, implementing, providing advisory services to or evaluating the project – this applies to both, the international and the regional/local evaluator. Only those bids are taken into account for assessment that fully meet the criterion of independence. If the criterion is not met, this results in exclusion of the bidder from the competition.

The bid should cover the following aspects and not exceed three to five pages (excluding CV).

- Outline of a methodologically sophisticated procedure including a theory-based approach. Both the design and data collection methodology should be appropriately presented. The Evaluation Unit wishes to see an increase in contribution analysis approaches in future project evaluations. Bids that consider the possibility of implementing this approach will be positively viewed in the assessment.
- Presentation of the division of labour within the evaluation team.
- Experience in German and international development cooperation/international cooperation, particularly with GIZ or its predecessor organisations.
- Extent and quality of evaluation experience
- Sectoral knowledge and experience, or other knowledge and experience relevant for evaluating the project
- Foreign experience (as evaluator or short-term/long-term expert) in the region
- Language skills
- References

Please use the CV template in the annex to this invitation to tender.

### **6. Specification of inputs**

The specification of inputs should not exceed 67 expert-days in total

- Inception phase up to 19 expert-days
- Carrying out mission locally including preparation and travel days up to 27 expert-days
- Analysis and reporting up to 18 expert-days

The ratio of expert-days for the international expert and regional/local expert should be as follows:

International expert up to 41 expert-days (including travel days)

Regional expert up to 23 expert-days (including travel days)

As mentioned in chapter 4.2, the local evaluator doesn't have to be part of the bid and can be recruited after the acceptance of the bid. Please include the cost for the local expert in the budget with a flat sum of 13,000 EUR (position 5.9 in the price sheet).

Travel expenses

The financial bid should include air travel costs to China.

Moreover, travel within China/ Southeast Asia should be costed at EUR 2,500 (reimbursement against evidence). Overnight costs and per diem allowances must also be costed.

## Photo credits and sources

### Photo credits/sources:

© GIZ / Ranak Martin, Carlos Alba, Dirk Ostermeier, Ala Kheir

### Disclaimer:

This publication contains links to external websites. Responsibility for the content of the listed external sites always lies with their respective publishers. When the links to these sites were first posted, GIZ checked the third-party content to establish whether it could give rise to civil or criminal liability. However, the constant review of the links to external sites cannot reasonably be expected without concrete indication of a violation of rights. If GIZ itself becomes aware or is notified by a third party that an external site it has provided a link to gives rise to civil or criminal liability, it will remove the link to this site immediately. GIZ expressly dissociates itself from such content.

### Maps:

The maps printed here are intended only for information purposes and in no way constitute recognition under international law of boundaries and territories. GIZ accepts no responsibility for these maps being entirely up to date, correct or complete. All liability for any damage, direct or indirect, resulting from their use is excluded.



Deutsche Gesellschaft für  
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices  
Bonn and Eschborn

Friedrich-Ebert-Allee 36 + 40  
53113 Bonn, Germany  
T +49 228 44 60-0  
F +49 228 44 60-17 66

Dag-Hammarskjöld-Weg 1-5  
65760 Eschborn, Germany  
T +49 61 96 79-0  
F +49 61 96 79-11 15

E [info@giz.de](mailto:info@giz.de)  
I [www.giz.de](http://www.giz.de)