



Independent Evaluation

Switzerland's economic development cooperation in the field of trade promotion of organic agriculture products

Economic Cooperation and Development Division
Evaluation and Controlling

Bern, December 2009



Independent Evaluation

« Switzerland's economic development cooperation in the field of trade promotion of organic agriculture products »

Commissioned by the Evaluation and Controlling Section (WECO),

Economic Cooperation and Development Division at the State Secretariat for Economic Affairs (SECO)

Bern, December 2009

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Foreword

With the purpose of learning and accountability, the Economic Cooperation and Development at the State Secretariat for Economic Affairs (SECO) undertakes regular and systematic assessments of on-going and/or completed projects, programs or policies in order to identify and to disseminate results. The aim is to determine the relevance, the development effectiveness and fulfilment of objectives, the efficiency, the impact and the sustainability of its different modalities of interventions in partner countries. Based on credible and useful information, evaluations should also enable the incorporation of lessons learned into the decision-making process of both recipients and donors, in order to foster continuous improvements of development support.

To that end the Economic Cooperation and Development Division distinguishes and undertakes three different types of evaluations, namely internal reviews, external evaluations and *independent evaluations*. While internal reviews and external evaluations are under the direct responsibility of the operational units, independent evaluations are commissioned and managed by the Evaluation Function – an independent unit from the operations - and are submitted for discussion to an external Committee on Evaluation, composed of 5 members external to SECO. Independent evaluations are focusing on assessment of sectors, programs, strategies, instruments, country assistance strategies, cross-cutting issues or themes and impact evaluations. On average, the Evaluation Function commissions one to three independent evaluations per year, which can be undertaken jointly with other donors or partner organizations in line with our commitment to the Paris Declaration. Although the different types of evaluations serve different objectives, SECO expects evaluations of its development interventions to adhere to the DAC/OECD standards and to the Swiss Evaluation Society (SEVAL) standards. The results of those independent evaluation exercises are published on SECO website (www.seco-cooperation.admin.ch) and on the DAC network.

This report presents the results of the independent evaluation of *Switzerland's Economic Development Cooperation in the field of trade promotion of organic agriculture products*. SECO interventions were implemented in 9 countries (in Eastern Europe, Asia, West Africa and Central America) during the period of 2002-2008. SECO main objectives were to develop the organic sector, thus contributing to increased trade and poverty reduction, as an illustration of the positive benefits of certification and labelling. Project interventions included combinations of setting up national certification bodies owned and operated domestically, of market development through organic market initiatives, of value chain development and of policy dialogue. The evaluation assessed the entire program in terms of operational results from the country projects, of strategic outcomes/impacts of the program, and the implications for SECO's future strategy in this field.

The evaluation report was first analysed internally and used as reference for the formulation of SECO management response. The results, recommendations of the report, as well as SECO management response were then presented to and discussed with the Evaluation Committee, who formulated its position. The management response and the position of the Evaluation Committee are published jointly with the final evaluators' report on SECO website.

Process:

<i>Conduct of the evaluation and elaboration of the Report</i>	<i>Sept.08 – June 09</i>
<i>Discussion of the Report with the Evaluation Committee</i>	<i>June 09</i>
<i>Management Response</i>	<i>October 09</i>
<i>Position of the Evaluation Committee</i>	<i>December 09</i>



NOTE

Berne, October 2009 / Ref.egh / jba

To: WE/mab, WEOP/bje, WEOP/keo, cud.

Independent Evaluation of the Program Trade Promotion of Organic Agricultural Products by Wageningen International and Agro Ego

Management Response of SECO

1. Overall statement regarding the evaluation report dated May 22, 2009

The evaluation process was very well prepared, clearly structured, work intense for all parties and exceeding expectations at least of SECO in this regard. The evaluation was conducted with high professionalism by the independent evaluation team based on thorough document review, interviews with numerous stakeholders in Ukraine, India and Romania and valuable meetings - between SECO, evaluation team, evaluation board members and implementing agencies - for discussion of "moment forts" of the process like inception or learning workshop.

The evaluation report itself is comprehensive and consistent, overall evaluation results are substantiated and understandable, recommendations make clear reference to the findings and are considered solid.

We appreciate the critical analysis of the program component "certification bodies" and recognize that strategic monitoring in the future needs to be strengthened imperatively in order to get a better, evidence-based understanding of the causality of locally-owned certification bodies and improved access to international markets for small and medium sized producers. Nevertheless, we have to admit that another evaluation undertaken by the German BMZ/GTZ about their work on voluntary standards incl. organic standards support – to which SECO was associated - came exactly to the contrary conclusion. The assessment of the program component market development is well analyzed but lessons learnt to our disappointment are at a very general level which cannot be used to improve this program component without investigating this issue further.

We are pleased with the evaluators' assessment that trade promotion of organic products is an interesting niche which suits well into SECO's overall strategy of contributing to sustainable economic growth and better integrating into world markets. We are determined to improve the current strategy and continuing working on this relevant topic, which is also part of SECO's overall strategy to support voluntary standards.

We would like to point to the fact here that the certification and market development projects have undergone an in-depth evaluation while the value chain projects have been evaluated on the basis of desk studies and interviews.



2. Management Response on most important results and recommendations

a) Project Results

Evaluation Result	Management Response	Responsibility	Deadline
<p>Certification Bodies (CB)</p> <p>This program component was evaluated as being effectively implemented but as having questionable relevance and showing limited impact in relation to increased export from small-scale producers.</p> <ul style="list-style-type: none"> • Certification body effectively established in six countries • All CBs offer affordable certification to small-scale producers • Insufficient evidence to substantiate the assumption of the programme that CBs would lead to a structural lowering of national certification fees and significantly increase the level of organic exports by small-scale producers 	<p>This evaluation result is very critical for SECO as it questions the implicit assumption behind our strategy that certification costs are a key obstacle for small-scale producers to access international markets. SECO will challenge this finding by collecting more evidence through the ongoing and future program. A recent BMZ evaluation to which SECO was also associated (BMZ Evaluierungsberichte 042) backs SECOs concept and finds that building up local CBs is relevant. The different findings of these studies will further be analyzed</p> <p>We can follow the evaluators reasoning that there was no evidence that certification bodies were the driving factor for changing price structures and that certification costs were critical to gain access to export markets. However, we think that more evidence is needed to come to a final judgment. For two reasons: firstly, at project start it was not possible to define a baseline scenario – a precondition for the observation of price and trade development – as organic markets in the beneficiary countries were in infancy stage or non-existent,</p>		

Evaluation Result	Management Response	Responsibility	Deadline
<p>Evaluation Result</p> <ul style="list-style-type: none"> No monitoring mechanisms in place to test the assumptions, consequently the evaluation is based on general trends and structural characteristics of the organic sectors in the countries visited CBs did not play a key role in developing the national organic sector, it was not realistic to expect them to operate as a neutral, viable businesses while also playing a role as a national platform for the organic sector <p>The results of the successful establishment of the CBs do not appear to have been widely used to promote the benefits of certification and labelling.</p>	<p>Management Response</p> <p>and secondly, as mentioned by the evaluators, monitoring practices did not accommodate a systematic collection of data which would have allowed testing the assumptions behind the organic trade strategy. The evaluators themselves state that their assessment is based on general trends and structural characteristics.</p> <p>It is important to note in this context that SECO has considerably strengthened its monitoring system which today is up to international standard but at the beginning of the organic certification program in 2001 was in development stage.</p> <p>Aside of offering cost-efficient services, a locally owned CB brings additional benefits which have not been taken into account in the evaluation. A local CB knows the market, environment and culture of the country which enables it to adapt the certification scheme to the local circumstances and client needs and to represent local interests in international discussions. This can also be valid for branch offices of international certifiers but most often they are controlled by the international headquarter and thus pursue that interest. Moreover, a local CB owned by the key stakeholders of the organic community strengthens the organic movement and naturally has also a say in the policy making process. Nevertheless, we agree with the evaluators that the focus of a CB should be business. In our view, this does not exclude the above mentioned positive side effects of a multi-stakeholder ownership of a CB.</p> <p><u>Measures:</u></p> <ul style="list-style-type: none"> Introduce monitoring systems in the frame of possible new programs and consider adapting the monitoring system in a large ongoing program (Ukraine) in order to systematically collect data which allow testing of the assumption 	<p>SECO/WEHU in cooperation with FiBL</p>	<p>Dec. 2009 for UKR</p>

Evaluation Result	Management Response	Responsibility	Deadline
	<p>that local CBs have lower certification costs and hence have positive impact on exports of organic produce</p> <ul style="list-style-type: none"> - Investigate further the issue of local CB by reviewing studies and literature - Discuss the CB concept with other donors active in that field in the frame of the Trade Standards Practitioner's Network (GTZ et.al.) - Review the role of a CB as national platform and the possibly negative impacts on business and check other options 	<p>SECO/WEHU</p> <p>SECO/WEHU</p> <p>SECO/WEHU in cooperation with FIBL</p>	<p>Partially done, ongoing,</p> <p>Feb. 2010</p> <p>Dec. 2009</p>
<p>Market Development</p> <p>This program component was evaluated as being very relevant to the development of the organic sector and small-scale producers gaining access to international markets. However, it was ineffectively implemented and as a consequence there was no significant impact.</p> <ul style="list-style-type: none"> • Despite considerable investment in organic market development, no success in developing export market opportunities • Across all countries the program generated less than 20 serious proposals for organic market initiatives (OMI) and initiated less than 10, of which 6 have been successful • Market studies and business directories were developed in most countries but not updated, these services were not widely used; only one successful initiative India Organic Trade Fair 	<p>The continuously low performance of the program in this area was one of the reasons why WEHU proposed to conduct an independent evaluation of the organic sector. WEHU invested a lot of resources together with the implementing agencies and partners to tackle the low performance of the organic market initiatives, however, not very successfully. An external mid-term evaluation was conducted to analyze the performance of the organic market development component India in 2005; as a result the market development component was stopped as attempts to redirect the project based on the recommendations of the evaluation were not successful. Several assessments with the executing agency have taken place, but it proved difficult to conceptualize a convincing approach in order to strengthen this program component. Therefore, WEHU decided to focus more strongly on the value chain approach of organic and fair trade markets.</p> <p>SECO is somewhat disappointed that the evaluation didn't draw any lessons learnt that could be directly applicable for improving this program component.</p>		

Evaluation Result	Management Response	Responsibility	Deadline
<ul style="list-style-type: none"> Overall there is no evidence that any significant trade growth resulted from market development support. Challenge across the development sector of finding the right mechanisms, funding strategies and expertise to effectively stimulate entrepreneurial activity and link appropriately with business realities 	<p><u>Measures:</u></p> <ul style="list-style-type: none"> In order to develop the organic market more effectively a new methodology, the participatory market chain approach (PMCA), is under appraisal; if positive it shall be applied in the ongoing organic market development components (Ukraine, Lebanon, Albania) and new ones A Competence Centre for Organic and Fair Trade has been established with the aim of supporting public private partnerships in the development of value chains on organic and fair trade products for selected commodities Decide on mandating a specialized consulting service which helps to contribute to a successful methodology for organic market development 	<p>SECO/WEHU in cooperation with FIBL</p> <p>SECO/WEHU in cooperation with Helvetas</p> <p>SECO/WEHU</p>	<p>ongoing</p> <p>done (early 2009)</p> <p>Dec. 2009</p>
<p>Policy Dialogue</p> <ul style="list-style-type: none"> Policy related activities were absent or minimally present in project design In all countries the national CBs were approached ad hoc by government regarding legislation topics, thus the program played a positive but limited role in influencing legislation 	<p>Accepted. Policy dialogue will be handled with other measures supported by SECO.</p>		
<p>Organic Value Chain Projects</p> <p>The value chain projects were assessed as being relevant, largely effectively implemented and as having demonstrated impact. Questions, remain about long-term sustainability.</p> <ul style="list-style-type: none"> Cotton projects generated increased organic trade and increased income for some 15.000 small-scale producers 	<p>The evaluation of the cotton value chain projects was done on the basis of desk studies and interviews. Moreover, budgets and time frames were substantially higher for the value chain projects (also due to the low development of the countries but also because of contributions of other donors) than for the certification and market development projects. These are aspects that need to be taken account of when comparing the two approaches.</p>		

Evaluation Result	Management Response	Responsibility	Deadline
<ul style="list-style-type: none"> Long-term sustainability is a concern due to high production costs and lack of national infrastructure With its marketing support, the Ecomercados project targeted an important weakness in the value chain for a set of small and medium sized enterprises 	<p><u>Measures:</u></p> <ul style="list-style-type: none"> SECO will review budgets and time frames for the ongoing and possibly new certification and market development projects taking into account the success of the value chain projects and the general lesson learnt that institutional development needs time 	SECO/WEHU in cooperation with FIBL and Helvetas	March 2010

b) Project and Program Management

<p>Overall project management has been focused and consistent when dealing with the establishment of certification bodies and the value chain initiatives. There has been limited responsiveness throughout the program period to the poor performance issues related to market development. Project steering committees did not appear to have played a fully effective role in this regard.</p> <ul style="list-style-type: none"> Lack of strategic monitoring and performance at the outcome and impact level Roles, responsibilities and decision making processes are not always sufficiently well clarified and understood between all the parties involved 	<p>Given the pilot character of the program and the low performance of some project components, by hindsight we believe that it would have been useful to conduct a program evaluation earlier in the project cycle. However, WEHU's response to the low performance was precisely to suggest to SECO/WECO this independent evaluation which proves to be extremely useful and provides a sound basis for decision taking and adjusting of the strategy and current program.</p> <p>We acknowledge that a strategic monitoring framework could have facilitated strategic guidance by SECO. As mentioned before, SECO systematically introduced log frames in 2006, the first organic certification project started in 2001 and was by the way one of the first projects with clear and measurable outcome indicators.</p> <p>We can only partially concur with the assessment regarding roles and responsibilities. They are clear for the implementing agencies and SECO and its representations in the field as they are all written down in agreed and shared terms of references and/or contracts. However, we recognize that maybe due to capacity constraints roles were not always assumed as required which may have lead to inefficient decision making processes.</p>		
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Evaluation Result	Management Response	Responsibility	Deadline
	<p><u>Measures:</u></p> <ul style="list-style-type: none"> - Use findings of the independent evaluation for improvement of the strategy and the organic certification and market development program - Introduce strengthened monitoring system in new programs and adapt it in ongoing large ones (UKR) - Review resource allocations (personnel, budgets and time frames) for ongoing projects and new ones (see also above under project results) 	<p>SECO/WEHU in cooperation with FIBL and consultants SECO/WEHU in cooperation with SECO/WECO SECO/WEHU in cooperation with FIBL</p>	<p>May 2010 Dec. for UKR Done for UKR and LB</p>

c) Program Strategy

<p>Broadly the strategic approach of focusing on organic agriculture market development is very relevant to SECOS development objectives. The value chain projects clearly contributed to SECO's higher level objectives of trade generation and poverty reduction. The impact of the CBs is questionable, that of market development initiatives absent.</p> <ul style="list-style-type: none"> • Underlying rationale and Theory of Change for the program components were insufficiently articulated and documented • The program appeared reasonably efficient with regard to CBs and value chain support; the work on market development has been very inefficient 	<p>The independent evaluation process was an extremely valuable learning process which through a number of discussions with program stakeholders and the evaluators made evident some flaws of the program strategy. The process showed also clearly that the strategy may be well-founded, the lines of argumentation, however, were not sufficiently described and thus may have lead to diffuse understanding of the program strategy among the key stakeholders. In our experience, a logical framework which is standard today at SECO would have substantially strengthened the program strategy and monitoring.</p> <p><u>Measures:</u></p> <ul style="list-style-type: none"> - Issues identified by the independent evaluation will be taken into account and where necessary undergo deeper analysis; strategy will be adapted 	<p>SECO/WEHU in cooperation with FIBL and/or consultant</p>	<p>June 2010</p>
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Evaluation Result	Management Response	Responsibility	Deadline
	<p>- A new methodology for the market development component will be applied (participatory market chain approach (PMCA) or options) or a closer link to the Competence Centre on Organic and Fair Trade</p>	<p>SECO/WEHU in cooperation with FIBL and/or consultant</p>	<p>April 2010</p>

d) Implications and Recommendations

<p>Overall, the evaluation recommends that SECO continues to focus on the organic sector as a way of effectively using its limited resources while targeting its higher level objectives. However, based on lessons to date there should be a reformulation of the organic program to ensure much greater impact from the support for market development. In part this implies developing more effective partnerships with importing/exporting businesses that can lead to a leveraging of business investments. To effectively manage, monitor and evaluate such a program SECO needs to restructure the way it works with its implementing partners in terms of clarity of purpose, strategic monitoring and ongoing reflection and learning.</p> <ul style="list-style-type: none"> Organic sector: continuation of strong growth in demand with a matching growth in export opportunities. Organic must also increasingly 'prove' its added value. This makes the labelling, certification and trade development aspects of the organic sector highly relevant to SECO's overall objectives Donor support continues to be valuable but is shifting from being 'supply' driven to being 'demand' driven with attention for leveraging private sector investment. 	<p>We welcome the recommendation to continue focusing on the organic sector as we believe we cover an important niche that perfectly meets SECO-WE's overall objective of sustainable growth and better integration into the world trade system through internationally reputable Swiss expertise. We also fully understand and support the recommendation to reformulate the market development strategy component. We are not of the opinion that cooperation with implementing partners needs to be restructured, we, however, do believe that we need to allocate more capacities to manage these relationships properly. Also, we sense that cooperation with reputable Swiss institutions which are technically excellent but lack technical development cooperation capacities is a challenge which SECO needs to review more in-depth in order to improve performance of these partnerships. We agree that strategic monitoring and internal reflection and learning in particular of pilot programs like the organic certification and market development program needs to be improved in a systematic manner.</p> <p><u>Measures:</u></p> <ul style="list-style-type: none"> Revision of organic trade strategy on the basis of the findings of the independent evaluation and the present management response 	<p>SECO/WEHU</p>	<p>June 2010 presented to the Policy Committee of WE</p>
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e) Eight Recommendations

Recommendation	Management Response	Responsibility	Deadline
<p>Recommendation 1: SECO continues to focus on organic agriculture as an appropriate niche area to promote and demonstrate the benefits of labelling and certification.</p>	<p>Accepted.</p>		
<p>Recommendation 2: SECO strengthens its process of situation (sector) analysis as a basis for designing intervention strategies and make the theory of change underpinning interventions much more explicit.</p>	<p>Accepted. It will be done in the frame of new projects.</p>	SECO/WEHU	Next project proposal which will be presented to the OpC
<p>Recommendation 3: SECO provides continued support for those CBs it has established but be very critical of the need for and benefits of engaging with the establishment of new CBs in other countries.</p>	<p>Accepted.</p>	SECO/WEHU	Ongoing
<p>Recommendation 4: Based on its successful value chain oriented market initiatives SECO builds its portfolio in this area but does so in a way that is more attuned to business needs and that is more likely to leverage business investment.</p>	<p>Indeed, we share this view. Since beginning of 2009, SECO is supporting a more programmatic approach together with Helvetas in order to promote organic and fair trade value chain development together with the interested private sector (Organic and Fair Trade Competence Centre). In addition to this, the colleagues from private sector development division (SECO/WEIF) will start a targeted support program for organic and fair trade in the areas of trade financing. Furthermore, SECO is taking into consideration to apply a new methodology, the participatory market chain approach, to strengthen the market development component. The methodology is currently elaborated and fine-tuned by FIBL so that it addresses the specific weaknesses of the projects. If necessary other options will be tested.</p>	SECO/WEHU SECO/WEIN SECO/WEHU in cooperation with FIBL	Done Done Dec. 2009
<p>Recommendation 5: At the country level SECO looks more critically at the relationship between organic sector cohesion and coordination and export development and make such</p>	<p>Accepted. This will be done in the frame of the revision of the organic trade strategy.</p>	SECO/WEHU	June 2010

<p>cohesion a more prominent part of its strategic approach.</p>			
<p>Recommendation 6: SECO makes the promotion and scaling up of its program activities and achievements a more explicit part of its strategic approach at project and program level.</p>	<p>This point is accurate and will get more attention in the revised organic trade strategy. Parallel works of WEHU with regard to general scaling up promotion activities in the area of voluntary standards will be taken into consideration</p>	SECO/WEHU	April 2010
<p>Recommendation 7: SECO substantially strengthens its performance orientated planning, monitoring, management and learning systems in a way that is flexible and responsive to the dynamics of a business/market environment.</p>	<p>Accepted.</p>	SECO/WEHU	Dec. 2009 for Ukrainian project
<p>Recommendation 8: SECO reformulates the organic agriculture program with much more explicit focus on how field and countries activities and achievements will be used to promote and support SECO's development objectives nationally and internationally.</p>	<p>SECO-WEHU has been discussing the evaluation findings with FIBL. First decisions regarding the market development component are under preparation. The reformulation of the strategy is planned for first semester of 2010.</p>	SECO/WEHU	June 2010

H.P. Egler

Hans-Peter Egler
Head of Trade Promotion

Approved:

J. Bernasconi

Jean-Luc Bernasconi
Head of Operations

The External Committee on Evaluation
Bern, January 8, 2010

**Position of the External Committee on Evaluation
on the independent evaluation of the
Program Trade Promotion of Organic Agricultural Products (2002-08)
and
SECO Management Response**

1. During its second meeting on June 15, 2009 the External Committee on Evaluation (the Committee) discussed the evaluation report: Switzerland's Economic Development Cooperation in the Field of Trade Promotion of Organic Agriculture Products, 2002-08 prepared by a Consortium of consultants comprising Wageningen International, Outdoor Organic and Louis Bolk Institute as well as SECO Management Response. The discussion focused mainly on the quality of this evaluation as an instrument to promote transparency and learning culture within SECO and the need for SECO Management to draft a very specific and forward-looking response with respect to the main conclusions and recommendations of the report.

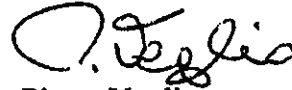
2. The Committee appreciates that a strategic evaluation such as the one concerning the trade promotion of organic agricultural products has been launched under the leadership of SECO. It considers that the relevance, effectiveness, efficiency, sustainability and impact of SECO support to the establishment of national "certification bodies" of selected agricultural products as well as market development through improved access to international markets for such products deserve to be analyzed in depth. This not only in view of knowing and assessing the scope of the results on the ground but also to draw some meaningful lessons learned aimed at improving the implementation performance of current projects and programs and developing new programs in the organic sector. While this sector is rather a niche sector from a quantitative standpoint, it is strategically important from a qualitative perspective. The rationale for SECO support to organic certification bodies and schemes is based upon the process of market liberalization promoted by the World Trade Organization (WTO) as well as the international efforts aimed at ensuring the sustainability of agricultural production. As a matter of fact WTO considers market transparency, including labeling, as a prerequisite to market liberalization. However, many developing and transition countries regard labels as trade impediments for export to the European Union and Switzerland. Nevertheless, for developing and transition countries the sustainable export of certified organic agricultural products represents a real opportunity to increase the market value of selected agricultural products. Therefore the evaluation report focuses rightly on the quality of SECO/WE support to partner countries with the objective of turning certification, especially organic certification, from a non-tariff barrier to an opportunity to benefit from an increased trade volume of improved quality and value added.

3. The Committee believes that this evaluation represents an excellent example of SECO commitment to transparency and learning processes. It considers that the report is of good quality and delivers a number of important findings and helpful recommendations for SECO operational activities in the organic sector. Nevertheless the evaluation should have focused on a few additional issues such as the activities of and results achieved by other donors as well as the specific complementarities and value added of SECO ongoing and future activities; the complex challenge represented by the evolving political economy dimension in partner countries; and the relevance of partner country selection as they represent a rather heterogeneous mix of countries with very different backgrounds and situations. At the same time, one has to be aware that every evaluation compares stated objectives with results achieved by different programs and projects. As the process of defining initial objectives tends to be too optimistic this would have negative implications when assessing evaluation results. Therefore the Committee recommends SECO to be more realistic when it will define the objectives with respect to their likely future impact. The evaluation report also draws the attention on some deficits in the area of monitoring results of SECO ongoing programs and projects. This aspect is problematic especially in terms of partnership with the implementing agencies (tendency to prioritize technical implementation issues instead of sound project management), duration of the partnership arrangements (potential vs. risks) and execution through the same agency of the feasibility studies in the appraisal as well as of the implementation phase.

4. The Committee acknowledges the quality and openness of SECO Management Response. SECO Management appreciates the critical analysis of the program component “certification bodies” and recognizes that strategic monitoring in the future needs to be strengthened imperatively in order to get a better, evidence-based understanding of the causality of locally-owned certification bodies and improved access to international markets for small and medium sized producers. The Committee notes that the evaluation report questions the intrinsic rationale of this analysis but believes that such a complex issue would deserve to be better assessed through a more in-depth analysis covering additional countries. Such assessment is even more justified considering that the experience of other aid agencies in this particular area seems to be positive. SECO Management also agrees that the market development component did not have a significant impact but is somewhat disappointed that the report does not draw any lesson learned that could be directly applicable for improving the design and implementation arrangements of this program component. The Committee is in agreement with this statement. Finally, with respect to the criticism related to project management and the distribution of responsibility between SECO and the implementation agencies, SECO Management considers that the origin of this weakness is not associated with a lack of clarity in the definition of the respective roles. Such weakness is rather linked to the fact that SECO staff is managing too many projects and is rotating frequently which can jeopardize institutional continuity. The Committee, while agreeing with Management’s position on the origin of the problem, believes that this is a systemic issue under direct Management responsibility. Management should therefore address it.

5. The Committee did encourage SECO Management to draft more specific responses to the findings and recommendations of the Evaluation Report, including concrete actions, precise responsibilities by the different internal and external actors and defined deadlines. The Committee considers that the final SECO Management Response dated October 2009 is satisfactory in this respect.

6. In conclusion: The Committee recommends the disclosure of the Evaluation Report on SECO internet website as well as of SECO Management Response and the Position of the External Committee on Evaluation.



Pietro Veglio

Chairman of the External Committee on Evaluation

The Committee members:

Kathrin Amacker

Gilles Carbonnier

Susanne Grossmann

Christoph Stueckelberger



AGRO ECO
LOUIS BOLK
INSTITUTE



Switzerland's Economic Development Cooperation in the Field of Trade Promotion of Organic Agriculture Products

2002-2008

***Independent
Programme Evaluation
Main Report***

**Commissioner: SECO Evaluation
and Controlling Division**

**Jim Woodhill, Wageningen International
Joost Guijt, Outdoor Organic
Ferko Bodnár, Agro Eco – LBI
Bo van Elzakker, Agro Eco – LBI**

*Final Report, June 2009
Agro Eco- LBI Report Nr. TD4*

Colophon

This report is the result of an independent evaluation commissioned by SECO.

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Abbreviations

CB	Certifying Body
CHF	Swiss Francs
FiBL	Research Institute of Organic Agriculture
FLO	Fair Trade Labelling Organisation
GMO	Genetically modified organism
LBI	Louis Bolk Institute
IC	Inter-Cooperation
IMO	Institute for Market Ecology
OMI	Organic Market Initiative
SDC	Swiss Agency for Development and Cooperation
SECO	Swiss State Secretariat for Economic Affairs
SIPPO	Swiss Import Promotion Programme
SME	Small and medium enterprises
SSP	Small-scale producer
WTO	World Trade Organisation

Executive summary

This report presents the results of the independent evaluation of Switzerland's State Secretariat for Economic Affairs (SECO) programme on trade promotion of organic agriculture products. The evaluation covers the period 2002 – 2008.

This SECO programme was implemented in 9 countries (in Eastern Europe, India, and West Africa) and in the region of Central America. The programme's main objectives were **to develop the organic sector, thus contributing to increased trade and poverty reduction**, as an illustration of the positive benefits of certification and labelling. Project interventions included combinations of one or all of the following:

- setting up national certification bodies owned and operated domestically,
- market development through organic market initiatives (OMIs) and market services,
- policy dialogue, and
- value chain development (market development of specific commodities).

The evaluation assessed the entire program in terms of:

- operational results from the country projects,
- strategic outcomes/impacts of the programme, and
- the implications for SECO's future strategy in this field.

Data gathering was based on a literature review; three country visits; interviews with SECO and the Swiss implementing partners (FiBL, Helvetas, Intercooperation, IMO and BioInspecta); and, a learning workshop, with representation from SECO and these implementing partners. In the three countries visited projects were managed by FiBL and included work on certification bodies, market development and policy. Data on the value chain projects came mainly from prior project evaluations, project documentation and interviews with the Swiss implementation partners. As requested by the terms of reference the value chain projects were studied in less depth by this evaluation as they had been previously evaluated. The five standard evaluation criteria - effectiveness, efficiency, sustainability, impact and relevance - were used to structure the evaluation questions and report on findings.

Project results

The evaluation looked at project results in both quantitative and qualitative terms. The key results on which the assessments of project performance were made and are given in Table 3 on page 39 of the report.

The key findings from assessing these project results are:

Certification bodies

In six countries certification bodies (CB) have effectively established. These are accredited, and credible. Four are financially viable, while two struggle due to very small national organic sectors.

All the national CBs offer affordable certification to small-scale producers. To varying degrees they have emerged as worthwhile contributors to the organic sector of countries. However, the evaluation found insufficient evidence to substantiate the assumption of the programme that such bodies would lead to a structural lowering of national certification fees and therefore make export markets more accessible to small-scale producers. While the bodies did introduce additional price competition there is no evidence that they were the driving factor in changing

price structures. Further, while targeting small-scale producers, they did not emerge as critical for such producers to become certified or to gain access to export markets. Overall there is no evidence that the certification bodies have led to, or will lead to, a significant increase of organic export by small-scale producers. The programme had not put in place monitoring mechanisms to test the programme assumptions. Consequently the evaluation's assessment is based on the general trends and structural characteristics of the organic sectors in the countries visited.

National CBs were also expected to play a role in bringing together, and supporting the development of, the national organic sectors. They did not emerge as key actors in this regard; it was not a realistic expectation for them to operate as a neutral, viable businesses while also playing an unofficial/informal role as a national platform for the sector. However, the national CBs have played a worthwhile role in disseminating information in local language to possible organic producers and government.

The results of the successful establishment of the CBs do not appear to have been widely used to promote the benefits of certification and labelling.

This aspect of the programme was evaluated as being effectively implemented but as having questionable relevance and showing limited impact in relation to increased export from small-scale producers.

Market development

The growing demand for organic products, particularly in Europe and America provides for many export opportunities. Yet, in the countries where SECO is operating, small-scale producers, and the organic sector as a whole, are not sufficiently well organised to benefit from these trade opportunities. This makes market development very relevant and key to achieving SECO's higher level objectives.

Despite considerable investment in trying to develop organic market initiatives (OMIs) and provide market services this area of SECO's programme has largely not succeeded in the creation of new export market opportunities.

Across all countries the program generated less than 20 serious proposals for OMI's and initiated less than 10, of which 6 have been successful but at a very small scale. No strategies were formulated on how to scale up the OMIs or use them to promote the opportunities and benefits of certification and labelling.

General market studies and business directories were developed early on in most countries but were not updated. No evidence was found that these services were widely used by operators in the national organic sector to create new trade. One successful initiative was the India Organic Fair, however SECO provided only a small percentage of the funding for this.

Overall there is no evidence that any significant trade growth resulted from market development support.

This area of the programme illustrated a common challenge across the development sector of finding the right mechanisms, funding strategies and expertise to effectively stimulate entrepreneurial activity and link appropriately with business realities.

This aspect of the programme was evaluated as being very relevant to the development of the organic sector and small-scale producers gaining access to international markets. However, it was ineffectively implemented in terms of concept analysis, design, adjustment, scaling up and replication, and as a consequence there was no significant impact.

Policy dialogue

SECO's overall strategy referred to a theoretical need to engage in policy dialogue in order to help create enabling policy and legal frameworks. In practice, policy related activities were absent or minimally present in project design. In all countries the national CBs were approached

ad hoc by government regarding legislation topics, thus the program played a positive but limited role in influencing legislation.

Value chain approach

The cotton projects generated increased organic trade and increased income for some 15.000 small-scale producers. Long-term sustainability is a concern due to high production costs and lack of national infrastructure.

With its marketing support, the Ecomercados project targeted an important weakness in the value chain for a set of small and medium sized enterprises. It also effectively complemented the work of other organisations. This has resulted in increased trade, although it is difficult to assess the impact on farmer income or to attribute this solely to the Ecomercados interventions.

These two projects were assessed as being relevant, largely effectively implemented and as having demonstrated impact. Questions remain about long-term sustainability.

Project and programme management

Overall project management has been focused and consistent when dealing with the establishment of certification bodies and the value chain initiatives. There has been limited responsiveness throughout the programme period to the poor performance issues related to market development. Project steering committees did not appear to have played a fully effective role in this regard.

Significantly, the programme and its projects lacked strategic monitoring of performance at the outcome and impact level. This contributed to the lack of effective, strategic reflection between SECO, its Swiss implementing partners and the in-country partners on performance issues and lessons learned.

Roles, responsibilities and decision making processes are not always sufficiently well clarified and understood between all the parties involved which includes SECO management and programme staff, SECO country representatives, Swiss implementing partners, country implementing partners and advisory committees.

Program strategy

Broadly the strategic approach of focusing on organic agriculture market development is very relevant to SECO's development objectives. The value chain projects clearly contributed to SECO's higher-level objectives of trade generation and poverty reduction. The impact of the CBs is questionable, that of market development initiatives absent.

The underlying rationale and the Theory of Change for the programme components were insufficiently articulated and documented leading to differing understandings between the different implementing partners. This lack of clarity also contributed to the weak strategic monitoring and reflection.

When considering results, the programme appeared reasonably efficient with regard to establishing CBs and value chain support. The work on market development has been very inefficient. However, as no initial criteria were established to assess what would constitute an acceptable return on investment it is difficult to make clear judgements on efficiency.

Implications and recommendations

The current trends in the organic sector indicate a continuing strong growth in demand with a matching growth in export opportunities. Organic continues to become more mainstream, meaning it must meet high demands in terms of volumes, quality and consistency. It must also increasingly 'prove' its added value. This makes the labelling, certification and trade development aspects of the organic sector highly relevant to SECO's overall objectives

Donor support continues to be valuable but is shifting from being 'supply' driven to being 'demand' driven with attention for leveraging private sector investment.

Overall, the evaluation recommends that SECO continues to focus on the organic sector as a way of effectively using its limited resources while targeting its higher level objectives. However, based on lessons to date there should be a reformulation of the organic programme to ensure much greater impact from the support for market development. In part this implies developing more effective partnerships with importing/exporting businesses that can lead to a leveraging of business investments. To effectively manage, monitor and evaluate such a programme SECO needs to restructure the way it works with its implementing partners in terms of clarity of purpose, strategic monitoring and ongoing reflection and learning.

The evaluation has made 8 key recommendations, which are further detailed in the report:

Recommendation 1: SECO should continue to focus on organic agriculture as an appropriate niche area to promote and demonstrate the benefits of labelling and certification.

Recommendation 2: SECO should strengthen its processes of situation (sector) analysis as a basis for designing intervention strategies and make the theory of change underpinning interventions much more explicit.

Recommendation 3: SECO should provide continued support for those CBs it has established but be very critical of the need for and benefits of engaging with the establishment of new CBs in other countries.

Recommendation 4: Based on its successful value chain orientated market initiatives, SECO should build its portfolio in this area and do so in a way that is more attuned to business needs and that is more likely to leverage business investment.

Recommendation 5: At the country level, SECO should look more critically at the relationship between organic sector cohesion and coordination and export development and make such cohesion a more prominent part of its strategic approach.

Recommendation 6: SECO should make promotion and scaling-up of successful programme activities and achievements a more explicit part of its strategic approach at project and programme level.

Recommendation 7: SECO should substantially strengthen its performance orientated planning, monitoring, management and learning systems in a way that is flexible and responsive to the dynamics of a business/market environment.

Recommendation 8: SECO reformulate the organic agriculture programme to explicitly include activities that demonstrate and promote, in international forums and to national policy makers, the benefits of labelling and certification for sustainable trade and poverty reduction, (i.e. SECO's development objective).

Acknowledgments

This is the first independent evaluation of a SECO programme conducted independently by SECO Evaluation and Controlling Division.. It has been a very interesting and rewarding evaluation, because it exceeds the level of individual project evaluation and contributes to a wider discussion about the future strategy of the SECO's programme supporting organic agriculture and international trade.

We thank SECO, and especially Catherine Cudré-Mauroux, Odile Keller, Hans Peter Egler, and Barbara Jäggin, for entrusting this challenging assignment to us and for all constructive discussions.

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1. Introduction

This report presents the results of the independent programme evaluation of the Switzerland's Economic Development Cooperation (SECO) in the field of trade promotion of organic agriculture products, over the period 2002 – 2008.

This SECO programme was implemented in 9 countries (in Eastern Europe and Central Asia, Lebanon, India, and West Africa) and in the region of Central America. The programme main objectives were to develop the organic sector, contributing to increased trade and poverty reduction.

The evaluation objectives were to assess the project achievements, to assess the programme strategic achievements, and to make recommendations for a future SECO strategy.

This evaluation was carried out by: Jim Woodhill, Wageningen International; Bo van Elzakker and Ferko Bodnar, Agro Eco - Louis Bolk Institute; and Joost Guijt, Outdoor Organic, all based in the Netherlands. Besides, local consultants joined the evaluation team during field visits: Dr James and Mr. Mahesh in India, Ion Toncea in Romania, and Inna Bayda in Ukraine.

The evaluation was conducted between November 2008 to June 2009.

2. Background of the organic agriculture programme

2.1. SECO's mandate and strategy

The Swiss State Secretariat for Economic Affairs (SECO) is the Swiss federal government's centre of expertise for all core issues relating to economic policy. Its aim is to ensure sustainable economic growth by putting in place the necessary regulatory and economic policy conditions. In terms of foreign trade policy, SECO is active in the formulating of efficient, fair and transparent rules for the world economy. SECO is also involved in efforts to reduce poverty in the form of economic development cooperation.

In SECO's strategy papers in 2002 and 2006, it explains the rationale to support organic certification schemes, in relation to world market liberalisation and WTO (Doha) and the Rio+10 discussions. WTO considers market transparency, including labelling, as a prerequisite to market liberalisation. However, many developing and transition countries regard labels as trade impediments for export to the EU and Switzerland. Nonetheless, the export of certified organic agricultural products provide also an opportunity to increase added value to agricultural products.

SECO therefore supports partner countries turning certification, especially organic certification, from a non-tariff barrier to an opportunity to benefit from increased trade. This work is supplementary to SECO's strategy to avoid and remove technical trade barriers (including work done with WTO). The larger picture, in which this SECO programme supporting organic agriculture under evaluation fits, includes some other, larger objectives of SECO.

- Show organic certification is an example of how certification and labelling in general can be an opportunity, rather than a trade barrier.
- SECO supports economic growth in an environmental friendly and social responsible way. Organic certification contributes to this.
- Complement SECO's work on other certification schemes e.g. Fair Trade, GlobalGAP, ISO, which all contribute to an increased traceability and transparency.
- SECO supports the harmonisation of labels and certification schemes, through ISEAL, which should increase the efficiency and reduce the costs of multiple certifications.

2.2. SECO programme objectives and areas of intervention

2.2.1. Objectives

In SECO's strategy paper of 2002, it describes the main objective of its development assistance in the organic field: "To increase access to knowledge for farmers, processors, traders and consumers and to support the creation of the necessary infrastructures for the promotion of trade and market transparency of organic products". The following expected impacts of as well as reasons for engaging with the organic sector were formulated:

1. Creation of favourable preconditions for improved integration of the agricultural sector in international, as well as national, trade; together with sustainable farming and in compliance with the decisions taken at the Rio Summit.

2. Producers and processors should be enabled to sell their products with higher added value (promotion of the private sector and of SMEs, strengthening of the middle class).
3. A unilateral dependency of producers on export should be prevented by promoting domestic demand. Meanwhile, local consumers also benefit from improved market transparency and are protected against “organic fraud”, whilst an increase in domestic demand gives producers a secondary economic support.
4. Strengthening of a civil society through NGOs, agricultural associations, etc. These can also play an important role, particularly in organic products, as a hinge between producers, traders (private business) and consumers. They should also be enabled to represent their interests at international committees.
5. Through policy dialogue, favourable framework conditions for organic food production should be fostered in the countries in question.
6. Those countries critical of ecolabelling should be shown with practical case studies that ecolabelling is not a protectionist measure but an opportunity for innovative producers.

2.2.2. Areas of intervention

The areas of intervention SECO identified in 2002 were:

1. Government support in implementing a credible legal and institutional environment;
2. Creation of the legislative basis (laws and by-laws? on organic farming);
3. Creation of the prerequisites for national and international accreditation of certification bodies; Setting up of local, privately sponsored (e.g. by NGOs) certification bodies;
4. Setting up of national associations;
5. Promotion of cooperation between farmers, NGOs and private industry; Strengthening of the role of the private sector in the processing and trade of organic products;
6. Drafting of the fundamentals and strategies for successful marketing;
7. Export promotion, marketing, support in entering the Swiss/EU market (SIPPO).

In 2006, SECO updated this strategic concept paper to further strengthen the approach towards organic market development. It maintained the same main and specific objectives, but reformulated the areas of interventions:

1. Setting up of local certification bodies in the multi-stakeholder approach
2. Market development measures
 - 2.1 Market services
 - 2.2 Pilot projects: Organic Market Initiatives (OMIs)
3. Policy dialogue and advice
4. Special programme: Setting up organic cotton supply chains

There was no logical framework or a consistent objectives hierarchy with indicators developed for the SECO programme. The individual project documents did not all refer to the same objectives. Only four out of ten project documents were accompanied by a logical framework. Generally, there was a lack of explicit high-level indicators at the outcome and impact level.

2.3. Reconstructed objective hierarchy and logical framework

Because there was no logical framework for the SECO programme, the evaluation team reconstructed a logical framework and objectives hierarchy, based in on the two SECO strategy papers (2002 and 2006), the SECO evaluation approach paper (2008) and a few logframes that had been developed for individual SECO projects. This helped making some of the assumptions about the contribution of outputs to outcome and impact more explicit. The objectives hierarchy is presented in Figure 1. The reconstructed logical framework, up to the level of outputs, is presented in Annex 4.

We consider the following to be the programme objectives:

- Overall goal: Integration of partner countries in world economy with economically viable, socially responsible and environmentally friendly economic growth
- Programme purpose: Develop the organic sector in partner countries.

In the different project countries, this involved different combinations of the following components:

Certification

This involved setting up new domestic certification bodies (CB). The CBs were set up with national shareholders to assure a broad basis in the organic sector. They were set up with support from Swiss-based CBs (IMO, BioInspecta). During the initial period when the local CBs were not yet accredited, the national CB did the inspection and the Swiss-based CB the certification. This assisted in the building up of a trustworthy image of the products coming from these new countries. Total budget in the whole program planned for this was 4,743,400 CHF.

Market services

Market services included a range of project deliverables, varying from market studies to business directories, organic trade fairs in project countries, invitation to international trade fairs, websites, training sessions and seminars.

Market initiatives

Organic market initiatives (OMIs) are creative, innovative market initiatives, up to the point of sales, which can be scaled up and replicated. It is especially relevant in countries where the organic sector is in the beginning of development, with only few organic products being marketed. OMI are not limited to export oriented initiatives (to EU / Switzerland), but also include initiatives targeting the local and regional market. The procedure includes a call for proposals followed by a selection of proposals for project support.

The total budget planned for market services and market initiatives together was 3,390,000 CHF.

Develop value chains

The whole value chain is considered, from primary production, farmer organisation, (group) certification, processing, marketing, matching producers with buyers and processors, and export. This does not mean that a project should support all segments of the value chain, but at least the whole chain should be well thought of before intervening at any one segment in the chain. In the SECO programme there are two examples:

- The organic cotton projects actually work on the whole value chain.

- The Ecomercados project focuses support to marketing and export, while other segments in the value chain are either taken care of by other organisations or are not considered as the weak and limiting factor in the chain.

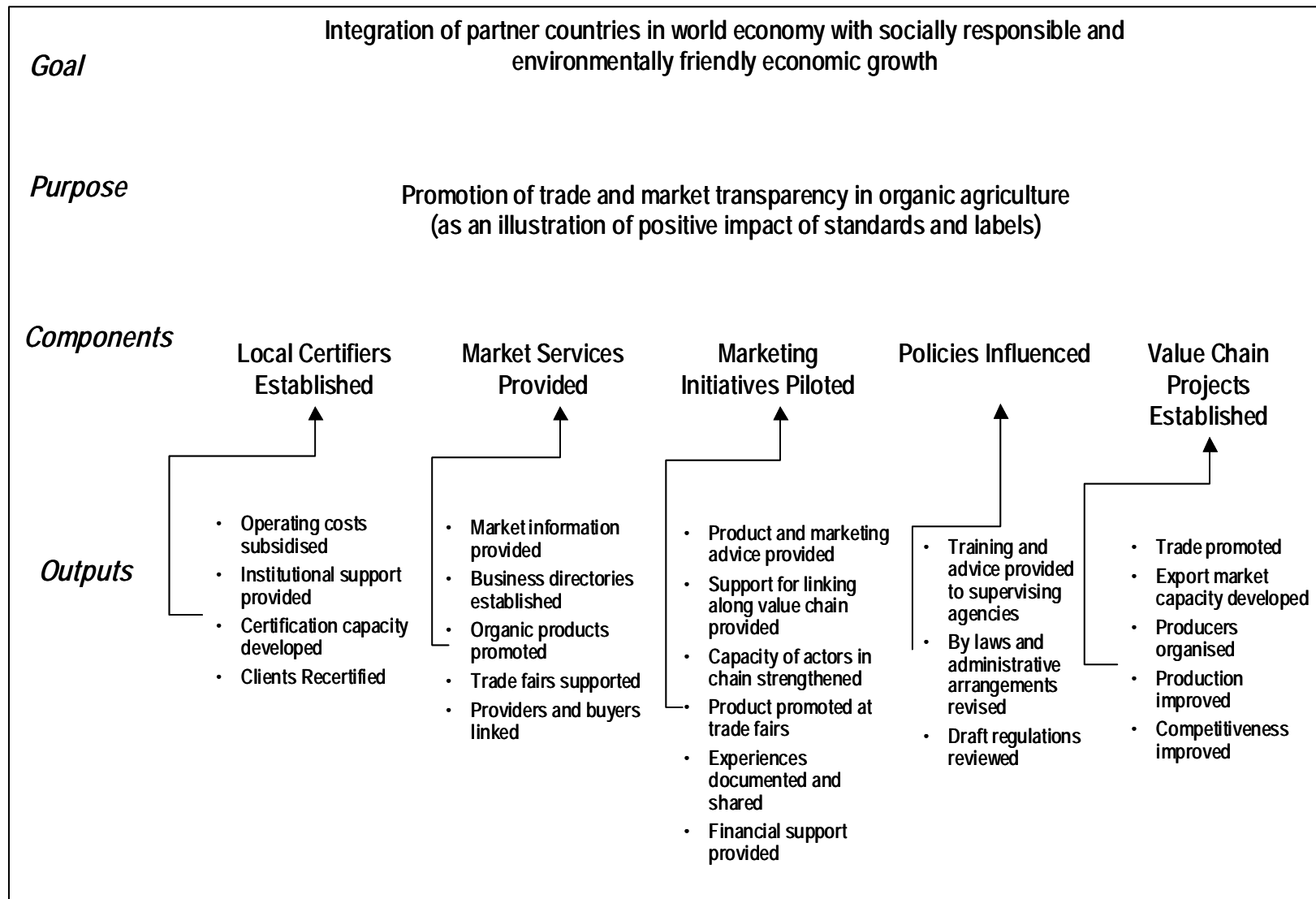
This took the largest share of the planned SECO funding: 6,000,000 CHF for the cotton projects and 5,740,000 CHF for Ecomercados.

Policy dialogue

The policy dialogue contributes to a conducive policy allowing the development of the organic sector in project countries. The main activities were regional round tables inviting politicians, participation in working groups, and ad-hoc meetings with government staff. This took the smallest share of the planned SECO budget: 250,000 CHF.

A review of this Hierarchy of objectives was an important exercise during the Learning workshop (see chapter 3.2 **Learning workshop**).

Figure 1. SECO Organic Agriculture Programme: Reconstructed Programme Objective Hierarchy



2.4. Country focus and implementation arrangements

The programme hosts a variety of different projects in different countries. Each country has its specific context. In different countries, different implementation arrangements are made. First of all, three different Swiss-based implementing organisations are involved: FiBL, Helvetas, and InterCooperation. Secondly, in the different countries, different combinations of interventions were implemented. The different projects can be grouped according to the core component of the project interventions, although often in combination with other interventions.

Certification-based projects

These projects are FiBL-managed projects and have the creation of a local certification body (CB) as a central component. Since 2002, SECO has been promoting the creation of local certification bodies, in India (from 2002), Bulgaria (from 2003), Romania (from 2004), Lebanon and Ukraine (from 2005, and Albania (2006). It was recognised that the CB is not the only requirement for the successful development of the organic market and therefore a combination of project components was used:

- Creating domestic certifying bodies
- Market services
- New, pilot market initiatives
- Policy dialogue.

The context of the partner countries varied in terms of phase in the development of the organic sector and the business mindedness:

- In India the organic sector has already developed over the last decade, with support of the Indian government; Entrepreneurship is highly developed compared to Eastern Europe.
- Notably in Albania and the Ukraine, the organic sector has only just started to develop. Besides, entrepreneurship is low compared to Central America or India.

Projects were implemented with support of the Swiss-based Certification Bodies IMO and BioInspecta (subcontracted). In India, the Swiss based import promotion agency SIPPO was involved.

Commodity-based projects

These three projects are implemented by Helvetas and work on organic cotton, in Mali (pilot phase since 1998; expansion phase since 2002), Kyrgyzstan (since 2003) and Burkina Faso (since 2004). The main project component was a value chain approach on one single commodity, from primary production and farmer organisation to linking with Swiss buyers of organic cotton. The project components found in the FiBL-managed projects were absent in these Helvetas-managed projects: there was no establishment of local CB, no pilot organic market initiatives, no general market services other than to sell the organic cotton, and no policy dialogue involved.

Marketing-based project

The Ecomercados project is implemented by InterCooperation, and works with existing small and medium enterprises (SME) that already produce and sell organic and fair trade products on the local, regional and international markets in Central America. Although Ecomercados has a

value chain approach, it focuses support to the marketing aspect, which was considered the weak segment in the chain. Several other organisations focused on the primary production and farmer organisation. Ecomercados also provided more general market support, but most was targeted to a number of SME. In phase 1, 2007-2004, 9 SME were supported in Costa Rica and Nicaragua. In phase 2, 2008-2001, another 8 SME are supported in Nicaragua and Honduras. Ecomercados does not create new CBs and is not involved in policy dialogue. In Central America, the organic and fair trade sector have been fairly well developed since several decades; there is a good entrepreneurial spirit.

This project was implemented with support from the Swiss-based FiBL and SIPPO (market studies and export facilitation), the Nicaraguan CIMS (market advice), and FLO (Fair Trade).

2.5. Country overview

The following table gives an overview of which project interventions were undertaken in which countries.

	Certification	OMI	Market services	Policy Dialogue	Value chain development	Swiss implementing agency
India	+	+	+			FiBL
Romania	+	+	+			i.d.
Ukraine	+	+	+	+		i.d.
Albania	+	+	+	+		i.d.
Bulgaria	+					i.d.
Lebanon	+	+	+	+		i.d.
Cotton projects: Mali, Burkina Faso, Kyrgyzstan					+	Helvetas
Ecomercados: Nicaragua, Costa Rica, Honduras, El Salvador					+	Intercooperation

2.6. Budget overview

Initial SECO support is generally planned for a period of 3-5 years with clear project level milestones and deliverables formulated. Follow-up support of 2-3 years is often recommended and has been provided in India, Romania, Central America and the cotton projects.

Table 1 presents an overview of the total SECO budget for all projects, which includes budget for after 2008, adding up to 18,865,000 CHF. Out of this, about CHF 16.700.000 was budgeted for the period 2002-2008.

This budget overview also shows what project interventions were undertaken in which country. It distinguishes the various project interventions: certification, market development, policy dialogue and value chain development. Under market development we distinguish a) organic market initiatives (OMI) and b) other market services, but we did not always find disaggregated data for these two interventions.

The cotton projects were not funded by SECO only. SECO provided 60% of the total budget; Helvetas about 25%, and other organisations about 15%.

The overview shows that the largest share of SECO's budget was planned for to the cotton and Ecomercados value chain projects (11,740,000 CHF), followed by the certification interventions (4,734,000 CHF) and the market development interventions (3,390,000 CHF). The policy dialogue interventions had the smallest share (250,000 CHF).

The budget overview also provides information about the actual expenditure, where this information was made available.

Table 1. SECO budget overview over different project components

All value in CHF, latest figures (2008)	Cotton (Mali, Kyrgyzstan, Burkina Faso)	Ecomercados (Nicaragua, Costa Rica, Honduras, El Salvador)	India	Romania	Ukraine	Albania	Bulgaria	Lebanon	Total
Project start-end year	2002-10	2004-11	2002-09	2004-09	2006-10	2006-10	2002-07	2005-08	
Certification									
Budget	NA	NA	1,241,400	823,000	700,000	427,000	930,000	622,000	4,743,400
Spent (up to end 2008)			1,161,897	765,043	470,000	297,000		562,000	3,255,940
Market development (A+B)									
Budget for market development total	(in value chain)	(in value chain)	1,900,000	50,000	720,000	255,000	15,000	450,000	3,390,000
Expenses on market development			1.200.000	0	293,000	200,000	0	?	
A. Organic Market Initiatives									
A. Budget for OMI			632.000.	50,000	390,000	?	NA	125,000	
A. Expenditure for OMI (up to end 2008)			?	0	175,000	?		115,000	
B. Other market services									
B. Budget for market services			1.078.000	0	330,000	?	15,000	325,000	
B. Expenditure market services (end 08)			?	0	118,000	?	0	?	
Policy dialogue									
Budget	NA	NA	NA	NA	120,000	108,000	NA	22,000	250,000
Expenditure					75,000	17,000		0	
Value chain development									
Budget (SECO only)	6,000,000	5,740,000	NA	NA	NA	NA	NA	NA	11,740,000
Budget (SECO plus others)	10,000,000	5,740,000							15,740,000
Expenditure	4,391,000*	2,830,000							
Total									
SECO total budget	6,000,000	5,740,000	3,100,000	1,000,000	1.800.000	830,000	995,000	1,200,000	18,865,000
Total budget incl other donors	10,000,000								22,865,000
SECO Budget spent up to end 2008	4,391,000*	2,830,000	2.300.000	862,569	1,100,000	513,000	950,000	1,023,000	

? Budget and expenditure for market development not always split up in OMI and other market services; expenditure data not always available.

The cotton sub programme was for 60% funded by SECO and another 40% by Helvetas and other organisations.

* Expenses for Mali plus Burkina Faso, without Kyrgyzstan.

3. Methodology

3.1. Terms of reference and evaluation questions

3.1.1. Objectives and scope of the evaluation

SECO asked for an independent evaluation of their programme supporting organic agriculture for the period 2002-2008. It formulated an 'Approach paper', specifying the objectives and scope of the evaluation and the evaluative questions, which served as terms of reference for this evaluation:

“The main objectives of this independent evaluation are to review the achievements of SECO/WE strategic approach in the organic sector and to provide findings, conclusions and recommendations on how:

- SECO/WE strategic approach in the organic sector has contributed to SECO/WE overall aims of supporting partner countries in their gradual integration into the world economy and of promoting socially responsible and environmentally friendly economic growth;
- SECO/WE interventions in partner countries have contributed to the objectives of SECO/WE approach in the organic sector, namely to further support the development of the organic sector in terms of knowledge transfer and institutional building, to contribute to the establishment and strengthening of recognised and self-sustainable certification bodies and to help identifying new organic products and promoting them in the market.”

The scope of the evaluation, as specified in the approach paper, would concentrate on 4 selected projects, namely Albania, Ukraine, Romania and India (all managed by FiBL), which are supposed to provide a fair sample of projects at different stage of development (with two projects in their phasing-out, while two others are in their implementation phase until 2010 at least) and which have not been recently implicated in an external evaluation. The Ecomercados project (managed by InterCooperation) and the Cotton projects (managed by Helvetas) had been recently evaluated externally (Ecomercados in 2007; Cotton projects in 2005 and 2008). The approach paper is presented in Annex 5.

However, during the inception phase and initial discussions with SECO, the evaluation team felt that considering the broader objectives of this strategic programme evaluation, it was desirable to expand the scope to the whole portfolio of projects, including projects in other countries and projects that had recently been evaluated. SECO and the evaluation team agreed to expand the scope while limiting the country visits to India, Romania and Ukraine. This was described in the 'inception report'. Although this widened the scope to the whole programme, most emphasis was still given to the certification projects. The Cotton and Ecomercados projects were not evaluated in much detail and were not visited in the field.

The expanded scope implied that the context of the organic markets must be understood properly. In particular, key constraints and opportunities for market development and global integration were sought and compared with the chosen activities. This required interviewing a wider group of business, trade, government and civil society actors, beyond the direct project implementers, to understand what was needed, how accessible the SECO approach was to market initiatives, what worked well and what might be improved.

In the inception report, the evaluation team reformulated the objectives, grouping these at three levels:

- At the implementation level: assess achievements (effectiveness, efficiency, sustainability)
 - Certification
 - Market development (support, value chain, pilots)
 - Policy
- At the strategic level: assess the contribution to higher-level objectives (impact, relevance)
 - Impact: contribution to SECO overall goals
 - Relevance to specific needs in countries
 - Relevance for poverty reduction
- At the implications level: Assess the implications for SECO's future strategy

3.1.2. Evaluation questions

In the approach paper, SECO had identified an initial set of evaluation questions that were to be considered. These were grouped along the 5 core evaluation criteria:

- Relevance
- Effectiveness
- Efficiency
- Sustainability
- Impact

During the inception phase, the evaluation team refined these questions, maintaining the 5 core evaluation questions as sub-questions under three main questions representing the following three levels: 1) implementation, 2) strategy, and 3) implications, as presented below. Annex 3 presents the complete evaluation matrix.

Implementation Level

1. What has been the value of SECO/WE's organic agriculture interventions in partner countries for development of the organic sector and poverty reduction?
 - 1.1. How relevant were the interventions in terms of the country/organic context and the SECO/WE strategic approach to organic agriculture?
 - 1.2. How effectively and efficiently were the interventions planned, implemented, supported and monitored?
 - 1.3. What has been or is the likely impact of the interventions on organic trade?
 - 1.4. What has been or is the likely impact for poverty reduction?

- 1.5. How sustainable are the certification bodies and market initiatives without SECO/WE support?

Strategy Level

2. To what extent has the strategic approach to the organic sector contributed to SECO/WE overall aims, namely of supporting economic growth through integration in the world economy in ways that are socially responsible and environmentally friendly?
 - 2.1. Indicatively what contributions have the impacts from the organic agriculture interventions made to the overall SECO/WE development objectives?
 - 2.2. How relevant is the strategic approach to organic agriculture to the overall SECO/WE development objectives?
 - 2.3. How relevant was the strategic approach to the needs and opportunities for development within the organic sector in the different countries and at a global level?
 - 2.4. How cost efficient has the strategic approach been in enhancing pro-poor organic trade?
 - 2.5. What were the key factors and processes leading to the strategic approach and how relevant have they proven to be?

Implications Level

3. Given the interventional results, the relevance of the SECO/WE strategic approach to organic agriculture and current trends in the sector, what are the implications for future support to the organic sector?
 - 3.1. What are the critical lessons from the current portfolio of interventions for future interventions?
 - 3.2. What are the key trends and developments in the organic sector that impact on future SECO/WE strategies?
 - 3.3. What are the implications of the strategies for organic trade support of other donors for future SECO/WE interventions?
 - 3.4. What is the relevance of the SECO/WE experience in the current set of countries to other countries?

What are the key factors and processes to consider in developing a new strategic approach for organic agriculture support in the priority countries?

3.2. Evaluation process

During the whole period, from early November 2008 to end May 2009, the evaluation has been an iterative process of data gathering, discussing and interpreting the results – within the team, with SECO and with project partners, and additional data gathering. Both SECO and the different project partners have been very responsive to be involved in the discussions and to provide additional information, during the inception phase, the field visits, the document review, the various meetings we had in Switzerland and Germany, and the learning workshop.

Inception phase

In the inception phase, the evaluation team read various programme and project documents, had initial discussions with SECO and project partners (FiBL), which resulted in the widened scope considering the whole project portfolio of the programme.

During the inception phase, the evaluation team also reconstructed the logical framework (Annex 4) and objectives hierarchy (Figure 1). During the various discussions with project implementers, we discussed the goal, the rationale and the expected outcomes of the various project interventions. These are presented in the Findings (Chapter 4).

Data gathering

Data gathering included the review of documented evidence (programme documents, project plans and objectives, project annual reports, and evaluations); three country visits; and discussions with Swiss-based project partners.

Analysis

In the analysis, the evaluation team distinguished:

- Project results. Following the different project interventions (certification, market initiatives, market support, policy dialogue and value chain development), the evaluation team first formulated the goal, rationale and expectations. Then the approach and country context were described, the operational and strategic results assessed, followed an assessment of the 5 core evaluation criteria (effectiveness, efficiency, sustainability, impact and relevance)
- Programme operations. Along with the assessment of project results, some operational issues were identified, often related to project and programme management.
- Programme strategy. Strategic results at the project level are carried forward to assess the broader strategic results of the programme as a whole.
- Context for a future strategy. Additional information about the current trends in organic agriculture and donor policies were discussed.
- Implications and recommendations. All the above is analysed to formulate the implications and recommendations for a future strategy.

Learning workshop

The findings of the evaluation were presented and discussed in Bern during a learning workshop, 21 April. Participants included staff from SECO and the Swiss-based implementing partners (FiBL, Helvetas and InterCooperation), as well as with some independent members of the evaluation steering committee, and a representative of SDC, who, together with SECO, is involved in the development of the organic sector in some of the SECO programme countries. This workshop provided useful validation, additional information and points of view both on the findings and on the implementation aspects for a future strategy. The results of this learning workshop are taken into account in this evaluation report.

3.3. Data sources

3.3.1. Documentation review

The evaluation reviewed a large range of programme and project documents supplied by SECO and later by implementing partners (FiBL, Helvetas, Ecomercados). This included:

- The SECO programme strategy papers and the SECO evaluation approach paper;
- The various project documents (original project plans and budgets)
- Project reports (annual activity and financial reports), specific documented outputs like a market study, but also internal mid-term reviews.
- External evaluations.

A list of consulted documents are presented in Annex 1.

3.3.2. Country visits

Field visits, each by 2 members of the evaluation team plus 1-2 local consultants, were undertaken to:

- India (4p x 7 days), 9-16 February
- Romania (3p x 5 days), 9-13 March
- Ukraine (3p x 5 days), 16-20 March

In the 3 countries, the evaluation team was assisted by one or in India two Local Consultants (LC). In all cases the LC knew the organic sector well in the country. They played an important role in suggesting possible informants and arranging the necessary meetings in a logical and achievable manner. During the missions their language skills as well as their understanding of the sector and its context were very valuable to understand information given and to analyse data and opinions accurately. Some follow up work was entrusted to them.

FiBL had prepared a list of actors involved in the project implementation plus some other key persons in the organic sector. The evaluation team and the LC made a selection of who to meet; the LC organised the mission programme. The team met with the Swiss (SECO/SDC) representatives, project implementers, project partners including the new CB and organic producers, government staff, and other stakeholders in the organic sector, including other CB and organic traders. The mission started with a briefing visit to the Swiss representative and ended with a restitution meeting, again at the Swiss representative office, inviting various partners involved in the project.

In India, the LC did a small impact assessment among 4 farmer groups about their experiences and sales of organic products. Since the Indian CB had been operating longest and the organic sector in India was the most dynamic, a study there was expected to reveal most about the possible impact of the national CB.

3.3.3. Interviews with Swiss implementing partners

Besides the field visits to the 3 project countries, the evaluation team had discussions with 14 key persons during visits to:

- Switzerland (4 visits: 25 November, 22-23 January, 7-8 April, 20-21 April)
- Germany (1 visit during BioFach: 19-22 February).

Organizations met were:

- SECO
- FiBL
- SIPPO
- Helvetas
- InterCooperation
- IMO
- BioInspecta
- SDC

A list of consulted people is included in Annex 2.

In between the visits, there was regular e-mail contact with the project implementers.

3.4. Limitations

This focus of this evaluation is the overall programme, which implies a limited depth of evaluations of the individual country projects. The individual country project reports annexed to this report are thus not meant as stand alone project evaluation reports.

Generally there was a lack of strategic monitoring at the programme impact and outcome level. Therefore, the evaluation team had to come up with a reconstructed hierarchy of objectives and indicators to which the programme achievements could be evaluated against. The team understands that the perception of these objectives vary between the different partners involved in this programme.

Although the focus of this evaluation was widened to the whole programme, the evaluation focused on the FiBL-managed projects in India, Bulgaria¹, Romania, Ukraine, Lebanon and Albania, with most detail on the projects that were visited in India, Romania and Ukraine. The evaluation of the Helvetas-managed projects in Mali, Kyrgyzstan and Burkina Faso, and the InterCooperation-managed Ecomercados project in Central America, has been more superficial. This involved reading key project documents including external project evaluations, and a limited number of discussions with some key implementers of the project, field visits were not undertaken.

3.5. Synthesis for the evaluation criteria summary

The team made an evaluation summary of the five core evaluation criteria (relevance, effectiveness, efficiency, sustainability and impact) versus the six main project components (certification bodies, market initiatives, market services, policy dialogue, cotton value chain, and Ecomercados value chain). The judgement is summarised in a few key statements and scored as follows:

¹ Project activities in Bulgaria spilled over into Macedonia. As the Bulgaria project was only briefly reviewed, a precise distinction in results between Bulgaria and Macedonia cannot be made in the text and references to Bulgaria are inclusive of Macedonia.

++	Very successful, meeting or surpassing project / programme objectives
+	Successful, but not fully meeting project / programme objective
+/-	Successful in some countries/aspects but not in others
-	Limited success and/or weak evidence of results claimed
--	Clear evidence of poor results.

The results of this evaluation matrix are discussed with more detail under the findings of each programme component, and presented in a summarised table at the end of the implementation findings chapter.

3.6. Reporting structure

The evaluation considers three levels: implementation, strategy, and implications.

- Chapter 4 presents the findings on project results. It discusses the relevance, effectiveness, efficiency, sustainability and impact of the different project components: certification, cotton value chain project, Ecomercados value chain project, organic market initiatives, market services and policy dialogue.
- Chapter 5 presents the findings on programme operations, which are related to general programme and project management, with a special emphasis on the role of SECO and implementing partners.
- Chapter 6 presents the findings on programme strategy, which links the achievements at project implementation level to the higher-level SECO strategy.
- Chapter 7 presents the context for a future strategy. It discusses the strategic outlook of SECO, the current trends in the organic sector, and other donor strategies.
- Chapter 8 presents the implications and recommendations. It follows seven main recommendations for SECO's future strategy.
- The annexes to this main report (Volume I) contain: consulted reports; consulted persons and organisations; evaluation matrix; reconstructed logical framework; and approach paper for the programme evaluation.
- The annexes of Volume II contain: mission report India; mission report Romania; mission report Ukraine.

4. Findings: Project Results

4.1. Programme overview: facts and results

An overview of all projects in the programme is presented in Table 2. This shows in a summarised way, for each project, the investment per component versus the main results. The different components are discussed in more detail in the following sections, but some general trends can already be seen.

Certification bodies

In the certification-based projects, the largest share of the budget was spent on the new certification bodies (CB). Six new CB are set up of which some are still in development. The numbers of clients vary enormously between countries, which reflect the duration of the project and the size of the organic sector in that country.

Organic Market Initiatives

In the certification-based projects, a substantial part of the budget is spent on the OMI. Only 4 OMI are moderately successful and the impact is negligible.

Value chain development

The commodity-based cotton projects and the marketing-based Ecomercados project have the clearest outcome in terms of number of producers involved and impact in terms of increased income of small producers and increased turnover of enterprises.

Table 2. Programme overview: facts and results

All value in CHF, latest figures (2008)	Cotton, 3 projects (Mali, Kyrgyzstan, Burkina Faso)	Ecomercados (Nicaragua, Costa Rica, Honduras, El Salvador)	India	Romania	Ukraine	Albania	Bulgaria	Lebanon
Project period SECO funding (original project start)	Ph 1: 2002/3/4 – 2006/7/8 Ph 2: 2006/7/8 – 2008/9/10	Ph 1: 2004-2007 Ph 2: 2008-2011	2002-2009	2004-2008 extension 2009	2006 -2010	2006 – 2010	2002-2007	2005-2008
SECO total budget	Ph 1: 10,000,000 (SECO 60%. Helv 25%. Others 15%)	5,740,000 (Ph 1: 2.380.000; Ph 2: 2,360,000)	3,100,000	1,000,000	1.800.000 (60%)	830,000	995,000	1,200,000
SECO Budget spent up to end 2008	4,391,000*	2,830,000	?	862,569	1,100,000	513,000	950,000	1,023,000
Country Data (organic sector)								
number of farmers (% small holder)	>20,000? (100%)	>30,000? (80%)	850.000 (95%)	4200 (50%)	123 (20%)	70 (90%)	700 (2007) (?)	200? (90%)
value of export sector (annual)	3 mil?	50 mil?	115 mil	90 mil (8% of export)	18 mil	3 mil	?	>0.2 mil
value of domestic sector (annual)	0?	1 mil?	1.2 mil	1 mil	0.5 mil	0.5 mil	0.8 mill (2007)	>0.1 mil
Certification								
Budget	NA	NA	1,241,400	823,000	700,000	427,000	930,000	622,000
Spent (up to end 2008)			1,161,897	765,043	470,000	297,000		562,000
# clients			25,000	1000	52	60	575 (incl. 230 in Mac)	94
% clients that are small holders			100%	50%	30%	90%	75%	80%
% of organic sector (est. % of export)			3% (10%)	30% (10%)	40% (20%)	85% (15%)	75% (?)	50% (?)
% smallscale exporters certified by CB			?	?	?	10%	?	4%
Certification costs comparison			same	same; competitor cheaper with ICS	30% cheaper (-200 CHF)	10-50 % (depending on case)	30% cheaper (- 700CHF)	slightly cheaper
Results			nat'l and int'l accreditation; self- financing; viable	nat'l and int'l accreditation; self- financing; viable	not yet accredited; 35% self-financing; probably become viable	nat'l and int'l accreditation; 60% self-financing; viable? very difficult	nat'l and int'l accreditation; self- financing; viable	nat'l and int'l accreditation; 40% self-financing; viable? challenging
Policy								
Budget	NA	NA	0	0	120,000	108,000	0	22,000
Expenditure			0	0	75,000	17,000	0	0
Key activities			NA	NA	Two regional round tables on policy, VIP event at BIOFach 2009	Regular contact ministry, participation a international events	NA	Contact with Ministry of Economy and Trade and Ministry of Agriculture
Impact from policy dialogue			NA	NA	Organic legislation expected to be finalized in 2009	significant engagement	NA	NA

* Expenses on Mali and Burkina Faso, without Kyrgystan

Table 2. Programme overview: facts and results (continued)

All value in CHF, latest figures (2008)	Cotton, 3 projects (Mali, Kyrgyzstan, Burkina Faso)	Ecomercados (Nicaragua, Costa Rica, Honduras, El Salvador)	India	Romania	Ukraine	Albania	Bulgaria	Lebanon
Market / value chain development	Value chain development		Market initiatives and market support					
Budget for market development total	10,000,000	2,300,000	1,900,000 (Total IOMDP)	50,000	720,000	255,000	15,000	450,000
Budget for OMI			?	?	390,000	included in market services	0	125,000
Expenditure for OMI (up to end 2008)			?	?	175,000	included in market services	-	115,000
# OMI /pilots proposals		30	40	4	4 (+ 2 underway)	NA	NA	10
# OMI/pilots started		Phase 1: 9; Phase 2: 8	1	0	4	4 (pilots)	NA	3 (2006) +2 (2008)
# led to successful enterprise		Phase 1: 2++; 2+; 5-	1	0	1 emerging	4	NA	2 (+ 1 emerging)
# farmers involved in OMI/pilot	15,000 producers	P1: 9 SME: 3000 producers	1500		15	10	NA	>25
Value of export trade generated CHF (annual)	estimated 2008: 3.3mil paid to farmers 1mil organic premium	Phase 1: 2007: 17mil turnover increase 2005-07: 8mil	50,000?	0	start in 2008 (figures not available yet)	290,000	NA	ca. 200,000
% small holders in OMI/pilots	100%	100%	100%		90%	80%	NA	100%
Budget for market services				?	330,000	255,000	15,000	325,000
Expenditure market services (end 08)				?	118,000	200,000	0	?
Outputs from market services	Complete vertical value chain;	Phase 1: support to SME; Phase 2: SME, value chain and export promotion agencies	Major national trade fair; business directory; national market study; diverse training programmes organised *	3 National conferences supported;	market study '05; training; 3 exporters at BioFach, diverse seminars organised	facilitating exports, 5 exporters at BioFach, co-organization of regional marketing conference in Sofia	NA	2 Supply Chain Analyses and Implementation Plan; Export Delegation at Biofach; Matchmaking.
Impact from market services	(see above)	(see above)	Fair 2005: positive, unique event for India. >30,000 visitors/yr. >1000 businesses/yr. Attribution of fair (and resulting trade) to Seco project unclear.	Conferences focused on domestic	limited impact on export	unclear impact	NA	Increased quality of exported and domestic fresh produce Increased number of visitors of farmers market

* In India, separate aquaculture project (0.25 mil budget): emerging success

Market services

A range of project outputs have been delivered. The trade fair in India is a success, even though it is difficult to attribute increased trade to the project interventions. Most other services have unclear outcome or impact.

Policy dialogue

Only a minor part of the budget was spent on policy dialogue. This consisted of fairly ad-hoc contacts with government staff and a few regional round tables. From the start it was clear that it would be difficult to attribute any change in policy to project interventions.

In the following sections, the evaluation findings are grouped per programme component: certification, organic market initiatives, market support and policy dialogue. Within each project component section, the five evaluation criteria are discussed: effectiveness, efficiency, impact, sustainability and relevance.

4.2. Certification

4.2.1. Goals, rationale and expectations

SECO's main goal in focusing on certification activities was to support expanding trade based on labelling and certification systems. Its main objective was to demonstrate that such systems actually gave access to growing markets rather than being a form of non-tariff trade barrier. The Organic sector had the potential to be a good example of a certification and labelling system that offers access to a growing global market and which has (at least in principle) an inbuilt focus on sustainable production and equity issues.

The main rationale was that certification by a foreign-based CB was a major constraint for small producers to engage in the export of organic products. Certification by a national CB would be cheaper and more accessible (local inspectors; local language) for small producers.

An additional rationale was that a national CB was desirable in order to create, or at least contribute to a 'community of change' in the organic sector, taking the role of lobbying at policy level, raising awareness among consumers, and to contribute to a united organic platform of movement. Given that private certification is new in many countries, it is an institution that capacities can be build on addressing western market requirements.

The main expected outcome was cheaper certification, which would be used by small- and medium-scale producers, leading to the expected outcome of increased organic export. Although export is the main objective of SECO, the development of the domestic market is valuable as a first step towards export and to complement a viable basis for a domestic CB as well as for a national organic platform. Increased trade would serve as example of labelling being an opportunity, not a barrier.

The additional expected outcome was the awareness raising and lobbying, either as CB or as part of a broader national platform.

In summary, the new domestic CB would result in:

- Affordable, accessible certification and increased trade
- Creating a community of change

- Demonstrating trade opportunities of labelling schemes

4.2.2. Approach

The first certification project started in India in 2002. Within 2 years the CB was well on its way to becoming a credible and viable CB and had mainly small-scale producers (SSPs) as client. This approach was then taken as a model for potential replication. Scoping missions to see if conditions would allow the establishment of a national CB led to in total 6 projects with similar objectives and approaches. All have a highly similar approach including the following key elements:

- Requiring stakeholder membership and (minimal) investment to create ownership
- Annually declining contribution from SECO to CB running costs with expectations of financial independence by year 6.
- Initially a high input of certification and business management training and support

4.2.3. Country contexts

The agricultural and organic sectors within which CBs were set up were very different. India had an established multi-million €organic market. Other CBs had been operating in India since the early 90's with branch offices of at least 4 CBs set up by the end of the 90s. With a population of 1 billion, it is a continent where there was plenty of scope for any new CB. During the lifetime of the project the number of certified organic producers in all of India grew from an estimated 25.000 to 850.000 thanks to government support programs (not necessarily thanks to a market demand).

Romania had a much smaller but still relevant producer base with 5000+ producers, those supplying to the domestic market not certified. At least 2 foreign CBs operated in Rumania prior to the project. Producers were already exporting, generally linked with buyers/investors in the EU. Bulgaria was smaller but similar to Romania. Ukraine had a few, very large producer-exporters. Albania and Lebanon had very small organic markets with less than 300 operators each. In all cases, producers linked to export markets tended to be larger and knew how to arrange international certification.

At the time of the evaluation, one project (Bulgaria) has been finished, two (Romania, India) are in the last project months, two (Ukraine, Albania) are in their 4th of 5 years and one (Lebanon) has formally rounded off after 3 years with an extension in preparation. Total funding spent on certification support has been CHF 4.7 million.

4.2.4. Operational results

The SECO program has been effective in supporting the setting up of national CBs, achieving the following:

- Credible CBs are established or are well on their way in all the 6 projects with certification components.
- All CBs are nationally and internationally accredited or in the process of acquiring this.
- All CBs have a good to excellent reputation within the national organic sector.
- Financial viability has been targeted in project design, with good results.
- Viable CBs set up in 3 countries (India, Bulgaria, Rumania), all currently self-funding.

- CB in Ukraine on track, strengthened by 2008 strategic choice to also target profitable larger scale operators.
- CBs in Albania and Lebanon face great challenges to become viable. This is mainly due to the very small size of the national organic sectors. These challenges were known, but projects were nonetheless initiated, because of SDC efforts on organic production in Albania, and because of the regional role the Lebanese CB could play in neighbouring countries.

From an operational perspective the program operated efficiently. Budgets spent on establishing a CB ranged from CHF 450.000 (Albania) to CHF 1,200.000 (India). Time and running costs involved seem on the whole justified.

All of the certification (sub-)projects required or currently have recommended a 1-3 year project extension to reach a point of viability. Extra time required was mainly due to:

- High national CB staff turnover in all countries requiring retraining of key personnel
- Overly optimistic estimation of client base growth
- Generally taking on staff neither experienced with organic certification nor with running a business

The scale of operation ranges widely. In India 25.000+ farmers are now certified through the program CB, in Romania 1000, in Bulgaria 600 and elsewhere <200.

4.2.5. Strategic results

Two key areas of impact were expected to follow from the outcome of having established national CBs: more trade for small-scale producers (SSPs) who would be able to afford certification and thus sell to organic markets and more conducive legal and policy frameworks due to better lobbying. The following assessment is made of impacts noted.

Affordable, accessible certification and increased trade

The CBs are generally meeting their objective of offering affordable, accessible certification to SSP as demonstrated by:

- CBs supported did explicitly target SSP as their client base. All business plans were based on developing an important client base among smallholders and the lowest possible fees that could be charged. There is a general trend among CBs to take on larger, profitable clients over time as the pressure to become financially independent mounts. CBs seem committed to continue with at least a partial focus on SSP, a focus shared by the stakeholders who own the CB.
- All the national CBs offer inexpensive certification. Prices currently are between 0 – 30% cheaper than the lowest prices found among competitors. It is likely that the CBs had some effect on lowering national certification costs (estimated at 30%), which is claimed in all countries. On the other hand, competitors spoken to all denied a competitive effect. Reasons to question the significance of new CBs include:
 - Established CBs do not feel challenged by a newly emerging CB with no market reputation in the EU, and small client bases.
 - The CBs supported generally targeted smallholder clients, which others did not focus on, thus reducing competition.

Despite having a large share of smallholder clients (ranging from 30% in Ukraine to over 80% in most countries) there is no evidence that this has anywhere led to the desired impact: getting

more SSP linked to markets. CBs themselves estimated that 10 - 30% of their clients sold their produce to exporters. CBs were strongly focusing on the domestic markets but these remain very small. Interviews and follow-up work by local consultants in all countries suggest that selling certified produce as organic is a common problem for farmers. If it is not possible to reliably link to organic markets there is little need for certification, even when it is cheap.

The following gives the evaluation team further reason to question how critical the impact was of domestic CBs in generating new trade.

- The total costs savings for a national sector was in every case limited. Numbers of farmers involved were relatively small and even at 30% cost reduction absolute savings were limited (e.g. in Rumania CHF 45 per farmer per year). Thus there was limited freeing up of capital within the sector for new business initiatives by the reduction of certification costs. Further, a 30% drop in certification costs for a SSP, while welcome, is unlikely to represent a significant influence over the overall cost structure of engaging in organic markets.
- Group certification, the cheapest option, is only allowed in India. As it is the norm for all CBs there is no relative costs reduction. Within the EU, group certification is not allowed by law. However, possible cheaper 'hybrid'² group certification forms were not targeted, like Ecocert appears to do in Romania, resulting in a lower cost per farmer.
- No calculations or estimations were seen of the total costs of an organic operator and the relative share of certification. No monitoring was done whether newly certified operators jumped if costs dropped. In some cases, where certification costs had initially been paid by a third party, farmers still moved out of certification when they had to pay it themselves, despite the low costs. The lack of a rewarding market seemed a bigger constraint.
- There was no evidence that certification was so expensive or so inaccessible for SSP that this was a key barrier to being able to access export markets (despite this being a common complaint by many in the sector). Neither is there evidence that cheaper certification resulted in significantly more SSP producing for the organic market. Relative to all the other necessary factors for developing an export market certification costs are generally a marginal issue.
- There is no evidence in project designs or business scenario's that other alternatives to setting up CBs, which may have been cheaper, were considered, such as subsidising the setting up of a local office of an international certifier or establishing organic units within existing certifiers.
- In the experience of the evaluation team, European buyers attach greater weight to working with a CB with a known reputation than getting slightly cheaper certification from an unknown CB. However, the new EU import legislation creates new opportunities for acceptance and over time reputations can be built.
- An exception may be Macedonia, where Balkan Biocert (BBC) is the only approved certification body. Exports are thus only possible if certified by BBC.
- There is no evidence that the number of certified farmers, or the volume of export trade, grew substantially after the establishment of the new CB. In Romania the total number of organic farmers dropped slightly since 2003 and the number of farmers certified by the other CBs except Bulgaria has grown minimally.

² "Hybrid" certification refers to certification where a number of tasks are done collectively, like central support for proper administration, while still having each farm individually inspected as required within the EU.

- In India the main growth in clients started from 2007, when a government support scheme for organic agriculture, which subsidises certification costs started up. This has led to a massive national growth in the numbers of certified farmers, with currently 400.000 farmers in conversion nationally. Lack of market linkage is a major concern for certified farmers. Such growth cannot be attributed to the national CB.
- While the CBs established through SECO funding do, in most countries have a good client base, there is no evidence that this represents a substantial increase in new trade in the sector, domestically or for export, driven by the CB. In other words, this client based would have existed anyway and in the absence of the SECO supported certifier would have been certified by another group.
- Particularly in India, but also in other countries it is important to recognised that there is not a direct relationship between certification and organic trade. Farmers may be certified without actually selling their produce into organic markets. Levels of certification cannot therefore be used as a proxy indicator for increased market access.

Key Finding 1: The newly created national certification bodies do offer affordable, credible certification to small-scale producers and are an asset to the sector. However, there was no evidence that access to affordable certification directly led any significant increase in organic trade by small-scale producers.

Creating a 'Community of Change'

Apart from the quantifiable impacts on trade national CBs were expected to contribute to a number of qualitative impacts. These were verbally summarized by SECO as creating a 'community of change' that could push the long-term growth of an organic sector. This has historically been the case in many countries 30 years ago, including Switzerland, when organic was very small globally. The CBs did contribute positively to their sector but it is questionable whether the same central role in a national sector could have been expected of them nowadays. CBs nowadays are businesses providing strict certification at a low cost, organic sectors are connected globally and learning and supporting each other.

The new domestic CBs played a clear role in providing information about organic agriculture in general and certification in particular through dozens of workshops in each country. Such activities cost time and money and are unlikely to continue without external funding as the CBs have to concentrate on the inspection and certification business.

Stakeholder participation in national CBs was required in the form of some financial commitment and membership. This was a good way of creating a client base and of increasing the cohesion amongst the stakeholders involved. It also meant the stakeholders could ensure the CB would continue to give priority to SSP where possible.

On the other hand 2-15 other CBs operated in all but one country. Organic operators who were certified by other CBs were by default not a stakeholder in the national CB. Except in Albania and Lebanon the project worked with a minor part of the sector only and thus did not address nor lead to nation-wide cohesion.

In most countries the CBs have been and still are occasionally consulted by government on legislation questions. Apart from Bulgaria there was no structural engagement between the CB and government bodies on policy or legislation issues. The evaluation team noted a structural contradiction between setting up a CB as a viable business servicing part of the sector, and expecting the CB to be an advocate for the organic sector as a whole. In all countries staff were more than full-time busy trying to set up a business and learning how to certify organic

operations; there was simply not time for much unpaid advocacy. Furthermore, a CB must act as a neutral observer, a professional service provider. It would jeopardize its impartiality if the CB would seem to have a political agenda or is engaged in lobbying government.

Key Finding 2: National CBs have played a worthwhile role in disseminating information in local language to possible organic producers and government. They have also brought together a part of the national organic sector. However, they cannot be expected to be neutral, viable businesses while acting as a national platform and actively lobbying for the organic sector.

Demonstrating trade opportunities of labelling schemes

At the highest program level organic certification was meant to be a showcase of the value of labelling systems.

- No strategy or activities were noted where a successfully growing organic (export) market was used by the program to raise the topic with government, the agricultural sector or among businesses that labelling schemes have a positive potential for trade. None of the partners spoken to seemed aware that this was a wider program objective and therefore did not target it in any way. Even in Romania, where organic with 2% of the land area earns 8% of agricultural export revenue, this example was not capitalised on.
- No analysis was seen of the value of setting up branch offices of existing foreign CBs such as IMO, or linking organic certification to existing, national certification bodies not yet involved in organic. The evaluation team suspects that setting up a branch office of a foreign CB or linking organic certification to existing certification bodies would have been much quicker and cheaper than setting up a new, national organic CB. The potential benefits for the sector of having a national certifier are acknowledged

Key Finding 3: Overall many assumptions were made about how a national CB would lead to more trade. These assumptions were not made explicit and thus there was no related systematic monitoring or analysis of data. When asking for evidence the evaluation team generally heard the ‘wish’ rather than ‘reality’.

4.2.6. Evaluation summary of certifying bodies

Effectiveness	++ In 6 countries new CB is set up; 5 CB are internationally accredited and 1 is on its way.
Efficiency	+ Large investment for new CB is justified. Extra unit in existing domestic certifier or branch office as cheaper alternative was not considered.
Sustainability	+ 3 CB are viable; 1 CB is on its way to become viable; Of 2 CB the viability is questionable.
Impact	- Certification cost reduction is limited. No evidence of increased export by smallholders. No significant impact on poverty alleviation. Positive effect on awareness raising.
Relevance	+/- No evidence of CBs being limiting factor for organic export. Role in national organic platform is appreciated. Domestic capacity building is important.

++ very successful, meeting or surpassing project / programme objectives; + successful, but not fully meeting project / programme objective; +/- successful in some countries/aspects but not in others; - limited success and/or weak evidence of results claimed; -- clear evidence of poor results

4.3. Market Initiatives

4.3.1. Goals, rationale and expectations

One specific category of market support was the establishment of pilot projects, later called Organic Marketing Initiatives (OMIs). The overall goal of these were to demonstrate the potential of growing organic markets to producers, buyers and government.

FiBL had developed the concept of OMIs outside the context of the SECO program, which FiBL indicates it had followed in many successful cases. In this concept OMIs were one aspect of a framework of market development interventions in which OMIs, together with capacity building, networking, labelling, trade promotion, trade fairs and market studies are part of a larger value chain development approach.

However, discussions about what project participants thought OMIs were or should have been revealed that there were divergent expectations. No clear picture emerged of what an OMI could or could not be. The scope seemed to change: although the overall programme objective focuses on export markets, the OMI concept was open to both export and domestic markets, even though these would require completely different approaches. For example, at some stage SECO recommended the Ukraine project to concentrate on domestic markets; while the project at that stage preferred to set up export oriented OMIs. The following expectations of what OMIs were meant to be seemed to be commonly shared:

- Meant to be pilots, i.e. with a demonstration effect of what others could do
- Lessons learnt should be rapidly documented and disseminated
- OMIs should lead to scaling up if successful
- If not, OMIs should lead to rapid development of new approaches.
- Preferably innovative

The rationale for supporting OMIs was:

- Certified SSP needed support establishing market linkages as this did not automatically result from gaining certification
- The CBs needed an expanding client base to become viable.

4.3.2. Approach

A clearly defined approach of how to support market initiatives was never developed and applied throughout the program, or in the different countries. Until 2006 the SECO program focused on 'pilot projects' in the context of market development. In 2006 a draft paper outlining the concept of OMIs and a procedure for finding and approving them was put forward by FiBL based on its own model. This was never comprehensively developed within the SECO context and was not formally approved as the model to follow.

In practice, this led to a varying approach of providing support which included some or all of the following steps:

- Calling for proposals, often by approaching stakeholders in the national CB or participants in national workshops or conferences;
- Putting ideas to the project steering committee for comment;
- Adapting proposals and re-presenting them for approval;
- Providing the requested support to the individual project.

It did not become clear whether the OMIs should be a service or a product, or whether support to OMIs were to be provided by Swiss or local experts. Common features identified included:

- No financial support for capital investment
- Short-term support (6-12 months)
- Small budgets of 10-15.000 CHF plus the support time usually from a Swiss partner

4.3.3. Operational results

Getting pilot project proposals

In all countries it proved difficult to take even the first step in the project cycle: getting good proposals. People were asked to come up with ideas for implementable trade-related initiatives. Such a call for proposals was generally put out through domestic organic organisations. These consisted largely of primary producers and researchers with limited business membership.

As a result, most proposals seem to have been supply-driven, i.e. ways of selling what was being produced, rather than demand driven. There was also little entrepreneurship in the groups approached. During the 3-5 years each project has run, at most 40 proposals (India) and as few as 6 in one country were generated. During a five-day visit to Rumania alone the evaluation team identified at least 12 ideas for new initiatives. The market studies carried out, which could have been expected to serve both the marketing of existing organic products as well as serve as inspiration for new organic business opportunities, did not seem to lead to new initiatives.

Little effort seem to have been made to generate project proposals among the business community or outside the existing organic movements, despite the fact that project management was aware of a lack of good ideas.

Pilots Initiated

Of the 50+ proposals generated between 2004 and 2008, twelve start-ups were supported. Five of these led to some kind of targeted output, such as the beginning of business or completion of a planned activity. Several innovative initiatives were noted among the proposals, including the first sale of cocoa from India to the European market and the support of a weekly organic market in war-torn Beirut.

In all countries the project steering committee had the final say whether a proposal would be approved or not. As they did not meet frequently (twice and sometimes only once a year) this introduced long delays in decision making and at times led to operators dropping their proposals. The composition of the steering committees generally did not suggest they had the competencies to assess properly the business relevance and potential viability of proposals. Finally, without clear criteria, a variety of reasons were used to reject proposals.

FiBL attributes the lack of success of the OMIs to the following:

- i) very low budget of SECO-OMI's
- ii) complicated selection procedure
- iii) too high expectation towards potential OMI-partners at the moment of selection.

Given the experience FiBL had with OMIs in other countries, their concept paper on OMIs, and the freedom FiBL had in designing and planning the OMI (being a main author of the project proposals), it is surprising that FiBL did not tackle the identified reasons for lack of success in an early stage of the project or engage more vigorously with SECO about what they saw as the inherent limitations of the SECO approach.

As far as the evaluation team can ascertain, difficulties with the selection procedure began after the first round of pilots were proposed when SECO considered that these proposals were not based on a sufficiently solid business analysis and plan.

By definition as emerging economies with young organic sectors, the situation in several project countries were indeed difficult. Limited national market development expertise and weak capacities of local partners contributed to slow responses and delays. However, more effective communication between SECO and FiBL could have resulted in more responsive action and could have prevented poor performing OMI to carry on. FiBL describes this as a 'management dilemma': to allow local partners more time for their non-performing OMI without drastic project intervention. This all suggests the need for a considerable rethink of how SECO and a Swiss implementing agency operate in order to successfully support market development in such contexts.

The difficulties of working in different and difficult country context also point to the potential value and importance of using in-country expertise and support in a more substantial way.

Overall there has been a limited management response to poor results with OMIs, both by FIBL and by SECO. The lack of success with pilots/OMIs was identified in 2005. In 2006 a new possible approach was put forward by FiBL which could have tackled the factors of non-success it identified. However, as of 2009 no new approach has been discussed, finalised or implemented within the program framework.

These critical comments are given in full recognition that many other donors and development agencies also experience considerable difficulty in arriving at models that work for supporting

market development. The SECO programme began relatively early on in this era of 'market driven development' and over the period that the programme has been running, much has also been learned by others. It must also be understood that market development is entrepreneurial and by definition a significant proportion of new business ideas will not succeed in the longer term.

Key Finding 4: The program was not effective in generating a significant number of sound proposals for OMIs nor was it effective in implementing those few that were approved. The combined management dynamics between country partners, FiBL and SECO did not enable an effective response to this lack of performance.

4.3.4. Strategic results

Given the very small number of OMIs, which in themselves were generally small initiatives, it can almost immediately be concluded that this aspect of the SECO program could and will not have any significant impact. For future learning the evidence and reasons for failure and success are worth looking at.

Demonstration and scaling up

Very few producers were involved in most pilots. In Eastern Europe less than 20 primary producers were involved in any one project; in India it is estimated at less than 250. While the India numbers are more interesting, they are very small if it is born in mind that there are hundreds of group certification schemes in the country with at least 250 members while 1500 members is not unusual.

Furthermore, those producers involved all operate at a small scale. Turnover generated by the pilots is likely to be quite modest, though no figures seemed to be collected.

The whole notion that pilots should indeed be pilot projects with a demonstration effect was not reflected in the program approach. No documentation was made of pilots, either of successes or failures, reasons therefore, or lessons to be learnt. No communication strategy was seen on how to share lessons learnt rapidly, to which target group or by what means.

For the program as a whole, no strategy was apparent of how pilot projects, when successful, would be scaled up or used to demonstrate the benefits of certification and labelling. Verbal descriptions of the pilots did not refer to potential for, or specific scaling up strategies.

Key Finding 5: Neither replication and scaling up, nor learning and adjustment, were built in the OMI design. Without significant replication and scaling up of the few progressing initiatives, the work with OMIs would be unlikely to have significant strategic results in terms of generating trade.

4.3.5. Evaluation summary of market initiatives

Effectiveness	-- In 6 countries, only 12 initiatives started, of which 4 effective.
Efficiency	-- Selection procedures inefficient; little outcome compared to investments:
Sustainability	-- Little engagement of businesses that could pull the initiatives and provide co-investments; initiatives are not market driven.
Impact	-- No scaling up or replication. Very few producers / little trade involved. Most focus on domestic market.
Relevance	+ Idea of pilot demonstration market initiatives is highly relevant; implementation and results are not.

++ very successful, meeting or surpassing project / programme objectives; + successful, but not fully meeting project / programme objective; +/- successful in some countries/aspects but not in others; - limited success and/or weak evidence of results claimed; -- clear evidence of poor results

4.4. Market Services

4.4.1. Goals, rationale and expectations

Two years after the SECO program started with certification in India, it was concluded that effective trade development required simultaneous work on supporting market development. Market support and certification activities were subsequently usually integrated in later project design.

For organic this was seen by default to be export trade. At the same time, SECO considered that a domestic market must be developed simultaneously to provide export producers with an alternative outlet, as a bridge to exports.

One aspect of market support was the offering of market services. These were mainly directed at general (national) market rather than tailored to individual initiatives. Market services were expected to lead to the following:

- Existing and potential organic operators would respond to up-to-date information about organic business opportunities with a range of new business start ups
- Business growth would be faster and more reliable as a result of new capacities gained, more exposure through trade fairs and learning from other examples
- Domestic demand for organic would rise noticeably as public awareness of organic produce and its benefits would become more widespread

A document outlining the activities and sketching the thinking behind this approach was presented to the evaluation team. This was an internal document of FiBL, which was developed in 2007. In India and Ukraine the national partners worked with this concept: a network was created by the project coordinator in Ukraine and a competence centre was coordinated by ICCOA in India. In the other countries, it was not common knowledge and not referred to by the national partners or in project documents.

4.4.2. Approach

The internal document mentioned gives an overview of the range of activities that could be undertaken within the scope of market services. The basic thinking was that services would be provided at the request of national organic operators. Within the whole program services included:

- Providing actual market information and market studies, also via internet
- Making business directories
- Providing capacity training and coaching
- Supporting visits to trade fairs and own trade fairs

4.4.3. Country contexts

The huge differences in the level of development of the organic sectors meant that very different kinds of support were necessary. In India, with an existing organic market and a general culture of entrepreneurship, more in-depth expertise was considered necessary to take ideas forward. Most Eastern European countries were reeling from agricultural production systems being privatized and liberalized. A general lack of entrepreneurial spirit and understanding coupled with major structural adjustment of the agricultural sector meant that new initiatives were much more scarce and slower to get off the ground.

Significant budgets were allocated in India, Ukraine, Albania and Lebanon, while it was a minor project focus in Romania and Bulgaria. (see Table 2 page 20 for details provided by project partners)

4.4.4. Operational results

In the whole program a range of services were delivered:

- directories
- market studies
- assistance with trade fairs
- matchmaking
- website
- market service network (Ukraine)
- competence centre (India)

The directories were written in the first year of the project, in India one directory update was carried out. Market studies done were carried out in the first project year and not updated making them rapidly outdated. The market studies seen are considered to be quite generic. Limited details on cost structures, specific product demand, etc. would have made it difficult for businesses to identify opportunities to base new initiatives on.

The major success in India was the creation of the India Organic Trade Fair. This was an activity that received considerably more support and time from the national partner than originally planned. The fair offered a unique platform and immediately became a great success involving large numbers of visitors (in 2008 16.000 visitors including 1.400 trade visitors). Currently it is partnering with the Biofach for the 2009 edition. Support from the SECO

program was very important for the start-up of the India Organic Trade Fair in 2005; subsequently the Trade Fair was largely developed outside the SECO program but, because of the time devoted to it by the national partner, grew at the expense of other agreed activities.

Operators from each country were supported in visiting the Biofach. As this is the world's key organic trade fair, it undoubtedly proved useful to partners. However, no data was seen on the number of parties supported, numbers of contacts/contracts made, follow-up and resulting sales.

Key Finding 6: The program did deliver a number of market services in different countries, often early on in the project. Apart from possible spin-off from the India Organic Trade Fair, no evidence was found that these services were widely used by operators in the national organic sector to create new trade.

4.4.5. Strategic results

No evidence-based conclusions can be drawn on the strategic results of the market services provided.

This is mainly due to the absence of any monitoring of how widely certain products (e.g. market studies) were distributed or how they were used. The exception is India where key statistics of the trade fair were gathered on an annual basis through questionnaires among participants. Interviews carried out during country visits and annual reports did not give a picture of structural awareness among operators of the presence or use of the market services.

Domestic markets in all countries required very different support (including awareness raising, developing sales points, building supply chains) from export markets (creating produce of sufficient volume, continuity and quality to meet market demand). The unclear and at times changing focus of SECO made it extra difficult to focus market services.

The rationale to support the growth of domestic markets was generally not backed up by figures. These markets are minimal in all countries, estimated to be well below 1% of export turnover. Therefore domestic markets cannot form any kind of meaningful buffer for export-oriented producers who may be faced by fluctuating export markets. On the other hand, in India there seems to be a great potential with some 250 million (!) middle class consumers concentrated in urban areas. In Eastern Europe domestic markets of any size seemed likely to be limited to one or two major cities with a financial elite.

In general structural interaction with business to identify what business needed, what was being undertaken and could be usefully supported or to generate interest in the organic sector was not seen in the program. Written and verbal reports did not refer to regular communication or activities with national or international businesses.

The program worked with national partners without much business experience and who could therefore not provide an added value to existing companies or help newcomers effectively on their way. In India, where the market development project also intended to help develop a national competence centre, the national partner chosen was a very young organisation without experienced staff. Management of the new CBs generally had little business experience, adding a further challenge to setting up a viable company.

The lack of results from the market service efforts should also be seen in the context of strongly growing national economies in all countries and organic sectors in some. For example in India, which grew most significantly, the value of the export sector grew 6-fold to US\$85 million in 2007/8. Such growth was referred to during interviews as indicators of the program's success. However, there seemed to be a confusion between correlation and causality. While the growth is

undeniable and due to many factors, there is no evidence that program activities contributed to the major drivers of this growth, such as initiating or working with strongly growing companies.

Key Finding 7: There is no evidence that significant trade development or growth resulted from the use of market services.

4.4.6. Evaluation summary of market services

Effectiveness	+/- Range of market services was delivered: trade fair, training, seminars, websites, directories. The trade fair in India was effective and attracted many visitors and exhibitors. The use of other market services is unclear.
Efficiency	-- Little effect compared to project expenses. (The annual trade fair in India, after year 1, is not paid by SECO project).
Sustainability	- Trade fair India taken over by other organisation: annual fair. Other outputs not likely to be continued or updated after project.
Impact	-- Impact trade fair on increased trade difficult to attribute to SECO. Impact other market services unclear. Impact other market services on organic export negligible.
Relevance	+/- Market support is highly relevant. Trade Fair India was relevant. Market studies quickly outdated. No clear link of market services with new businesses and new trade.

++ very successful, meeting or surpassing project / programme objectives; + successful, but not fully meeting project / programme objective; +/- successful in some countries/aspects but not in others; - limited success and/or weak evidence of results claimed; -- clear evidence of poor results

4.5. Policy Dialogue

4.5.1. Goals, rationale and expectations

SECO's strategic documents spoke of the necessity to ensure enabling policy and legal frameworks for the growth of national organic sectors. This is reflected in the project proposals, where in most cases reference is made to engage in some kind of policy dialogue with government.

The expected outcomes of the policy dialogue varied per country, and included:

- A national organic regulation
- A national government programme (action plan) supporting the organic sector

4.5.2. Approach

In practice, this need for policy dialogue was not translated into a substantial funding and structural activities. SECO did not ensure that the need for policy dialogue in specific national contexts was structurally considered during scoping missions nor that appropriate activities were planned and budgeted. The outcomes of this line of activity are therefore less a reflection of how project was implemented and more a reflection on what could have been structurally built into to the approach of the organic programme. The main activities were ad-hoc meetings

with government staff and in Eastern Europe two regional round tables inviting politicians from advanced and starting countries to exchange information.

4.5.3. Country contexts

Policy dialogue took place in the 6 countries with a certification-based approach. These countries are quite diverse.

- In India, the government was actively promoting organic agriculture and export. It has its organic regulation and a supporting policy. India is on the EU Third Country List, facilitating organic export to the EU.
- In Ukraine, organic agriculture is not given high priority by the government. There is no organic regulation yet and the various labels (organic, bio, eco, and environmentally-clean) are not yet clarified or protected. Even when an organic regulation is adopted, it is not likely that there will be any funds to implement it.
- The need for a consistent policy framework was only explicitly noted and advocated for in Romania, where the falling away of a national subsidy scheme led to hundreds of small-scale farmers stopping organic production.
- In Bulgaria the government engaged in organic agriculture; policy dialogue including a national platform and a national action plan was realized through a SDC project.
- In the other East European countries and Lebanon the governments are less active.

4.5.4. Operational results

Project partners at all levels were not well aware of the programme's intention to engage in policy dialogue. There was a general sense that there was no need to engage with policy if they were not an impediment.

There was no clear program strategy nor individual project policy strategies. Policy work was *ad hoc* responses to occasional emerging issues.

Total budgeted funding for policy related work represented less than 1% of program budget. None of the policy budgets were fully spent.

In all countries, the bilateral cooperation agreement was between SECO and the Ministry of Economy/Trade and not with the Ministry of Agriculture. There was no structural link of the Ministry of Agriculture with the project. Few other initiatives were noted to keep 'organic' on the national agenda and to follow developments in the ministry. Swiss embassies in most countries did not play an explicit role in getting national government to give attention to organic topics.

The main results are:

- In all countries there was interaction with the agriculture ministry on an ad-hoc basis.
- In some cases project partners participated in working groups developing organic regulation drafts or revisions.
- In Albania, Bulgaria and Rumania there was on-going contact with the Ministry of Agriculture through the project Steering Committee. The responsible Rumanian government official spoke at three national conferences.
- Two East European regional round tables were organised where those responsible for organic agriculture in the Ministries were invited to exchange experiences. These were

4.5.5. Strategic results

When evaluating policy work, it is always difficult to attribute policy change to specific activities due to the many direct and indirect factors that shape policy. The evaluation team estimates the impact as positive but fairly marginal, except in Albania and Bulgaria where there is significant engagement with government.

It might have been more effective to support national stakeholders to engage with specific policy issues, thus contributing to national cohesion, rather than expect the supported CB to play a generic, leading role.

Key finding 8. From the limited scope of targeted policy activities the evaluation concludes that the SECO program played a positive but limited role in influencing legislation.

4.5.6. Evaluation summary of policy dialogue

Effectiveness	- Limited role of SECO interventions: ad hoc working group and few round tables.
Efficiency	+ Limited budget seems efficiently used.
Sustainability	-- Unclear who takes over role policy dialogue after project.
Impact	+/- Unclear impact on organic legislation or on wider agricultural policy. Positive impact on national cohesion in organic sector.
Relevance	+/- Policy dialogue with ministries and within the national platform are relevant, but relevance of the limited undertaken activities is limited.

++ very successful, meeting or surpassing project / programme objectives; + successful, but not fully meeting project / programme objective; +/- successful in some countries/aspects but not in others; - limited success and/or weak evidence of results claimed; -- clear evidence of poor results

4.6. Value chain approach: cotton projects

4.6.1. Goals, rationale and expectations

The rationale behind a value chain approach is to follow the whole chain, from primary production, farmer organisation, (group) certification, processing, marketing, matching producers with buyers and processors, and export, focussing support on the limiting segments in the value chain.

The expected outcome was an increasing number of farmers, producing and exporting an increasing amount of organic and fair-trade cotton. The expected impact were increased income for small-scale cotton producers, and an environmentally friendly and socially responsible production system.

4.6.2. Approach

The organic cotton projects actually work on the whole value chain, from primary production, farmer organisation, setting up a field organisation through to setting up internal control systems for group certification. In Switzerland, Helvetas negotiated with buyers and processors of organic and fair-trade cotton.

Certification is done through group certification with an internal control system, as is common globally. This does not require a national CB, because costs are already limited even when working with a foreign CB.

The total investment between 2002 and 2008 was about CHF 10,000,000 for the three projects in Mali, Kyrgyzstan and Burkina Faso. About 60% was funded by SECO, 25% by Helvetas, and 15% by various other partners.

4.6.3. Operational results

The various progress reports and external evaluation reports show that by 2008 about 15,000 smallholder farmers were included in the organic cotton programme in the three countries. Although the price for organic fair-trade cotton, which is set by the Fair Trade Labelling Organisation, is substantially higher (a premium of 80% in 2008), the organic cotton yield is also substantially lower than the conventional cotton yield (minus 50%). On the other hand, in conventional cotton, an estimated 25% of the cotton income is spent on chemical inputs, costs that are saved in organic farming. The total cotton revenue for farmers was about 3,300,000 CHF in 2008, of which CHF 1,000,000 additional income from organic (taking into account organic premium, lower organic yields, and lower input costs).

One has to take into consideration two issues when interpreting these results. First, in the organic cotton project, about 40% of the participating farmers are women, cultivating often on small marginal fields. Conventional cotton is usually grown by men, on better fields and with more equipment. Organic allows women to have an income themselves; sometimes coupling cotton with food crop production, like beans, in the same field. This reduces the average organic cotton yield. Secondly, a large part of the field staff are currently still paid by Helvetas. If these costs had to be covered by the cotton trade, as is the case in conventional cotton, the organic fair trade premium paid to farmers would be about 15-20% lower.

The efficiency seems reasonable given the pay-back period: the investment of CHF 10,000,000 will result in an increased farmer income of the same value in about 10 years.

The environmental sustainability is questionable. Yields are low, and worse, yields are declining mainly due to insufficient attention given to maintaining soil fertility - a problem that the project is aware of and is working to address in the future. The conclusion is not that organic cotton is less sustainable than conventional cotton; pesticide use in conventional cotton is the major concern for environmental sustainability and is tackled through organic production.

The economic sustainability is questionable as well. The production costs, including field operation costs currently paid by the project, are high. There are only few buyers involved, which is a risk for future export. The institutional sustainability is still low: the local organisations are not yet capable to take over the role of Helvetas to assist in export or negotiations with buyers.

4.6.4. Strategic results

From an evaluation point of view, the cotton projects are relatively simple, because there is a structural monitoring of outcomes (number of producers involved) and impacts (cotton revenue of small-scale producers).

The cotton projects have a positive impact by reducing poverty of 15,000 small farmers. Although less documented, the avoidance of chemical pesticides has a positive impact on human health. The project is relevant: in line with SECO's policy and addressing the needs of smallholder farmers.

Key Finding 9: The cotton project clearly contributes to the SECO programme objectives of increased organic trade and increased income for small-scale producers. The sustainability of the cotton projects is a concern.

4.6.5. Evaluation summary of the cotton projects

Effectiveness	++ Steady growth up to 15,000 small producers export 4000 tons organic cotton (cotton grain) in 2008
Efficiency	+/- Farmer annual benefits (2008) is 10% of total project investment
Sustainability	- Declining yields are worrying; field operation costs are not yet 100% paid from cotton; dependency on few buyers; local institutions weak, meaning Helvetas still indispensable.
Impact	++ Poverty reduction for 15,000 small farmers; CHF 1,000,000 additional income compared to growing conventional cotton.
Relevance	++ Targeting small producers; income of beneficiaries; increased organic trade.

++ very successful, meeting or surpassing project / programme objectives; + successful, but not fully meeting project / programme objective; +/- successful in some countries/aspects but not in others; - limited success and/or weak evidence of results claimed; -- clear evidence of poor results

4.7. Value chain approach: Ecomercados

4.7.1. Goals, rationale and expectations

The goal was to support existing small and medium enterprises accessing new markets that would provide the SME with more turnover and higher profits. Although Ecomercados considers the whole value chain, it puts the emphasis on the marketing segment because this was considered to be the weakest developed and least supported segment in the value chain. The expected outcome was increased organic trade, often export, by the supported SME. The expected impact was increased income for small-scale organic producers.

4.7.2. Approach

SECO operates among many other organisations supporting organic and fair-trade initiatives in Central America. Ecomercados covers a relevant aspect in the value chain: marketing support,

which was often poorly covered by other organisation focusing on farmer organisation and primary production. Although relevant, this does make it difficult to attribute success directly to the SECO interventions.

Ecomercados provides marketing support to existing enterprises marketing their organic and fair trade products. In its first phase, from 2004 to 2007, Ecomercados worked in Nicaragua and Costa Rica on national, regional and international markets. In its second phase, from 2008 to 2011, it works in Nicaragua and Honduras (with limited support in Costa Rica and El Salvador), now with more emphasis on the international market, on a more complete value chain approach, and on capacity building of export promotion agencies. The total SECO investment up to end 2008 was about CHF 2,800,000.

It is evident that the Ecomercados project is operating in an environment that is entirely different (easier) from the East European and West African projects.

4.7.3. Operational results

From the external evaluation results³ of phase 1, in 2007, the project seems effective. From the 9 supported enterprises (representing about 3000 producers) it is realistic to expect that not all supported enterprises will become successful. The efficiency of selecting the enterprises for support was evaluated as low: the procedures were too cumbersome and slow, and were changed in phase 2, when another 8 new enterprises were selected.

The sustainability is expected to be good. Because marketing support was given to existing companies, most businesses are likely to continue after project support stops.

There has been a good learning by the project from the evaluation of phase 1. This has resulted in changes in phase 2, e.g. focusing more on export markets (to US and Europe) than on national and regional markets; simpler procedures for the selection of SME to be supported; allowing support to primary production if this was a constraint; and monitoring of changes in producer income. At the same time it is training local Trade Promotion Organisation to take over the role of the Swiss service providers once SECO support stops.

4.7.4. Strategic results

From the 9 SME supported in phase 1, two have strongly increased their turnover, two have moderately increased their turnover, and of five enterprises the successes are small or unclear. The total annual turnover of these 9 enterprises grew with CHF 5,000,000 between 2005 and 2007. This suggests a very good pay-back rate, although it is difficult to attribute this outcome to the Ecomercados interventions because many SME received support from multiple organisations.

The impact on poverty reduction of farmers was not monitored. The increased turnover cannot be simply converted into increased farmer income. Monitoring of this impact will be improved in phase 2.

Key Finding 10: With its marketing support, Ecomercados targets an important weakness in the value chain for many SME, which has resulted in increased trade. It complements well the efforts of other organisations supporting organic production and fair trade in Central

³ Clavadetscher, D. (2007) "Revisión externa a la primera fase (2004-2007) del proyecto ECOMERCADOS" for SECO

America. It is difficult to assess the impact on income or to attribute this solely to the Ecomercados interventions.

4.7.5. Evaluation summary of the Ecomercados project

Effectiveness	+ 9 enterprises (3000 producers) involved in phase 1; 2 SME very successful, 2 SME successful and 5 SME unclear results / stable
Efficiency	++ Work with existing enterprises; selection procedures (phase 1) was inefficient; improved in phase 2.
Sustainability	+ Existing businesses are likely to continue. Regional Trade Promotion Organisation trained to continue after project ends.
Impact	+ Significant increase in turnover; unclear attribution to SECO; unclear impact on producer income.
Relevance	++ Covered marketing segment of chain, not covered by other organisations.

++ very successful, meeting or surpassing project / programme objectives; + successful, but not fully meeting project / programme objective; +/- successful in some countries/aspects but not in others; - limited success and/or weak evidence of results claimed; -- clear evidence of poor results

4.8. Evaluation summary

The results of the different project components on the criteria effectiveness, efficiency, sustainability, relevance and impact are summarised in Table 3.

Table 3. Evaluation summary: Project components results and assessment

	Combination approach: certification, market support and initiatives, and policy dialogue				Value chain approach	
	Certifying Bodies	Market initiatives	Market services	Policy dialogue	Cotton projects	Ecomercados
Effectiveness	++ 6 new CB; 5 accredited; 1 on its way.	-- Only 12 initiatives started, of which 5 effective.	+/- Range of outputs: fair, training, seminars, websites, directories. Fair India effective.	- Limited role SECO: ad hoc working groups and few round tables.	++ 15,000 small producers produce 4000 tons seed cotton	+ 9 enterprises (3000 producers) involved (2007) 4 successful.
Efficiency	+ Costs justified. Large investment for new CB. Existing certifier as alternative not considered.	-- Selection procedures inefficient; little outcome compared to investments.	-- Little effect compared to project expenses.	+ Limited budget efficiently used.	+/- Farmer annual benefits (2008) is 10% of total project investment	++ Work with existing enterprises; selection procedures (phase 1) was inefficient; improved in phase 2.
Sustainability	+ 3 CB viable; 1 CB on its way; 2 CB viability questionable.	-- Little engagement of businesses; not market driven.	- Trade fair India taken over: annual fair. Other outputs not likely to continue or updated after project.	-- Unclear who takes over policy dialogue after project.	- Declining yields; high field staff costs; dependency on few buyers; local institutions weak.	+ Businesses are likely to continue.
Impact	- Cost reduction limited. No evidence of increased export by smallholders.	-- No scaling up or replication. Very few producers / little trade involved. Most focus on domestic market.	- Impact trade fair on increased trade difficult to attribute to SECO.	+/- Unclear impact on organic legislation or other policy	++ Poverty reduction for 15,000 small farmers; 1,000,000 additional income per year.	+ Significant increase in turnover; unclear attribution to SECO; unclear impact on producer income.
Relevance	+/- No evidence of CB being limiting factor organic export. Positive effect on awareness raising.	+ Idea of market development is highly relevant. Implementation approach of questionable relevance.	+ General support for young organic markets useful on all fronts	+/- Organic regulation, agrarian policy and national platform are very relevant.	++ Targeting small producers; income of beneficiaries; increased organic trade.	++ Covered marketing segment of chain, not covered by other organisations.

++ very successful, meeting or surpassing project / programme objectives; + successful, but not fully meeting project / programme objective; +/- successful in some countries/aspects but not in others; - limited success and/or weak evidence of results claimed; -- clear evidence of poor results

5. Findings: Programme operations

As can be seen from the evaluation summary of programme components the results are very mixed. This Chapter of the findings looks in particular at the operational reasons for the areas of poor programme performance.

In this section we limit our findings mainly to the part of the programme being implemented by FiBL. This is because it was for this area of work that the field work was undertaken.

The delivery of inputs and outputs as agreed on in contractual arrangements appear to have been largely met. This is perhaps more questionable in relation to the marketing initiatives. The issue is with the results (outcomes and impacts) that have arisen. Generally the evaluation found weak systems in terms of results based monitoring and management both within SECO and FiBL.

As illustrated by the mixed results, it appears that SECO's operational systems and requirements of partners are not a constraint when partners are operating effectively and there are limited problems with project implementation. However, they are clearly less effective when issues of poor performance arise.

Before examining a number of key issues, it is important to acknowledge two general constraints for the projects.

- First, for NGOs working on international aid or research, engaging in market development is a relatively new phenomenon, for which the operational aspects and organisational requirements are still being developed.
- Secondly, many projects worked under difficult or unfavourable conditions, e.g. lacking a favourable national policy; limited entrepreneurial spirit of producers and enterprises; and, at times tensions over different vested interests of country partners.

5.1. Effective implementation of a technical activity

FiBL was clearly very effective at setting up new CBs. A successful approach was developed for the first project in India, which became a blueprint for subsequent countries. This focus on a clearly defined goal involving known, required steps utilized the experience of FiBL with international certification. With known clear international requirements for CBs, creating a new body can be seen as a technical activity. FiBL demonstrated the necessary business focus to ensure that financial viability was strategically targeted from the beginning of each new CB.

Key Finding 11: There was effective management, implementation and technical support by FiBL for creating the new CBs.

5.2. Limited responsiveness to performance issues

In relation to the market initiatives and support components the difficulties and constraints in this area were apparent to both FiBL and SECO at very early stages of the projects. It is striking that although there were on-going internal discussions within FiBL and meetings between FiBL and SECO about this issue essentially no corrective decisions or action were taken over a four-year period.

Key Finding 12: There was a limited responsiveness to poor performance issues throughout the programme implementation period.

5.3. Lack of strategic monitoring at the outcome and impact level

Overall the entire programme suffered from a limited strategic monitoring at the outcome and impact levels. The programme itself lacked a logical framework and clearly established performance indicators and targets. This transferred into project design, in which only four out of ten projects had logical frameworks. Even within these projects an appropriate framework of performance indicators was not established.

Although monitoring at outcome and impact level comes at a cost, and attributing outcome and impact to project interventions is challenging, this must at least be addressed in internal mid-term reviews and external evaluations. This would help the program ensure it remains focused on developing effective new approaches for demonstration and principles that can be replicated and scaled up.

Market development work is by its nature often uncertain and it can be difficult to prescribe specific targets and actions. Consequently the point is not about inflexible use of a logical framework or hard and fast targets. Rather it is about creating a shared understanding of what types of impacts might be expected and on what scale and then to have an understanding of what outcomes would indicate progress towards such impacts.

In areas where the programme was effective such as setting up the certification bodies, Ecomercardos or the cotton projects, better monitoring of outcomes and impacts could have helped to further substantiate the value of the projects.

At the project level the Steering Committees were important in supporting project focus. SECO transferred much of project monitoring to its field representations. In most cases this led to strict focus on project outputs or milestones with little attention given to reflect on higher level performance: outcome and impact.

Key Finding 13: The programme and its projects lacked a framework for strategically monitoring performance at the outcome and impact level.

5.4. Weak systems for critical reflection and learning

In this programme, SECO had no clear and formalised systems for encouraging critical reflection and learning by itself and its project partners regarding project and programme performance. Reporting requirements were largely of a financial and administrative nature and do not lend themselves to being a basis for strategic level assessment of higher level performance.

In discussing programme performance with the implementing partners and SECO the evaluation team has noted that issues of correlation, causation and attribution are at times not clearly distinguished. In some instances this leads to anecdotal evidence being too heavily relied upon as a justification for the original programme assumptions. To improve critical reflection and learning in the programme there is a need to be clearer on underlying programme assumptions how evidence is used to assess causal relations.

Key Finding 14: There were limited processes in place to bring partners together to reflect critically on performance and learn lessons for improving programme implementation. Project steering committees did not appear to have played a fully effective role in this regard.

5.5. Unclear roles and responsibilities between SECO and implementing partners

SECO indicated that it considered the 3 key Swiss partners to be strategic partners. For SECO this implied a certain freedom to operate with corresponding responsibilities. However, for neither party were these boundaries clarified leading to gaps in responsibilities and decision-making. It was unclear what strategic partnership meant in terms of responsibilities and requirements for management. Operational arrangements between parties would benefit from a MoU that includes regular common strategic reflection.

Key Finding 15: Roles, responsibilities and decision making processes are not always sufficiently well clarified and understood between all the parties involved which includes SECO Bern management and programme staff, SECO country representatives, Swiss implementing partners, country implementing partners and advisory committees.

5.6. Insufficient separation and accountability for different phases of project cycle

From accountability perspective there was insufficient separation of roles in the project cycle. The same party could carry out a scoping mission, design the project, be responsible for overall management, provide key technical input, carry out internal evaluations and draw up final reports. This could even be done by one and the same person in the implementing organisation.

Key Finding 16: If all steps in scoping, formulating and implementing a project are left to the same partner, it is important that SECO ensures that there is clear division of tasks and responsibilities within the partner institution and some kind of external monitoring system is put in place.

6. Findings: Programme Strategy

6.1. Contribution of organic programme to SECO development objectives

In terms of direct quantifiable impact on there are two areas where the organic programme has made a clear contribution to SECO's development objectives. These are the cotton projects and the 2 successful export enterprises associated with the Ecomercados project. As no initial indications were given in the programme documentation about what scale of increased export or benefit for small scale produces would be expected it is difficult to make a clear evaluation of this overall result. However, given the overall level of investment and the clear failure of the market initiatives component higher expectations for the programme would seem warranted.

As already discussed the relevance and impact of the certification bodies is a more difficult and controversial aspect of the programme to assess. Certainly the issue of having credible, local cost effective certification bodies for the organic sector is important and aligns with SECO's focus on labelling. However, that the establishment of these bodies has actually led to (or will lead to) greater export which benefits small scale producers is not possible to demonstrate with the available monitoring systems and evidence collected. On logical grounds and existing information significant questions emerge regarding the likely impact of certification bodies.

Part of SECO's strategic objective is to demonstrate the positive benefits of labelling and certification to countries who may see this as a non-tariff trade barrier. In the countries where the programme has operated there has been some policy engagement that may have helped policy makers to see the value of the organic agriculture sector. However, this has not been monitored in any way and attribution would be quite difficult. There has been no strategy to collate and use the results and experiences from the programme to demonstrate these benefits in wider fora national or international levels.

Reflecting on differences in impact of projects, it is clear that one of SECO's overarching goals of poverty reduction will only happen in its organic work if that is expressly targeted. Organic trade expansion will not by default lead to livelihood improvements for the poor. However, it does have that potential if that target group is identified and aimed at in project design.

Key Finding 17: The contribution of the organic programme to the overall SECO objectives was highly variable across the programme components, ranging from clear contribution for the value chain projects to questionable contribution for the certification bodies and almost no contribution for the market development.

6.2. Relevance of strategic approach to SECO development objectives

From the higher level goals of SECO's development programs the choice to make organic a priority is justifiable on the basis of the following aspects.

- Organic markets were growing strongly and continued to do so during the program. This growth also offered good long-term export market opportunities for a number of SECO's focus countries.
- Since organic production and processing standards are strong on environmental topics and there is strong awareness of social equity in the sector, supporting this sector matched SECO's objectives.

- With the organic markets growing 2-3 times faster than the general food sector, it provided the potential to demonstrate the added value of labelling schemes in general.

Broadly the strategic approach of supporting market development of the organic sector is relevant to SECO's objectives. There are clear opportunities for much greater inclusion of small scale producers in organic export markets. Organic agriculture also has potential health and environment benefits. SECO's general philosophy of following a value chain approach to such market development is sound.

The focus on establishing certification bodies has been illustrated by this evaluation as being less relevant and critical to supporting small-scale and poor farmers access to export markets than has been implicitly assumed by the programme. However, given SECO's interest in certification and labelling supporting the establishment of local certification bodies can still be seen as a worthwhile endeavour. Though this depends on the country context, and in particular whether there is sufficient organic export potential to sustain a certification body.

Given SECO's broader objectives of using its work in the organic programme to demonstrate and scale-up the benefits of labelling and markets it is striking that the programme did not include any explicit mechanism for achieving this objective. Such a strategy might be expected to include for example publications, policy briefings, posting results on web-sites, presentations at relevant forums meetings and conferences and clarity about actions to be taken by Swiss country representatives.

In the area of market development work implemented by FiBL a weakness in the strategic approach has been the level of engagement with private sector investors and buyers and an inability to mobilise private sector investment.

In principle the strategic approach of establishing organic market initiatives as pilots and of providing market services is relevant to the development objectives. However, as already described in Chapter Four, the way this has been operationalised has proved to be ineffective and practice therefore in makes this aspect of the strategic approach of questionably relevant.

The need for policy dialogue mentioned in SECO's strategic papers reflects SECO's own valuable strategic work. This did not translate into strong policy interventions, probably reflecting the fact that policy and legal frameworks in practice present few structural barriers to trade.

Key Finding 18: Broadly the strategic approach of focusing on organic agriculture market development is very relevant to SECO's development objectives. The heavy focus on certification bodies is questionable. Market initiatives and services are relevant but were not effectively put into operation.

6.3. Relevance of strategic approach to the organic sector

The partners implementing the SECO's organic programme are organisations focused on organic agriculture and/or market development for small-scale producers. They have a different focus and mandate than does SECO. During the evaluation and particularly in the final learning and validation workshop some lack of understanding about these differences became clear. SECO engages in organic agriculture not because of the sector itself but because of what it can demonstrate about the value of certification and labelling. Almost by definition then SECO's strategic approach will not necessarily align with the strategic needs of the organic sector either globally or at a national level. There is however a significant overlap of agendas which form the basis for the partnerships. This perspective of two overlapping agenda is very important to understand in relation to developing and implementing the strategic approach.

It is clear that in a many contexts market development must go hand in hand with production and input supply support and farmer organisation and sector coordination. This implies the need for in some situations the SECO programme to be coupled with other programmes that can provide support not provided by SECO. When this is not possible sufficient analysis needs to be done to ensure that marketing is not being built on a weak production or other links which will ultimately undermine marketing efforts.

Collaboration in value chain projects with other donors was an effective way to ensure that SECO support was embedded in a range of mutually reinforcing activities increasing success.

Key Finding 19: The specific focus of SECO on labelling and certification makes the programme not relevant to all aspects of organic sector development. The scope and boundaries of the programme need to be better understood by implementing partners and more clearly reflected in programme documentation.

6.4. Cost efficiency of the programme

The programme documentation gives few success indicators and targets and no guidance on the scale of change that might be expected by the programme investments. The programme also has tangible (increased trade) and intangible (attitudes to labelling) objectives. These factors make it difficult to establish clear criteria on which to make post-hoc judgements on cost efficiency.

Simply in terms of the demonstrated effectiveness and impact of the various programme components some assessment of efficiency can be made. The scale of turnover for one of the market initiatives for the Ecomercados Project (assuming the figures are reliable) indicates a multiple fold return on investment. The return for the cotton projects is less but still significant. Clearly the marketing initiatives and marketing services components due to their poor performance have been very cost inefficient (25% of programme budget). For the certification bodies the picture is more complex. It is unlikely that they could be set up more cheaply so in this sense they are cost effective. However, in terms of cost effectiveness relative to increased trade and direct benefits for small scale producers they are not cost effective.

Key Finding 20: Due to a lack of indicators, targets and criteria in the programme documentation there are insufficient grounds for drawing a definitive conclusion on cost effectiveness. However, the poor performance of the marketing initiatives and services components and the questionable impact from the certification bodies, which together represent half the programme investment, point to less than optimal efficiency.

6.5. Development and Articulation of the strategic approach

As mentioned at several points in the report, the organic programme lacked a logical framework and clear set of performance indicators. Equally seriously there was no clearly articulated Theory of Change that made explicit the assumed results chain of how particular interventions would lead to particular impacts and under what conditions.

It became clear during the evaluation that at all levels there were differing understandings about the intentions, scope and strategic rationale of the programme. These differences were clear between SECO management and staff, between SECO and its Swiss Implementing partners and between them and the country partners.

The responsible person at SECO was verbally well able to articulate the strategic thinking and choices behind the program. Nonetheless, the evaluators found that different aspects of the rationale and background only emerged fully after four different interactions and this was only partly backed up by available documentation.

The further removed from SECO, the less partners were aware of the full strategic dimension of the program. This was reflected in increasing focus on implementation of simple milestones and limited or no consideration of project performance in relation to higher level objectives.

A key missing strategic ingredient was the absence of strategies for scaling up initiatives and for broadening the scope of support and advocacy beyond organic. In most countries except for the cotton projects partners would have liked to be able to engage with other labelling schemes; CBs were starting to and needed to expand their certification schemes beyond organic for future viability and to increase their potential impact.

Emerging issues about how to provide effective trade support are not unique to SECO. They reflect global questions about how public, private and civil sectors can collaborate to create market transformations.

Key Finding 21: The underlying rationale and the Theory of Change for the programme components was insufficiently articulated and documented leading to differing understandings between the different implementing partners. This lack of clarity was also a contributing factor in insufficient strategic monitoring and reflection in the implementation process.

7. Context for a future strategy

During the learning workshop SECO confirmed that it continues to see support for the organic sector as a valuable way to encourage environmental and social sustainability. SECO seeks to support those activities that are unique to organic and that can complement other support. To help SECO identify possible future activities, the evaluation team here gives its perspective on the future context of the organic sector.

7.1. Current trends in organic sector

The evaluation team, with input from the learning workshop, identifies the following trends in the global organic sector.

Opportunities

- *Structural long-term growth in the major global markets (Europe, USA, Japan) is expected to continue* as consumer demand for organic products seems largely unaffected by the global recession. The organic sector has grown by 10-20% per annum in retail value for the past 20+ years. Global organic sales reached €35 billion (CHF 53 billion) in 2007. Organic is often the only segment of major supermarkets showing growth. Trade has slowed slightly in 2009, mainly as a result of international financing problems.
- *Structural export opportunities will continue to grow* as the producer base in the key markets has hardly expanded nor is that expected to happen.
- As organic products are increasingly retailed through supermarket channels, there is concomitant rising *demand for larger volumes of produce, reliable quality, streamlined supply and an optimal (not minimal) price*. Export produce must also meet stringent market demands requiring credible third-party certification.
- *Group certification will increase globally*, with some 'hybrid' forms developing within the EU. Group organisation is required for quality and production management. The relevance of farmers' associations and out-grower schemes is therefore increasing.
- *Opportunities for credible national CBs will emerge* as new EU legislation allows CBs to be directly approved by the European Commission. Also product from outside the EU will carry the EU logo. This should make it easier for importers to work with domestic CBs.
- There are some *new areas to explore* for organic: non-food (textiles, cosmetics), aquaculture.
- Traders and importers as investors create new opportunities.

Threats

- The *credibility of organic* is a growing concern, with the growing markets, globalisation and longer distances between producers and consumers. Third-party certification will grow in importance while perhaps require stricter procedures for CBs.
- *Domestic markets are small and growing very slowly* in most LICs and MICs. They are estimated to be well below 1% of the value of exported organic produce. Domestic growth requires consumer awareness raising, building reliable domestic supply chains and expanding points of sales with a range of products usually starting with fresh produce, vegetables, potatoes, fruits, bread, eggs, dairy products, products not often exported

- *Organic must position itself well* in the face of the growing number of ‘sustainable production’ initiatives, many of which are commodity based. This requires better documentation of the impacts of organic production and processing on production levels and incomes, as well as environmental benefits. Evidence is also needed to counter emerging accusations that smallholder organic farming, especially in Africa, is unsustainable (soil fertility issues) and is based on farms that are too small to have a long-term future.
- The *pressure on land increases* by the growing demand for food and biofuels and by the land degradation. This puts an extra pressure for the organic sector to prove that it can feed the world.
- *Climate change* is a challenge and opportunity for organic agriculture
- Organic premiums could be under pressure due to increased prices for conventional food and increased global competition.
- The *increase of national labels* makes certification more complex and can become a market barrier. On the other hand, Fair Trade and Organic certification schemes are slowly converting.
- GMO is seen as a promise by some, but is a threat to organic agriculture that does not allow GMO. This may cause diverging or contradicting donor and/or national strategies.

7.2. Other donor strategies

The following gives an overview of what other donors who support organic projects are doing. This can help SECO identify further its funding niche as well as possible collaboration.

- Notable is that very few companies cover the full cost of setting up organic businesses in developing countries themselves; most will only do so with some kind of external support. There are very few dedicated organic support programmes but a series of donors favour it within their Private Sector Development portfolio because it is addressing environmental and socio-economic concerns.
- In domestic markets most local shops will organise supplies themselves, often based on own production (like vegetables) or direct links with known farmer groups. Working with development agencies simply takes too long. Formal certification may be replaced by participatory guarantee systems.
- Sida Sweden: 10-year programme promoting organic exports, supporting 30+ existing exporters in any step in the value chain provided there was a smallholder focus. CB support, capacity building and policy were flanking activities.
- ITC-Uganda: follow-up to Sida provides training to interested businesses and producer groups in a group process.
- Danida: Organic support through private sector development, sometimes linked with Danish importer.
- Dutch government, GTZ (and SECO): PPP projects, with 50-60% co-funding offered. Based on business to business.
- USAid: similar approach, not necessarily certified organic but general sustainable production, with focus on value addition. If a CB is considered a business proposition it can receive support. In some countries main effort in capacity building, working with commodity export boards, the organic sector organisation could be one of them.
- Hivos (NL): focuses on supporting national movements and local service providers in Eastern Africa.

- Some big businesses set up a foundation to manage sustainability projects including organic. In practice such projects are largely funded by donors (in particular GTZ, USAid work like this).
- Projects vary in sometimes having an explicit smallholder focus, in other cases a broader employment creation focus so as to be able to work with plantations and factories.
- The majority of private donors/development agencies focus on farmers organisations meaning they are supply driven. Often this has no effect in generating trade, occasionally with very good results (ICCO-Agrofair). Some public agencies sometimes support this as well, like CIDA, ADF, and the EU
- CDE have preference for organic as it is growing market and opportunity, concentrates on training/financing local service providers to provide Business Development Services to exporters.
- As many public and private donors want to manage less and larger programmes, there is some increase in the interest to co-finance other donor's programmes.

8. Implications and recommendations

In this section give eight key recommendations for SECO's possible future organic program. Each recommendation is briefly explained and followed by more specific recommendations.

8.1. Continue to focus on growth of the organic sector

Current trends in the organic sector indicate that organic continues to be a growing market with excellent trade opportunities on the basis of environmentally sensitive production. By targeting its limited resources to a defined sector SECO can support worthwhile change. Poverty reduction is not by default a result of growth in the organic sector but can be if targeted in project design and monitoring.

Recommendation 1: SECO continue to focus on organic agriculture as an appropriate niche area to promote and demonstrate the benefits of labelling and certification. In doing so it should:

- Clarify the extent to which SECO wishes to target poverty reduction and make this explicit in programme and project documents and performance targets.
- Clarify the extent to which it should engage in building domestic organic markets and in principle only do so when this complements or enhances potential for export development.
- Only engage in countries where there is a clear potential enhancing organic exports that would also contribute to poverty reduction such as countries where large groups of poor smallholder producers are already involved in conventional production for export.
- Clarify the relationship (and understanding of partners) between organic sector support and the promotion of labelling and certification.

8.2. Base interventions on a comprehensive sector analysis and clear theories of change

The evaluation found the scoping missions and background analysis on which project interventions were based often to be weak. This resulted in limited clarity about the theory of change and in most cases no logical framework. However, a logical framework in itself, especially when applied rigidly, is not a guarantee for a clear and shared understanding of the outcome and impact to work towards. To ensure sound intervention strategies that operate at the intersection of the needs of the organic sector and the SECO's focus on promoting trade through labelling and certification a more comprehensive understanding of the context is generally warranted.

Recommendation 2: SECO strengthen its processes of situation (sector) analysis as a basis for designing intervention strategies and make the theory of change underpinning interventions much more explicit. In doing so consider:

- Using multi-dimensional scoping teams including business, organic experts and perhaps even organic sceptics to design state of the art interventions focusing on results.
- Understand national agricultural development strategy / structural adjustment to target future viable agricultural business models.
- Undertake a theory of change analysis and make this more explicit in programme and project design

- Analyse carefully whether support for the organic sector is the best strategy for stimulating national agricultural sectors in developing trade.
- Initiatives only emerge when there are farmers, traders and consumers already active in the sector.
- Supporting services such as certification, research/extension and legal frameworks follow. Offering such services will have impact if they address needs and gaps emerging from market initiatives.
- Expanding trade needs (good) organic production. Increasing demand for sufficient volumes, quality and continuity can only be met by good production.

8.3. Consolidate existing CBs, engage carefully with new ones

Most of the CBs are credible and just becoming viable. Investments made justify a period of consolidation. This involves working on developing the profitable client base, identifying and offering expanded certification services, consolidating the certification market niche of the CB and allowing business management to mature. When faced with young organic sectors in new countries expressing a need for certification support, SECO must critically analyse whether local certification is a key constraint and whether it is the most effective way to build cohesion within the organic sector.

Recommendation 3: SECO provide continued support for those CBs it has established but be very critical of the need for and benefits of engaging with the establishment of new CBs in other countries.

- Provide low-intensity backstopping for 3 years following the first year of self-financing.
- Explore specific market support for the CB client base.
- Be more questioning whether the absence of a domestic certification body is a critical constraint.
- Consider alternatives that can lead to much more rapid offering of a broader range of professional certification services, such as establishing local branches of international certifiers or setting up organic units in existing generic certifiers.
- Use regional CBs to provide expertise for funded trainings (e.g. established East European CB training new East European CB in neighbouring country).

8.4. Invest in market initiatives to leverage business engagement

Future trade-related support needs to be able to be at a meaningful scale to properly kick-start new enterprises. Pilots need to be built within the context of potential scaling up to ensure a possible multiplier effect can take place. The dynamics of public sector funding and decision making, and the way development agencies think must adapt itself to the private sector for collaboration with business to take place. It is questionable to what extent state agencies can be drivers of change in private sector development. What is certainly needed is action research involving more business-minded stakeholders and possibly less state-funded research type of partners.

Recommendation 4: Based on its successful value chain orientated market initiatives SECO build its portfolio in this area but do so in a way that is more attuned to business needs and that is more likely to leverage business investment.

- Ensure trade orientated interventions are embedded in a value chain approach with a clear market drive.

- Focus on interventions that leverage business engagement at scale.
- Allocate levels of resources that are commensurate with the scale of market development being anticipated and set up flexible allocation procedures for new initiatives.
- Engage more actively with the retail sector

8.5. Support sector cohesion

Most national sectors would seem to benefit from a more structured way of working together. While sectors are young, external support for collective activities that do not lead to immediate paybacks can be very valuable. Care is necessary to ensure that the widest possible group of stakeholders is brought together; young, small sectors cannot afford further fragmentation and infighting.

Recommendation 5: At the country level SECO look more critically at the relationship between organic sector cohesion and coordination and export development and make such cohesion a more prominent part of its strategic approach.

- Fund regular (2-3x per year) national round tables chaired by independent facilitators.
- Support specific activities related to national policy and legal frameworks, such as developing a national organic action plan.
- Local capacity building is crucial, also to leave some structure that stays when SECO supported projects end.
- Involve the business sector as well as government.
- Consider possible exposure visits involving multiple stakeholders.
- Particularly consider ministry to ministry exchanges
- Consider support for sector platforms and coordination (that effectively engage business)

8.6. Build in scaling-up strategies

SECO supports organic trade promotion as one of the possibilities offered by labelling systems. For this to be effective, pilot projects must lead to replication and this must be made more widely known. Government and new business parties will only engage when they feel success is properly demonstrated in viable initiatives, not through rhetoric.

Recommendation 6: SECO make the promotion and scaling-up of its programme activities and achievements a more explicit part of its strategic approach at project and programme level.

- Make explicit how at a global and country level the outcomes of the programme will be used to promote SECO's overall objectives
- Require a scaling-up strategy for most proposals, a phase 2.
- Use more local expertise and available funds.
- Arrange learning workshops within three months of pilot start-ups with other possible entrepreneurs.
- Identify and exploit effective communication channels for rapid exchange of lessons learnt.

8.7. Base project management on performance-oriented monitoring and learning systems

SECO support offers the opportunity for experimentation and innovation. To be of real value, constant reflection is needed whether the chosen paths lead to higher level outcomes and impacts. Management systems can be based on principles of good performance and have incentives for on-going reflection. Collective awareness of common strategies, higher level goals as well as more immediate objectives is a pre-requisite to ensure that all parties work towards common goals.

Recommendation 7: SECO substantially strengthen its performance orientated planning, monitoring, management and learning systems in a way that is flexible and responsive to the dynamics of a business/market environment.

- Be responsive in a strategic framework
- Establish strategic monitoring, evaluation and learning systems including performance orientated annual reporting
- Ensure sufficient time and capacity to actively monitor and manage the programme.
- Institute regular strategic reflection at programme and project level based on outcome and impact level performance data
- Separate roles in different phases of project cycle and/or ensure independent accountability mechanisms
- Clarify decision making roles and responsibilities to make them more responsive and efficient

8.8 Reformulate the organic programme as a 'learning' programme

Given the relatively small budget of the organic agriculture programme, its focus on a small niche market and SECO's overall objective, the real value of the programme comes not from what it directly achieves but from how this can be used to demonstrate and promote change in a wider arena.

Recommendation 8: SECO reformulate the organic agriculture programme to explicitly include activities that demonstrate and promote, in international forums and to national policy makers, the benefits of labelling and certification for sustainable trade and poverty reduction, (i.e. SECO's development objective). This may include:

- Mechanisms for strategic level advice and guidance for the overall programme design and operation which may include multi-stakeholder programme design workshops and having an advisory committee for the programme.
- A programme level research, learning and promotion component that would:
 - Produce strategic documents and background briefs
 - Draw project partners together to learn and document lessons
 - Produce policy briefs
 - Engage in strategic meeting at international and national levels

Annex 1. Key documents consulted

General programme and evaluation documents

SECO	2002	Konzeptpapier für eine wirtschafts- und handelspolitische Entwicklungszusammenarbeit im Bereich Handel mit biologischen Agrarprodukten (previous strategy paper)
SECO	2006	Switzerland's strategy for development cooperation in economic and trade policy in the field of trade in organic agricultural products
SECO	2006	Strategie für eine wirtschafts- und handelspolitische Entwicklungszusammenarbeit im Bereich Handel mit biologischen Agrarprodukten
SECO	2008	Switzerland's economic development cooperation in the field of trade promotion of organic agriculture products - Approach Paper
SECO	2008	Annex 2 : List of SECO projects
SECO	?	Evaluation guidelines SECO/WE
SECO/FiBL	?	Overall concept of trade related cooperation in the fields of standards
	2006/07?	Organic Market Initiatives for market development

India

SECO	2002	Organic Certification in India
SECO	2004	Indian Organic Market Development Project
	2001	ToR certification body India
	2003	Indian Organic Agriculture
	2005	Evaluation Indocert
	2005	Annexes to the INDOCERT evaluation report
Hans-Peter Erlinger	2006	Mid-term evaluation. Indian Organic Market Development Project (IOMDP) and International Competence Center of Organic Agriculture (ICCOA)
FiBL	2006	Indocert Annual Report 2005-06
FiBL / Indocert	2006	Indocert project report 2006
	2007	India Organic Aquaculture (IOAP)
	2007	IOMDP Work Plan 2007: Planning and Scheduling of Projects and Activities
	2007	International Competence Centre of Organic Agriculture ICCOA Business Plan
	2007	
	2007	Reallocation Budget IOMDP
FiBL / Indocert	2008	INDOCERT Midterm Report 2008
	2008	IOMDP Activity Plan January 2008 – December 2008
	2008	Invoices/ Payments ICCOA 2004 - 2008
	?	Setting up indian org. cert. programme
	?/8	Budget January 2008 - December 2008 (in CHF)
SECO	2008?	Phasing out INDOCERT

SECO		Contracts regarding IOMDP, ICCOA
ICCOA		Draft Report on ICCOA Projects and Achievements
	2008	
FiBL		IOMDP: Achievements/Gaps and proposal for Exit Phase 2008
	2008	
FiBL/ICCOA	2008	IOMDP Activity Plan 2008 (multiple versions)
INDOCERT	VARIOUS	Project reports 2005-2009; midterm report 2008
Romania		
	2003	Organic Certification in Romania
	2006	Organic certification in Romania - Internal evaluation, mid term review
	2006	Organic certification in Romania Activity report 2006
	2007	Organic certification in Romania Activity report 2007
	?	Organic certification in Romania Internal evaluation, mid term review
	2009	Romania. Organic Certification project. Project's partners&stakeholders
	2004	Organic Farming in Romania (pdf v ppt)
	2005	Organic certification in Romania Activity report 2005
	2006	Organic certification in Romania Activity report 2006
	2007	Organic certification in Romania Activity report 2007
	2008	Organic certification in Romania Activity report 2008
	2005	Organic Certification and Market Development in Ukraine
Ukraine		
	2005	Annex 1: Logframe of the project „Organic certification and organic market development in Ukraine“
	2009	SECO Evaluation of Organic Sector in Ukraine (Organic Certification and Market Development in Ukraine Project) Proposed List of Key Stakeholders
	2007	Organic certification and market development in Ukraine 2006 - 2010 Activity report 2007
	2009	External Evaluation SECO Ukraine
	2007	Standards of Organic Agricultural Production and Labelling of Agricultural Products and Foodstuffs “BioLan”
	2008	Organic certification and market development - yearly report 2008
	2005	Overview of international organic market development and potential export markets for organic products of Ukraine
	2004	Operations komitee - non objection
	2005	Subproject certification bodu Ukraine
	2005	Market development Ukraine
	2005	Results working group market initiatives Ukraine
	2008	Organic Certification and Market Development in Ukraine Year report 2008

	2008	Organic Certification and Market Development in Ukraine Management guidelines
Albania		
	2005	Sustainable Agriculture Support Albania
	2006	SASA Project Phase 3 - 2006/2010
	2006	SASA Project Phase 3 - 2005/2008 (Logframe)
	2007	SASA Project Phase 3 - 2006/2009 (status 2007)
	2008	MARKETING DEVELOPMENT UNIT Local and Export Markets REPORT 2008
	2008	SASA Project Phase 3 Sustainable Agriculture Support in Albania Half Year Report January – June 2008
	2006	SASA Project Phase 3 Sustainable Agriculture Support in Albania Yearly Report 2006
	2007	SASA Project Phase 3 Sustainable Agriculture Support in Albania Yearly Report 2007
	?	SASA project Steering Committee
	2006	Terms of Reference for the Steering Committee of the SASA Project in Albania 2006-2009
	2006	Minutes of constitutive Steering committee Meeting of the SASA Project Albania,
	2009	SECO Evaluation of Organic Sector Sustainable Agriculture Support in Albania (SASA) Project Proposed List of SASA Key Stakeholders January - February 2009
	2009	EXTERNAL EVALUATION OF THE SASA PROJECT “SUSTAINABLE AGRICULTURE SUPPORT IN ALBANIA”
	2008	Visit report Albania July 2008
	2008	Status Plan of Operation 2008/2009
	2008	Yearly Plan of Operation 2008/2009 Sustainable Agriculture Support in Albania
	2007	First evaluation „BIOFACH 2007“ National pavilion Albania
	2007	Status per end of December 2007
	2008	Planning Workshop SASA 2008 Report 080909.pdf
	2008	Project Sustainable Agriculture Support in Albania Visit FiBL (Beate Huber)
	2008	Information on Training Workshop in Gender Mainstreaming with SASA Project Partners
	2008	Coordination Meeting with Partners
	2009	Terms of Reference for a Fact Finding Mission SUSTAINABLE AGRICULTURE SUPPORT IN ALBANIA
Bulgaria		
	2006	EXTERNAL EVALUATION OF THE “BALKAN BIOCERT” LTD.
	2002	Organic Certification in Bulgaria
	2001	Vertrag SECO FiBL

Lebanon

2005 Organic Certification and Market Development in Lebanon

Mali

2005 Evaluation Externe du Programme Coton Biologique Mali, Kirghizistan et Burkina Faso / 2005

2004 Biobaumwolle - Verlängerung Pilotprojekt Mali - Antrag an M Mordasini

2005 Programme de promotion du coton biologique au Mali, Phase II

Helvetas Mali 2008 Evaluation du programme de promotion du coton bio et equitable au Mali (Phase II, 2006-2008).

Kyrgyzstan

2003 Organic Cotton Production and Trade Promotion in Kyrgyzstan

2007 Organic Cotton Production and Trade Promotion in Kyrgyzstan Phase II

2008 Annex II - Logical framework

Burkina Faso

2003 Programme de promotion du coton biologique au Burkina Faso

2006 Förderung des Handels von fairer Biobaumwolle aus Burkina Faso (Phase II)

2008 Cadre logique «coton biologique et équitable au Burkina Faso» (2008 – 2011)

Ecomercados

Dietler 2004 Assessment report. Enhancing marketing opportunities for organic and
Clavadetscher fair trade products from central america

SECO 2008 Ecomercados Phase II- Durchführungsvertrag

SECO 2008 Ecomercados Phase II - proposal

Ecomercados 2009 Ecomercados Phase II Informe 2008

Ecomercados 2009 Ecomercados fase 2. Plan operativo annual 2009

Ecomercados 2008 Desarrollando habilidades de mercado en pequenos y medianos
productores organicos y comercia equitativo (2004-2007)

Ecomercados 2008 Informe de mission, January 2008

Ecomercados 2008 Informe de mission, August 2008

Dietler 2007 Revisión externa a la primera fase (2004-2007) del proyecto
Clavadetscher ECOMERCADOS

Competence centre

2008 Proposal to the Director Mr. Jean-Daniel Gerber Competence Centre

2008 Competence Centre for developing organic and fair-trade commodity
value chains Phase II (2008-2011)

2009 Organic & Fairtrade Competence Centre (OFTCC) Annual Report
2008

Annex 2. Persons consulted

Discussions in Switzerland and Germany

SECO, plus evaluation steering committee

- Hans Peter Egler, head of division,
- Barbara Jäegglin, program officer,
- Odile Keller, head of evaluation,
- Catherine Cudré-Mauroux, deputy head of evaluation
- Patrick Aebi, Federal Dept of Ag;
- Dieter Zürcher, private consultant KEK Consulting.

FiBL

- Lukas Kilcher
- Tobias Eisenring
- Monika Schneider
- Beate Hueber
- Salvador Garibay

Helvetas

- Frank Eyhorn
- Jens Soth

InterCooperation

- Robert Berlin

Ecomercados

- Juilio Rendon (Honduras)
- Miquela Vanrell (Nicaragua)

SIPPO

- Franziska Staubli

BioInspecta

- Heike Renner
- Monika Zimmermeier
- Martina Rösch
- Ralph Langholz

IMO

- Heiko Schindler

SDC

- Valérie Rossi, Controlling Division SDC

Country visit to India

- Mr. Francois Binder, Country Director, SCO
- Mr. Suresh Kennit, Programme Officer, SCO
- Jaswant Purhoit, Head - Business Development, Nourish Organic Foods Pvt Ltd
- Dr. Vasant Sabharwal, Ford Foundation
- Mr. S. Dave, Director, APEDA
- Dr. PVSM Gouri, Advisor, APEDA
- Dr. Poonam Pandey, Coordinator, GTZ
- Mr. PK Sharma, Addl Managing Director, National Agricultural cooperative Marketing Federation of India
- Dr. AK Yadav, Director, National Centre for Organic Farming
- Mr. Anirudh Tewari, Country Coordinator, IFAD
- Ms. Vanaja RamPrasad, Director, Green Foundation
- Mr. Manoj Kumar Menon, Executive Director, ICCOO
- Mr. N. Murali, Manager, Information, ICCOA
- Mr. Jaydip Roy, Manager, Projects, ICCOA
- Mr. Deepak Chaturvedi, Asst. Manager, Projects, ICCOA
- Mr. K. T. Suresh, Chief co-ordinator, Apof Organic Certification Agency
- Mr. Ramesh. S. Harve, ICCOA former Chairman of Board
- Mr. Umesh Chandrashekar, Director, IMO
- Mr. Narayan Upadhyaya, Director, Aditi Organic certifications
- Mr. Natchappa, Inspector, Control Union Certifications
- Mr. Mathew Sebastian, Executive Director, INDOCERT
- Mr. Sree Kumar, Head of Inspection, INDOCERT
- Other team members, INDOCERT
- Ms. Shiney George, Chief Executive, Indian Organic Farmers Producers Company Limited

- Mr. Joykuty Vincent, Director, Indian Organic Farmers Producers Company Limited
- Mr.R.ChandraShekar, Director, Spices Board
- Mr.Joji Mathew, Senior field Officer, Ministry of Commerce and Industry
- Mr.Simon John, Joint Director, MPEDA (Marine products export development authority)
- Mr.G.RathinaRaj, Deputy Director (Aqua), Indian Organic aquaculture project, Ministry of commerce and Industry
- Mr.Alex K.Ninan, Managing partner, Baby Marine,International

Country visit to Romania

- Damian DRAGOMIR, representative of BIOCERT and BIO ROMANIA
- Marinela IVAN, representative of the Swiss Coordinating Office in Bucharest
- Prof. dr. Avram FITIU, general secretary of National Federation of Ecological Agriculture
- Prof. dr. Cornel MAN, president of BIOTERRA and Steering Committee member;
- Prof. dr. Leon MUNTEAN, president of Agri-Eco;
- Prof. dr. Gheorghe MIHAI, representative of BIOTERRA magazin
- Prof. dr. Emil LUCA from Cluj Agricultural University, general director of “Agro Transilvania
- Victor FEREGAU, user of ECOINSPECT
- Naghy MIKLOS, BIOTERRA vicepresident user of ECOINSPECT
- Teodora ALDESCU Ministry of Agriculture
- Teodor MIHALCEA, Ministry of Agriculture
- Dumitru ARGESANU, ECOINSPECT user
- Dr. Pavel CHIRILA, ECOINSPECT user
- Daniela CUCU, Romanian accreditation agency RENAR director
- Piroska LORINCZ, ECOINSPECT manager;
- Imre ALBERT, General Director of BIOTERRA, ECOINSPECT shareholder;
- Dumitru ARGESEANU, ECOINSPECT shareholder, Steering Committee member and ECOINSPECT user;
- Pavel Chirila , NATURALIA manager and ECOINSPECT user;
- Cristian Cutas, director in the Export Department Ministry of SMEs, Commerce and Affaires Environment;
- Mihai GRIGORAS manager of the ECO MARKET TRANSILVANIA

- Florin CIOSAN, manager of the ECO MARKET TRANSILVANIA

Country visit to Ukraine

- Viktor Shutkevych, Assistant Country Director/NPO in Economic Cooperation and Agriculture (SECO/SDC)
- Eugene Milovanov, President Organic Federation of Ukraine.
- Vasyl Pyndus, President Bioloan Association
- Svetlana Gorban, Head of Extension division
- Alexey Solomko, marketing specialist BioLan
- Konstantin Yakobchuk-Besarab, General Manager BioLan
- Nataliya Nestich, Secretary / Web manager BioLan
- Vitaliy Postupaylo, Farmer
- Volodymyr Ivaniuk, Private consultant for the subproject “Market development”, All-Ukrainian Association "Peliushka"
- Valeriy Yakimchuk, General manager , Galeks-Agro Private Entreprise
- Egor Refetniuk, marketing manager, Galeks-Agro Private Entreprise
- Vitaliy Drobot, Head of Council (former coordinator of the project from the Ministry side, till 2008)
- Aleksey Kachkovskiy, Control Union
- Sergiy Galashevky, General Manager, Organic Standart
- Natalie Prokopchuk, Project Coordinator in Ukraine
- Petro Trofymenko, Head of the Board, Club of organic agriculture
- Katerina Shvets, Ministry of Agrarian Policy of Ukraine (MAP), Plant Department
- Maryna Netesa, Deputy Director Department of, MAP, Department of Foreign Economic Relatio

Annex 3. Evaluation matrix

The three key questions (e.g. 1) and second level questions (e.g. 1.1.) will be carefully followed in guiding data gathering and analysis. Lower level sub-questions (eg. 1.1.1.) are more indicative and may be deviated from depending on country contexts and how data gathering and analysis evolves.

1. Implementation Level

What has been the value of SECO/WE's organic agriculture interventions in partner countries for development of the organic sector and poverty reduction?

Questions	Sub-questions	Information needs	Data sources and analysis methods
1.1. How relevant were the interventions in terms of the country/organic context and the SECO/WE strategic approach to organic agriculture?	<p>1.1.1. To what extent did the SECO contribution to the development of the organic sector fit in the country policy?</p> <p>1.1.2. To what extent did the country project objectives fit the SECO strategic approach?</p> <p>1.1.3. To what extent were existing initiatives and the needs and priorities for actors in the organic sector taken into account when deciding on the mix of project interventions (during the project orientation phase), and to what extent was the project flexible and responsive to these needs during the project?</p>	<ul style="list-style-type: none"> • Past and current policy. • Compare project objectives with strategic objectives • Description of context during orientation phase; project response after orientation phase. 	<p>Interview MoA, org. movement.</p> <p>Project docs. Other evaluations.</p> <p>Project reports on orientation phase.</p>
1.2. How effectively and efficiently were the interventions planned, implemented, supported and monitored?	<p>1.2.1. What were the strengths and weaknesses of the partner organisations and partnerships involved?</p> <p>1.2.2. How do the certification costs of a newly established, national certifying body (CB) compare with alternative options: a) fly in foreign inspectors; b) use local inspectors working for a foreign CB, and c) add an organic inspection component to an existing certifier that was not yet involved in organic (e.g. a local</p>	<ul style="list-style-type: none"> • Reasons for deviations between plans and achievements. • Real and subsidised certification cost under different options. • Number of farmers x 	<p>Progress reports; interview partners.</p> <p>Interview producers, new CB, other (international) CB.</p> <p>Interview with producer</p>

	office of SGS doing GlobalGap)?	organic premium.	organisations, reports.
	1.2.3. How does the volume and expected benefits (organic premium) of the selected organic products for OMIs compare with those for some alternative products, like commodities?		
1.3. What has been or is the likely outcome/impact of the interventions on organic trade?	<p>1.3.1. Are certification bodies functional and recognised (effectiveness), and are their services affordable and being used (outcome)?</p> <p>1.3.2. To what extent are organic, national and export markets developed (number of products, producers, volume); what has been the effect of the emphasis on old commodities (cotton) or new OMI; and what has been the role of local and Swiss marketing service providers in this?</p> <p>1.3.3. Has the project-led ‘policy dialogue’ contributed to a positive involvement of the government, perhaps a national policy on the organic sector and to a facilitation of production and trade?</p> <p>1.3.4. To what extent have the interventions (the mix as well as the sequence of the three main interventions) lead to a growth of the organic sector, in terms of number of farmers involved, and the production and export volume?</p>	<ul style="list-style-type: none"> • Number of producers certified by new CB and costs. • Number of organic products, organic farmers; volume. Compare different projects. • Changes in policy. • Qualitative assessment of causes of development organic market. 	<p>Interview CB, reports, evaluations</p> <p>Project reports, interview (ex) project staff.</p> <p>Policy reports, interview MoA, org. movement.</p> <p>Interview partners, MoA, org. movement.</p>
1.4. What has been or is the likely impact for poverty reduction?	1.4.1. To what extent have the interventions contributed to the economic situation and living conditions of the rural population?	<ul style="list-style-type: none"> • Changes in farmer income and share of organic premium. 	<p>Discussions with producers. Evaluation reports. Possibly impact survey.</p>

<p>1.5. How sustainable are the certification bodies and market initiatives without SECO/WE support?</p>	<p>1.5.1. Will certifying bodies continue to function after project support (subsidies) stops, considering operational costs, volume of organic produce and number of producers to be certified and certification costs, on the short and middle-long term?</p> <p>1.5.2. Will producers continue to be motivated to produce for the organic market, considering additional costs (certification, possibly reduced production) and benefits (premium)?</p> <p>1.5.3. Will marketing service providers continue to function after project support (subsidies) stop, and who will pay for their services?</p>	<ul style="list-style-type: none"> • Operational costs CB; expected turnover CB. • Real certification costs by new CB and other CB; average organic premium per producer. • operational costs; payments / membership fees. 	<p>Interview with CB.</p> <p>Interview with CB; discussion with producers.</p> <p>Discussion with service provider.</p>
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2. Strategy Level

To what extent has the strategic approach to the organic sector contributed to SECO/WE overall aims, namely of supporting economic growth through integration in the world economy in ways that are socially responsible and environmentally friendly?

Questions	Sub-questions	Indicators and information needs	Data sources and analysis methods
<p>2.1. Indicatively what contributions have the impacts from the organic agriculture interventions made to the overall SECO/WE development objectives?</p>	<p>2.1.1. How has the share of organic changed in the agricultural market during the program period?</p>	<ul style="list-style-type: none"> • Number of farmers, product volume, and added value. 	<p>Project reports, reports or interview MoA.</p>

<p>2.2. How relevant is the strategic approach to organic agriculture to the overall SECO/WE development objectives?</p>	<p>2.2.1. To what extent is the development of the organic sector (compared to other possible strategic approaches) relevant for the integration of the country in the world economy and for socially responsible economic growth?</p> <p>2.2.2. To what extent has the SECO strategic approach contributed to the integration of the recipient country's organic sector in the world trade, and to economic growth?</p>	<ul style="list-style-type: none"> • Qualitative assessment of causes for changes in trade and the economic situation of small producers. 	<p>Interview with MoA, org. movement, reports.</p>
<p>2.3. How relevant was the strategic approach to the needs and opportunities for development within the organic sector in the different countries and at a global level?</p>	<p>2.3.1. To what extent did the approach match the needs as felt by the organic sector?</p> <p>2.3.2. To what extent did the approach match the trends in the organic market at the global level?</p> <p>2.3.3. To what extent has the SECO support contributed to strengthening the civil society (related to the organic sector)?</p> <p>2.3.4. Has the SECO approach proven that organic certification is a trade opportunity rather than a trade barrier?</p>	<ul style="list-style-type: none"> • Compare priorities in approach with priorities of actors in organic sector. • Compare chosen products (prices and quality) with demand at global level. 	<p>Interview with actors in organic sector.</p> <p>Interview with international buyers.</p>

<p>2.4. How cost efficient has the strategic approach been in enhancing organic trade?</p>	<p>2.4.1. How do estimated benefits for organic producers compare to project costs?</p> <p>2.4.2. How do estimated benefits from the organic project compare with farmer benefits due to other interventions?</p> <p>2.4.3. Which or what mix of the three main intervention components: setting up certifying bodies, developing the organic market, and policy dialogue, has turned out to be most efficient? In other words: what has been their relative share in project costs and how does this compare with their (estimated) relative contribution to the development of the organic sector?</p>	<ul style="list-style-type: none"> • Number of organic farmers, organic premium; project costs. • Financial benefit of other value adding; cost of other interventions [questionable] • Estimate and compare relative success of different project approaches. 	<p>Project reports, interview MoA, org. movement.</p> <p>Interview MoA.</p>
<p>2.5. What were the key factors and processes leading to the strategic approach and how relevant have they proven to be?</p>	<p>2.5.1. How was the choice for the (adjusted) strategic approach made between 2002 and 2007?</p> <p>2.5.2. Has project support been intensive and long enough to have an enabling policy in place and to have viable businesses developed (producers, trade, certification, marketing advice)?</p>	<ul style="list-style-type: none"> • Reasons for different components approach. • Make a calendar showing the delay between project activities, achievements, and outcome. 	<p>Interview SECO staff, reports.</p> <p>Reports and telephone interview with project staff and partners</p> <p>Project reports and tel. interviews with project staff and partners.</p>

3. Implications Level

Given the interventional results, the relevance of the SECO/WE strategic approach to organic agriculture and current trends in the sector, what are the implications for future support to the organic sector?

Questions	Sub-questions	Indicators and information needs	Data sources and analysis methods
3.1. What are the critical lessons from the current portfolio of interventions for future interventions?	3.1.1. Which approaches were most and least successful, and in what context? 3.1.2. Considering the context of countries chosen for on-going and future interventions, which approaches can be recommended?	<ul style="list-style-type: none"> List different context; set priority of interventions per context. Compare context old and new countries. 	<p>Project reports, (tel_ interviews project staff and partners.</p> <p>Assessment by evaluation team.</p>
3.2. What are the key trends and developments in the organic sector that impact on future SECO/WE strategies?	3.2.1. Supply: what organic products, from which production areas, are most promising for organic trade in general (world wide)? 3.2.2. Demand: which organic markets (national, regional, EU, other) are most promising?	<ul style="list-style-type: none"> Quality and production costs in different areas. Trends in volumes and prices for different products. 	<p>Interview staff SECO and other organic projects.</p> <p>Interview with buyers, reports.</p>
3.3. What are the implications of the strategies for organic trade support of other donors for future SECO/WE interventions?	3.3.1. Where are other donors supporting the organic markets and with which organic products? 3.3.2. What are successful and unsuccessful strategies applied by other donors? 3.3.3. What are the gaps where SECO could play a role?	<ul style="list-style-type: none"> Inventory of main projects supporting organic. List strategies and success rate. List gaps: countries, products, approaches 	<p>Tel interviews with donor organisations.</p> <p>(idem)</p> <p>Assessment by eval. team; discuss with SECO.</p>

<p>3.4. What is the relevance of the SECO/WE experience in the current set of countries to other countries?</p>	<p>3.4.1. To what extent is the strategic approach valid for replication in other countries in the South and East?</p> <p>3.4.2. What adaptations can be recommended in which context?</p>	<ul style="list-style-type: none"> • List countries, context, and priority of interventions. • List adaptations: change in priority; additional interventions. 	<p>Assessment eval. team; discuss with SECO.</p> <p>(idem)</p>
<p>3.5. What are the key factors and processes to consider in developing a new strategic approach for organic agriculture support in the priority countries?</p>		<ul style="list-style-type: none"> • Synthesis of the above. 	<p>Assessment evaluation team, discuss with SECO.</p>

Annex 4. Reconstructed logical framework

Objective	Success Indicators	Means of Verification	Assumptions and Risks
Goal			
<p>Integration of partner countries in world economy with socially responsible and environmentally friendly economic growth</p> <ul style="list-style-type: none"> <i>Creation of favourable preconditions for improved integration of the agricultural sector in international, as well as national, trade; together with sustainable farming and in compliance with the decisions taken at the Rio Summit.</i> <i>Producers and processors should be enabled to sell their products with higher added value (promotion of the private sector and of SMEs, strengthening of the middle class).</i> 	<ul style="list-style-type: none"> Increase in exported products Quality and reliability of supply Degree of value added in partner country Number of small and medium scale/poor producers benefitting through increased income new market opportunities Products adhere to environmental standards Improvement of environmental conditions Relative value from entire value chain captured by exporting country Increase in domestic market outlets and turnover 	<ul style="list-style-type: none"> Export data Value chain studies Supply side social and economic audits Satisfaction levels of buyers 	<p><i>Assumptions:</i></p> <ul style="list-style-type: none"> Increased export will benefit poor producers/labourers Integration in the world economy will have a positive impact on domestic growth that is sustainable and equitable SECO interventions can have a significant leverage affect <p><i>Risks:</i></p> <ul style="list-style-type: none"> Scope of what SECO can do is insignificant relative to other market forces and scale of poverty Donor funding mechanisms and procedures do not align with market realities Models and examples from SECO are not adequately promoted

Purpose			
<p>Promotion of trade and market transparency in organic agriculture (as an illustration of positive impact of standards and labels)</p> <ul style="list-style-type: none"> • <i>A unilateral dependency of producers on export should be prevented by promoting domestic demand. Meanwhile, local consumers also benefit from improved market transparency and are protected against "organic fraud", whilst an increase in domestic demand gives producers a secondary economic support.</i> • <i>Strengthening of a civil society through NGOs, agricultural associations, etc. These can also play an important role, particularly in organic products, as a hinge between producers, traders (private business) and consumers. They should also be enabled to represent their interests at international committees.</i> • <i>Those countries critical of ecolabelling should be shown with practical case studies that ecolabelling is not a protectionist measure but an opportunity for innovative producers.</i> 	<ul style="list-style-type: none"> • Demonstrated impact of SECO interventions on increased level organic exports that is significant relative to total exports • New / innovative export market opportunities are catalysed by SECO interventions • SECO interventions demonstrably contribute to a supportive government policy and legal environment for organic agriculture • Institutions giving significant support to the organic agriculture sector are established and recognised as valuable by other actors • Relative to the size of the sector and scale of SECO interventions a significant number of small scale producers experience an improvement in their livelihood (income, health, consistency of market access) • SECO supported initiatives and documented and actively used to promote the demonstrated benefits of organic trade 	<ul style="list-style-type: none"> • National export statistics • Transaction certificates from SECO supported certification bodies • Project monitoring • Field level evaluations and monitoring • Feedback from key policy makers and players in the organic sector • 	<p><i>Assumptions:</i></p> <ul style="list-style-type: none"> • Organic agriculture can be used to demonstrate the value of niche markets and standards and labels for economic development • Policy development for organic agriculture requires external intervention • There is a negative attitude to standards and labels as non-tariff barriers <p><i>Risks:</i></p> <ul style="list-style-type: none"> • Limited capacity to establish local certification body • Insufficient clients for a certification body to be viable <p>??</p>

Components (Outcomes)			
1) Local Certification Established	<ul style="list-style-type: none"> Financially viable certification institution established after 5 years Certification body is providing lower cost services to small scale producers Certification body is accredited to provide range of certification services Certification body has a good domestic and international reputation for the reliability of its certification Certification body offers certification services on a financially viable basis that are significantly lower than those provided by International certification bodies 	<ul style="list-style-type: none"> Financial records of certification body Historical analysis of certification costs in the country History of clients Feedback from importers and exporters 	<p><i>Assumptions:</i></p> <ul style="list-style-type: none"> Certification costs are a critical barrier to organic agriculture Certification costs can be significantly lowered through a local certification body A strong local certification agency can have a positive influence on overall development of the sector Conditions exist for a viable self financing certification body <p><i>Risks:</i></p> <ul style="list-style-type: none"> Insufficient demand/clients Local certification not well accepted by importers/exporters Insufficient or inadequate capacity development Corruption <p>Real or perceived conflict of interests between advocacy and commercial functions</p>

<p>2) Market Services Provided</p>	<ul style="list-style-type: none"> • Key market services to support the sector are identified through effective stakeholder processes • Market services are utilised by key stakeholder groups • Market services are recognised widely in the sector as having made a significant contribution 	<ul style="list-style-type: none"> • Monitoring from implementing partner • Evidence of use of market services • Evaluations of trade fairs • Survey of market players • Demand for market services over time 	<p><i>Assumptions:</i></p> <ul style="list-style-type: none"> • SECO supported initiatives can provide services otherwise not available to market players • Providing market services will catalyse domestic and international markets • There is a valid public sector role for supporting market development in the organic sector <p><i>Risks:</i></p> <ul style="list-style-type: none"> • Services are not demand driven • Scale of services provided is too small for a significant impact • Services providers not sufficiently competent to meet private sector interests
<p>3) Marketing Initiatives Piloted</p>	<ul style="list-style-type: none"> • Producers gain access to domestic or international markets • New market opportunities are created or developed • There is a significant multiplier effect from the SECO investment in the OMI • Successful OMI's are promoted and catalyse similar initiatives from others • OMI's are used to create consumer and government interest in organic agriculture 	<ul style="list-style-type: none"> • Monitoring from implementing partner • Evidence of OMI being used for promotion or policy influencing • Financial analysis of OMIs 	<p><i>Assumptions:</i></p> <ul style="list-style-type: none"> • OMIs can be used to promote organic agriculture • OMIs are necessary to demonstrate potential of organic agriculture • OMIs will have a catalytic effect • OMIs will stimulate demand for certification services <p><i>Risks:</i></p> <ul style="list-style-type: none"> • OMIs are too small to have significant impact on market

			<ul style="list-style-type: none"> • Inadequate expertise / support in setting up OMs • OMs not used in a promotional way • Inflexibility of funding
4) Policies Influenced <ul style="list-style-type: none"> • <i>Through policy dialogue, favourable framework conditions for organic food production should be fostered in the countries in question.</i> 	<ul style="list-style-type: none"> • SECO supported organisations/interventions play a significant role in informing and shaping national policies and legal frameworks. • Institutional and policy analysis is undertaken to inform the policy process • Outcomes from other areas of SECO's support and documented and used to inform the policy dialogues 	<ul style="list-style-type: none"> • Monitoring of policy activities undertaken • Level of engagement with policy makers • Feedback from policy makers • Feedback from players in organic sector 	<i>Assumptions:</i> <ul style="list-style-type: none"> • Policy issues are a constraint to organic trade in the partner countries • SECO interventions can have an influence on policy <i>Risks:</i> <ul style="list-style-type: none"> • Policy influencing processes not adequately understood • Limited or not interest from partner country
5) Value Chain Projects Established	<ul style="list-style-type: none"> • New organic market opportunities are developed using a value chain approach working in partnership with other donors • The value chains are financially viable and have demonstrable benefits for small scale producers • Experiences are captured and used for supporting other initiatives 	<ul style="list-style-type: none"> • Monitoring of project by implementing partner • Sales and trade figures from project • Evidence of documentation and project being used for wider promotion • Evidence of other value chain projects being catalysed 	<i>Assumptions:</i> <ul style="list-style-type: none"> • Donor funding can catalyse a pro-poor value chain opportunity that otherwise would not evolve • Value chain projects can act as a catalyst for further development of organic trade <i>Risks:</i> <ul style="list-style-type: none"> • Unknown or unavoidable market factors impact on feasibility of project • Insufficient business and marketing expertise understanding of implementing agencies

Outputs (By Component)			
2) Local Certification Established a) Operating costs subsidized b) Institutional support provided c) Certification capacity developed d) Clients Recertified			
2) Market Services Provided a) Market information provided b) Business directories established c) Organic products promoted d) Trade fairs supported e) Providers and buyers linked			
3) Marketing Initiatives Piloted a) Product and marketing advice provided b) Support for linking along value chain provided c) Capacity of actors in chain strengthened d) Product promoted at trade fairs e) Experiences documented and shared f) Financial support provided			
4) Policies Influenced a) Training and advice provided to			

supervising agencies b) By laws and administrative arrangements revised			
5) Value Chain Projects Established a) Trade promoted			

Annex 5. Approach paper for the programme evaluation (ToR)

Independent Evaluation

« Switzerland's economic development cooperation in the field of trade promotion of organic agriculture products »

APPROACH PAPER

Final version
25.11.08

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1. Background

As part of the economic and trade policy measures of Switzerland's economic cooperation and development, the Economic Cooperation and Development Division of the State Secretariat for Economic Affairs (SECO/WE) recognises trade promotion and facilitation in developing and transition countries as an important pillar of economic growth and integration in the world economy, therefore contributing to poverty reduction. "The development of local markets and integration in the world economy will result in tapping the domestic growth potential and in consolidating the development process". Developing countries have comparative advantages, which need to be used for economic development and job creation. SECO/WE support is given in priority to the promotion of a socially responsible and environmentally friendly trade policy, to strengthening the trade potentials of partner countries and facilitating access to markets.

Against this background, SECO/WE considers that organic agriculture is a promising trade and sustainable development opportunity to poverty reduction. Markets for certified organic products have been growing rapidly over the last decades and organic agriculture offers developing and transition countries a wide range of economic and environmental potentials. However, to realise the benefits that organic agriculture can offer, support in export facilitation and in domestic and regional market access and development is needed.

In 2002, SECO/WE developed a specific strategic concept paper in the organic sector “Switzerland’s strategy for development cooperation in economic and trade policy in the field of trade in organic agricultural products” (see Annex 1). The main objective of SECO/WE development assistance in the organic field is to increase access to knowledge for farmers, processors, traders and consumers and to support the creation of the necessary infrastructures for the promotion of trade and market transparency of organic products. In 2006, SECO/WE updated this strategic concept paper to further strengthen the approach towards organic market development.

SECO/WE strategic concept paper identifies a certain number of generic goals to be achieved through its development assistance in beneficiary countries, namely:

1. integration of the organic sector in national and international trade;
2. to provide farmers, processors and traders with certification structures offering cost-efficient credible inspections;
3. producers, processors and traders, through certification, shall improve their businesses and economic conditions;
4. to contribute to further develop the organic market, at national, regional and international level, and therefore to provide a premium for farmers, processors and traders active in organic production;
5. to strengthen through policy dialogue the national conditions and legislations supportive to organic agriculture and
6. to strengthen the civil society.

Since 2002, around 13 projects have been developed to support the implementation of this strategic concept paper, with a cumulative financial commitment of CHF ~ 15 millions. A full list and short description of projects is set in Annex 2. Technical assistance is usually intervening at 3 levels:

- At *policy level*, to support the development of required strategy and legislations for organic sector development;
- At *certification level*, to support the establishment of cost-effective and self-sustainable local certification bodies;
- At *market development level*, to support the development of the organic market with the identification and promotion of new pilot organic products (called “Organic Market Initiatives (OMI)” / see Annex 3). Those initiatives are meant to link the production sector in the supply chain with the demand side.

2. Purpose and rationale behind an independent evaluation

The independent evaluation of SECO/WE approaches and interventions under the strategic concept paper in the organic sector will serve two main purposes:

- to assess the contribution of one of SECO/WE sectoral concept paper to the overarching goal of economic promotion and integration of developing and transition countries into the world economy, as reflected in several of SECO/WE strategic papers;

- to learn from past experiences in order to continuously improve SECO/WE cooperation measures, instruments and approaches and to integrate the results into ongoing and new projects.

After 6 years of implementation of SECO/WE approach in the organic sector, 5 projects are in their phasing out, while only 3 projects were externally evaluated at their mid-term implementation in 2005 and 2006, respectively India organic certification, India Organic Market Development and Bulgaria Certification. The relevance and need to conduct an independent review of the entire sector strategy is therefore recognised, in particular in view of taking stock of what has been achieved so far. An independent evaluation should serve the purpose of analysing the relevance of the strategic approach in the organic sector, of analysing its impact at a larger level of economic development and of contributing to the institutional learning within SECO/WE. The findings of the evaluation can be expected to form an input for SECO/WE approach in the field of trade promotion, in particular in identifying, developing and implementing new projects in the organic sector under SECO/WE new frame credit 2008-2012 “Financing of economic and trade policy measures in the context of development cooperation”. The evaluation should also assess the potential for replication to countries in the South of SECO/WE approach in the organic sector.

3. Objectives and focus of the evaluation

3.1. Objectives

The main objectives of this independent evaluation are to review the achievements of SECO/WE strategic approach in the organic sector and to provide findings, conclusions and recommendations on how :

- SECO/WE strategic approach in the organic sector has contributed to SECO/WE overall aims of supporting partner countries in their gradual integration into the world economy and of promoting socially responsible and environmentally friendly economic growth;
- SECO/WE interventions in partner countries have contributed to the objectives of SECO/WE approach in the organic sector, namely to further support the development of the organic sector in terms of knowledge transfer and institutional building, to contribute to the establishment and strengthening of recognised and self-sustainable certification bodies and to help identifying new organic products and promoting them in the market.

3.2. Focus and scope

The focus of the evaluation is to take as starting point the SECO/WE strategic concept paper in the organic sector and to look at its achievements/results in terms of economic growth and trade promotion through the review of a limited number of case studies/projects. The scope of the evaluation will concentrate on 4 selected projects, namely Albania, Ukraine, Romania and India, which are supposed to provide a fair sample of projects at different stage of development (with two projects in their phasing-out, while two others are in their implementation phase until 2010 at least) and which have not been recently implicated in an external evaluation. The results from an independent evaluation in these countries have also the potential to make a meaningful contribution to SECO/WE future approach in the organic sector. Last but not least, these projects reflect the standardised approach SECO/WE is using, namely technical assistance to certification bodies and to organic market development. The specific projects in the field of bio-cotton promotion in Mali, Burkina Faso and Kyrgyzstan and the development of organic aquaculture promotion in India are not per se part of the evaluation, however some experiences might be drawn from these projects in terms of development of new organic products. The same

is true for the Ecomercados project in Central America, which encompasses some components of organic market development.

The areas to be reviewed should concentrate

- **on the strategic intent:** to assess the relevance of SECO/WE strategic orientations and approach in the organic sector, as a niche to effectively contribute to trade promotion.
- **on the projects' results and impact** (whenever possible): to review SECO/WE contributions and achievements to developing the organic sector in the beneficiaries countries and therefore to contributing to economic growth, as well as to assess whether the supported projects answer to the objectives of the strategic intent in the organic sector.
- **on the applied approach:** to evaluate the relevance of the standardised approach applied by SECO/WE across all the projects, namely to provide technical assistance to establishing sustainable organic certification agencies and to developing organic market.

4. Key evaluative questions

This independent evaluation should be guided by the following principles, which should be reflected in the formulation of the evaluative questions as well as in the evaluation approach and methodology: contribution to knowledge in terms of strategic sector and technical assistance, learning with regard to the organic sector in particular market development, and forward looking in terms of future trade development support.

Using as reference the DAC/OECD evaluation criteria, the evaluation shall answer to the following key questions. The list is not exhaustive and additional relevant questions might be identified by the evaluators, which will be mutually agreed upon:

Relevance

- to what extent the strategic orientations as defined in SECO/WE strategic concept paper in the organic sector are relevant and in line with SECO/WE overall development objectives (economic growth and integration) as defined in its strategic papers? Are the three levels of interventions, namely policy, certification and market development, suitable to achieve the stated objectives?
- to what extent the projects implemented and designed fit with the objectives and preconditions as identified in SECO/WE strategic concept paper in the organic sector?
- in practice, to what extent the projects supported by SECO/WE are relevant for partner countries and respond to an effective demand? Is there any duplication or complementarity with other donors/partners?
- to what extent the technical assistance provided under the SECO/WE projects refers to/integrates international best practices and contributes to the international dialogue in the organic sector?
- to what extent SECO/WE sequenced approach of first supporting the creation of local certification body and then further developing the organic market is relevant and contributes to strengthen organic sector potentials in partner countries? Are the conditions (market and policy environment) sufficient to justify the establishment of a certification body?
- to what extent SECO support to the creation of new certification body rather than working jointly with established in-country certification organisations is relevant and contributes to strengthen local capacities, to ensure sustainability and to create favourable competition among actors?

- to what extent SECO/WE approach in the organic sector can be replicated as such to developing countries in the South, taking into account that experiences have been so far mainly based in Eastern European countries and in India?

Effectiveness

- to what extent SECO/WE approach in the organic sector has contributed to the overall goals of economic growth and trade promotion (=overall goal of SECO/WE), and more particularly to the integration of the organic sector in the world trade?
- to what extent the implementation of selected projects with technical assistance targeted to certification bodies and organic market development has contributed to improving the economic situation and living conditions (income generation, job creation, etc.) of the rural population (farmers and other stakeholders of the value chain) through sustainable use of natural resources?
- have the projects and more particularly the assistance in terms of development of national strategy, legislations and by-laws contributed to improving the framework conditions (business environment) and to reducing trade barriers, like access to certification, in order to facilitate organic production and market integration?
- what are the contributions of the projects to the development of a wider range of organic products, along the lines of the OMI? What is the effective outreach of the projects in supporting the development of new organic markets at national but also regional level?
- at the level of market development, to what extent the role and comparative advantage of SIPPO for promoting organic exportations to Switzerland have been sufficiently and effectively used and been made available to partners?
- what are the effective capacities/strengths/results but also weaknesses/limits of the supported certification agencies in terms of providing credible, internationally recognised and cost-efficient certification services?

Efficiency

- to what extent SECO/WE approaches in terms of capacity building and financial assistance (in some cases direct financial support to the certification structure) have contributed to achieve the projects' objectives? Is the subsidised scheme efficient and can it be considered as an optimal model?
- in the implementation of the projects, how efficient (strengths/weaknesses) are the partnership structures between the donor-SECO/WE, the implementing partners (FiBL, Bio-inspecta, SIPPO) and beneficiaries?
- are the invested resources (financial and human) committed by SECO/WE sufficient/insufficient to achieve the strategy's and projects' objectives?

Sustainability

- what are the perspectives of self-sustainability (financial and human) of the certification structures?
- what is the level of recognition and acceptance of the certification structures by farmers, processors, traders?
- to what extent certification is financially accessible and sustainable for farmers, processors and traders?
- How many pilot organic products have been successfully developed and have accessed domestic and export markets?
- To what extent the future sustainability of the projects and of the approach in the organic sector might be jeopardised by the surrounding question of the sustainability of organic production (eg. risk of desertification)?

Impact

Although it might be difficult in the scope of the evaluation to assess direct or indirect impact of SECO/WE interventions, some trends might already be identified in terms of:

- ✓ share of the organic sector in the agriculture sector
- ✓ poverty reduction, in terms of impact on farmers' income and job creation in the value chain.

Based on the findings and conclusions, the evaluation will as well formulate *recommendations* for any potential adjustment to the SECO/WE strategic concept paper in the organic sector and for the further implementation of ongoing projects as well as for the design of any new project, in particular in view of potential replication to Southern countries.

5. Deliverables

The evaluation team should provide the following documents:

i) in the course of the assignment and according to an agreed time schedule:

- an evaluation work plan at the beginning of the assignment;
- an inception report describing the methodology to be used as well as including the reconstruction of the objectives and indicators in order to assess the achievements in the implementation of SECO/WE strategic concept paper in the organic sector.

ii) at the end of the assignment

- a synthesis evaluation report containing the findings, conclusions and recommendations, not exceeding 25-30 pages (plus annexes), including an executive summary;
- for each evaluated project, a case study report, not exceeding 10-15 pages.

The reports should be written in English, in a way that will facilitate their subsequent use for dissemination of the results and recommendations of the evaluation.

6. Process and methodology

6.1. Methodology

The evaluation will employ the usual methods such as review of relevant literature, projects documents/reports/reviews, interviews at SECO/WE headquarter, with implementing partners, stakeholders and shareholders, and selected experts, review of case studies, and if necessary conduct of survey. In each of the case study countries, the evaluation team will conduct an overview of the SECO project and undertake interviews with local partners, other donors and beneficiaries (direct and indirect).

An approach workshop involving the evaluation team and the steering group will develop a common understanding of the evaluation process, scope and focus on the basis of the draft inception report. While a synthesis workshop will present the draft evaluation report for feedback and validation on the conclusions and recommendations.

Taking into account the joint projects in Albania and Ukraine with the Swiss Agency for Development and Cooperation (SDC), close interaction and consultation will be ensured.

A Steering Group, comprising of WEHU: egh, jba, WECO: cud, WEIN: U.Ramseier (as per Nov. 1st), BLW: P. Aebi, and KEK: D. Zürcher will be established. Its main tasks will be to accompany and monitor the whole process as well as to provide consultation on the different deliverables. The Steering Group will ensure that consultants have access to all necessary information and that feedback on key outputs of the evaluation is consolidated among several actors.

The evaluation is considered as an iterative process, whereby key questions and methods presented in this paper and understood/developed by the Evaluation team will be jointly discussed and adjusted if necessary.

6.2. Process

The main steps of the evaluation are tentatively depicted as follow:

Activity	Deadline	Responsibility
Draft Approach Paper	Sept. 15 th	CUD in consultation with egh/jba
Call for offers from short list of consultants	Sept. 18 th	CUD in consultation with egh/jba
Selection of consultants (incl. identification of local consultants with COOFs and Swiss representations)	Oct. 15 th	CUD in consultation with Steering Group
Contract with Evaluation team	End of October	CUD/WECO
Discussion and clarifications on the Approach Paper with the Evaluation Team	Nov 25, 08	Evaluation Officer + Consultants + Steering Group
Drafting of the Evaluation Work Plan and discussion with SECO/WE Evaluation Officer	Dec. 8, 08	Consultants
Submission of the Inception Report and discussions with SECO/WE	Jan. 5, 09	Consultants + Evaluation Officer + Trade Promotion Division + Steering Group
Missions in countries according to selected project	February/March 09	Consultants
Learning workshop	End of April 09	Consultants + Evaluation Officer + Trade Promotion Division + Steering Group
Draft Evaluation Report and consolidated comments from SECO/WE	May 4, 09	Consultants + Evaluation officer + Trade Promotion Division + Steering group
Final Evaluation Report	May 29, 09	Consultants
Presentation of the Evaluation and Conclusions	June 09	Evaluation Officer + Steering

Recommendation to SECO/WE Independent Evaluation Committee		Group
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6.3. Organisational arrangements

For any interaction on the conduct, scope, organisation, logistic and reporting, the evaluation team will interact with the SECO/WE Evaluation Officer, Mrs. Catherine Cudré-Mauroux.

To get access to all the background and necessary information, the evaluation team will refer to SECO/WE thematic division “Trade Promotion”, Mr. Hans-Peter Egler and Mrs Barbara Jaggin.

For the field visits, contact will be established with the relevant Swiss Cooperation Offices in the respective countries.

The evaluation team is contracted by SECO/WE Evaluation and Controlling Division, under the supervision of Mrs. Catherine Cudré-Mauroux. All the deliverables (see Chapter 5) are submitted to the Evaluation Officer, Mrs. Catherine Cudré-Mauroux, who is responsible to organise the appropriate consultation processes. Consolidated feedback to the Evaluation team on the deliverables will be as well organised and forwarded by SECO/WE Evaluation Officer.

7. Evaluation Team

The Evaluation team will consist of at least two international evaluators, and one national evaluator in each of the respective countries to be visited.

The *international evaluators* are expected to have the following profile:

- professional evaluation experiences, familiar with DAC Evaluation guidelines;
- ideally one of the consultant should have professional expertise in evaluation methodology, while the other one should be specialised in the organic sector, with a particular focus on certification and market development;
- field experiences in developing and transition countries;
- strong analytical and editorial skills and ability to synthesise
- strong ability to interact with multitude of partners and beneficiaries at government, donor and civil society level.
- fluent in English.

The *national evaluators* are expected to have:

- specific in-country experiences in the organic sector in the respective country;
- sound knowledge of the international donor community and harmonisation in their countries;
- not to have been closely associated with SECO/WE organic projects in the respective country;
- fluent in written and oral English.

8. Reference materials

SECO/WE Development Cooperation strategies

SECO/WE strategic paper in the organic sector

SECO/WE projects' decisions notes and projects' documents

Projects' annual reports and review reports

SECO/WE Organic Market Initiatives for market development

Any other relevant document

All the reference materials will be made available on a CD. As well a list of resource persons will be prepared.