



Evaluation of European Community Support to Private Sector Development in Third Countries

Final Report

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List of Acronyms

BDS	Business Development Services
CANACINTRA	Cámara Nacional de la Industria de la Transformación (National Chamber of Industry)
CAP	Common Agricultural Policy
CAS	Country Assistance Strategy – World Bank
CCI	Cross cutting issues
CEC	Commission of the European Communities
CMUE	Centro México Unión Europea (PIAPYME PMU)
CONACYT	Consejo Nacional de Ciencia y Tecnología (Sciences and Technology National Council)
CRIS	Common RELEX Information System
DAC	Development Assistance Committee
EC	European Community
EDF	European Development Fund
EU	European Union
FTA	Free Trade Area
GATS	General Agreement on Trade in Services
GNI	Gross National Income
GoM	Government of Mexico
IO	Intermediate Organisations
NAFIN	Nacional Financiera (a national development bank)
NAFTA	North America Free Trade Agreement
PAN	Partido de Acción Nacional
PIAPYME	Programa Integral de Apoyo a la Pequeñas y Medianas Empresas (Integrated Support Programme for Small and Medium Sized Enterprises)
PMU	Programme Management Unit
PRD	Partido de Revolución Democrática
PRI	Partido Revolucionario Institucional
PROTLCUEM	Programa de Facilitación del Tratado de Libre Comercio UE-México (Facilitation of the EU-Mexico Free Trade Agreement)

PSD	Private Sector Development
SMEs	Small and Medium Sized Enterprises
SPS	Sanitary and Phytosanitary
TA	Technical Assistance
USA	United States of America

1. Introduction

1.1 Mandate

The 2003 evaluation plan of the EuropeAid Cooperation Office provided for the Evaluation Unit to undertake an evaluation of European Community (EC) Support to Private Sector Development (PSD) in third countries. The aim of this sector-based evaluation is to contribute to improving the coherence of the Commission's sector-based approach through an assessment of the EC co-operation activities in PSD in the context of the objectives of the various national and regional co-operation and development programmes. It also aims at enhancing coherence between objectives in private sector development support and the European Union's (EU) other policy objectives.

1.2 Background

The evaluation is being carried out in two separate phases. Between October 2003 and June 2004, a **Desk Evaluation** of the 'European Community Support to Private Sector Development in Third Countries' over the period 1994-2003 was carried out. This desk evaluation was based on an analysis of documents collected in Brussels and complemented by interviews with Commission officials and a questionnaire sent to a sample of Delegations. The evaluation's final report presented a set of Evaluation Questions, evidence in support of a response for each of these questions, a thorough analysis of this evidence and preliminary conclusions and recommendations.

The "desk" approach was confronted with certain limitations: strategic and policy aspects could be well covered through documentation analysis and interviews in Brussels, but more specific aspects regarding implementation and impact of projects and programmes were difficult to assess without field missions. For this reason, the Evaluation Unit of EuropeAid requested ADE to complement the Desk Evaluation by a Field and Synthesis Phase.

The **Field and Synthesis Phase** of the evaluation basically entails, first, adjusting the methodology to the new tasks; second, complementing the information base mainly through five country studies; third, integrating these new findings with those from the Desk Evaluation; and finally, analysing this information base to reach an overall assessment of EC support for private sector development in third countries.

1.3 The role of country studies

Country studies offer value added as they allow a better understanding of how Community support to PSD is implemented in the field. Country studies were carried out through a detailed analysis of country- and programme-related documents and complemented with a field mission. **The aim was to collect information that will contribute to answering the Evaluation Questions at the global (not-country specific) level** and not to carry out a sector-based evaluation at country level.

The countries analysed were selected through discussions with the Reference Group. It was agreed that five countries from four cooperation programmes would be included: two ACP countries (Zambia and Jamaica), one MEDA country (Morocco), one Asian country (Vietnam), and one Latin-American country (Mexico). **Mexico** was chosen given the importance of economic cooperation within the EC support to Mexico (35% of the total amount). Further, cooperation with Mexico has the particularity of being carried out in the context of a Free Trade Agreement - in effect since 2000 for goods and 2001 for services. Two specific programmes aim at supporting PSD in Mexico: at institutional level, Facilitation of the Free Trade Agreement (PROTLCUEM by its Spanish abbreviation) and at micro level, the Integrated Support Programme for Small and Medium Sized Enterprises (PIAPYME by its Spanish abbreviation). Mexico participates also to the AL-INVEST all-country programme.

1.4 Purpose and Contents of the Country Note

The purpose of this Country Note is to provide a summary of the main findings of the country study. It is important to note that the report is of descriptive nature: it is limited to presenting the information collected and it does not attempt to analyse it or to reach judgments based on these findings. While the report contains a section on conclusions, these are not assessments or recommendations, which will instead be proposed at a later stage of the evaluation and at a global level. In addition, the required limit on the length of the report implies a focus on key findings only. Country notes will be published as annexes to the final report of the global evaluation.

Section 1 introduces this Country Note and gives the general background to the country study. **Section 2** presents data collection methods and its limits. **Section 3** presents the country context: it describes the main features of the country, its economic, social and political context, main government policies, and Community cooperation as well as a view of other donors' interventions in the sector. **Section 4** presents key findings for each of the nine Evaluation Questions. These findings are at criteria level and based on a more detailed matrix (presented in Annex 6) where information is presented at indicator level (see Section 2 on Data Collection Methods). **Section 5** presents the main conclusions derived from the country study. These conclusions will help with the structuring of the analysis stage of the evaluation.

2. Data collection methods

2.1 Data collection tools

During the Desk Evaluation the team proposed a set of **Evaluation Questions** reflecting the main issues to be analysed. These questions relate to one or other of the Development Assistance Committee (DAC) evaluation criteria, to the 3Cs or to cross cutting issues. For each of these evaluation questions, at least one Judgement Criterion was proposed and for each criterion, several indicators were proposed. The questions were discussed with the Reference Group and were validated by the Evaluation Unit of EuropeAid. Evaluation Questions help focus the evaluation process and structure the analysis. They help to reach an overall assessment in a more objective and transparent way as judgement criteria (the way the Questions will be treated) are announced in advance. Further, the list of indicators constitutes a basic “check list” for collecting information on the field and at headquarters, making possible an effective and focused collection of information.

The tables comprising Evaluations Questions, Judgement Criteria and Indicators, already completed with information collected for Mexico, are presented in **Annex 6**. A shorter version of these tables comprising only Evaluations Questions and Judgement Criteria is presented in **Section 4** of this Country Note. The answer to whether or not the criterion is met is based exclusively on the information at indicator level in Annex 6. Only Question, Criteria and Indicators that are relevant to Mexico are presented in this Country Note.

To further organize the information, the team produced **Programme Sheets** presenting basic information for each of the programmes analyzed. These Programme Sheets are presented in Annex 5. They serve as a background to Evaluation Question Grids where the team has avoided including long descriptions of the programmes implemented.

2.2 Data collection before the mission

For the overall evaluation, information was already gathered in Brussels during the Desk Evaluation. The Commission's strategy documents were reviewed; EC programmes relating to the private sector were identified, notably for Mexico, using the Common RELEX Information System (CRIS). Finally, Commission officials involved in private sector support were interviewed to complete this information. For the country study, specific information was collected before the mission regarding both the country and Community interventions in support of PSD. Based on the complete set of information, the team started to complete Programme Sheets and Evaluation Question grids in advance of the missions.

2.3 Data collection during the mission

The evaluation team conducted structured interviews with the Commission Delegation, local authorities, programme management units, intermediate organisations and beneficiaries. The evaluation team also analysed more precisely a set of PSD programmes, which is supposed to constitute a representative sample of the EC's PSD interventions in Mexico (see Annexes 4 to 6). On the basis of the information collected, the team finalized the Evaluation Question grids for Mexico.

3. Brief description of the context

3.1 Economic and social Context

According to the World Bank, Mexico ranks in the upper middle-income category of countries with a Gross National Income (GNI) per capita of 3,260 US\$¹ in 2003. However, incomes are very unequally distributed and poverty in Mexico remains widespread, especially in rural areas where in 2000, 42% of the population lived in extreme poverty.

For the last two decades, the Mexican economy has been subject to recurrent financial crisis, major exogenous shocks and deep structural reforms. The economic transition began with the foreign debt crisis in 1982, which lead to a radical shift in economic policy. Prior to the debt crisis, the economy had remained close to external trade and had established high import tariffs and prohibited the entrance of a wide range of commodities. This inward-looking policy of **import substitution** lead to an average growth rate of over 6.5%, and resulted in significant improvement in GDP per capita and living standards². However, production depended on the availability of foreign exchange with which to purchase the necessary inputs in foreign markets, as this was not accompanied by an efficient program that would replace imported inputs on which the national industry depended.

In 1994, Mexico was hit by another financial crisis. After this crisis, the government adopted a policy of trade liberalisation and a more open political system. A floating exchange rate regime was adopted. An export strategy helped the country to recover rapidly and Mexico experienced a growth rate of about 7% at the end of the year 2000.

Over the period 2001-2003, Mexico has experienced an average growth of only 0.6%³, which can be linked to the slowdown of the United States of America (USA) economy starting from 2001 and to the reduced demand for Mexican non-oil exports.

Mexico is the world's 13th largest economy, the 8th largest exporter of goods and services and the 4th largest oil producer⁴. Its commercial flows are strongly dependent on the USA market: in 2000 the USA represented over 80% of total Mexican trade. The trend is constantly increasing since the entry into force of the North America Free Trade Agreement (NAFTA) in 1994. Conscious of this weakness Mexico has undergone an important policy of diversification of its trade relations establishing an extensive network of bilateral and regional agreements on trade liberalisation. Mexico-EU Free Trade Agreement entered in effect July 1st 2000.

¹ World Bank, Atlas Method 2003 (Mexico at a glance).

² IMF, "Mexico, Selected issues", Prepared by G. Meridith, E. Faal, V. Moissinac, M. Vera-Martin, and A. Bulir, September 29, 2004, p. 6.

³ World Bank, "Memorandum of the President of the International Bank for Reconstruction and Development and the International Finance Corporation to the Executive Directors on a Country Assistance Strategy of the World Bank Group in Partnership with the United Mexican States", Report N°. 28141-ME, April 15, 2004, p. 5.

⁴ EU-Mexico "Country Strategy Paper 2002-2006", p. 5.

Mexico Export-Import Balance (in millions of US \$)

Years	Export	Import	Balance
1997	110,431	109,807	643.60
1998	117,539	125,373	-7,933.80
1999	136,361	141,974	-5,613.00
2000	166,120	174,457	-8,337.10
2001	158,779	168,396	-9,616.70
2002	161,046	168,678	-7,632.90
2003	164,766	170,545	-5,779.40
2004	188,626	197,156	-8,530.00

Source: Instituto Nacional de Estadística Geografía e Informática.

3.2 Political development and government policies

The political scene of Mexico is occupied by three main political parties, namely the PRI (Partido Revolucionario Institucional), the PAN (Partido de Acción Nacional) and the PRD (Partido de la Revolución Democrática). In 2000, the election of Vicente Fox as President raised new hopes for the democratic consolidation of the country as this victory of the PAN marked the end of a 71-year rule of the PRI.

The new government has presented a **National Development Plan** that sets the priorities of the government actions for the period 2001-2006. In particular, this strategic document put the emphasis on the following issues:

- Promotion of **social and human development**, with a particular attention to the education component in order to enhance equity and equality of opportunities.
- Favour **growth with quality** thanks to improved economic competitiveness, improved education, and balanced regional economic development.
- Improve the State functioning by the promotion of **order and respect**.

The Fox government however suffers from the lack of parliamentary majority as growing divisions complicate the task of the government in its attempts to address some crucial areas such as fiscal policy, energy sector and the legal system.

Concerning **human rights**, the situation remains uncertain as, on the one hand, the new government has shown a willingness to work towards a consolidation of the rule of law, but on the other hand, there remains many challenges to be tackled such as ensuring a satisfactory access to a fair justice for the people, fighting against corruption, redefining the role of the army and the role of the police to avoid abuses, or addressing the problem of crime and drug trade.

The development of the South of the country, the Chiapas conflict and the question of the indigenous people are very much interlinked as they will condition the stability of the government and finding a peaceful long lasting solution to the conflict remains one of the current political challenges.

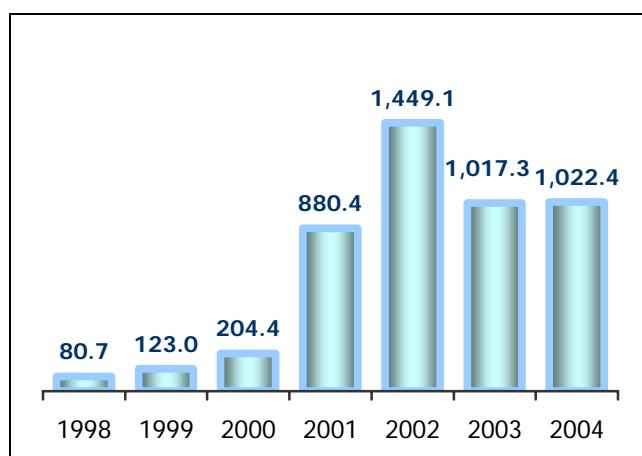
3.3 Private sector in Mexico

Around 98% of formal enterprises in Mexico can be considered micro, small or medium in size⁵. In 1999, they concentrated 60% of the employment, 43% of the investment and 49% of the added value to the GDP. However, the recurring economic crisis and the changes in economic policies have hampered the development of SMEs sector potentialities. Since the end of the 1980s, the number and the performance of SMEs are decreasing. Mostly domestic market oriented, they have faced significant limitations due to its slow growth.

The economic policies followed up during the last twenty years have brought greater benefits to major companies, national as well as foreigner. Major companies have been increasingly export-oriented, while their share of GDP and their productivity have increased. Exports continue to be dominated mainly by maquiladoras but also by petrol products: in 2003 maquiladoras represented 47.02% of exports and 11.23% were petrol products. This export model has not ensured strong links with the internal market and has not contributed to develop the supply chain.

Mexico's global competitiveness index is decreasing; it was the 32nd country in 1996 and in 2003 occupied the position 47th. The increasing polarization of the Mexican economy underlined by the weak performance of last years has brought the government of Mexico (GoM) to address entrepreneurial and in particular SMEs development in its National Development Plan (2001-2006) and its Economic Development Programme (2001-2006) and to increase consequently the budget allocated to SMEs development.

Public support to Micro and SMEs - 1998-2004 (Millions of Pesos)



*It includes only resources from the Sub-secretariat of SMEs, PYME, CRECE and COMPITE funds.
It does not include NAFIN, BANCOMEXT, FONAES or FINAFIM
Source: Secretariat of Economy*

⁵ This does not include informal micro enterprises with subsistence strategies but only micro enterprises with accumulation strategies. The "Censo Económico 1999" estimated that there are in Mexico 2,046,879 subsistence micro enterprises (Source: FUNDES 2003).

The **Economic Development Programme** foresees to:

- promote an institutional framework conductive to entrepreneurial development,
- facilitate access to finance to enterprises and specially to the SMEs,
- promote entrepreneurial culture as a support to increase SME competitiveness,
- promote introduction of innovation and technology as a support to increase SME competitiveness,
- develop productive regions and sectors of the country,
- rebuild and develop supply chains in order to strength internal market.

These strategic lines were materialized by the “**Law for the development of the competitiveness of the Micro Small and Medium Sized Enterprise**”. Among other things, this law establish the instruments to support SMEs notably Fondo PYME (SMEs Fund). The Fondo PYME aims to finance four types of support:

- Creation and strengthening of enterprises and of strategic innovation
- Productive and Regional structuring
- Access to markets
- Access to financing

3.4 EC strategy

The relations between the EU and Mexico are governed by the Economic Partnership, Political Co-ordination and Co-operation Agreement (or “Global Agreement”) signed in Brussels in 1997. This agreement entered into force on October 2000⁶ and sets out guidelines for economic association, political concentration and cooperation between Mexico and the EU.

The **trade aspects** are settled by two decisions establishing a Free Trade Area (FTA) in goods and services:

- The decision 2/2000 establishes a Free Trade Area in goods and provides for (i) the progressive and reciprocal liberalisation of trade in goods, (ii) the opening of agreed government procurement markets of the parties, (iii) the establishment of a co-operation mechanism in the field of competition, (iv) the setting up of a consultation mechanism in respect of intellectual property matters and (v) the establishment of a dispute settlement mechanism.
- The decision 2/2001 establishes a Free Trade Area in services and provides for: (i) the progressive and reciprocal liberalisation of trade in services, in conformity with Article V of GATS (General Agreement on Trade Services); (ii) the progressive liberalisation of investment and related payments; (iii) ensuring an adequate and effective protection of the intellectual property rights, in accordance with the highest international standards; and (iv) establishing a dispute settlement mechanism.

⁶ Published in the OJ L276 of 28 October 2000.

Those two decisions aim to favour a propitious business climate between both parts and to guarantee a transparent and secure regulatory framework.

Following the signing of the 1997 agreement, a **Country Strategy Paper 2002-2006** was drafted to define the framework of the EU-Mexico relations.

Given the fact that Mexico is a country in transition characterised by a dual society – one part of the population living in conditions similar to the Western developed countries whereas the other part is living in poverty – the objectives of the EC Cooperation programme are (i) to support the Mexican government to **fight against inequalities** and social exclusion, (ii) to **foster economic development** by strengthening bilateral economic ties and (iii) to **encourage the reform of the state** and the strengthening of the rule of law.

Given those three global objectives, the EC has chosen to concentrate its actions in the following **4 focal sectors**:

- In the sector of the **Social Development and reduction of inequalities**, the EC aims to target grass roots communities and the poorest parts of the country by developing productive projects and by increasing access and quality of health and educations services available to this population.
- In terms of support to **economic growth**, the second focal sector, EC actions will be taken to facilitate the implementation of the Free Trade Agreement (notably by updating technical standards and regulations, or by acting at the level of custom authorities). In addition, the EC will support the Mexican SME sector in order to increase its competitiveness and efficiency and to reduce the difficulties faced by the SME in accessing EU markets.
- The third sector of attention concerns the **consolidation of the rule of law**. In this sector, EC interventions take place on the one hand in the area of the judicial system's reform programme and on the other hand, in the Human Rights domain through specialised EC budget lines.
- **Scientific and technical cooperation** is the last sector of concentration. In this sector, the EC will support the internationalisation of Mexico's knowledge and learning through science and technology cooperation with the EU and to foster the transfer of know-how between the regions to build up a technological partnership.

3.5 Other donors

Overseas development aid (ODA) is relatively small in Mexico due to the fact that it is a country with a medium-high level of income and member of the OECD. Therefore, both bilateral and multilateral donors have a limited activity in Mexico.

The main donor **among EU Member States** is **Germany** financing mostly environmental long-term projects (up to 12 years).

The **World Bank** provided 3.9 billion € for the period 1997-2000 through loans and executing specific projects. The Country Assistance Strategy (CAS) covering the period 2005-2008 envisages supporting four strategic pillars:

- **Reduce poverty and equality** through social protection and poverty related programs, education programmes, increasing the access to essential services such as pensions and health care, broadening the access to basic infrastructure services, low income housing, land ownership and facilitating the inclusion of woman and indigenous people.
- **Increase competitiveness** by acting in areas such as agriculture, financial services, corporate governance, and education.
- **Strengthen institutions** by among others increasing the dissemination of the Bank's analytical work and knowledge sharing, and helping to improve the macroeconomic forecasting.

UNDP concentrates its assistance in the major areas of poverty alleviation, productive integration, environment and democratic culture development. To reach its objectives UNDP-Mexico develop strategic networks between the government, the civil society and the private sector. Instead of finance directly projects, UNDP due to its limited resources offers specialised services in order to develop the capacity to implement projects in the different areas. The area **Productive Integration** aims to fight against poverty by improving the competitiveness of the private sector and its main project is "Development of supply chains" in association with Ministry of Economy, National Financiera (NAFIN) and the Chamber of Industry (CANACINTRA).

USAID annual contribution to development aid in Mexico is of 30 million US\$. USAID assistance included programs to prevent and control infectious diseases (such as tuberculosis and HIV/AIDS), partnerships between USA and Mexican higher education institutions, improve management of natural resources, and broaden access to financial opportunities. In addition, USAID collaborates with the Mexican government to achieve higher standards on accountability and openness.

4. Findings

This section presents key findings for each of the Evaluation Questions relevant at country level (questions 2 to 9). Findings have been synthesised at criteria level based on a more detailed matrix (presented in Annex 6) where information is presented at indicator level.

EQ 2 – Overall design of the strategy

Is the CEC PSD strategy in terms of “expected results” well designed to ensure the realisation of the purpose of strengthening the business sector with a view to contribute to the overall objectives of the EC external policy?

- A. To what extent is each area of intervention (“expected results”) relevant in terms of contribution to the purpose?
- B. Is its success dependent on certain conditions (another expected result or some other ‘external’ factor)? If yes, which ones? Have they been identified in CEC PSD strategy documents?
- C. Is the set of fields of actions comprehensive (are some essential fields missing (for example, role of champions)?
- D. Is it well structured:
 - i. Are there potential complementarities and synergies between expected results and have they been identified?
 - ii. Are there possible contradictions between fields and have they been identified?
 - iii Should there be a prioritisation?

2B.1 Conditions to reach the expected results exist

It is not possible to say that conditions to reach expected results have been **identified** at the level of the strategy or the programmes but implicit conditions to reach the objectives of the EC support to PSD in Mexico exist and are taken into account.

EC support to PSD in Mexico evolves in a context characterized by two main features: The Free Trade Agreement between the EU and Mexico (in effect since 2000) and the reform programme of the government and the now stable macroeconomic situation. The support strategy is well in line with these features and takes them explicitly into account. Moreover, the support to the Free Trade Agreement is at the core of the EC support to Mexico in the focal sector of economic growth. For these reasons, it can be said that the Free Trade Agreement and the economic reform programme of the government are implicit conditions to reach the objectives of the EC support to PSD in Mexico.

2D.1 There are potential complementarities and synergies between expected results

The two bilateral programmes (PROTLCUEM and PIAPYME) aim to contribute achieving the objectives of the EC support in the sector of economic growth. However, no synergies are highlighted in country or programme documents.

At programme level, the PIAPYME shows that complementarity between different expected results is possible. PIAPYME is a programme specifically designed to support SMEs but it includes a component where Intermediate Organizations will participate as operators of the programme and where capacity

building for these organisations will be possible. Note, however, that the aim is not to reinforce IOs by themselves but rather to use them as operators of the programme. Additionally, the complementarity with AL-Invest, an “all-country” programme, is underlined in programme documents as well as in the different presentations of the programme to potential beneficiaries.

Through interviews, the potential complementarity between PROTLCUEM and PIAPYME has been stressed to the evaluation team. Firms having received support to improve their capacity to access European markets will benefit of a more conducive institutional setting (certification, customs, etc.) However, the fact that the programme at micro level has started before the programme at macro/institutional level implies that –if any- only firms benefiting of the last period of PIAPYME may benefit of the improved institutional setting.

2D.2 Prioritisation of areas of intervention (expected results) leads to a better realisation of the purpose

The strategy does not entail any prioritisation between the different areas of intervention. Therefore, it would not be possible to find evidence in this regard. However, in 2D.1.3 is mentioned that the potential complementarities and synergies between PROTLCUEM and PIAPYME is jeopardized by the fact that PROTLCUEM will start at least one year after PIAPYME

EQ 3 – Relevance of PSD strategy in a given country

For a given country,

- A. Does the selection of the areas of intervention correspond to the CEC PSD strategy?**
- B. Does the selection of the areas of intervention correspond to clearly identified priority needs of this country to increase the competitiveness of the business sector with the view to contribute to the overall objectives of the EC external policy?**

- 3A.1 The areas of intervention (expect results) in Mexico correspond to the areas proposed in the CEC PSD strategy

The evaluation team has found three bilateral projects and one “all-country” programme that can be considered as being part of EC support to private sector development. In spite of the fact that the programmes and the support strategy were identified before the PSD strategy was published, the three programmes broadly correspond to areas of intervention identified by the COM (2003) 267 and the Guidelines on Community support to PSD in third countries:

PSD Programme	Expected Result (as per Intervention Logic)	Level of Intervention
PIAPYME	<ul style="list-style-type: none"> ▪ Capacity of intermediary organizations is enhanced; ▪ More effective non-financial services. 	Meso and micro
PROTLCUEM	<ul style="list-style-type: none"> ▪ Macro-economic, legal and regulatory framework more conducive to PSD. 	Macro
IMPULSO	<ul style="list-style-type: none"> ▪ More effective non-financial services. 	Micro
AL-Invest	<ul style="list-style-type: none"> ▪ More Investment and b-to-b cooperation. 	Meso and micro

However, as shown in Question 4, the specific objectives of these programmes do not always correspond to the PSD strategy elaborated by the Commission.

- 3B.1 The selected areas of intervention (expect results) correspond to clearly identified needs of Mexico in terms of PSD

The EC support strategy to PSD in Mexico and the proposed areas of intervention correspond to policies and priorities of the Mexican government.

In order to reduce the dependency of Mexican economy to the USA (80% of Mexico's exports go to the American market), the government of Mexico seeks to reinforce its economic links with other regions, including the European Union. Evidence of this is the number of trade agreements that Mexico has signed with different countries and regions. EC support to Mexico corresponds to this policy and aims to promote the Free Trade Agreement between Mexico and the EU in effect since 2000. As stated in the CSP, the global objective of the EC support to Mexico in the field of economic growth aims to: (i) facilitate the implementation of the Free Trade Area and (ii) foster trade and investment.

Further, the two areas proposed to achieve these objectives also correspond to national priorities. The first area is “Support to the Implementation of the FTA” through capacity building and technical assistance in the fields of customs, certification and technical standards, Sanitarian and Phytosanitarian (SPS) measures, etc. This area is materialised in the programme PROTLCEUM. The second area, “Support to SMEs”, is materialised in the PIAPYME programme and seeks to increase Mexican SMEs' awareness of export opportunities into the EU. It is important to notice that the CSP indicates that “the difficulties faced by their SMEs in accessing the EU market are a long-standing cause of Mexican complaints, and co-operation

aimed at reducing these difficulties would make trade relations less strained.” Both programmes correspond to the government policy of diversifying trade relations with other regions and accessing new markets. The second one, “Support to SMEs”, also corresponds to the government policy on SME. It should be noted that under the new administration, a vice-ministry of SMEs within the ministry of Economy was created to further encourage and support SME development in Mexico notably through the “Fondo PYMEs” (SMEs fund). Details of the SME policy of the government in Section 3

EQ 4.1 – Effectiveness - Business environment

To what extend did EC interventions make the institutional, macro-economic and legal and regulatory framework more conducive to PSD?

41.1 EC support to the institutional setting has contributed to the development of the business sector

The programme Facilitation of the Free Trade Agreement EU-Mexico, commonly known by its Spanish abbreviation **PROTLCUEM**, was designed in the context of the Mexico-EU Free Trade Agreement (FTA). The FTA is effective since 2000 however effects on bilateral trade relations have been less important than expected.

PROTLCUEM aims to contribute to the institutional setting through its 8 components: Customs; Technical Norms; SFS Norms; Investment; Competition; Consumer Protection; Intellectual Property; and Information. The direct beneficiaries of this programme are public institutions. Mexican companies exporting to Europe and European companies exporting to Mexico will be the final beneficiaries.

Unfortunately this programme has not yet started and its contribution to the development of the business sector still potential.

EQ 4.3 – Effectiveness - Intermediate organisations (IO)

- A. To what extend did EC interventions help IO to increase their capacity to conduct a policy dialogue with the government;
- B. To what extend did EC interventions help IO to improve the quality or quantity of the services provided to and used by its members?

43B.1 IOs provide more and better services to their members as a result of EC support

No EC intervention in Mexico aims at increase IOs capacities to provide more and better services to their members. However IO can participate as operators of **PIAPYME** and **AL-INVEST** programmes. This can be considered an indirect way to improve their capacity to supply services and further these programmes also offer direct capacity building to its operators.

The implementation of the **PIAPYME** is based on operators; IOs can subscribe among other type of organisations. Operators have two roles. On the one hand, they are the initiators of the activities; as such they prepare an application dossier and submitted it to the CEAP (Committee for Evaluation and Approval of Projects), once it is approved they are in charge of the follow up. On the other hand operators can also be beneficiaries of the programme as component III foresees capacity building activities for operators.

For the moment there are 113 operators registered in the PIAPYME database, among which 3 Chambers of commerce and 7 Entrepreneurial Associations. From the 22 projects submitted by operators only 1 corresponds to an IO. As the program has just begun it has not yet achieved results. Is therefore difficult at this stage to estimate the, direct and indirect, effects of the programme on operators and specifically on participating IO.

AL-INVEST sub-projects are proposed and operated by COPECOS in Europe and EUROCENTROS in Latin America. During AL-Invest I and II, these operators - mostly hosted by IOs - received methodological support in order to achieve the expected results in an effective manner. Since AL-INVEST III proposes three new components to support operators, reinforcement to COOPECOS and EUROCENTROS has become more direct.

But the direct and indirect reinforcement the IOs can obtain from AL-INVEST is limited in Mexico by the choice of the institutions hosting the EUROCENTROS. There are 4 EUROCENTROS in Mexico hosted by the following institutions: CANACINTRA, Bancomext, Nafin and TEC Monterrey. Only one of them is an IO namely CANACINTRA. Yet the rules of AL-Invest indicated that EUROCENTROS should be hosted by: Chambers of Commerce and Industry, Employers Federations, Professional Associations and Consulting Companies.

A situation of unequal competition between EUROCENTROS can be also underlined as Bancomext and Nafin, both public development banks, provide additional resources to their EUROCENTROS increasing their capacities respect to EUROCENTRO CANACINTRA.

Regarding CANACINTRA's particular case, thanks to its EUROCENTRO this organisation has increased the number, the type and the quality of services provided. The EUROCENTROS have won important methodological knowledge implementing AL-INVEST activities: i) sectorial meetings, ii) active research of partners (ARIEL), and iii) industrial meetings for regional development (AL-Partenariat). As a result, on request, the EUROCENTRO CANACINTRA provides services (i.e.: preparation of agendas for commercial tours or fair trade, research of partners...) outside AL-INVEST funding. Although EUROCENTRO CANACINTRA functions as an independent body. It provides services to all the enterprises that fit in AL-INVEST events in which this EUROCENTRO is involved or to enterprises that request in a private way for them and not only to CANACINTRA members. Further, there is not share of experiences with the rest of the organisation. CANACINTRA representations in other states are supposed to insure the national coverage of the EUROCENTRO but they consider that support is almost nonexistent and some consider applying to AL-INVEST III in order to create their own EUROCENTRO.

EQ 4.4 – Effectiveness - Investment promotion and b-to-b cooperation

To what extend did EC interventions increase trade, investment and general b-to-b cooperation?	
44.1	EU interventions increased trade, investment or general b-to-b cooperation
<p>Improvement of trade relations is the principal objective of EC PSD interventions in Mexico. Country Strategy Paper for Mexico established economic cooperation as a focal sector in the frame of the FTA EU-Mexico. Investment and general b-to-b cooperation are also supported by the interventions through specific components.</p> <p>PROTLCUEM's Specific Purpose specifically mentioned the promotion of commercial and investment transactions under the FTA EU-Mexico. All the components pursued generally this objective. In particular, component 4 of the PROTLCUEM aims to stimulate the European investments in Mexico. The resources planned are modest (3%). The activities will be: updating of an investors guide, studies on investment statistics, Technical Assistance to the Investment General Directorate. The implementation has not begun yet as explained in efficiency (See 6D.1) and no results have been achieved at this point.</p> <p>PIAPYME's Specific Purpose is to increase the competitiveness and the export capacities of SME. During the first months of implementation, the project has focus in developing SMEs capacities to export to the EU. Regarding investment and b-to-b cooperation, expected result 3 of the PIAPYME is "enhanced business co-operation to promote joint investment and strategic alliances between Mexican and European SMEs to speed up their process of modernisation and internationalisation". No activities related to this component have been undertaken at this point. The programme is at the beginning of its implementation and the first activities executed up to now focalised more on vulgarisation of the PIAPYME, training and production reorientation.</p> <p>AL-INVEST was launched in 1994 with the aim to strength economic cooperation between European and Latin American firms and encouraging investment and commerce. AL-INVEST I and II programmes were very active. The design of a specific methodology and the establishment of specific service providers' network (EUROCENTROS-COOPCOS) have enhanced the realisation of events and improved the efficiency. But at the end, the number of transactions still moderate. During AL-INVEST I and II, 5,798 Mexican companies have been concerned by the organized events; among them 1,603 have travelled to Europe. 185 transactions were concluded, for an estimate amount of 55.5M€, 27 were joint ventures. Services are also offered outside the AL-INVEST funding. According to interviews, it is common to use the network and the methodology on special request. But the demand is still limited and still very much related to the availability of AL-INVEST funds. According to the EUROCENTROS there is little spontaneous demand for this kind of services, Mexican exporting companies are still in their majority oriented to USA market.</p> <p>AL-INVEST I and II activities were mainly Business Meetings pursuing in the majority of cases to conclude commercial transactions. Less attention was put on investment and b-to-b promotion through ARIEL activities. This is the result of the demand as in general the objective of the beneficiaries companies is to sale, but also the result of the system of remuneration that makes organisation of business meetings more attractive to EUROCENTROS. In fact, for Business Meetings the participating operators are paid for each company effectively present in the event, but in ARIEL activities the process is longer and the final subsidy is only fixed according to the number of agreements effectively signed.</p> <p>AL-INVEST III foresees to continue with Business Meetings and plans also new facilities to enhance its support to trade, investment and b-to-b cooperation such as:</p> <ul style="list-style-type: none">▪ Latin American/European Weeks, with the objective of increasing information that companies receive when assisting to a trade fair.▪ Business Development Facility, to bring personalised assistance to develop internationalisation business plan by search of potential overseas partners.▪ SME Partnership aiming to support companies that already developing a joint business plan or project.	

EQ 4.5 – Effectiveness – Business Development Services

To what extend did EC interventions aiming to provide non-financial services create a competitive business development services markets?

- 45.1 EU interventions aiming to provide non-financial services create a competitive business development services markets

Two programmes provide non-financial services to the enterprises, AL-INVEST III and in a greater measure PIAPYME, but in neither of these cases the aim is creating a competitive BDS market.

PIAPYME intervenes on BDS markets at transaction level providing subsidized services to companies. It will influence the BDS market in three ways: using local service providers as intermediates, increasing their capacity and bringing external expertise.

First, established public and private service providers can participate in the programme as intermediaries (operators). The role of the operators is to submit sub-projects to the approval of the programme, the PIAPYME subsidises 100% and the companies should pay 30% to the operators for their intermediation work.

Second, operators will be supported in order to enhance their capacity to multiply the impact of the programme and they will also be the pivot for the technology transfer, know-how and technologic innovation from Europe to Mexico through training of trainers.

Third, services supported by the programme will be mostly provided by European Consultants. On the one hand, the use of the European Consultants will not improve the offer of BDS neither will reinforce the confidence of demand on local BDS market in the long term. On the one hand, given the limited outreach of the PIAPYME, it is not possible to speak of market distortion.

AL-INVEST III as an innovation respect to other phases proposes a Capacity Building for SMEs facility where seminar, workshops or other training activities on internationalisation strategies will be offered to SMEs. It will include a “Theory Module” and a “Practical Application Module”. The activity will be planned through its EUROCENTROS network. The development of a competitive BDS market is not among its objectives. AL-INVEST III was build-up on past experiences, AL-INVEST I and II as well as ATLAS. The identification did not take into account orientations of external references, like the Blue Book, for the design of new components.

EQ 5 – Sustainability

To what extent are the effects (expected results) of the interventions likely to continue at the end of the EC support?	
5.1	The effects of CEC PSD strategy in Mexico is likely be long-lasting
	No risks and assumptions have been properly identified with regards to the PSD support strategy in Mexico. However, as mentioned in 2B.1, EC support to PSD in Mexico evolves in a context characterized by the Free Trade Agreement EU-Mexico and the reform programme of the government. The two main implicit assumptions could then have be defined as (i) that Mexico continues to give priority to the Free Trade Agreement with the EU and (ii) that the government continues to implement its macroeconomic and trade policies. So far, there are no signs that these assumptions will not be fulfilled.
5.2	Institutional, macroeconomic, legal and regulatory improvement is not disappearing / has not disappeared after EC intervention
	The PROTLCUEM has not yet started its implementation; no results have been achieved at this point.
5.4	Reinforcement of IO position is not lost after EC intervention finishes
	AL-INVEST. The position of EUROCENTRO CANACINTRA as service provider could be sustained after the end of the programme as it provides the same kind of services, on request, outside the AL-INVEST programme. However, according to the interviews, AL-INVEST services are not sustainable and will disappear as soon as the subsidies are finished, as there will be no demand. For example, there is no evidence of companies supported once through AL-INVEST funding required assistance again on individual basis.
5.5	Business-to-business cooperation, trade and investment continues to expand after EC intervention
	The direct contribution of AL-INVEST I and II to the evolution of number of mutual agreement is difficult to establish. The programme does not have long-term indicators. Evidence of long-lasting effects of AL-INVEST I and II at this level could not be collected during the mission.
	PROTLCUEM, PIAPYME and AL-INVEST III programmes are still to be implemented. The potentialities of replicability are few for PIAPYME and AL-INVEST given the set up of the programme.
5.6	A competitive BDS market continues to function after EC intervention has finished
	PIAPYME does not aim at BDS local market development

EQ 6 - Efficiency

To what extent have the organisational set-up or management systems and processes contributed or hindered the efficiency of the EC interventions to support private sector development? Four aspects are of particular interest to our evaluation:

- A. The deconcentration process and the support given by HQ
- B. The preference given in some regions to all-country programmes
- C. The preference given in some regions to promote local expertise instead of using international support
- D. Other organisational set-up or management systems and processes.

6A.1 The deconcentration has contributed to the efficiency of the EC interventions

The deconcentration dates back to 2002. The CSP 2002-2006, which plans the interventions analysed, is part of the new framework for EU-Mexico relations following the signing of the Economic Partnership, Political Co-ordination and Co-operation. Before that there was no major bilateral intervention of the EC in Mexico.

The Delegation played a leader role in the identification of the programmes analysed with clear advantages on the identification of the needs. Delegation, for its proximity, has a good understanding of the context and can maintain a closest dialogue with the institutional beneficiaries. However the design of the programmes did not took into account lessons learned from similar interventions implemented in other countries; neither enhanced best practices for PSD interventions.

The way from identification to the implementations has been very long for all the national projects. This is mainly caused by the difficulties to match Mexican legislation with European Financial Rules and is aggravated by the little experience on both sides – Delegation and Mexican authorities – managing cooperation programmes. Delegation and Headquarters did not collaborate to overcome legal, financial and thematic difficulties. The Delegation is been very present on the field in order to find practical solutions. Even though Headquarters still have reserves on the found solutions for the **PIAPYME** and the procedural follow up. The **PROTLCUEM** is still waiting for an agreement of its legal form even though it was signed in November 2004. And, **IMPULSO** a programme identified in order to strength the innovation capacity of the Mexican companies has not yet been signed for the same reasons.

The presence of the Delegation is also very strong beyond procedures and is very much involved in the implementation. The workload is important and little time is devolved to the strategic and planning activities.

6B.1 The use of “all-country” programmes has contributed to the efficiency of the EC interventions

In the case of Mexico, the all-country programme most used is AL-INVEST. Its speed of decision-making resides in the long experience of this programme and the efforts to train operators to its particular methodologies. But there is no sign that they contribute more efficiently to PSD than bilateral programmes.

A particularity in Mexico is that the Delegation was very much aware of AL-INVEST activities. The Delegation is involved in the information dissemination of AL-INVEST in Mexico but there are in fact no responsible at procedural level.

6C.1 The use of local expertise has contributed to the efficiency of the EC interventions

There is little use of local expertise in EC interventions in Mexico. The component of short International Technical Assistance is very high in **PIAPYME** and **PROTLCUEM**. The system found out in the PIAPYME, one global contract for all the International Technical Assistance, allows to not crowding out

the project managers at the Delegation with international tender dossiers. Further, the effort of planning should not be short cut within this facility in order to obtain the best consultants.

There are complains about the high costs of the international experts and the necessity of having international experts.

6D.1 The organisational set-up and management system has contributed to an efficiency implementation of the programme

The juridical and financial setting up of the bilateral programmes, **PIAPYME** and **PROTLCUEM** faced and are still facing serious problems. There are difficulties to match European Commission financial rules and Mexican regulation. (i.e. fideicomiso, Mexican officials implementing external rules...)

In particular there is the problem of matching European financial rules with the use of the Fideicomiso. The Fideicomiso is a juridical structure; the equivalent of a Trust. The current Mexican government is using it intensively to manage public funds. The main characteristics of the fideicomiso are that: i) it offers a transparent management, ii) it offers stability to policies because when funds are allocated they are not demobilised annually, and iii) the objectives to which the capital can be used are clearly established. Given the fact GoM had created numerous mechanisms to finance SMEs development it was decided that the national counterpart for the PYAPIME will come from the Fondo PIAPYME, which is a fideicomiso. This decision allowed starting the implementation of the PIAPYME but the consequences have been heavy. For example, national rules of the fideicomiso do not allow covering operating expenditures. It is also the case of European rules. Therefore, for the moment, the programme does not have funds to cover these expenditures and Bancomext, the hosting institution of the PIAPYME Programme Management UNIT (PMU) the Centro México Unión Europea (CMUE), is covering some of them.

Other checks are slowing down the effective implementation of the **PIAPYME**:

Personal tensions between the actual national director and the Team Leader of the International Assistance, the Delegation and the Ministry of Economy have strongly hampered the realisation of activities.

It is important to underline that in December 2004 the Director of the CMUE received notification of its future replacement but since then no substitute has been appointed. Therefore, the Director is still in function but has at the same time assured his previous position inside Bancomext with the subsequent overload of work.

The rules of operation are still not clear; the approval of sub-projects is not always justified. Many sub-projects approved are still waiting for a complement of information from the beneficiaries. Few activities have been achieved up to now.

A single global contract of Technical Assistance allows speeding up the access to short-term experts avoiding constant tender procedures. However, up to now the quality of the European Experts has not always been satisfactory due mainly to a lack of planning and too short preparation of the activities.

Regarding **PROTLCUEM**, the identification study was not satisfactory and the Ministry of Economy continued internally it and reactivated a consultation of all the beneficiaries' institutions. These negotiations were long in order to balance the different component of the programme.

But the principal reason for which PROTLCUEM has not yet started is that the parties are still looking after the more convenient juridical structure. The Mexican financial counterpart is not yet ensured even if the programme was signed in November 2004. Given the problems faced by PIAPYME the idea of establishing a Fideicomiso has been abandon and it seems that the programme will be finance through a classical budget line. However, this is not a definitive solution. On the one hand, the government does not have the majority at the Congress and it is possible for the opposition parties to block the decision. As this budget line needs to be programmed annually, it seems that the availability of funds would be a permanent threat during the whole programme lifetime. On the other hand, problems within the European financial procedures remain as Mexican officials can not follows other rules that the nationals ones.

EQ 7 – Coherence (within EC action)

- A. To what extent does the CEC PSD policy in general take into account other EU strategies and policies?
- B. To what extent does the CEC PSD support strategy within a country strategy take into account:
 - i. The support given to other sectors within the same country strategy?
 - ii. Other EU strategies and policies
- C. To what extent do national or regional EC PSD programmes within a country take into account:
 - i. Other PSD programmes within the same country
 - ii. The support given to other sectors within the same country
 - iii. Other EU strategies and policies

7B.1 The CEC PSD support strategy within a country takes into account other EU interventions

The CSP explicitly refers to the **coherence between EC support to Mexico and other EC policies**. In particular it mentions the following policies, strategies or orientations: trade; common agriculture policy; sanitary and phytosanitary (SPS) control and consumer's protection; internal market and competition; research and development; environment, conflict prevention; justice and home affairs; and the information society. The coherence with each of these policies or strategies is analysed and while it considers that overall the support strategy to Mexico is coherent with these other EC policies, the CSP also raises a number of issues representing a risk to the complementarity. The two most important are:

- The **Common Agricultural Policy (CAP)** is “perceived by Mexico as a protectionist policy for European products. Even though some studies carried out in the context of the negotiations for the FTA showed that EU and Mexico agricultural products are in general complementary, it should be noted that products included in the CAP are the object of special treatment under the EU-Mexico FTA, being excluded from the bilateral liberalisation process”.
- The implementation of **SPS** controls is also “perceived by Mexico as a non-tariff trade protection measure that prevents certain products – mainly agricultural - from obtaining access to European markets. At the same time, Mexico has questioned the non-reciprocity of the EC regarding the implementation of certain Community principles, such as that of regionalisation”.

Regarding **coherence between the different sectors of intervention**, there is no reference to possible coherence or complementarity between support to PSD and two other sectors of intervention: “Social development and reduction of inequalities” and “Consolidation of the rule of law”. When presenting the areas of intervention for the four sector “Scientific and technical cooperation”, the CSP indicates that “co-operation in this sector will support the implementation of the Mexican science and technology action plan 2001-2006 and will concentrate, on the one hand, on activities focussed on solving problems related to the well-being of the population, such as nutrition, health, education, environment and poverty alleviation; and on the other, *on linking innovation and production to help local and EC enterprises to keep pace with the constant challenges of the new global economy.*” It was initially decided to hold the identification of a science and technology programme until 2005 to be able to identify needs and possibilities. Indeed, at the time of the mission (March 2005), the IMPULSE programme had been identified: a feasibility study had been carried out and a financing agreement had been discussed. More important in terms of the coherence, it was decided that in view of the specificity of the programme and its strong links with private sector development, it should be managed within the Delegation by the Economic Cooperation Section in parallel to the PIAPYME and PROTLCEUM programmes.

7C.1 National or regional EC PSD programmes within a country take into account other EC interventions

At programme level, reference is made between **PSD programmes** in Mexico. In particular, between PIAPYME and AL-Invest programmes as they have some similar components. Up to now no mechanism has been set up to ensure complementarity, to generate synergies or to avoid conflicts and overlaps between these two programmes.

PIAPYME programme documents mention several times that the beneficiary (the Ministry of Economy - Vice-Ministry for Small and Medium Enterprises) shall ensure complementarity and shall generate synergies with other programmes such as AL-Invest and PROTLCEUM. In particular, it indicates that under its Component III - Activities for the Operators, "a coordination mechanism with the Phase III of AL-Invest Programme will be foreseen in order to avoid duplications and create synergies between both programmes". By the time of the mission, no mechanism had yet been set up but the flow of information between the two programmes (management, operators and beneficiaries) was important. Moreover, it was clearly expressed by some (potential) operators that - in their view – the programmes proposed the same kind of support and that, given the financial conditions of each programme, they already had preferences.

On the other hand, no mention of the PIAPYME has been found in **AL-Invest** documents, which is to be expected given that it is a regional programme and thus no specific to Mexico. Nevertheless, the director of the AL-Invest programme was well aware of the existence of the PIAPYME and during his dissemination tour in Mexico, he was due to hold interviews with the PIAPYME management unit.

PROTLCUEM or **IMPULSE** programme documents do not mention other PSD programmes in Mexico.

PSD programme documents do not refer to **other EC policies** and the team has not found direct evidence through interviews on this issue. However, the different PSD programmes in Mexico do incorporate the fact that many EC policies affect trade relations between Mexico and the EU and aim precisely to overcome the difficulties that some of these policies may bring. It is the case of PROTLCEUM, which will provide institutional support on Technical Norms (Component II) or Sanitarian and Phytosanitarian measures (Component III) to facilitate access to the EU market to Mexican firms. It is also the case the PIAPYME that may give the same type of support at the firm level, for example, providing an expert on SPS to a firm willing to export to the EU.

No evidence has been found at programme level of references made to EC support to Mexico in sectors other than economic growth.

EQ 8 – Coordination (with other donors)

To what extend is there coordination between donors, both at central and at country level?
<p>8.2 The EC actively participates to multi-donor coordination process at country level</p> <p>Overseas development aid (ODA) is relatively small in Mexico due to the fact that it is a country with a medium-high level of income and member of the OECD. Therefore, both bilateral and multilateral donors have a limited activity in Mexico. As a consequence, donor coordination is quite limited. Still, some of them are present with projects in different sectors; the CSP 2002-2006 presents information on the activities and programmes of the main bilateral and multilateral donors, including Member States.</p> <p>Among the few activities bringing together the donor community, we find four thematic groups set up by the European Commission and Member States. The group on Economic Cooperation is lead by the Delegation; as it is the group on Social and Environmental Development; the group on Institutional Support is lead by Spain and the group on Science and Technology, Education and Culture is lead by France and had its first meeting in March 2005 with 13 people present. The aim of this meeting was to exchange information and explore the possibility of improved coordination. The meeting showed that all present donors worked with CONACYT (Sciences and Technology National Council) and had projects related to university work, scientific research, scholarships for students and, moreover, that they face a number of similar problems, for which they now consider to take coordinated actions.</p> <p>Apart of these working groups, no evidence has been found regarding distribution of tasks or joint programmes or activities between different donors. One example has been found regarding potential complementarity between two programmes:</p> <ul style="list-style-type: none">▪ In August 2004, the UNDP organized the workshop “Mexico towards an advanced economy in the XXI century” with two objectives. On the one hand, to open a platform of discussion on the factors accelerating or slowing down competitiveness of Mexican enterprises compared to others countries. On the other hand, to present the different projects to support SMEs that are (or will soon be) carried out in Mexico in order to search for synergies and complementarities. In that frame, the EC was invited to present the PIAPYME programme. It was concluded that the programmes were very close although with different focus - the EC programme focusing on possibilities of trade with the EU only - and, further, that coordination should be enhanced. No practical agenda was decided and by the time of the mission (March 2005) no further steps had been taken.

EQ 9 – Cross cutting issues (CCI)

Do the EC PSD interventions show concern for cross cutting issues such as promoting women led enterprises, ensuring acceptable working conditions notably for women, protecting the environment and promoting better governance practices?

9.2 CCI are taken into account in the PSD strategy and by programmes in Mexico

The CSP consider the following topics as cross cutting issues that should be taken into account during the whole programme cycle: gender; environment; respect for cultural diversity and traditional values; decentralisation and civil society participation; fight against corruption and use of information and communication technologies. Special attention should be given to gender and environmental issues.

Moreover, certain focal sectors of the CSP give particular importance to the issues of gender and good governance through the support to the focal sectors “Social development and reduction of inequalities” and “Consolidation of the Rule of Law/institutional support”. However, concerning the focal sector “Economic Growth” there is no explicit mention to cross cutting issues.

In the basic documents of the **PIAPYME**, environment and gender are recognised as cross cutting issues. They foreseen to exclude any activities that may imply environmental damage and to prioritise specifically environmental focused projects as well as projects benefiting women entrepreneurs; but there is no real evidence that these rules are effectively applied. Some projects approved are related to bio production but this, apparently, has more to do with the evolution of the market than with the approach of the programme. In fact there are difficulties to apply cross cutting issues, above all gender issues, besides the speech.

PROTLCUEM mentions environment and gender as sustainability parameters.

9.3 A CCI is treated through a specific project or programme in the frame of the PSD support in Mexico rather than as an horizontal issue

There is no PSD intervention that covers specifically this issue.

5. Conclusions

5.1 Relevance and Design

The EC support to private sector development and the areas of intervention proposed to carry out this support cannot be said to completely correspond to the PSD strategy proposed by the Commission.

The reason is that the objective of EC support to Mexico in the sector of 'economic growth' is not to contribute to enhance private sector's competitiveness in Mexico in general terms but rather to facilitate the implementation of the Free Trade Area and to foster trade and investment between the two regions.

On the other hand, this double objective is relevant to the objectives of the cooperation agreement between the EU and Mexico and to the ALA regulation. It also corresponds to the priorities of the Mexican government with regard to trade and SME policies (market diversification and SME promotion).

5.2 Effectiveness

PSD programmes in Mexico are only starting and it is therefore difficult to analyze effectiveness. Yet, the design of the programmes gives us some elements to analyze potential effectiveness. These are presented by area of intervention (expected result):

The PROTLCUEM programme aims to **improve the institutional frame** through support to several institutions (customs, certification, SPS measures, etc.) The programme has not yet started and the only challenge so far is to avoid the administrative problems of PIAPYME.

Improving the capacity and competences of **Intermediate Organizations** (IOs) is not the aim of any of the programmes analyzed, yet PIAPYME and AL-INVEST use IOs as programme operators and as such they may increase the capacity of IOs as service providers. So far, evidence in this regard is not conclusive.

Trade and b-to-b cooperation is at the core of EU cooperation with Mexico. Components of PIAPYME, PROTLCUEM and AL-INVEST contribute to this expected result but only AL-INVEST aims specifically to it. According to different sources, the programme has been very active and has carried out a large number of activities to encourage trade and investment. However, coverage remains limited.

Providing **business development services** to firms is the main objective of PIAPYME. The programme concentrates on providing free BDS to firms targeting the EU market. Although the programme may be effective if the activities are carried out (which is not yet the case (see efficiency), coverage will remain limited due to the design of the programme.

5.3 Sustainability

Cooperation with Mexico is recent and factors ensuring the sustainability of the PSD support strategy have not been defined in the CSP. For the programmes analysed, these factors have not been defined either.

An intervention is sustainable when the effects continue after the end of the intervention. However, for certain interventions such as financial and non-financial services provided to enterprises, a second level of sustainability should be analysed: the sustainability of the activities themselves. These activities are sustainable if they are taken over by private actors once EC support ends. An early sign of sustainability would be the replicability of the activities. If no private player tries to provide the same services in competition with the project, it is unlikely that these services will be taken over at the end of the EC intervention. In the case of Mexico, meso and micro level programmes including subsidized services to enterprises have not incorporated these lessons from past experience. They do not attempt to reinforce the market for such services and as a consequence they face problem of lack of sustainability.

5.4 Efficiency

A number of issues regarding efficiency are present in Mexico. It is, in particular, the case of the difficulty to match European Commission financial rules and Mexican legislation (for example, the use of a trust). This is affecting the implementation of the PIAPYME, PROTLCUEM and IMPULSO. For PROTLCUEM (which was signed in November 2004) and IMPULSO, the government and the Delegation are still looking for a juridical structure that is convenient for both sides.

In the case of PIAPYME, other factors, such as personal tensions between the current national director, the Team Leader of the International Assistance, the Delegation and the Ministry of Economy, have also strongly hampered the implementation of activities.

5.5 Coherence

With respect to other EC policies

The CSP explicitly refers to the coherence between PSD support to Mexico and other EC policies. In particular, it mentions the following policies, strategies or orientations: trade; common agriculture policy; sanitary and phytosanitary (SPS) control and consumer's protection; internal market and competition; research and development; environment, conflict prevention; justice and home affairs; and the information society. While it considers that overall the support strategy to Mexico is coherent with these other EC policies, the CSP also raises two of issues representing a risk to complementarity: the Common Agricultural Policy and SPS measures which are both perceived by Mexico as protectionist measures to prevent agricultural products to access the EU market.

With respect to EC support to other sectors in Mexico

No reference is made at the strategic or programme level to EC support to the focal sectors “Social development and reduction of inequalities” and “Consolidation of the rule of law”. On the contrary, support to “Scientific and technical cooperation” is presented with two main focuses, one being “*linking innovation and production to help local and EC enterprises to keep pace with the constant challenges of the new global economy*”. Further, it was later decided that in view of the specificity of the programme identified for this sector and its strong links with private sector development, it should be managed within the Delegation by the Economic Cooperation Section in parallel to the PIAPYME and PROTLCUEM programmes.

Between PSD programmes in Mexico

At programme level, reference is made between PSD programmes in Mexico. It is particularly the case between PIAPYME and AL-Invest programmes as they have some similar components. However, up to now no mechanism has been set up to ensure complementarity, to generate synergies or to avoid conflicts and overlaps between these two programmes.

5.6 Coordination

Donor coordination and more in particular in the area of PSD is very limited. One of the reasons is that both bilateral and multilateral donors have a limited activity in Mexico given that it is a country with a medium-high level of income and member of the OECD. Yet, there are four thematic groups set up by the European Commission and Member States. The group on Economic Cooperation is lead by the Delegation; as it is the group on Social and Environmental Development; the group on Institutional Support is lead by Spain and the group on Science and Technology, Education and Culture is lead by France.

5.7 Cross cutting issues

The CSP indicates that a number of cross cutting issues should be taken into account during the whole programme cycle: gender; environment; respect for cultural diversity and traditional values; decentralisation and civil society participation; fight against corruption and use of information and communication technologies.

Basic documents of the PIAPYME programme mention environment and gender as cross cutting issues. The programme foresees to exclude activities that may imply environmental damage and to prioritise projects focused on the environment or benefiting women entrepreneurs. However, there is no evidence that these rules are applied or how they may be applied. In fact, stakeholders do wonder how to mainstream cross cutting issues in their programmes.

ANNEXES

Annex 1 - People interviewed

Delegation of the European Commission

Organisation	Name	Title
Delegation of the European Commission in Mexico	Claudia Berlanga Zubiaga	Economic Advisor
Delegation of the European Commission in Mexico	Aurélie Pancera	Cooperation Programmes Advisor

PIAPYME Management Unit

Organisation	Name	Title
IAPYME Management Unit	Jose Luis Ranjel	National Director
IAPYME Management Unit	Yves Rambaud	Chief of the European Technical Assistance

National Authorities

Organisation	Name	Title
Ministry of Economy – SME Sub-Secretariat	Sergio Garcia de Alba	Vice Ministry
Ministry of Economy – SME Sub-Secretariat	Eduardo Delgadillo Alvarado	Export Development Director
Ministry of Economy – SME Sub-Secretariat	Luis de la Torre Cruz	
Ministry of Economy – SME Sub-Secretariat	Ivan Ornellas	
Ministry of Economy – International Trade Negotiations Sub-Secretariat	J. Manuel A. Luna Calderón	General Director for Europe and FTAA
Ministry of Economy – International Trade Negotiations Sub-Secretariat	Roberto Reyes Barrera	Director for European Union
Ministry of Economy – International Trade Negotiations Sub-Secretariat	Genaro Alarcon Benito	Economic Counsellor
Ministry of Economy – International Trade Negotiations Sub-Secretariat	César Remis	Economic Counsellor
Sciences and Technology National Council (CONACYT)	Guillermo Aguirre Esponda	Technology Deputy Director
Sciences and Technology National Council (CONACYT)	Rafael Pando Ceron	Technologic programs Director and operational link
Sciences and Technology National Council (CONACYT)	Jose Manuel Rivas Ochoa	

Operators

Organisation	Name	Title
EUROCENTRO CANACINTRA	Xochilt Calderon	Director EUROCENTRO CANACINTRA
EUROCENTRO BANCOMEXT	Fernando Cruz del Bosque	Sub-director EUROCENTRO Bancomext
EUROCENTRO NAFIN	Angélica Espina Tozcano	Programme Strategic Manager EUROCENTRO Nafin
EUROCENTRO NAFIN	Adrian Ceron Cortes	Entrepreneurial strategic promotion EUROCENTRO Nafin
EUROCENTRO TEC Monterrey	Paz Diaz	Director EUROCENTRO Tecnológico de Monterrey
FUNDES (PIAPYME Operator)	Elfid Torres Gonzales	Gerente de Estudios y Competitividad
COMPITE (PIAPYME Operator)	Santiago Macias Herrera	Coordinator General
Coordinadora de Fomento Al Comercio Exterior del Estado de Guanajuato	Fernando Muñoz Dominguez	Secretario Particular de Presidencia y Dirección General

Assistance to 2 global meetings (AL-INVEST):

PYMEXPORTA Centers, COFOCE, CANACINTRA, CONCE, CANACO, ANIERM

Enterprises

Organisation	Name	Title
OPLEX (PIAPYME beneficiary)	Adriana Vazquez Dominguez	Product Engineering Manager
MALINALOE (PIAPYME beneficiary)	Ramiro Pastrana Tamez	

Other Stakeholders

Organisation	Name	Title
UNDP	Grisel Capuzano	Private Sector Advisor
UNDP	Ricardo Bisso	Private Sector Advisor
CAMEXA	Björn Lisker	Press&Information
CAMEXA	Giselher Foeth	Camexa Services
Spanish Embassy – Comm. & Eco Office	Mariano Muela Pareja	Economic and Comercial Advisor
Spanish Embassy – Comm. & Eco Office	Cesar del Valle	

Annex 2 - Documents consulted

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Crain Communications (2005), El Asesor de México - Periódico para PYMES, Febrero 28-Marzo 6.

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EU-Mexico Joint Council (2001), Decision No 2/2001 of the EU-MEXICO JOINT COUNCIL of 27 February 2001 Implementing Articles 6, 9, 12(2) (b) and 50 of the Economic Partnership, Political Coordination and Cooperation Agreement (2001/153/EC).

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World Bank (2001), Mexico Country Assistance Evaluation.

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2. EC Project Documents

PIAPYME

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CMUE (2004), Presentación Bases de datos.

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FUNDES, Programa de Proveedores y distribuidores.

NAFIN, Programa de emprendedores CONACYT-NAFIN.

NAFIN, Programa de apoyo a emprendedores.

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PNUD (2003), Instrumentos de Fomento y Financiamiento Federales y Estatales, Programa de Integración Productiva del PNUD.

Annex 3 - Map of the country



Annex 4 - List of programmes

Project number	Project title	Planned (million €)	Contracted	Paid
MED/AIDCO /2002/0492	Integrated Support Programme for Small and Medium Sized Enterprises	12.00	11.06	2.45
MED/AIDCO /2002/0493	Facilitation of the EU-Mexico Free Trade Agreement	8.00	0	0
(Identification stage)	IMPULSO	7.65	-	-

Annex 5 - Programme sheets

Programme No 1 Integrated Support Programme for Small and Medium Sized Enterprises

1. Project identification data

Title	Integrated Support Programme for Small and Medium Sized Enterprises
Number	MED/AIDCO/2002/0492 – ALA/2004/006-068
Source of financing	B7/311
Financing decision	-
Financing agreement	20/07/2003
Start date	01/09/2004
Planned end-date	30/08/2008
Total Budget	24,000,000
EC Budget (committed)	12,000,000
EC Budget contracted as of 30/04/2005	11,068,900
Disbursements as of 30/04/2005	2,457,076
Beneficiary	Ministry of Economy – Vice-Ministry for Small and Medium Enterprises
Operator (if different from Beneficiary)	Project Management Body: EU-Mexico Business Development Centre

2. Budget

Activities Budget	€	%
1. Activities for Individual Enterprises	8,300,000	44%
2. Activities for Sectorial Business Groups	6,280,000	33%
3 Activities for the Operators	3,380,000	18%
4. Activities for the support of Information Systems	927,000	5%
Total	18,887,000	100%

Budget Item	€	%
1. Services		
1.1 European Technical Assistance	6,959,000	29%
1.1.1 Long Term European T.A.	1,029,000	4%
1.1.2 Short Term European T.A.	5,930,000	25%
1.1.2.1 <i>Training of Trainers T.A.</i>	2,430,000	10%
1.1.2.2 <i>Strategic Alliances T.A.</i>	1,100,000	5%
1.1.2.3 <i>"Post" Business Meeting T.A.</i>	1,200,000	5%
1.1.2.4 <i>Integration Projects T.A.</i>	1,200,000	5%
1.2 Local Technical Assistance	2,780,000	12%
1.3 Audit and Evaluation	300,000	1%
1.4 Training	5,875,000	24%
1.4.1 Entrepreneurial Training	2,125,000	9%
1.4.2 Productive Processes Training	2,550,000	11%
1.4.3 Foreign Trade Training	1,200,000	5%
1.5 Studies (entrepreneurial diagnosis)	1,075,000	4%
1.6 Certification Proceedings	1,350,000	1%
1.7 Information Systems	927,000	0,14%
1.8 Exchange of Experience	200,000	0,34%
2. Equipment	34,100	10%
3. Inform and visibility	82,000	7%
4. Operating Expenditure	2,467,900	0,34%
4.1 Local Staff	1,571,700	10%
4.2 Operating Expenditure	896,200	7%
5. Other	950,000	4%
6. Contingencies	1,000,000	4%
Total	24,000,000	100%

Note: This includes the national counterpart (budget of EUR 12,000,000).

3. Global objective

To strengthen economic, trade and business relations between Mexico and the EU.

4. Specific objective

To increase the competitiveness and export capacity of Mexican SMEs.

5. Results Expected

- Increased competitiveness of Mexican and European SMEs via technical assistance and training.
- Improved productive, administrative and commercial efficiency of Mexican and European companies (SMEs) through technology transfer, know how, and development of technological innovation processes.
- Enhanced business co-operation to promote joint investments and strategic alliances between Mexican and European SMEs to speed up their process of modernisation and internationalisation.
- Improvement of the promotion and facilitation of trade between Mexico and the EU.
- Promotion of the integration of production chains through commercial co-operation.
- Strengthened markets by supporting easily accessible databases on foreign trade.

6. Activities

- Component I: Activities for Individual Enterprises:
 - activities related to business training;
 - activities related to productive processes;
 - activities related to the development of knowledge on foreign markets and exporting processes.
- Component II: Activities for Sectorial Business Groups:
 - activities related to the business integration processes;
 - activities related to technical support tied to productive processes and technology transfer;
 - activities related to the development of foreign markets penetration.
- Component III: Activities for the Operators:
 - activities related to the training of trainers;
 - activities related to the strengthening of the role and performance of participating operators, especially the EUROCENTROS (specialised T.A. for enterprises related to the preparation and follow-up of sectorial business meetings);
 - activities related to the creation of strategic alliances between Mexican and European companies.
- Component IV: Activities for the support of Information Systems:
 - support and enhancement of the existing information networks (Contacto PyME /Integración UE-México);
 - promotion of training on the adequate functioning of such information systems;
 - creation of the programme's database.

7. Results & Impacts

No results or impacts have been reached until now. As the following table shows few actions have been achieved.

Status of the action by type of beneficiary

<i>Actions</i>	Beneficiary	
	<i>Operators</i>	<i>Individual enterprises</i>
Executed	2	1
On going	1	2
Approved - no action	12	2
Cancelled	2	0
Reformulation	1	0
Not approved	4	0

PLAPYME - Annual report - January 20th 2005.

8. Problems encountered

Difficulties to match European Commission financial rules and Mexican regulation (fideicomiso, double signed account). Further during this period the European Commission financial rules changed.

A budgetary line has been foreseen to cover running costs but none of the parts neither the Mexican (fideicomiso) neither the communitarian allow to cover them.

Personal tensions between the actual national director and the Team Leader of the International Assistance, the DCE and the Ministry of Economy have strongly hampered the realisation of activities.

In December 2004, the SMEs Sub-secretary notified to the Director of the CMUE its future replacement. Since then no replacement has been decided and he still acting as CMUE Director but has reentered his previous tasks inside Bancomext.

The European Experts are not always available or of the best quality due to the lack of planification and the short programming.

Numerous sub-projects approved still awaiting for a complement of information. The approval was excessive in many cases as there was in fact no project, no plan. (See table here above category approved - no action).

Programme No 2
Facilitation of the EU-Mexico Free Trade Agreement

1. Project identification data

Title	Facilitation of the EU-Mexico Free Trade Agreement
Number	MED/AIDCO/2002/0493
Source of financing	Budget Line: 19.09.02
Financing decision	11/08/2004
Financing agreement	01/11/2004
Start date	01/11/2004
Planned end-date	30/10/2008
Total Budget	16,000,000
EC Budget (committed)	8,000,000
EC Budget contracted	0
Disbursements	0
Beneficiary	Mexican Ministry of Economy – Vice-ministry of International Commercial Negotiations
Operator (if different from Beneficiary)	The project is not yet in the implementation phase

2. Budget

Budget Item	€	%
1. Services	12,230,000	76%
1.1 International T. A	4,250,000	27%
Long Term	2,200,000	14%
Short Term	2,050,000	13%
1.2 Local T.A.	1,570,000	10%
1.3 Audit, evaluat. and monitoring	260,000	2%
1.4 Studies and guides	2,765,000	17%
1.5 Training	2,012,000	13%
1.7 Seminars and events	1,373,000	9%
2. Supplies	1,000,000	6%
2.1 Equipment of the Managem. Body	200,000	1%
2.2 Equipment for beneficiaries	800,000	5%
4. Inform./Visibility	352,000	2%
5. Operating Expendit.	1,618,000	10%
5.1 Local Personnel	800,000	5%
5.2 Operating Expenditure	818,000	5%
6. Contingencies	800,000	5%
Total	16,000,000	100%

Note: This includes the national counterpart (budget of EUR 8,000,000).

3. Global objectives

To strengthen economic, trade and business relations between Mexico and the EU.

4. Specific objectives

To facilitate and promote trade and investment flows under the EU-Mexico Free Trade Agreement, via institutional strengthening of the governmental agencies in charge of the implementation of the trade agreement.

5. Results Expected

- Component I: Customs:
 - improved exchange of information and promoted cooperation between the customs authorities of Mexico and the EU for the customs procedures;
 - improved efficiency of the relevant customs for the trade exchanges between Mexico and EU.
- Component II: Technical Norms:
 - improved knowledge and understanding of mutual norms, technical regulations and conformity evaluation procedures from all the interested parts: national authorities, accreditation and/or certification institutions, laboratories and companies;
 - greater cooperation promoted between Mexican and EU national authorities, accreditation and/or certification institutions and laboratories;
 - realisation of studies on possibilities to develop equivalencies criteria and/or mutual recognition of measures and procedures;
 - promoted use of norms, technical regulations and conformity evaluation procedures in relation to international levels and standards.
- Component III: Sanitarian and Phytosanitarian measures:
 - increased mutual knowledge and understanding of the respective Sanitarian and Phytosanitarian measures, their methodology and application, as well as the procedures of norms evaluation, the technical regulations and the conformity evaluation procedures;
 - greater cooperation promoted between Mexican and EU national authorities, accreditation and/or certification institutions and laboratories;
 - improved transparency and clarity of Sanitarian and Phytosanitarian measures facilitating the access of export and importers companies to the information on requirement and procedures of certification of the both parts;
 - realisation of studies on possibilities to develop equivalencies criteria and/or mutual recognition of measures and procedures;
 - promoted use of Sanitarian and Phytosanitarian measures and conformity evaluation procedures that reach the WTO and the basic standards and recommendations of the international organisations;
 - promoted training and capacity building of Sanitarian and Phytosanitarian authorities.

- Component IV: Investment:
 - investments between the parts supported;
 - improved exchange of information between concerned authorities;
 - information on opportunities, conditions, procedures to invest in Mexico at federal, estate and municipality levels;
 - more reliable and detailed statistic information on inversions between Mexico and EU available.
- Component V: Competition:
 - improved development of a healthy competition environment for the Mexican and the European companies;
 - improved knowledge on respective competition systems and fomented cooperation between Competition authorities on both sides;
 - fomented professional and technical capacity of the Federal Competition Commission staff;
 - awareness of the importance to promote a competitive environment and to play according to the legislations on both sides at the economic operators, professionals, opinion makers level.
- Component VI: Consumer Protection:
 - improved protection level on Mexican and European consumers;
 - improved knowledge on respective consumer protection systems and fomented cooperation between the authorities and the consumer protection authorities;
 - promoted the training and the professional capacity of the PROFECO staff.
- Component VII: Intellectual Property:
 - strengthened the protection level of the intellectual property rights of the European and the Mexican economic operators;
 - increased understanding of respective intellectual property systems and fomented cooperation between the intellectual property authorities;
 - improved access of the economic operators and the public to the information on intellectual property and improved awareness of the importance of its protection;
 - fomented technical and professional capacity of the Mexican Institute for Intellectual Property (IMPI) staff;
 - increased efficiency of the IMPI functioning through improved infrastructure and informatics autonomisation procedures.
- Cross-cutting theme: Information:
 - Complete and updated information is available on the FTAA for the institutions, Mexican and European companies and all the interested parts.

6. Activities

- Component I: Customs:
 - studies and sectorial analysis;
 - training of Mexican customs staff, including visits of EU homologous institutions;
 - identification of needs and contribution to the modernisation equipment of the customs;
 - TA to Mexican customs.
- Component II: Technical Norms:
 - studies and sectorial analysis;
 - seminars for authorities, industrial and commercial sectors, accreditation, normalisation and certification organism and laboratories of Mexico and the EU;
 - Technical Assistance (TA) to the General Direction of Norms from the Ministry of Economy and/or other Mexican normalisation and certification organism.
- Component III: Sanitarian and Phytosanitary measures:
 - studies and sectorial analysis;
 - seminars for authorities and industrial and commercial sectors;
 - training for Mexican sanitarian and phytosanitary authorities staff, including visits to European homologous organism;
 - contribution to the equipment and the modernisation of laboratories;
 - TA to the Mexican sanitarian and phytosanitary authorities.
- Component IV: Investment:
 - elaboration and up-dating of a guide for investors; statistics studies on statistic investment between Mexico and the EU;
 - TA to the General Direction of Investment of the Ministry of Economy.
- Component V: Competition:
 - seminar for authorities and sector experts; awareness events for opinion makers (medias, politics, professionals);
 - training for the Federal Competition Commission Staff, including visits to European homologous institutions;
 - TA to the Federal Competition Commission.
- Component VI: Consumer Protection:
 - seminars and meetings with Mexican and European consumer organisations for the promotion of joint actions;
 - training for the Federal Procurement of the Consumer (PROFECO), including visits to European homologous organisms;
 - TA to PROFECO.

- Component VII: Intellectual Property:
 - training of the IMPI staff, including visits to European homologous organisms,
 - awareness events for the economic operators,
 - AT to the IMPI,
 - contribution to a technologic information centre.
- Cross-cutting theme: Information:
 - setting up and updating of an Internet site on the FTAA UE-Mexico,
 - other awareness and visibility activities.

7. Results & Impacts

The programme has not yet started the implementations.

8. Problems encountered

The programme was signed in November 2004 but has not begun at present time.

The factors that have hampered the implementation are:

- Identification study was not satisfactory for the Ministry of Economy – the definition of the project continues internally.
- During the identification (internal and external) of the programme all the beneficiaries have been consulted but the negotiations with them in order to balance the components have been also hard and long.
- At this point of the programme there are difficulties to find the juridical format of the project. The coordination of European Commission financial rules and Mexican laws is difficult – fideicomiso against doubled signed account –. This difficulty is aggravated by the little experience of both sides – DEC and Mexican authorities – managing cooperation programmes.
- Regarding the Mexican financial counterpart, there are two threats for the project: 1) The funds are not yet available. They must be agreed by the Congress. 2) The approval is annual and therefore the availability of funds would be a permanent condition for the whole programme lifetime.

Programme No 3
Impulso (for the records according to the identification study)

1. Project identification data

Title	Impulso
Number	n.a.
Source of financing	n.a.
Financing decision	n.a.
Financing agreement	n.a.
Start date	n.a.
Planned end-date	n.a.
Total Budget	EUR 15,200,000
EC Budget (committed)	EUR 7,650,000
EC Budget contracted	n.a.
Disbursements	n.a.
Beneficiary	CONACYT
Operator (if different from Beneficiary)	Unidad Coordinadora de Apoyo Técnico (UCAT)

2. Budget

Budget Item	€	%
Actuaciones Directas del Programa	11,258,000	74.1%
Gastos de Operación y Funcionamiento	2,692,000	17.7%
Gastos de Evaluación, Auditorias y Elaboración POA y POG	500,000	3.3%
Imprevistos	750,000	4.9%
Total	15,200	100%

Note: This includes the national counterpart (budget of EUR 7,550,000).

3. Global objectives

Incrementar la competitividad del país y por ende el bienestar de la población en general.

4. Specific objectives

Fortalecer la capacidad innovadora de México, así como generar negocios de alto valor agregado.

5. Results Expected

- Componente 1: Instrumentar el proceso de innovación tecnológica (Fomentar el mercado de CyT):
 - R1. Vinculación de la oferta y la demanda (estudios prefactibilidad);
 - R2. Acceso a las tecnologías ofertadas (foros);
 - R3. Promotores de tecnología (capacitación);
 - R4. Propiedad industrial (protección);
 - R5. Organizaciones Promotoras de Negocios de Alto Valor Agregado (OPNAVAS);
 - R6. Financiamiento diversificado (Gestión Capital Riesgo);
 - R7. Pirámide de Promotores de tecnología (OPNAVAS, Escuelas de Negocio);
 - R8. Producción limpia (estímulos).
- Recuperar y aprovechar experiencias de la UE. en la implantación de los procesos de innovación:
 - R9. Modelos de Innovación (Intercambios UE-México),
 - R10. Intercambio “know-how”,
 - R11. Certificación (Premio Nacional de Tecnología).
- Fortalecer la cooperación entre instituciones y empresas mexicanas, europeas y latinoamericanas:
 - R12. Programas de la UE (redes IRC, BIC);
 - R13. Políticas tecnológicas (Sistemas Nacionales de Innovación, Convenio Andrés Bello).

6. Activities

R1.

- 1.1 Diagnosticar la oferta y la demanda en los 5 sectores para detectar proyectos de innovación y/o desarrollo tecnológico (No requiere apoyo económico de IMPULSO, se realiza por las OPNAVA's).
- 1.2 Detectar proyectos de innovación y/o desarrollo tecnológico en las empresas que se vinculan con las capacidades de los centros de investigación.
- 1.3 Diseñar, aplicar y consolidar un modelo para que los Centros de Investigación cuenten con estructuras que les permiten mejorar las negociaciones con las empresas y la creación de “spin off” (base jurídica clara y flexible).
- 1.4 Aplicar y consolidar modelos para facilitar la capacidad de los C.I. y de las empresas para cerrar negocios (modelos internacionales del valor de la propiedad intelectual, transferencia, licenciamiento).

R2.

- 2.1 Acercar a los empresarios a las tecnologías y capacidades ofertadas por los C.I. mediante la organización de eventos tales como foros asociados a los programas de apoyo a la innovación del CONACYT.

R3.

- 3.1 Crear un sistema para identificar, enlazar y promover a Promotores.
- 3.2 Establecer y promover un Registro Nacional de Promotores de Tecnología por especialidad.
- 3.3 Desarrollar oficinas de vinculación y gestión para la creación de negocios tecnológicos novedosos de alto valor agregado.

R4.

- 4.1 Crear un sistema para estimular, identificar y promover la protección industrial de desarrollos tecnológicos originados en Instituciones de Educación Superior / Centros de Investigación públicos y privados.

R5.

- 5.1 Desarrollar una metodología de análisis e identificación de oportunidades de negocios desagregadas que requieran el desarrollo de soluciones tecnológicas y aplicar la metodología en los 5 sectores prioritarios.
- 5.2 Generar un sistema para capacitar y apoyar a las Organizaciones Promotoras de Negocios de Alto Valor Agregado para replicar este tipo de organismos.
- 5.3 Fortalecer los programas de las Escuelas de Negocio enfocados a la gestión tecnológica para que ofrezcan servicios de apoyo a las Organizaciones Promotoras de Negocios de Alto Valor Agregado.

R6.

- 6.1 Definir y aplicar estrategias de promoción para la creación de fondos de capital de riesgo, ángeles financieros, fondos de garantía y otros mecanismos de financiamiento con participación público / privada.
- 6.2 Apoyar a las administradoras de Capital de Riesgo con un fondo para cofinanciar los gastos en los que incurren (mecanismos de selección de proyectos, gestiones legales).

R7.

- 7.1 Implementar un programa de formación de promotores júnior y operativos en 5 áreas para que se incorporen a empresas productivas.

R8.

- 8.1 Coordinar con PROFEPA /SEMARNAT un modelo de diseño de procesos de producción limpia.
- 8.2 Diseñar y proponer e implantar una política de estímulos o incentivos por la creación y uso de tecnologías enfocadas a la producción limpia.
- 8.3 Difundir casos de éxito que contribuyan a una cultura de protección del medio ambiente.

R9.

- 9.1 Identificar y recopilar modelos de innovación tecnológica europea e incorporación de la información en una página bilateral de IMPULSO en el Portal de CONACYT (bilingüe).

- 9.2 Promover la participación de miembros de la red IRC en apoyo para identificar opciones de cooperación tecnológica industrial y comercial. Participar en la convocatoria de la red IRC en 2005.
- 9.3 Implementar encuentros temáticos (matchmaking) de Negociación presenciales y/o virtuales con los demandantes y oferentes para establecer convenios de cooperación en proyectos de desarrollo tecnológico entre México y la UE.
- 9.4 Desarrollar herramientas que faciliten a los CI y empresas la cooperación bilateral. En especial oportunidades o requerimientos de “cross licensing”, patentes y la generación de alianzas estratégicas.
- 9.5 Diseñar y promover nuevos mecanismos de financiamiento acorde a las áreas de oportunidades. Benchmarking de las experiencias y modelos exitosos de la UE y adaptarlas a las demandas mexicanas (Ej.: experiencia Finlandesa). Seminarios de difusión.
- 9.6 Asesorar y diseñar un modelo adaptado de capital de riesgo de Organizaciones Promotoras de Negocios de Alto Valor Agregado. Sinergia con el PIAPYME (NAFIN: sistema de información sobre instituciones financieras y de capital riesgo europeas).
- 9.7 Promover e adaptar modelos de vinculación y gestión para la creación de negocios de base tecnológica, usando las experiencias exitosas europeas, mediante Benchmarking.

R10.

- 10.1 Establecer enlaces con las redes EBN (BIC) e IRC detectando posibles contrapartes mexicanas.
- 10.2 Formar un grupo de Promotores de alta especialidad en la relación bilateral México -UE (Temas: Convenios, precios, porcentajes, legislaciones, patentes, prácticas establecidas, etc.).
- 10.3 Sistematizar, evaluar y retroalimentar las experiencias (éxitos, dificultades y resistencias encontradas).

R11.

- 11.1 Comparar, evaluar y complementar el contenido del Premio Nacional de Tecnología PNT (Innovación) con las prácticas europeas.
- 11.2 Identificar e integrar los estándares y/o procedimientos que lleva a cabo la empresa para que sean instrumentadas en empresas y C.I.

R12.

- 12.1 Identificar y difundir los programas de apoyo al desarrollo tecnológico existentes de la UE (seleccionando aquellas tecnologías y/o proyectos que sean estratégicos, complementarios y/o de interés mutuo) y elaborar un manual de los Instrumentos y Mecanismos.
- 12.2 Capacitar a los promotores tecnológicos (latinoamericanos) en mejores prácticas para gestionar los proyectos con los programas de la UE y difundir las experiencias Mexicanas.
- 12.3 Promover en las empresas mexicanas los programas que ofrece la UE. mediante impresos, talleres, reuniones, exposiciones.

- 12.4 Realizar un Benchmarking de programas europeos de incorporación de personal científico a empresas.
- 12.5 Asimilar experiencias de la UE explorando las oportunidades de actuar en arquitectura de red con las que fuera pertinente (BIC y IRC).

R13.

- 13.1 Realizar un Benchmarking de los sistemas nacionales de innovación en los países Latinoamericanos y los europeos.
- 13.2 Identificar compilar y ubicar las mejores prácticas, para integración, operación y expansión de sistemas nacionales de innovación.
- 13.3 Divulgar en los países de la región LA las mejores prácticas desarrolladas en materia de Innovación a nivel regional en el marco del Convenio Andrés Bello. Participación de expertos europeos en las reuniones del proyecto de los sistemas nacionales de innovación.
- 13.4 Organizar y participar en conferencias para promover el intercambio de experiencias y el conocimiento de las políticas públicas más efectivas para promover la innovación.

Annex 6 - Evaluation Questions Grid

EQ 2 – Overall design of the strategy

Is the CEC PSD strategy in terms of “expected results” well designed to ensure the realisation of the purpose of strengthening the business sector with a view to contribute to the overall objectives of the EC external policy?

- A. To what extent is each area of intervention (“expected results”) relevant in terms of contribution to the purpose?
- B. Is its success dependent on certain conditions (another expected result or some other ‘external’ factor)? If yes, which ones? Have they been identified in CEC PSD strategy documents?
- C. Is the set of fields of actions comprehensive (are some essential fields missing (for example, role of champions)?
- D. Is it well structured:
 - i. Are there potential complementarities and synergies between expected results and have they been identified?
 - ii. Are there possible contradictions between fields and have they been identified?
 - iii Should there be a prioritisation?

2B.1 Conditions to reach the expected results exist

2B.1.3 *Country missions provide examples from such conditions*

It is not possible to say that conditions to reach expected results have been **identified** at the level of the strategy or the programmes. However, it should be noted that EC support to PSD in Mexico evolves in a context characterized by two main features: The Free Trade Agreement between the EU and Mexico (in effect since 2000) and the reform programme of the government and the now stable macroeconomic situation. The support strategy is well in line with these features and takes them explicitly into account. Moreover, the support to the Free Trade Agreement is at the core of the EC support to Mexico in the focal sector of economic growth. For these reasons, it can be said that the Free Trade Agreement and the economic reform programme of the government are implicit conditions to reach the objectives of the EC support to PSD in Mexico.

2D.1 There are potential complementarities and synergies between expected results

2D.1.3 *Country missions provide examples of such complementarities*

The two bilateral programmes (PROTLCUEM and PIAPYME) aim to contribute achieving the objectives of the EC support in the sector of economic growth. However, no synergies are highlighted in country or programme documents.

At programme level, the PIAPYME shows that complementarity between different expected results is possible. PIAPYME is a programme specifically designed to support SMEs but it includes a component where Intermediate Organizations will participate as operators of the programme and where capacity building for these organisations will be possible. Note, however, that the aim is not to reinforce IOs by themselves but rather to use them as operators of the programme. Additionally, the complementarity with AL-Invest, an “all-country” programme, is underlined in programme documents as well as in the different presentations of the programme to potential beneficiaries.

Through interviews, the potential complementarity between PROTLCUEM and PIAPYME has been stressed to the evaluation team. Firms having received support to improve their capacity to access European markets will benefit of a more conducive institutional setting (certification, customs, etc.) However, the fact that the programme at micro level has started before the programme at macro/institutional level, implies that –if any- only firms benefiting of the last period of PIAPYME may benefit of the improved institutional setting.

2D.2 Prioritisation of areas of intervention (expected results) leads to a better realisation of the purpose

2D.2.3 Country missions provide examples of such issue

The strategy does not entail any prioritisation between the different areas of intervention. Therefore, it would not be possible to find evidence in this regard. However, in 2D.1.3 is mentioned that the potential complementarities and synergies between PROTLCUEM and PIAPYME is jeopardized by the fact that PROTLCUEM will start at least one year after PIAPYME.

EQ 3 – Relevance of PSD strategy in a given country

For a given country,																	
A. Does the selection of the areas of intervention correspond to the CEC PSD strategy?																	
B. Does the selection of the areas of intervention correspond to clearly identified priority needs of this country to increase the competitiveness of the business sector with the view to contribute to the overall objectives of the EC external policy?																	
3A.1 The areas of intervention (expect results) in Mexico correspond to the areas proposed in the CEC PSD strategy																	
<i>3A.1.1 Correspondence between the areas of intervention (expect results) in Mexico and the CEC PSD strategy</i>																	
The evaluation team has found three bilateral projects and one “all-country” programme that can be considered as being part of EC support to private sector development. In spite of the fact that the programmes and the support strategy were identified before the PSD strategy was published, the three programmes broadly correspond to areas of intervention identified by the COM(2003)267 and the Guidelines on Community support to PSD in third countries:																	
<table border="1"> <thead> <tr> <th>PSD Programme</th><th>Expected Result (as per Intervention Logic)</th><th>Level of Intervention</th></tr> </thead> <tbody> <tr> <td>PIAPYME</td><td> <ul style="list-style-type: none"> ▪ Capacity of intermediary organizations is enhanced ▪ More effective non-financial services </td><td>Meso and micro</td></tr> <tr> <td>PROTLCUEM</td><td> <ul style="list-style-type: none"> ▪ Macro-economic, legal and regulatory framework more conducive to PSD </td><td>Macro</td></tr> <tr> <td>IMPULSE</td><td> <ul style="list-style-type: none"> ▪ More effective non-financial services </td><td>Micro</td></tr> <tr> <td>AL-Invest</td><td> <ul style="list-style-type: none"> ▪ More Investment and b-to-b cooperation </td><td>Meso and micro</td></tr> </tbody> </table>			PSD Programme	Expected Result (as per Intervention Logic)	Level of Intervention	PIAPYME	<ul style="list-style-type: none"> ▪ Capacity of intermediary organizations is enhanced ▪ More effective non-financial services 	Meso and micro	PROTLCUEM	<ul style="list-style-type: none"> ▪ Macro-economic, legal and regulatory framework more conducive to PSD 	Macro	IMPULSE	<ul style="list-style-type: none"> ▪ More effective non-financial services 	Micro	AL-Invest	<ul style="list-style-type: none"> ▪ More Investment and b-to-b cooperation 	Meso and micro
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However, as shown in Question 4, the specific objectives of these programmes do not always correspond to the PSD strategy elaborated by the Commission.																	
3B.1 The selected areas of intervention (expect results) correspond to clearly identified needs of Mexico in terms of PSD																	
<i>3B.1.1 Correspondence between selected areas of intervention (expect results) and clearly identified priority needs of countries Mexico in terms of PSD</i>																	
Given its relatively high level of development, Mexico has a significant number of private and public research institutes in the field of economics and in particular regarding private sector development. Broadly, there is a consensus among these institutions and the government on the main constraints faced by the SME sector and how to tackle them. For instance, the government has developed a SME policy and there is no significant disagreement regarding this policy. The areas of intervention chosen by the EC support strategy do correspond to these policy and thus to priority needs as identified by Mexican stakeholders.																	
<i>3B.1.2 Correspondence between PSD strategy in the country and national priorities or policies</i>																	
Mexico's economy is highly dependent to the USA economy (80% of Mexico's exports go to the American market), which makes it fragile to the economic cycle of its neighbour. In order to reduce this dependency, the government of Mexico seeks to reinforce its economic links with other regions, including the European Union. Evidence of this is the number of trade agreements that Mexico has signed with different countries																	

and regions. EC support to Mexico corresponds to this policy and aims to promote the Free Trade Agreement between Mexico and the EU in effect since 2000. As stated in the CSP, the global objective of the EC support to Mexico in the field of economic growth aims to: (i) facilitate the implementation of the Free Trade Area and (ii) foster trade and investment.

Further, the two areas proposed to achieve these objectives also correspond to national priorities. The first area is “Support to the Implementation of the FTA” through capacity building and technical assistance in the fields of customs, certification and technical standards, SPS measures, etc. This area is materialised in the programme PROTECUM. The second area, “Support to SMEs”, is materialised in the PIAPYME programme and seeks to increase Mexican SMEs’ awareness of export opportunities into the EU. It is important to notice that the CSP indicates that “the difficulties faced by their SMEs in accessing the EU market are a long-standing cause of Mexican complaints, and co-operation aimed at reducing these difficulties would make trade relations less strained.” Both programmes correspond to the government policy of diversifying trade relations with other regions and accessing new markets. The second one, “Support to SMEs”, also corresponds to the government policy on SME. It should be noted that under the new administration, a vice-ministry of SMEs - within the ministry of Economy - was created to further encourage and support SME development in Mexico notably through the “Fondo PYME” (SME fund). Details of the SME policy of the government in Section 3

EQ 4.1 - Effectiveness - Business environment

To what extend did EC interventions make the institutional, macro-economic and legal and regulatory framework more conducive to PSD?
41.1 EC support to the institutional setting has contributed to the development of the business sector
<i>41.1.1 The objective of the programme corresponds to the expected result proposed by the CEC PSD strategy</i>
The programme Facilitation of the Free Trade Agreement EU-Mexico, commonly known by its Spanish abbreviation as PROTLCUEM , was designed in the context of the Mexico-EU Free Trade Agreement (FTA). The FTA, in effect since July 1 st 2000 for goods and March 2001 for services, established the juridical basis for a better access to both markets. However, effects on bilateral trade relations have been less important than expected as some obstacles continue to hamper them, to increase the cost of the transactions and continue to be a disincentive to future decisions in commerce or investment. PROTLCUEM aims to address this obstacles by contributing to the institutional capacity building in 8 areas (8 components): Customs; Technical Norms; SFS Norms; Investment; Competition; Consumer Protection; Intellectual Property; and Information.
The direct beneficiaries of this programme are the following institutions: the General Directorate (GD) for Customs (Ministry of Finance); the GD for Norms and the GD for Investment (Ministry of Economy); the Ministry of Agriculture; the Mexican Institute of Intellectual Property (IMPI); the Federal Competition Commission (CFC) and the Consumer Protection Agency (PROFECO). Contributing to the institutional setting will profit to Mexican companies exporting to Europe and European companies exporting to Mexico, as final beneficiaries.
<i>41.1.2 Evidence that the improved institutional capacity due to EC support has produced a framework that is more conducive to PSD</i>
This programme was signed in November 2004 but has not yet begun. No improvement of the institutional framework has been produced yet. It will potentially facilitate the commercial relations between EU and Mexico by increasing the knowledge of EU system in Mexico. In particular expected results of norms and certification components will facilitate and stimulate Mexican exports to Europe and expected results of customs component will benefit European export to Mexico.
<i>41.1.3 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme</i>
The programme was signed in November 2004 but has not begun at present time. Implementation problems have hampered the production of expected results. (See efficiency 6.D.1.1)
41.2 EC support to macroeconomic stabilization has contributed to the development of the business sector
<i>41.2.1 The objective of the programme corresponds to the expected result proposed by the CEC PSD strategy</i>
<i>41.2.2 Evidence that the improved macroeconomic situation due to EC support has produced a framework that is more conducive to PSD</i>
<i>41.2.3 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme</i>
No EC intervention in Mexico aims to support macroeconomic stabilisation.

41.3	EC support has achieved the removal of legal and regulatory barriers to the development of the business sector
41.3.1	<i>The objective of the programme corresponds to the expected result proposed by the CEC PSD strategy</i>
41.3.2	<i>Evidence that the removal of legal and regulatory barriers due to EC support has produced a framework that is more conducive to PSD</i>
41.3.3	<i>Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme</i>

No EC intervention in Mexico aims to remove legal and regulatory barriers for the development of the business sector.

EQ 4.3 – Effectiveness - Intermediate organisations (IO)

<p>A. To what extend did EC interventions help IO to increase their capacity to conduct a policy dialogue with the government;</p> <p>B. To what extend did EC interventions help IO to improve the quality or quantity of the services provided to and used by its members?</p>
<p>43A.1 Intermediate organizations have successfully promoted the interests of the private sector as a result of EC support</p>
<p><i>43A.1.1 The objective of the programme corresponds to the expected result proposed by the CEC PSD strategy</i></p>
<p><i>43A.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i></p>
<p><i>43A.1.3 Other result indicators, such as</i></p> <ul style="list-style-type: none"><i>▪ Evidence of involvement of IO (particularly if supported by the EC) in policy orientation meetings</i><i>▪ Example of policies that directly respond to the demands of the IO (particularly if those were supported by the EC)</i><i>▪ IO supported cover a significant part of local enterprises</i>
<p>Note: Present the value of these indicators in the Project Fiche and a conclusion here.</p>
<p><i>43A.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme</i></p>
<p>No EC programme in Mexico targets IO in order to increase their capacity to conduct a policy dialogue with the government.</p>
<p>43B.1 Intermediate organizations provide more and better services to their members as a result of EC support</p>
<p><i>43B.1.1 The objective of the programme corresponds to the expected results proposed by the CEC PSD strategy</i></p>
<p>No EC PSD intervention in Mexico aims at supporting directly IOs as suppliers of services to their members. However, in two programs, PIAPYME and AL-INVEST, some IOs participate as operators. This can be considered an indirect way to improve their capacity to supply services and further these programmes also offer direct capacity building to its operators.</p>
<p>The implementation of the PIAPYME is based on operators; IOs can subscribe as such among other type of organisations. For the moment there are 113 registered as PIAPYME operators, among which 3 Chambers of commerce and 7 Entrepreneurial Associations. Given their characteristics, the Identification Study foresaw IOs to be important operators in sectorial activities (Component II).</p>
<p>Operators are the initiators of the activities, which can be: support to individual enterprises⁷ (Component I), support to a sector (Component II) or capacity building for operators (Component III). To participate to the programme they must register in the Operators Database. Their role is to prepare an application dossier and once the CEAP (Committee for evaluation and approval of project) approves the action they are in charge of the follow up.</p>
<p>Operators will also be direct beneficiaries from the programme as component III “Activities for the Operators” plans to support operators following individual demands. Under this last component PIAPYME will finance activities related to the following areas: training of trainers, strengthening of the role and the performance of participating operators, creation of strategic alliances between Mexican and European companies.</p>

⁷ Individual enterprises can also apply directly for individual support.

In **AL-INVEST**, sub-projects are proposed and operated by COPECOS in Europe, and EUROCENTROS in Latin America. There are 4 EUROCENTROS in Mexico hosted by the following institutions: CANACINTRA, Bancomext, Nafin and TEC Monterrey. EUROCENTRO CANACINTRA is the only one hosted by an IO. Links with CANACINTRA are not evident as the EUROCENTRO functions as an independent body providing services not only to CANACINTRA members but also to all the enterprises that fit in AL-INVEST events in which this EUROCENTRO is involved. In fact the EUROCENTROS are the executing body of the programme. It can be said that in all case they share the programme's objectives more directly than the ones from their organisation.

For its third phase AL-INVEST has adopted new activities among which some aim to support the EUROCENTROS. "Capacity Building for Operators" aims to promote "best practices" derived from the experience of AL-INVEST. "Institutional Exchange Programme" will allow AL-INVEST operators to exchange employees in order to increase the mutual knowledge and strengthening the network. "Institutional Twining" will support joint cooperation projects and transfer of know-how between European and Latin American operators. This support aims at increasing the efficiency of the network it will allows "to count on better prepare operators and in a more integrated network" but do not aim directly at supporting hosting organisations.

43B.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up

PIAPYME has not yet established a monitoring system. The indicators foresaw in the logical framework do not cover results related to IO's reinforcement.

As the reinforcement of the IO is not the aim of **AL-INVEST** no result indicators are foreseen and followed up in this sense. AL-INVEST III will use the same indicators system than in the previous phase. No information has been received concerning indicators that will cover new activities.

43B.1.3 Other result indicators, such as:

- Evolution of the number of services provided by IO (particularly if those were supported by the EC) (increased)
- Evolution of the number of companies benefiting from these services
- Evolution of membership in these IO
- Level of satisfaction of firms using services provided by IO
- IO supported cover a significant part of local enterprises

PIAPYME

As the program has just begun it has not yet achieved results. From the 22 projects submitted by operators only 1 corresponds to an IO, namely CANACINTRA. The project "Strengthening Entrepreneurial Development Centres" aims to increase the management capacity of Entrepreneurial Development Centres and build up strategic alliances with European counterparts. It has been approved and implemented but during the mission results and impacts of this specific activity could not be collected.

AL-INVEST

CANACINTRA through its EUROCENTRO has increased the number, the type and the quality of services provided. The EUROCENTROS have won important methodological knowledge implementing AL-INVEST activities: i) sectorial meetings, ii) active research of partners (ARIEL), and iii) industrial meetings for regional development (AL-Partenariat). As a result, on request, the EUROCENTRO CANACINTRA provides services (i.e.: preparation of agendas for commercial tours or fair trade, research of partners...) outside AL-INVEST funding.

The services they provide, inside or outside AL-INVEST, are not only offered to CANACINTRA members. There is no link between this services and the membership. For this reason the evolution of the membership cannot be considered as a relevant indicator.

43B.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

PIAPYME

As the programme has just begun is difficult at this stage to identified factors that enhanced or hampered the production of expected results or the achievement of objectives.

AL-INVEST

The participation of IOs to AL-INVEST and the indirect benefits they can take out in terms of transferable methodology have been limited in Mexico by the choice of the organisations hosting the EUROCENTROS (Bancomext, Nafin, TEC Monterrey and CANACINTRA). On the one hand, it is important to highlight that among the four EUROCENTROS in Mexico only one is hosted by an IO when in other countries EUROCENTROS are mainly IO based. The base rules of AL-INVEST indicated that EUROCENTROS should be hosted by: Chambers of Commerce and Industry, Employers Federations, Professional Associations and Consulting companies. On the other hand, a situation of unequal competition can be underlined between EUROCENTROS. Bancomext and Nafin, both public development banks, as hosting institutions provide additional resources to their EUROCENTROS increasing their capacities in comparison with EUROCENTRO CANACINTRA.

Regarding EUROCENTRO CANACINTRA particular case, there is no share of experience between the EUROCENTRO and the rest of CANACINTRA. CANACINTRA representatives in other states are supposed to insure the national coverage of the EUROCENTRO. But CANACINTRA State representatives feel that support form the head office is almost nonexistent and some consider applying to AL-INVEST III in order to create their own EUROCENTRO.

EQ 4.4 – Effectiveness - Investment promotion and b-to-b cooperation

To what extend did EC interventions increase trade, investment and general b-to-b cooperation?
44.1 EC interventions increased trade, investment or general b-to-b cooperation
<i>44.1.1 The objective of the programme corresponds to the expected result proposed by the CEC PSD strategy</i>
<p>EC PSD interventions in Mexico aim above all to improve trade relations between EU and Mexico. In fact FTA EU-Mexico guides and structures the Economic Cooperation (Focal sector of the Country Strategy Paper). Investment and general b-to-b cooperation are also supported in these programmes through specific components.</p> <p>PROTLCUEM's Specific Purpose specifically mentioned the promotion of commercial and investment transactions under the FTA EU-Mexico. All the components pursued generally this objective. More particularly, component 4 of the PROTLCUEM aims to stimulate European investment in Mexico. The resources planned are modest (3%). The activities will be: updating of an investors guide, studies on investment statistics, Technical Assistance to the Investment General Directorate.</p> <p>PIAPYME's Specific Purpose is to increase the competitiveness and the export capacities of SME. During the first months of implementation, the project has focus in developing SMEs capacities to export to the EU. Regarding investment and b-to-b cooperation, the expected result 3 of the PIAPYME is "enhanced business co-operation to promote joint investment and strategic alliances between Mexican and European SMEs to speed up their process of modernisation and internationalisation".</p> <p>AL-INVEST was launched in 1994 with the aim to strength economic cooperation between European and Latin American companies and encouraging investment and commerce. AL-INVEST activities were up to now mainly Business Meetings pursuing in the majority of the cases commercial transactions but also activities to stimulate investment and b-to-b cooperation (using ARIEL methodology).</p> <p>AL-INVEST, for its third phase, has reviewed its activities in base to its previous experience. Among the 8 facilities proposed, the following ones are in close relation with the above mentioned expected result:</p> <ul style="list-style-type: none">▪ Latin American/European Weeks (€ 2 million), the objective of this facility is to increase the information that companies receive when assisting to a trade fair through the combination of "Entrepreneurial Services" (selection of stands to be visited, technical visits, inclusion in the event catalogue) and "Pedagogical Services" (provision of market information, technology reports, trade rules and conditions).▪ Business Meetings (€ 30 million), this activity aims to offer an appropriate framework for business creation through the organisation in advance of one to one business meetings between EU and LA companies mainly within the frame of an international trade fair.▪ Business Development Facility (€ 4 million), this activity brings personalised assistance to develop internationalisation business plan by search of potential overseas partners.▪ SME Partnership (€ 1.2 million), this facility aims to support companies that are already developing a joint business plan or project. The assistance provided will be defined according to the needs of each project. <i>44.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i>
PROTLCUEM <p>The indicators foreseen in the logical framework for the specific purpose is: "the effect of obstacles to bilateral trade and investment is significantly reduced". Indicators for component 4 are: "improved access to information on conditions and opportunities to invest in Mexico", "improved conditions to invest, in</p>

particular for PYMES". The implementation has not begun yet (See efficiency 6D.1) and therefore an internal monitoring system has not yet been established.

PIAPYME

The indicators foreseen in the framework for the specific purpose are: "Increase of the productivity and the added value to SMEs products" and "Entrepreneurial development and exports increase imputable to the support of the programme". Indicators for the expected results are: "During the four years of the programme 400 enterprises had participated to search process of joint investment and strategic alliances. 200 operations have been closed. 20 sectorial groups have been supported. The internal monitoring has not been established yet".

The programme is at the beginning of its implementation. No activities related to component 3 have been undertaken at this point. In fact, the first activities executed by the programme focalised more on vulgarisation of the PIAPYME and also on training and production reorientation.

AL-INVEST

The internal monitoring system aims at record the number of enterprises concerned by the events, the number of enterprises travelling and the value of commercial and investment transactions. For AL-INVEST I and II 5,798 Mexican companies have been concerned by the organized events, among them 1,603 have travelled to Europe. 185 transactions were concluded, for an estimate amount of € 55.5 million; 27 were joint ventures.

44.1.3 Other result indicators, such as

- Number of signed agreements (following an EC funded action) (increase)
- Evidence of investment from European firms in local business following agreements signed
- Evidence of increased exports from firms having participated to an EC-supported activity
- Enterprises having participated to the activities cover a significant part of the target population of beneficiaries
- Evidence of other forms of benefits following agreements signed

Note: Present the value of these indicators in the Project Fiche and a conclusion here

NA

44.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

PROTLCUEM

The programme has not yet started, therefore is not possible to make considerations on this matter.

PIAPYME

The programme just started, is too early to make considerations on this matter.

AL-INVEST

AL-INVEST is a well functioning machine. During AL-INVEST I and II the operators network has proved to be very active and Mexican performance was one of the best. The design of a specific methodology and the establishment of a specific network of service providers (EUROCENTROS-COOPECOS) have enhanced the realisation of events and improved the effectiveness. But at the end, the number of transactions is still moderate.

Services are also offered outside the AL-INVEST funding. According to interviews, it is common to use the network and the methodologies on special request. But the demand is still reduced and still very much related to the availabilities of AL-INVEST funds. According to the EUROCENTROS there is little spontaneous demand for this kind of services, Mexican exporting companies are still in their majority oriented to USA market.

Another negative point is that operators do not give enough importance to investment and b-to-b relations and focus their efforts on activities that will enhance trade relations. This is the result of the demand as in general the objective of the beneficiary companies is to sale, but also the result of the system of remuneration that makes organisation of business meetings more attractive to EUROCENTROs.

In fact for business meetings organisation, EUROCENTROs are paid for each company they manage to bring to the meeting. Regarding ARIEL activities the process is very long (phase 1: selection of 25 enterprises, phase 2: subvention application, phase 3: selection of the counterparts and signing of the agreements) and the likelihood to be remunerated is weaker as the final subsidy will be fixed according to the number of agreements signed.

EQ 4.5 – Effectiveness – BDS

To what extend did EC interventions aiming to provide non-financial services create a competitive business development services markets?
45.1 EU interventions aiming to provide non-financial services create a competitive business development services markets
<i>45.1.1 The objective of the programme corresponds to the expected result proposed by the CEC PSD strategy</i>
<p>Two programmes provide non-financial services to enterprises, AL-INVEST and in a greater measure PIAPYME, but in neither of these cases, the aim is creating a competitive BDS markets.</p> <p>PIAPYME programme intervenes on BDS markets at transaction level providing subsidized services to companies. It will influence the BDS market in three ways: using local service providers as intermediates, increasing operators' capacity and bringing external expertise.</p> <p>PIAPYME is implemented by operators. The registration of the operators is very open and it concerns public and private service providers aiming to develop the competitiveness and the productivity of Mexican SME.</p> <p>In individual and sectorial business support (components I and II), the role of the operators is to elaborate and present projects to the approval of the CEAP (Committee for Evaluation and Approval of Projects). Support to operators is also planned. The component III "Activities for the Operators" will support activities that will enhance their capacity to multiply the impact of the programme, on the one side, and, on the other side, they will be the pivot for the technology transfer, know-how and technologic innovation from Europe to Mexico through training of trainers.</p> <p>AL-INVEST III proposes, as an innovation respect to the previous phases, a Capacity Building for SMEs facility where seminars, workshops or other training activities on internationalisation strategies will be offered to SMEs. It will include a "Theory Module" and a "Practical Application Module". The activity will be planned through its EUROCENTROS network. The development of a competitive BDS market is not among its objectives.</p>
<i>45.1.2 The objective and overall design of the programme corresponds to the Blue Book on BDS programmes ("BDS for Small Enterprises: Guiding principles for donor intervention")</i>
The design of the PIAPYME (2002) does not correspond to the best practices proposed in the Blue Book (2001). The programme intervenes in BDS markets at transaction level providing subsidized services to companies. It is not possible to speak about a proper cost sharing system. The programme subsidizes 100% the BDS and the client shall pay 30% (it varies depending on the type of services) to the operator for its intermediation work. Technical Assistance will be in majority provided by European Consultants. For this reason outreach, sustainability and distortion are still to be address adequately.
AL-INVEST III was build-up on past experiences, AL-INVEST I and II as well as ATLAS. The identification did not take into account orientations of external references, like the Blue Book, for the design of new components.
<i>45.1.3 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i>
PIAPYME. A monitoring system that would allow monitoring programme achievements is not yet implemented as the programme is just starting (see 6D.1). The indicators foresaw in the logical framework are based on the number of enterprises that received BDS support and that perform certain changes like: 850 enterprises received general training, 850 enterprises improved their production process, and 150 received technical assistance to obtain certification. As PIAPYME does not aim to develop a competitive BDS market there are no indicators that will allow to measure effects of the programme on this concern.

<p>AL-INVEST III will use the same indicators system than in the previous phases. No information has been received concerning indicators for new activities.</p>
<p>45.1.4 <i>The internal monitoring system corresponds to the one proposed by the Blue Book on BDS programmes (« BDS Performance Measurement Framework »)</i></p>
<p>PIAPYME internal monitoring system do not correspond to the one proposed by the Blue Book on BDS programmes.</p>
<p>45.1.5 <i>Other result indicators, such as:</i></p> <ul style="list-style-type: none">■ <i>number of SME acquiring BDS in general (to measure BDS market expansion);</i>■ <i>number of SME acquiring BDS from the programme (to measure BDS market expansion);</i>■ <i>evolution of the number of local consulting firms in the market (to measure BDS supply);</i>■ <i>% of potential SME acquiring BDS (to measure market penetration);</i>■ <i>number and % of SE customers purchasing BDS who represent targeted populations (to measure outreach);</i>■ <i>percent of customers reporting high satisfaction with a business development service (to measure impact);</i>■ <i>repeat customers: % of all customers who purchase at least twice (to measure impact);</i>■ <i>percentage of customers who applied the business service to their business, as defined by the program. (E.g.: percent who accessed new markets, developed new products, improved management practices, started keeping formal accounts, reduced costs, etc.) (to measure impact);</i>■ <i>change in estimated gross profit, profit level, employment, exports from before and after receiving the service (to measure impact);</i>■ <i>of the businesses that improved their estimated gross profits, what percent attribute the change to the BDS? (to measure impact);</i>■ <i>BDS supplier profitability and profitability of particular BDS Service (to measure sustainability);</i>■ <i>simplified cost-benefit assessment comparing total, cumulative program costs to aggregate program benefits (to measure sustainability);</i>■ <i>total program cost per customer served and total program cost per supplier assisted (to measure sustainability).</i>
<p>No such results indicators were used.</p>
<p>45.1.6 <i>Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme</i></p>
<p>Efficiency problems are hampering the realisation of activities and therefore the production of expected results of the PIAPYME programme. (See efficiency 6D.1)</p>
<p>45.1.7 <i>Unsubsidized local BDS is not crowded-out by a subsidized supply of services: There are no complaints about “unfair competition” from unsubsidized suppliers of services, there are no clients that use to use unsubsidized consulting that are now using subsidized consulting</i></p>
<p>On the one hand, given the limited outreach of the PIAPYME, it is not possible to speak of market distortion. On the other hand, there is very little enhancement of the local BDS expertise as PIAPYME counts extensively on European experts to provide the services and does not really take into account the availability of local expertise and its potentialities.</p>

EQ 5 - Sustainability

To what extent are the effects (expected results) of the interventions likely to continue at the end of the EC support?	
5.1	The effects of CEC PSD strategy in Mexico is likely be long-lasting
5.1.1	<i>Risks and assumptions that can affect the achievement of the PSD strategy have been identified</i>
	No risks and assumptions have been properly identified with regards to the PSD support strategy in Mexico. However, as mentioned in 2B.1.3, EC support to PSD in Mexico evolves in a context characterized by the Free Trade Agreement EU-Mexico and the reform programme of the government. The two main implicit assumptions could then have be defined as (i) that Mexico continues to give priority to the Free Trade Agreement with the EU and (ii) that the government continues to implement its macroeconomic and trade policies.
5.1.2	<i>Actions have been taken if risks have materialized or assumptions have not been verified</i>
	No actions have been taken as risks and assumptions were not identified in programming documents. In 5.1.1 we have proposed two implicit assumptions and so far there are no signs that these assumptions will not be fulfilled.
5.2	Institutional, macroeconomic, legal and regulatory improvement is not disappearing / has not disappeared after EC intervention
5.2.1	<i>Evidence that improvement has continue after EC intervention</i>
	The PROTLCEUM has not yet started its implementation (see efficiency 4D.1). No results have been achieved at this point.
5.3	Reinforcement of financial markets is long-lasting
5.3.1	<i>The number of credits from local banks to the private sector (especially SME and micro-enterprises) continues to increase or at least does not decrease after EC intervention</i>
5.3.2	<i>Repayment rate of loans in EC supported programmes (high enough)</i>
	NA (There are no EC interventions in Mexico that correspond with this expected result).
5.4	Reinforcement of IO position is not lost after EC intervention finishes
5.4.1	<i>Intermediate organizations continue to successfully promote the interests of the private sector after the end of EC intervention. For example: Evidence of continuous involvement of business sector organizations (particularly if supported by the EC) in policy orientation meetings</i>
	NA (There are no EC interventions in Mexico that correspond with this expected result).
5.4.2	<i>Services provided by intermediate organizations continue to increase or at least do not decrease after EC intervention. For example: evolution of the supply and use of services provided by intermediate organizations after the end of the intervention, evolution of the number of companies benefiting from these services, evolution of membership in these intermediate organization.</i>
	AL-INVEST. The position of EUROCENTRO CANACINTRA as service provider could be sustained after the end of the programme as it provides the same kind of services, on request, outside the AL-INVEST programme. However, according to the interviews, AL-INVEST services are not sustainable and will disappear as soon as the subsidies are finished, as there will be no demand. For example, there is no evidence of companies supported once through AL-INVEST funding required assistance again on individual basis.

5.5	Business-to-business cooperation, trade and investment continues to expand after EC intervention
5.5.1	<i>Evolution of the number of mutual agreements</i>
<p>AL-INVEST I and II direct contribution to the evolution of number of mutual agreement is difficult to establish. Evidences of long lasting effects of AL-INVEST I and II at this level could not be collected during the mission.</p> <p>PIAPYME and AL-INVEST III programmes are still to be implemented. It is early then to appreciate if the results are long lasting but, in this particular issue, the potentialities of replicability are few, for PIAPYME and AL-INVEST, given the set up of the programmes.</p>	
5.5.2	<i>Evolution of the number of investments following mutual agreements</i>
<p>AL-INVEST I and II direct contribution to the evolution of number of investment is difficult to establish. Evidences of long lasting effects of AL-INVEST I and II at this level could not be collected during the mission.</p> <p>PIAPYME and AL-INVEST III programmes are still to be implemented. It is early then to appreciate if the results are long lasting but, in this particular issue, the potentialities of replicability are few, for PIAPYME and AL-INVEST, given the set up of the programmes.</p>	
5.5.3	<i>Evolution of exports</i>
<p>Exports to Europe are evolving positively since the signature of the FTAA Mexico European Union. As the programmes are not yet accomplished is difficult to attribute them a part of this evolution.</p>	
5.6	A competitive BDS market continues to function after EC intervention has finished
5.6.1	<i>Demand for non-subsidised BDS continues to increase or at least do not decrease after EC intervention</i>
5.6.2	<i>Local supply of non-subsidised BDS continues to increase or at least do not decrease after EC intervention</i>
<p>PIAPYME does not aim at BDS local market development.</p>	
5.7	Micro-enterprises continue to develop
5.7.1	<i>The number of micro-enterprises continue to grow after EC intervention</i>
5.7.2	<i>Micro-enterprises continue to expand after EC intervention</i>
NA (There are no EC interventions in Mexico that correspond with this expected result).	

EQ 6 – Efficiency

To what extent have the organisational set-up or management systems and processes contributed or hindered the efficiency of the EC interventions to support private sector development? Four aspects are of particular interest to our evaluation:

- A. The deconcentration process and the support given by HQ
- B. The preference given in some regions to all-country programmes
- C. The preference given in some regions to promote local expertise instead of using international support
- D. Other organisational set-up or management systems and processes

6A.1 The deconcentration has contributed to the efficiency of the EC interventions

6A.1.1 *Speed of decision making during the identification and implementation stages (project preparation, implementation payments)*

The deconcentration dates back to 2002. The CSP 2002-2006, which plans the interventions analysed, is part of the new framework for EU-Mexico relations following the signing of the Economic Partnership, Political Co-ordination and Co-operation. Before that there was no major bilateral interventions of the EC in Mexico.

The Delegation played a leader role in the identification of the programmes analysed with clear advantages on the identification of the needs. Delegation, for its proximity, has a good understanding of the context and can maintain a closest dialogue with the institutional beneficiaries. However the design of the programmes did not took into account lessons learned from similar interventions implemented in other countries, neither enhanced best practices for PSD interventions.

The way from identification to the implementations has been very long for all the national projects. This is mainly caused by the difficulties to match Mexican legislation with European Financial Rules and is aggravated by the little experience on both sides – Delegation and Mexican authorities – managing cooperation programmes. Delegation and Headquarters did not collaborate to overcome legal, financial and thematic difficulties. The Delegation is been very present on the field in order to find practical solutions. Even though Headquarters still have reserves on the found solutions for the **PIAPYME** and the procedural follow up. The **PROTLCUEM** is still waiting for an agreement of its legal form even though it was signed in November 2004. And, **IMPULSO** a programme identified in order to strength the innovation capacity of the Mexican companies has not yet been signed for the same reasons.

The presence of the Delegation is also very strong beyond procedures and is very much involved in the implementation. The workload is important and little time is devolved to the strategic and planning activities.

6A.1.2 *Workload related to implementation procedures of project managers at the Delegation*

The workload related to implementation procedures is important especially because the tasks currently undertaken go beyond procedures. Project managers are involved in the operational level, for example they attend activities of the projects.

6A.1.3 *The deconcentration has led to a better identification of needs and project design*

Note: This item is related to relevance (not to efficiency) and it is asked only to complement information.

Needs are correctly identified. There is a better understanding of the situation and a better dialogue with the beneficiaries especially when these are institutional.

Regarding the identification of solutions, the identification of the programmes did not take advantage of similar experiences implemented in other countries.
<p><i>6A.1.4 Evidence of sharing experience / lessons learning from other Delegations</i></p> <p>Note: This item is related to one of the risks of the deconcentration and not to efficiency. It is asked here because it does not fit somewhere else.</p>
In the case of PIAPYME , there is no sharing of experience nor lessons learned from similar programmes. For example, the design of the programme does not take into account the conclusions of the Committee of Donor Agencies for Small Enterprise Development; the support still targeting individual enterprises, outreach, sustainability and distortion are matters still to be addressed.
<p>6B.1 The use of "<u>all-country</u>" programmes has contributed to the efficiency of the EC interventions</p>
<p><i>6B.1.1 Speed of decision making during the identification and implementation stages (project preparation, implementation payments)</i></p>
In the case of Mexico the all-country programme most used is AL-INVEST . Its speed of decision-making resides in the long experience of this programme and the efforts to train operators to its particular methodologies.
<p><i>6B.1.2 Cost of interventions before and after "all-country" programmes</i></p> <p>No evidences were collect during the mission on this purpose.</p>
<p><i>6B.1.3 Workload related to implementation procedures of project managers at the Delegation</i></p>
Delegation of Mexico was very much aware of AL-INVEST activities. The Delegation is involved in the information dissemination of AL-INVEST in Mexico but there are in fact no responsible at procedural level.
<p><i>6B.1.4 The use of "all-country" programmes has led to a better identification of needs</i></p> <p><i>Note: This item is related to relevance (not to efficiency) and it is asked only to complement information</i></p>
Needs are foreseen in regional terms. This does not always allow sticking to individual realities but AL-INVEST shows a certain concern on adapting the programme to the specificities of each country.
<p>6C.1 The use of <u>local expertise</u> has contributed to the efficiency of the EC interventions</p>
<p><i>6C.1.1 Speed of decision making during the identification and implementation stages (project preparation, implementation payments)</i></p>
There is little use of local expertise in EC interventions in Mexico in spite the fact that quality resources are available in different areas. The identification teams have always been internationally recruited. The component of short International Technical Assistance is very high in PIAPYME and PROTLQUEM. Moreover, the use of this International Technical Assistance supposes an effort of planning in order to obtain the best consultants (for example, this has been the case of an activity planned not sufficiently in advance and thus where the work of the consultants was considered not meeting the quality requested).
<p><i>6C.1.2 Cost of interventions before and after use of local expertise</i></p>
There is complains about the high costs of the international experts and the real necessity of having international experts for all the services.
<p><i>6C.1.3 Workload related to implementation procedures of project managers at the Delegation</i></p>
The system set up in the PIAPYME – one global contract for all the International Technical Assistance - allows do not crowd out project managers at the Delegation with international tender dossiers.

6D.1 The organisational set-up and management system has contributed to an efficiency implementation of the programme

6D.1.1 Programme inputs are on time, at planned cost and well managed on a day-to-day basis

PIAPYME

Several problems are to be noted regarding the PIAPYME.

The funds were available on time but the project has begun with delays because there were difficulties to match European Commission financial rules and Mexican regulation. In particular there is the problem of matching European financial rules with the use of the Fideicomiso. The Fideicomiso is a juridical structure; the equivalent of a Trust. The current Mexican Government is using it intensively to manage public funds. The main characteristics of the fideicomiso are that: i) it offers a transparent management, ii) it offers stability to policies because when funds are allocated they are not demobilised annually, and iii) the objectives to which the capital can be used are clearly established. Given the fact GoM had created numerous mechanisms to finance SMEs development it was decided that the national counterpart for the PYAPIME will come from the Fondo PIAPYME, which is a fideicomiso. This decision allowed starting the implementation of the PIAPYME but the consequences have been heavy. For example, national rules of the fideicomiso do not allow covering operating expenditures. It is also the case of European rules. Therefore, for the moment, the programme does not have funds to cover these expenditures and Bancomext, the hosting institution of the CMUE, is covering some of them.

In December 2004, the SMEs Sub-secretary, representing the legal beneficiary, notified to the Director of the CMUE its future replacement. Since then, the replacement has not been appointed. Therefore, the Director is still in function but has at the same time assured his previous position inside Bancomext with the subsequent overload of work.

A single global contract of Technical Assistance allows speeding up the access to short-term experts avoiding constant tender procedures. However, up to now the quality of the European Experts has not always been satisfactory due mainly to a lack of planning and too short preparation of the activities.

PROTLCUEM

The programme was signed in November 2004 but has not begun at present time.

The identification study was not satisfactory and the Ministry of Economy continued internally the definition of the project. During the identification (internal and external) of the programme all the beneficiaries have been consulted but the negotiations in order to balance the components have also been hard and long.

Even now that the programme has been signed, the implementation cannot start as the parties are still looking after the more convenient juridical structure. The Mexican financial counterpart is not yet ensured even if the programme was signed in November 2004. Given the problems faced by PIAPYME the idea of establishing a Fideicomiso has been abandoned and it seems that the programme will be financed through a classical budget line. However this is not a definitive solution. On the one hand, the government does not have the majority at the Congress and it is possible for the opposition parties to block the decision. As this budget line needs to be programmed annually it seems that the availability of funds would be a permanent threat during the whole programme lifetime. On the other hand, problems within the European financial procedures remain as Mexican officials can not follow other rules than the national ones. This difficulty is aggravated by the little experience of both sides – DEC and Mexican authorities – managing cooperation programmes.

6D.1.2 Programme activities are on time, at planned cost and well managed on a day-to-day basis

PIAPYME

During this first period of implementation, the PIAPYME was characterized by a rush of the activities, in order to reach a cruiser speed but the announcement of the replacement of the Director has cut this dynamic.

The rules of operation are still not clear; the approval of sub-projects is not always justified. Numerous sub-projects were approved but they are still waiting for a complement of information from the beneficiaries. The approval was not justified in many cases as there was in fact no project, no plan (i.e. it was the case for the company OPLEX). The consequences are that few activities have been achieved up to now.

Personal tensions between the actual Director of the CMUE and the Team Leader of the International Assistance, the Delegation and the Ministry of Economy have strongly hampered the realisation of activities.

6D.1.3 Results are being achieved as planned (quality and quantity)

PIAPYME has achieved up to now few results as it is at the beginning of its implementation.

Component I: 1 Technical Assistance mission finished, 2 ongoing.

Component II: 1 Technical Assistance mission ongoing.

Component III: 1 Training in 6 cities, 75 presentation of general divulgation of the PIAPYME.

6D.1.4 Existence and use of an internal monitoring system

PIAPYME

The monitoring system is not in application for the moment. A tender process is in course.

6D.1.5 The programme has been able to adapt to changing needs or context

Note: For instance, if the assumptions did not hold true, how well did the programme management adapt? (How well did it adapt to external factors affecting the programme).

No needs or context changes have intervened.

EQ 7 – Coherence (within EC action)

- A. To what extent does the CEC PSD policy in general take into account other EU strategies and policies?
- B. To what extent does the CEC PSD support strategy within a country strategy take into account:
 - i. The support given to other sectors within the same country strategy?
 - ii. Other EU strategies and policies
- C. To what extent do national or regional EC PSD programmes within a country take into account:
 - i. Other PSD programmes within the same country
 - ii. The support given to other sectors within the same country
 - iii. Other EU strategies and policies

7B.1 The CEC PSD support strategy within a country takes into account other EU interventions

7B.1.1 *Explicit reference to EC support to other sectors in the same country and analysis of possible complementarities, synergies, conflicts or overlaps between PSD and other sector support within the same country*

The other sectors of intervention are: “Social development and reduction of inequalities”; “Consolidation of the rule of law” and “Scientific and technical cooperation”. Regarding the two first sectors, no reference is made to private sector development or economic cooperation. When presenting the areas of intervention for the sector “Scientific and technical cooperation”, the CSP indicates that “co-operation in this sector will support the implementation of the Mexican science and technology action plan 2001-2006 and will concentrate, on the one hand, on activities focussed on solving problems related to the well-being of the population, such as nutrition, health, education, environment and poverty alleviation; and on the other, *on linking innovation and production to help local and EC enterprises to keep pace with the constant challenges of the new global economy.*” It was initially decided to hold the identification of a science and technology programme until 2005 to be able to identify needs and possibilities. Indeed, at the time of the mission (March 2005), the IMPULSE programme had been identified: a feasibility study had been carried out and a financing agreement had been discussed. More important in terms of the coherence, it was decided that in view of the specificity of the programme and its strong links with private sector development, it should be managed within the Delegation by the Economic Cooperation Section in parallel to the PIAPYME and PROTLCEUM programmes.

7B.1.2 *Evidence that EC support to other sectors in the same country has positively or negatively affected the achievement of the objectives of the PSD support strategy within the country*

No evidence found. The other main areas of support are “Social development and the reduction of inequalities” and “Consolidation of the rule of law” and no evidence has been found of positive or negative effects from those sectors to economic cooperation.

7B.1.3 *Explicit reference to the possible effects of other EC strategies and policies (development or non-development) on the PSD support strategy in a given country*

The CSP explicitly refers to the coherence between EC support to Mexico and other EC policies. In particular it mentions the following policies, strategies or orientations: trade; common agriculture policy; sanitary and phytosanitary (SPS) control and consumer's protection; internal market and competition; research and development; environment, conflict prevention; justice and home affairs; and the information society. The coherence with each of these policies or strategies is analysed and while it considers that overall the support strategy to Mexico is coherent with these other EC policies, the CSP also raises a number of issues representing a risk to the complementarity. The two most important are:

- The **CAP** is “perceived by Mexico as a protectionist policy for European products. Even though some studies carried out in the context of the negotiations for the FTA showed that EU and Mexico agricultural products are in general complementary, it should be noted that products included in the CAP are the object of special treatment under the EU-Mexico FTA, being excluded from the bilateral liberalisation process”.
- The implementation of **SPS** controls is also “perceived by Mexico as a non-tariff trade protection measure that prevents certain products – mainly agricultural - from obtaining access to European markets. At the same time, Mexico has questioned the non-reciprocity of the EC regarding the implementation of certain Community principles, such as that of regionalisation”.

7B.1.4 Evidence that other EC strategies or policies (development or non-development) have positively or negatively affected the achievement of the objectives of the PSD support strategy within the country

The team has not found direct evidence on this issue through interviews. Regarding written sources, see 7B.1.3.

7C.1 National or regional EC PSD programmes within a country take into account other EC interventions

7C.1.1 Programme documents explicitly refer to the other EC PSD programmes in the same country and analyse possible complementarities, synergies conflicts or overlaps

The PIAPYME and AL-Invest programmes have some similar components and up to now no mechanism has been set up to ensure complementarity, to generate synergies or to avoid conflicts and overlaps.

PIAPYME programme documents mention several times that the beneficiary (the Ministry of Economy - Vice-Ministry for Small and Medium Enterprises) shall ensure complementarity and shall generate synergies with other programmes such as AL-Invest and PROTLCEUM. In particular, it indicates that under its Component III - Activities for the Operators, “a coordination mechanism with the Phase III of AL-Invest Programme will be foreseen in order to avoid duplications and create synergies between both programmes”. By the time of the mission, no mechanism had yet been set up but the flow of information between the two programmes (management, operators and beneficiaries) was important. Moreover, it was clearly expressed by some (potential) operators that - in their view – the programmes proposed the same kind of support and that, given the financial conditions of each programme, they already had preferences.

On the other hand, no mention of the PIAPYME has been found in AL-Invest documents, which is to be expected given that it is a regional programme and thus no specific to Mexico. Nevertheless, the director of the AL-Invest programme was well aware of the existence of the PIAPYME and during his dissemination tour in Mexico, he was due to hold interviews with the PIAPYME management unit.

PROTLCUEM or IMPULSE programme documents do not mention other PSD programmes in Mexico.

7C.1.2 Evidence that other EC PSD programmes in the same country have positively or negatively affected the achievement of the objectives of the programme

Given the stage at which the programmes are (PIAPYME has just started, PROTLCUEM is not yet under implementation and IMPULSE is at the identification stage) it is not yet possible to find evidence regarding positive or negative effects between the programmes.

7C.1.3 Programme documents explicitly refer to EC support to other sectors in the same country and analyses possible complementarities, synergies conflicts or overlaps between the programme and other sector support within the same country

PSD programme documents do not refer to EU support to other sectors in Mexico.

7C.1.4 Evidence that EC support to other sectors in the same country has positively or negatively affected the achievement of the objectives of the programme

Given the stage at which the programmes are it is not yet possible to find evidence regarding positive or negative effects of EU support to other sectors to these PSD programmes. It is expected that there will be no effects give the nature of the other interventions.

7C.1.5 Programme documents explicitly refer to the possible effects of other EU strategies and policies (development or non-development) on the programme and analyses possible complementarities, synergies conflicts or overlaps

PSD programme documents do not refer to other EC policies.

7C.1.6 Evidence that other EU strategies and policies (development or non-development) have positively or negatively affected the achievement of the objectives of the programme

The team has not found direct evidence through interviews on this issue. However, the different PSD programmes in Mexico do incorporate the fact that many EC policies affect trade relations between Mexico and the EU and aim precisely to overcome the difficulties that some of these policies may bring. It is the case of PROTLCUEM, which will provide institutional support on Technical Norms (Component II) or Sanitarian and Phytosanitarian measures (Component III) to facilitate access to the EU market to Mexican firms. It is also the case the PIAPYME that may give the same type of support at the firm level, for example, providing an expert on SPS to a firm willing to export to the EU.

EQ 8 – Coordination (with other donors)

To what extend is there coordination between donors, both at central and at country level?	
8.2	The EC actively participates to multi-donor coordination process at country level
8.2.1	<i>Evidence of participation of the EC to multi-donor coordination meetings at country level</i>
	Overseas development aid (ODA) is relatively small in Mexico due to the fact that it is a country with a medium-high level of income and member of the OECD. Therefore, both bilateral and multilateral donors have a limited activity in Mexico. Still, some of them are present with projects in different sectors but donor coordination is quite limited. The European Commission and Member States have set up four thematic groups. The group on Economic Cooperation is lead by the Delegation; as it is the group on Social and Environmental Development; the group on Institutional Support is lead by Spain and the group on Science and Technology, Education and Culture is lead by France and had its first meeting in March 2005 with 13 people present. The aim of this meeting was to exchange information and explore the possibility of improved coordination. The meeting showed that all present donors worked with CONACYT and had projects related to university work, scientific research, scholarships for students and, moreover, that they face a number of similar problems, for which they now consider to take coordinated actions.
8.2.2	<i>Evidence of distribution of tasks among the different donors at country level</i>
	No evidence found.
8.2.3	<i>Evidence of joint activities or projects between the different donors at country level</i>
	No evidence found.
8.2.4	<i>Explicit reference to other donor policies or activities in country documents</i>
	The CSP 2002-2006 presents information on other donors' activities and programmes (Sections 4.2 and 4.3 and Annex 6): For most EU member states, Mexico is not considered as a priority country for bilateral co-operation due to its relatively high level of income. However, as there are still significant social inequalities, some member states finance NGO-managed micro, small and medium-sized projects in a variety of sectors, including social development, environment and health. Further, bilateral support is given for environmental protection, primary education and scientific/academic co-operation, institutional strengthening and economic co-operation. The main EU donors in terms of bilateral co-operation are Germany (mainly long-term environmental projects), Spain (primary education, environment), France (scientific/academic co-operation), and the UK (environment). In terms of multilateral organizations, they mostly provide the government or private enterprises with loans (World Bank, IDB and EIB). The EIB focuses on productive infrastructure, the WB and the IDB mainly on education, infrastructure, environment and rural and urban development. United Nations agencies, mainly through UNDP, sponsor projects in areas such as poverty alleviation, environment and the development of a democratic culture. According to the available information, total funds coming from multilateral institutions amount to approximately € 6 billion. The most important donor is the World Bank, which contributed US\$ 3.9 billion from 1997 to 2000.
8.2.5	<i>Explicit reference to other donor policies or activities in programme level documents</i>
	No evidence found.

8.2.6 Examples of complementarities and synergies between programmes funded by the EC and programmes funded by other donors

In August 2004, the UNDP organized the workshop “Mexico towards an advanced economy in the XXI century” with two objectives. On the one hand, to open a platform of discussion on the factors accelerating or slowing down competitiveness of Mexican enterprises compared to others countries. On the other hand, to present the different projects to support SMEs that are (or will soon be) carried out in Mexico in order to search for synergies and complementarities. In that frame, the EC was invited to present the PIAPYME programme.

It was concluded that the programmes were very close although with different focus - the EC programme focusing on possibilities of trade with the EU only - and, further, that coordination should be enhanced. No practical agenda was decided and by the time of the mission (March 2005) no further steps had been taken.

8.2.7 Evidence of overlap between PSD programmes of the EC and of other donors at country level

No evidence found.

8.2.8 Evidence of similar programmes with common beneficiaries funded by the EC and another donor

No evidence found.

EQ 9 –Cross cutting issues

Do the EC PSD interventions show concern for cross cutting issues such as promoting women led enterprises, ensuring acceptable working conditions notably for women, protecting the environment and promoting better governance practices?	
9.2	CCI are taken into account in the PSD strategy and by programmes in Mexico
9.2.1	<i>The CSP explicitly refers to CCI (which ones?)</i>
<p>The CSP address cross cutting issues in general terms (section 6.3). In particular: gender; environment; respect for cultural diversity and traditional values; decentralisation and civil society participation; fight against corruption; and use of information and communication technologies.</p> <p>The country strategy pays particular attention to the issues of gender and good governance through the support to the focal sectors “Social development and reduction of inequalities” and “Consolidation of the Rule of Law/institutional support”. However, concerning the focal sector “Economic Growth” there is no explicit mention to cross cutting issues.</p> <p>The policy agenda of the beneficiary country, reflected in the Plan Nacional de Desarrollo (PND) pays special attention to “sustainable development, which ensures the quality of natural resources” through its “Growth with quality” component.</p>	
9.2.2	<i>Project/programme documents explicitly refer to CCI (which ones)</i>
PIAPYME <p>Environment and gender are recognised as cross cutting issues in the basic documents of the programme. It foresees to exclude any activities that may imply environmental damage and to prioritise specifically environmental focused projects as well as projects benefiting to women's entrepreneurs.</p>	
PROTLCUEM <p>The issues of environment and gender are mentioned in the basic documents of the programme as part of the sustainability. It is expected that the project will have a positive environmental impact as it promotes the alignment of Mexican standards to international standards. Gender equality should be insured at all stages of the project cycle from staff selection to the implementation and the supervision of the programme.</p>	
9.2.3	<i>Internal Monitoring system takes into account CCI</i>
PIAPYME and PROTLCUEM do not have yet an established Monitoring system.	
9.2.4	<i>Evidence of the effective implementation of cross-cutting issues</i>
PIAPYME <p>There is no evidence of effective implementation of cross cutting issues (including as a selection criteria, for example). Some projects approved are related with bio production, but this, apparently, has more to do with the evolution of the market than with the approach of the programme.</p> <p>As commonly recognised during the interviews, there is a difficulty to apply cross cutting issues in practice, and above all gender issues, besides the speech: “How should we do it?”</p>	
9.3	A CCI is treated through a specific project or programme in the frame of the PSD support in Mexico rather than as an horizontal issue
9.3.1	<i>Examples of projects or programmes that focus on one of the CCI</i>
There are no EC interventions in Mexico that focus specifically one CCI.	

Annexe 9
Country Note Morocco

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Liste des acronymes

AFII	Agence Française pour les Investissements Internationaux
AMITH	Association Marocaine de l'Industrie Textile et Habillement
ANPME	Agence Nationale pour la Promotion de la PME
AO	Appel d'Offre
AP	Association professionnelle
API	Agence de Promotion des Investissements
AS	Ajustement Structurel
AT	Assistance technique
ATV	Accord sur les Textiles et les Vêtements
BAD	Banque africaine de développement
BEI	Banque européenne d'investissement
BID	Banque islamique de développement
BM	Banque Mondiale
B-to-B	Business to Business
CA	Chiffre d'affaires
CE	Communauté Européenne
CCE	Commission des Communautés Européennes
CCG	Caisse Centrale de Garantie
CEC	Commission of the European Communities
CEPT	Centre d'Expertise pour Pays Tiers
CGEM	Confédération Générale des Entreprises du Maroc
CRIS	Common RELEX Information System
CSP	Country Strategy Paper
DH	Dirham
DSP	Développement du secteur privé
DTA	Dispositions Techniques et Administratives
EC	European Community
EICC	Euro-Info-Correspondance Centre
EME	Euro-Maroc-Entreprises
FAS	Facilité d'Ajustement Structurel

FEDIC	Fédération Marocaine des Industries du Cuir
FMI	Fonds Monétaire International
FOMAN	Fonds National de Mise à Niveau
GATT	General Agreements on Tariffs and Trade
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit GmbH
IDE	Investissements Directs Etrangers
ISO	International Standard Organization
MAN	Mise à niveau
MCIT	Ministère du Commerce, de l'Industrie et des Télécommunications
NAED	North Africa Enterprise Development facility
NTIC	Nouvelles Technologies de l'Information et de la Communication
OFPPT	Office de la Formation Professionnelle et de la Promotion du Travail
OI	Organisation Intermédiaire
OMC	Organisation Mondiale du Commerce
OPV	Offres Publiques de Vente
PA	Plan d'action
PAAP	Programme d'Appui aux Associations Professionnelles
PAE	Programme d'Appui aux Entreprises
PAIGAM	Projet d'Appui aux Institutions de Garantie
PIB	Produit Intérieur Brut
PIN	Programme Indicatif National
PMI	Petites et Moyennes Industries
SFI	Société Financière Internationale
TdR	Termes de Référence
TIC	Technologies de l'Information et de la Communication
UE	Union Européenne
UGP	Unité de Gestion du Projet
USAID	United States Agency for International Development
VA	Valeur Ajoutée
ZLE	Zone de Libre-échange Euro-Méditerranéenne

1. Introduction

1.1 Mandat

Le plan d'évaluation 2003 d'EuropeAid prévoyait une évaluation de l'appui de la Communauté européenne (CE) au développement de secteur privé (DSP) dans les pays tiers. Cette évaluation sectorielle vise à contribuer à l'amélioration de la cohérence des approches sectorielles de la Commission par le biais d'une évaluation de ses activités de coopération ayant trait au DSP dans de nombreux programmes nationaux et régionaux de coopération. Cette étude vise également à augmenter la cohérence entre les objectifs de l'appui au DSP et les objectifs de la politique de l'Union européenne (UE) dans d'autres domaines.

1.2 Contexte

L'évaluation s'est déroulée en deux phases séparées. Entre octobre 2003 et juin 2004, une **évaluation “documentaire”** a été réalisée portant sur l'appui de la CE au DSP dans les pays tiers au cours de la période 1994-2003. Cette évaluation documentaire était basée sur une analyse de documents rassemblés à Bruxelles, une série d'entrevues avec des fonctionnaires de la Commission européenne à Bruxelles et une enquête par questionnaire menée auprès d'un groupe de délégations. Le rapport final de l'évaluation présentait un ensemble de questions d'évaluation, des constats pour chacune de ces questions, une analyse complète de ces constats ainsi que des conclusions et des recommandations préliminaires.

L'approche documentaire a cependant été confrontée à certaines limites : s'il a été possible de couvrir les aspects stratégiques et politiques par l'analyse de la documentation et par les entrevues à Bruxelles, il était plus difficile d'évaluer l'exécution et l'impact des projets et des programmes sans missions de terrain. Pour cette raison, l'unité d'évaluation d'EuropeAid a invité ADE à compléter l'évaluation documentaire par une phase de terrain et de synthèse.

Cette **phase de terrain et de synthèse** de l'évaluation a débuté par un ajustement de la méthodologie afin de prendre en compte les nouvelles tâches. Ensuite, il s'agissait de compléter la base d'information avec les cinq études pays. En troisième lieu, l'équipe a intégré ces nouveaux résultats aux résultats de l'évaluation documentaire; et, enfin, elle a analysé cette base d'information pour effectuer une évaluation globale de l'appui de la CE au DSP dans les pays tiers.

1.3 Le rôle des études pays

Les études pays sont essentielles pour comprendre comment l'appui de la CE au DSP est mis en oeuvre sur le terrain. Ces études pays proposent une analyse détaillée de documents relatifs aux pays et aux programmes, complétée par une mission de terrain. Elles ont pour but de rassembler l'information requise pour répondre aux questions d'évaluation au niveau global et non d'effectuer une évaluation sectorielle au niveau du pays.

La liste de pays à analyser a été déterminée au cours de discussions avec le groupe de référence. Il a été convenu de sélectionner cinq pays issus de quatre programmes de coopération différents : deux pays ACP (la Zambie et la Jamaïque), un pays MEDA (le Maroc), un pays asiatique (le Vietnam), et un pays Latino-américain (le Mexique). Les raisons ayant mené à la sélection du Maroc sont les suivantes :

- c'est un pays de la région MEDA (critère de distribution géographique), région marquée par la Déclaration de Barcelone de 1995 et le projet de mise en place d'une Zone de Libre-échange Euro-Méditerranéenne (ZLE) d'ici 2010, événement ayant des conséquences directes pour le secteur privé (voir la section 3.5) ;
- le secteur privé y a un poids important (46% des fonds EU prévus dans le pays).

1.4 Objectif et contenu de la note pays

L'objectif de cette note pays est de fournir un résumé des principaux constats de l'étude pays. Il est important de souligner que cette note est de nature descriptive : elle se limite à présenter l'information rassemblée et ne vise pas à l'analyser ni à porter de jugement sur les constats. La note contient une partie intitulée "Conclusions", mais non des recommandations. Des recommandations seront en effet proposées ultérieurement, mais uniquement au niveau global de l'évaluation. En outre, une taille limite étant imposée à cette note, elle est centrée sur les constats-clés. Les différentes notes pas seront publiées en annexe du rapport final de l'évaluation globale.

La section 1 ci-dessus présente la note pays et décrit le contexte général de l'étude pays. La section 2 présente les méthodes pour la collecte des données, ainsi que les limites de ces méthodes. La section 3 présente le contexte du pays : elle décrit les caractéristiques principales du pays, son contexte économique, social et politique, les principales politiques de gouvernement, la politique de coopération de la Communauté et offre un aperçu des interventions des autres bailleurs dans le secteur. La section 4 présente les principaux constats pour chacune des 9 questions d'évaluation. Ces constats sont présentés au niveau des critères de jugement et basés sur une grille plus détaillée (voir l'annexe 6) où l'information est présentée au niveau des indicateurs (voir la section 2 sur les méthodes de collecte des données). La section 5 présente les conclusions principales de l'étude pays. Ces conclusions aideront à structurer l'étape d'analyse de l'évaluation globale.

2. Méthodes pour la collecte des données

2.1 Outils de collecte des données

Au cours de l'évaluation documentaire, l'équipe a proposé un ensemble de questions d'évaluation reflétant les principaux aspects à analyser. Ces questions portent sur les critères d'évaluation du DAC, sur les 3Cs ou sur les questions transversales. Pour chacune de ces questions d'évaluation, au moins un critère de jugement a été proposé et pour chaque critère, plusieurs indicateurs ont été définis. Les questions ont été discutées avec le groupe de référence et ont été validées par l'unité d'évaluation d'EuropeAid. Les questions d'évaluation aident à cadrer le processus d'évaluation et à structurer l'analyse. Les critères de jugement (la manière dont les questions seront traitées) étant annoncés à l'avance, cette méthodologie permet de rendre le jugement global plus objectif et plus transparent. De plus, la liste d'indicateurs fait fonction de *check-list* lors de la collecte d'information sur le terrain et au siège, permettant une collecte d'information efficace.

Les grilles comportant les questions d'évaluation, les critères de jugement et les indicateurs complétés avec l'information concernant le Maroc se trouvent en annexe 6. On notera que toutes les questions d'évaluation, critères de jugement et indicateurs ne sont pas traités au niveau des études pays, certains étant uniquement d'application pour l'évaluation globale. Une version succincte comportant l'information seulement au niveau des questions d'évaluation et des critères de jugement est présentée dans la section 4. Pour déterminer si le critère est satisfait ou pas, l'équipe s'est exclusivement basée sur l'information reprise en annexe 6.

Pour organiser davantage l'information, l'équipe a mis au point des fiches programmes présentant l'information de base pour chacun des programmes analysés. Ces fiches sont reprises dans l'annexe 5. Elles fournissent l'information contextuelle relative aux programmes discutés et permettent d'éviter que cette information de base soit répétée dans les grilles.

2.2 Collecte des données avant la mission

En ce qui concerne l'évaluation globale, l'information a été collectée à Bruxelles au cours de l'évaluation documentaire. Les documents de stratégie de la Commission ont été passés en revue. Grâce à CRIS (le système d'information RELEX), les programmes de la CE concernant le secteur privé ont été identifiés, notamment pour le Maroc. Cette information a été complétée suite aux entretiens avec des fonctionnaires de la CE impliqués dans l'appui au DSP.

Pour l'étude pays, l'information spécifique concernant le pays et les interventions de la CE en matière d'appui au DSP a été rassemblée autant que possible avant la mission. Sur ces bases l'équipe a complété les fiches programme et (provisoirement) la grille (annexe 6) reprenant les différents indicateurs pour chaque critère de jugement et question d'évaluation pertinents par rapport aux études pays.

2.3 Collecte des données pendant la mission

Sur le terrain, l'équipe d'évaluation a conduit des entrevues structurées avec la délégation de la CE, des autorités locales, des unités de gestion des programmes, des organismes intermédiaires et des bénéficiaires. Elle a également analysé avec plus de précision un échantillon des programmes d'appui au DSP au Maroc (voir les annexes 4 à 6). Sur base de l'information rassemblée, l'équipe a complété ou amendé l'information reprise de manière provisoire dans les grilles avant la mission.

3. Bref description du contexte

3.1 Contexte politique, économique et social

Pays d'Afrique du Nord ayant une population avoisinant les 30 millions, le Maroc est défini par sa Constitution de 1962 comme une « **Monarchie constitutionnelle, démocratique et sociale** ». Le Roi (Mohammed VI depuis le 23 juillet 1999) est le « représentant suprême de la nation et Commandeur des croyants »¹. Les dernières élections générales en septembre 2002, jugées dans l'ensemble libres et équitables, ont confirmé la majorité d'une large coalition conduite par M. Driss Jettou, qui n'a pas d'appartenance politique².

En 2002, le **Produit Intérieur Brut (PIB) du Maroc** se chiffrait à 37.263 millions de dollars. La décennie 1990-2000 s'est caractérisée par une croissance économique modeste (2,36% en termes réels, par rapport à 4% dans les années 1980), instable, et bien inférieure au potentiel du pays. Cette faiblesse du taux de croissance s'est traduite par la stagnation du niveau du PIB par habitant à 3.690 € en 2002. Ce recul a été principalement imputable à des facteurs extérieurs (six sécheresses en dix ans, lenteur de la croissance en Europe) et à la stagnation des réformes structurelles globales. Depuis 2001, le taux de croissance a augmenté pour atteindre 5,5% en 2003, amélioration qui a reflété l'accroissement de 20,6% de la production agricole. L'économie n'a pas été en mesure d'atténuer les pressions découlant du développement rapide de la main d'œuvre (la progression démographique, bien qu'en recul, demeure de 1,7%).³ Le taux de chômage reste élevé (supérieur à 20% dans les zones urbaines). Par ailleurs on notera que⁴ :

- durant la décennie 1990-2000, le Maroc a préservé sa stabilité macro-économique et a atteint des taux d'inflation proches des pays industrialisés ;
- les réserves de changes ont atteint des niveaux satisfaisants (4,8 mois d'importations fin 2000) ;
- le déficit du compte courant demeure modeste (1,7% du PIB en 2000) ;
- la dette extérieure continue de décliner (son poids a régressé à 48,8% du PIB en 2000) et le service de la dette s'élève à 20,8% des recettes d'exportation de biens et services ;

¹ Voir CE, (*COM(2004)373 final*) - Document de travail des services de la commission. Politique européenne de voisinage. Rapport sur le Maroc, mai 2004.

² Actuellement, 29 partis sont représentés au Parlement. L'Union Socialiste des Forces Populaires, les conservateurs de l'Istiqlal et le regroupement des partis berbérophones de la Mouvance populaire sont actuellement les forces principales de la majorité parlementaire. L'opposition est essentiellement représentée par les islamistes modérés du Parti de la Justice et du Développement.

³ Voir CE, (*COM (2004)373 final*) - Document de travail des services de la commission. Politique européenne de voisinage. Rapport sur le Maroc, mai 2004.

⁴ Voir le *Country Strategy Paper* ou Document de Stratégie (CSP) 2002-2006.

- l'appréciation progressive du taux de change effectif réel du dirham marocain au cours de la décennie écoulée – de l'ordre de 20% fin 2000 selon les services du Fonds Monétaire International (FMI) – a affecté négativement la compétitivité de l'économie marocaine, en particulier à l'égard de l'Europe, principal marché d'exportation pour le Maroc⁵ ;
- le déficit structurel est élevé, de l'ordre de 5% du PIB.

Du point de vue **social**, le Maroc se caractérise toujours par une incidence relativement élevée de la **pauvreté**: après un recul de 21 à 13% au cours de la période 1984-92, le taux de pauvreté avait grimpé à nouveau à 19% en 2000. La pauvreté demeure essentiellement un phénomène rural. Le taux de **chômage total** reste élevé, se situant à 12,8% en 2003, avec un écart important entre les zones urbaines (20,4%) et rurales (4,1%). Malgré des dépenses publiques importantes dans le domaine de l'**éducation** (6% du PIB), la qualité de l'enseignement et le nombre d'enfants concernés demeurent faibles. Bien que l'analphabétisme recule lentement, les taux oscillent autour de 50%. Si l'espérance de vie a augmenté pour atteindre 68 ans, de nombreux indicateurs de **santé** – comme par exemple les taux de mortalité maternelle et infantile – restent élevés. Malgré des efforts pour améliorer le statut et la condition des femmes, les **indicateurs de genre** font ressortir de fortes disparités surtout en zone rurale, où 75% des femmes sont analphabètes et 47% seulement des filles sont inscrites à l'école primaire.

3.2 Description de l'économie

En 2003, la **structure sectorielle** de l'économie marocaine se présentait comme suit (en % du PIB) : agriculture 18,3%, industrie 29,7% (dont 16,4% d'industrie manufacturière) et 52% de services.⁶ L'économie marocaine est fortement tributaire de la production agricole qui occupe plus de 50% de la main d'œuvre⁷.

La **balance commerciale** marocaine enregistre un déficit structurel, où les exportations ne couvrent que 70 % des importations totales. En comparaison avec d'autres pays de la zone, les exportations sont assez diversifiées : secteur textile et habillement 33 %, produits alimentaires et tabac 20 %, phosphates 20 %. Les importations se répartissent comme suit : produits mécaniques et équipements 26 %, énergie et lubrifiants 13 %, produits alimentaires et tabac 11 %, fibres textiles et habillement 10 %. En 2000, le commerce avec l'UE, premier partenaire commercial du Maroc, représentait 66 % des exportations et 60 % des importations. Le commerce sous-régional avec les pays maghrébins et sud-méditerranéens est très réduit (respectivement 1 et 5% du total), en raison d'un manque d'harmonisation des cadres réglementaires des pays, de l'exploitation insuffisante des complémentarités des économies, de l'application de régimes de règles d'origine différents par pays ou sous-groupe de pays et en raison de l'état embryonnaire des accords sous-régionaux de libre échange⁸.

⁵ Ce constat n'est pas valable pour les dernières années : le dirham étant lié à un panier de monnaies dont l'euro, la forte dépréciation du dollar par rapport à l'euro implique mécaniquement que le dirham se déprécie par rapport à l'euro, élément contribuant à renforcer la compétitivité des exportations marocaines vers l'UE.

⁶ Voir BANQUE MONDIALE, *Morocco at a glance*, 2004.

⁷ Voir CE, (COM(2004)373 final) - Document de travail des services de la commission. Politique européenne de voisinage. Rapport sur le Maroc, mai 2004.

⁸ Voir CE, *Maroc Document de stratégie 2002-2006*.

3.3 Description du secteur privé

Le nombre total des entreprises est estimé entre 25 et 30.000. Les tableaux 2 et 3 ci-après donnent un aperçu des Petites et Moyennes Industries (PMI) et grandes entreprises de l'Industrie de transformation pour l'exercice 2003⁹.

Tableau 2 - PMI et Grandes Entreprises de l'Industrie de transformation

	< 50 personnes		50 à 200 personnes		> 200 personnes		Total
	Nombre/ valeur	% du total	Nombre/ valeur	% du total	Nombre/ valeur	% du total	
Nombre d'entreprises	5.976	77,5%	1.220	15,8%	518	6,7%	7.714
Effectifs	92.363	18,7%	133.942	27,2%	266.443	54,1%	492.748
Production	28.033	15,7%	42.604	23,9%	107.724	60,4%	178.361
Exportation	5.654	11,7%	8.669	17,9%	34.068	70,4%	48.391
Procédures pour la cré	1.683	15,1%	2.678	24,0%	6.811	61,0%	11.172
Valeur ajoutée	6.584	11,7%	11.563	20,5%	38.218	67,8%	56.365

Tableau 3 - Industrie de transformation par secteur

	Production		VA		Effectifs		Investissement		Exportations	
	% du total	% du total	Nombre	% du total	Valeur	% du total	Valeur	% du total	Valeur	% du total
Ind. Agroalimentaire	33,4%	30,6%	95.666	19,4%	3.625	32,4%	10.248	21,2%		
Ind. Textiles et du cuir	14,8%	18,3%	222.463	45,1%	1.673	15,0%	17.656	36,5%		
Ind. Chimiques et para chimiques	34,2%	34,7%	95.764	19,4%	3.891	34,8%	11.779	24,3%		
Ind. Mécaniques et métallurgiques	11,8%	10,7%	47.870	9,7%	1.477	13,2%	1.927	4,0%		
Ind. Electriques et électroniques	5,8%	5,6%	30.985	6,3%	506	4,5%	6.781	14,0%		
TOTAL	100,0%	100,0%	492.748	100,0%	11.172	100,0%	48.391	100,0%		

En termes de défis en matière de DSP, Le draft Country Strategy Paper (CSP) 1995 mettait en exergue une compétitivité inégale de l'industrie, une industrie mal armée pour s'intégrer dans l'espace économique euro-méditerranéen, l'absence d'une « culture de l'entreprise » et d'une politique de l'entreprise active et l'absence d'un programme structuré de soutien des PME.

Comme il ressort du tableau comparatif ci-après, les constats du CSP 2002-2006 se faisaient dans un même esprit et se rapprochaient fortement des analyses faites par une étude de la Banque Mondiale (BM) en 1999¹⁰ :

⁹ Ce tableau a été constitué à partir de chiffres disponibles auprès du Ministère de l'Industrie, du Commerce et de mise à niveau de l'économie (www.mcinet.gov.ma). Les valeurs sont indiquées en millions de Dirhams, approximativement à diviser par 10 pour obtenir l'ordre de grandeur en euro.

¹⁰ Banque Mondiale, *Mise à jour de l'évaluation du secteur privé : Le secteur privé : moteur de la croissance économique marocaine*, décembre 1999.

Tableaux 4 - Comparatif des défis du secteur privé au Maroc

CSP 2002 - 2006	BM 1999
	Insuffisance des réformes macroéconomiques, de politique commercial et de la privatisation
Modernisation de l'environnement des affaires	Contraintes institutionnelles affectant le climat des affaires
Accès au financement difficile et onéreux	Insuffisance et prix élevé du crédit
Modes de production en grande partie obsolètes	Manque de services de soutien en TIC
Procédures pour la création de nouvelles entreprises	Coût des formalités administratives pour la création de nouvelles entreprises
Accès au foncier difficile	Manque de terrains industriels
Manque de flexibilité dans le marché du travail	Pénurie d'une main d'œuvre flexible
Manque de qualification de la main d'œuvre	Pénurie d'une main d'œuvre qualifiée

Par contre un élément important qui n'est pas mentionné dans le CSP 2002-2006 est la fin, le 1^{er} janvier 2005, du processus d'intégration défini dans l'article 2 de l'Accord sur les Textiles et les Vêtements (ATV) de 1994. Comme on le sait, l'expiration de cette période signifie que le commerce des produits textiles n'est plus soumis à un régime spécial en dehors des règles normales de l'Accord général sur les tarifs et le commerce General Agreement on Tariffs and Trade (GATT) de l'Organisation Mondiale du Commerce (OMC), mais est désormais régi par les règles du commerce multilatéral. Vu le poids du secteur textile au Maroc, ce changement constitue un des défis majeurs auxquels le pays doit faire face.

3.4 Politique du gouvernement¹¹

A ce jour, le Gouvernement a entrepris des réformes structurelles sur différents fronts¹² :

- libéralisation et privatisation du secteur des télécommunications ;
- suppression des subsides sur l'huile alimentaire ;
- création d'une Agence Nationale pour l'Emploi ;
- libéralisation du commerce : réduction de 25% des tarifs sur certains produits industriels et certains produits agricoles transformés ;
- libéralisation du secteur financier : élimination graduelle de presque toute forme d'intervention d'état directe et modernisation du cadre réglementaire ;
- actions en faveur d'une meilleure gouvernance : réforme de l'administration des douanes et des achats publics, code de conduite pour les fonctionnaires ;
- programme de réformes dans le domaine de la justice, entamé en 1997 ;
- programmes d'infrastructure rurale.

Un plan de développement économique et social du Maroc pour la période 2000-2004 a également été élaboré. Celui-ci synthétise les principaux défis auxquels le pays doit faire face :

¹¹ Sources : CE, *Maroc - Document de stratégie 2002-2006* et Royaume du Maroc, Ministère de la Prévision Economique et du Plan, *Le plan de développement économique et social 2002-2004*.

¹² ADE, *Evaluation of Economic co-operation between the European Commission and Mediterranean countries*, Novembre 2003.

- mise à niveau du tissu productif, en vue de faire face à la concurrence étrangère aussi bien sur le marché intérieur qu'extérieur et améliorer durablement la part du Maroc dans les échanges commerciaux internationaux ;
- modernisation du pays et son insertion dans la civilisation du savoir et de l'information ;
- traitement de la problématique des disparités aussi bien spatiales que sociales qui entachent l'évolution du pays.

Les axes stratégiques visés par le plan sont les suivants :

- Développement économique :
 - promotion de la croissance et de l'emploi (entre autres la modernisation de la base productive, l'amélioration de l'environnement des investissements) ;
 - diversification des sources de la croissance économique (développement de nouveaux secteurs, en lien avec le rétablissement de la compétitivité des entreprises et l'introduction des nouvelles technologies dans les processus économiques) ;
 - renforcement des bases de l'agriculture.
- Développement institutionnel : réforme de l'administration, réforme des entreprises publiques, adaptation des finances publiques.
- Développement spatial et intégration régionale : développement rural et réduction des disparités régionales, aménagement du territoire et organisation des secteurs urbains, association à l'UE visant en priorité à moderniser son appareil productif et ses institutions, intégration régionale.
- Sphère sociale et pauvreté : valorisation des ressources humaines (en particulier la réforme des systèmes d'éducation et de formation professionnelle) et développement social par la satisfaction des besoins fondamentaux, l'extension de la couverture sociale et la réduction des disparités.

Un document de stratégie spécifique au DSP ou encore à la Mise à niveau (MAN) des entreprises n'est pas disponible. On notera encore que, en novembre 2003, l'évaluation MEDA¹³ notait que le Gouvernement marocain n'avait conçu aucune stratégie ni mis en œuvre aucun programme visant directement le renforcement de la compétitivité des entreprises privées. Cela dit, il existe des contrats programmes avec les différents secteurs.

3.5 Stratégie de l'UE

Dès 1963, le Maroc a demandé l'ouverture de négociations pour conclure un accord commercial en 1969 avec l'UE. Cette coopération a ensuite évolué pour aboutir à un nouvel Accord en 1976 portant à la fois sur des dispositions commerciales et sur une participation financière sous forme de dons au développement socio-économique du Royaume. Pour accompagner cet Accord, quatre protocoles financiers ont été signés durant la période 1976 - 1996, complétés par des prêts de la Banque Européenne d'Investissement

¹³ ADE, *Evaluation of Economic co-operation between the European Commission and Mediterranean countries*, November 2003.

(BEI). Ces derniers ont été suivis des programmes **MEDA I** (1996-1999), représentant un triplement de l'aide au Maroc par rapport aux protocoles financiers, et des programmes **MEDA II**.

Sur le plan régional, la Conférence de Barcelone a réuni en novembre 1995 les 15 pays de l'UE et les 12 partenaires méditerranéens, ce qui a abouti à la **Déclaration de Barcelone**, programme de dialogue, d'échange et de coopération visant à garantir la paix, la stabilité et la prospérité dans la région, et englobant trois volets : « politique et sécurité », « économique et financier » et « social, culturel et humain ». Ce partenariat s'établit au niveau bilatéral par un Accord d'Association entre chaque partenaire méditerranéen et l'UE. Le volet économique et financier prévoit la mise en place d'une ZLE entre l'UE et ses partenaires de la méditerranée et également entre les différents partenaires de la méditerranée d'ici 2010.

Le Maroc a signé cet **Accord d'Association** en février 1996. L'Accord, entré en vigueur en mars 2000, après ratification par tous les états membres, a pour objectifs principaux de :

- renforcer le dialogue politique ;
- fixer les conditions nécessaires à la libéralisation progressive des échanges de biens, services et capitaux ;
- développer des relations économiques et sociales équilibrées entre les parties ;
- appuyer les initiatives d'intégration Sud-Sud ;
- promouvoir la coopération dans les domaines économique, social, culturel et financier ;
- respecter les principes démocratiques et les droits de l'Homme.

Le tableau ci-après reprend les différentes interventions de la Communauté Européenne (CE) relatives (de manière directe ou indirecte) au DSP dans le cadre de MEDA I et MEDA II, soit la période couverte par la présente évaluation. Il indique également les enveloppes financières correspondant à ces interventions et leur poids dans le dispositif général des interventions.

Tableau 5 - Récapitulatif des projets DSP¹⁴ MEDA I et MEDA II

Nom du projet	Prévu CE M€	En % du total
MEDA I		
Programme de développement du secteur privé Euro Maroc Entreprises (EME)	21,9	3,6%
Facilité d'ajustement structurel	120,0	19,5%
Appui à la mise à niveau de l'enseignement technique et de la formation	38,0	6,2%
Appui au programme pour la promotion de la qualité	15,5	2,5%
Appui à la privatisation	5,0	0,8%
Projet d'appui aux institutions de garantie (PAIGAM)	30,0	4,9%
Appui aux associations professionnelles (PAAP)	5,8	0,9%
Projet pilote de micro-crédits	0,7	0,1%
Capitaux à risque (BEI)	45,0	7,3%
Appui à la création d'emploi	3,3	0,5%
Total MEDA I DSP	285,2	46,2%
Autres	331,6	53,8%
Total MEDA I	616,8	100,0%
MEDA II		
L'ajustement structurel financier	52,0	14,7%
Projet d'appui aux entreprises (PAE)	61,0	17,3%
Appui au développement de la Formation professionnelle	50,0	14,1%
Total MEDA II DSP	163,0	46,1%
Autres	190,6	53,9%
Total MEDA II	353,6	100,0%

3.6 Stratégies et interventions des autres bailleurs de fonds

Le CSP 2002-2006 offre un aperçu des interventions (prévues) des autres bailleurs de fonds au Maroc, pouvant être résumé comme suit :

Etats Membres :

- **France** (65,5 M€) : Start-ups (3,8 M€), Fonds de garantie de MAN (30,5 M€), Ligne de crédit PME/PMI (30,5 M€), Fonds d'Aide aux Etudes et au Secteur privé (0,7 M€), Financement d'entreprises marocaines, françaises ou conjointes.
- **Espagne** (0,25 M€) : Appui au développement des femmes entrepreneurs.
- **Allemagne** (4,5 M€): MAN - Appui au développement de la compétitivité internationale de l'économie marocaine (3 M€), MAN – Amélioration de la qualité des produits agro-alimentaires (1,5 M€).
- **Italie** (23,1 M€): Promotion des PME dans différentes provinces (4,23 M€), Programme cadre pour le développement du secteur industriel (0,77 M€), Mediterranean 2000 – Développement des PME (0,15 M€), PME/PMI – Ligne de crédit (15,5 M€), Soutien à l'artisanat (2,38 M€).

Plusieurs de ces pays (par exemple l'Allemagne ou la Belgique) soutiennent également des programmes de formation professionnelle.

¹⁴ Les projets mis en exergue en jaune sont les projets retenus parmi l'échantillon des projets à analyser dans le cadre de la mission pays.

Autres bailleurs :

Parmi les autres bailleurs, le CSP ne mentionne des interventions directement liés au DSP que pour la Banque Africaine de Développement ou BAD (marchés des capitaux) et les Etats-Unis (USAID, développement de l'entreprise privée).

4. Constats

Cette section présente les principaux constats pour chaque question d'évaluation appropriée au niveau du pays (questions 2 à 9). Les constats ont été synthétisés au niveau des critères sur la base de une matrice plus détaillé (présenté dans l'Annexe 6) où l'information est présenté au niveau des indicateurs.

EQ 2 – Overall design of the strategy

Is the CEC PSD strategy in terms of “expected results” well designed to ensure the realisation of the purpose of strengthening the business sector with a view to contribute to the overall objectives of the EC external policy?

- A. To what extent is each area of intervention (“expected results”) relevant in terms of contribution to the purpose?
- B. Is its success dependent on certain conditions (another expected result or some other ‘external’ factor)? If yes, which ones? Have they been identified in CEC PSD strategy documents?
- C. Is the set of fields of actions comprehensive (are some essential fields missing (for example, role of champions)?
- D. Is it well structured :
 - i. Are there potential complementarities and synergies between expected results and have they been identified?
 - ii. Are there possible contradictions between fields and have they been identified?
 - iii. Should there be a prioritisation?

2B.1 Conditions to reach the expected results exist

Le (draft) **CSP 1995** soulignait comme un risque important le « *décalage entre la rapidité relative du processus de décision de l'Union et la capacité des autorités marocaines à mettre en œuvre les aides accordées en signant les conventions de financement et en prenant les décisions de principe nécessaires à la mise en œuvre des projets* ». Or, on sait à présent que le décalage sus-mentionné a créé des difficultés. Ainsi, l'évaluation technique finale d'Euro-Maroc-Entreprises (**EME**) (services non financiers) montre que ce projet a souffert d'importants retards (38 mois, soit 43% de la durée du projet) en raison de l'absence d'un statut juridique précis, bien que les TdR du projet stipulaient que « *le statut juridique de l'EME sera convenu avec les autorités marocaines avant le démarrage du projet* ». Durant cette période, le projet ne fonctionnait que grâce à des mesures d'urgence, n'engageant que 8,7% du montant engagé durant sa durée totale. Hormis ce constat à un niveau global, le draft CSP 1995 ne contient pas d'analyse systématique ou détaillée des conditions pour atteindre les résultats.

Le Programme Indicatif National (**PIN**) 2002-2004 identifie pour chaque type de programme des risques/conditions (contrairement aux risques à un niveau général identifiés dans le CSP 2002-2006, ceux-ci sont en lien direct avec le DSP):

- Suite aux problèmes rencontrés pour **EME**, le **PIN** souligne l'importance de trouver pour le Programme d'Appui aux Entreprises (**PAE**) (services non financiers) un montage institutionnel bien ancré dans les mécanismes de MAN marocains existants. De fait, les problèmes liés au statut juridique ne se sont pas posés pour ce programme.
- Pour le programme d'Appui au Développement de la Formation Professionnelle, le **PIN** mentionne le

risque de la fuite à l'étranger des personnes formées en raison d'un rythme de développement économique insuffisant pour stimuler l'embauche de ces personnes. Peu d'information est disponible sur l'ampleur de ce problème, qui semble concerner surtout les niveaux plus élevés de formation.

Dans certains cas il s'est avéré que les résultats de certains programmes dépendaient de conditions n'ayant pas été anticipées de manière suffisante. Ainsi, un nombre important (estimé à 50%) d'entreprises bénéficiaires des services non-financiers fournis via **EME** n'ont pu donner suite aux recommandations faites par les consultants en raison d'une incapacité à financer les investissements conseillés et sont donc passées à côté de la MAN. Certes, des interventions dans le domaine financier (par exemple Projet d'Appui aux Institutions de Garantie (**PAIGAM**) avaient été prévues, mais elles n'ont manifestement pas suffi à éviter ou résoudre cette difficulté.

Un événement important en termes de conditions pouvant affecter les résultats est la fin, le 01/01/05, du processus d'intégration défini dans l'article 2 de l'ATV de 1994. Vu l'importance du secteur du textile et de l'habillement au Maroc, cet événement, pouvant être anticipé de longue date, est de première importance pour le Maroc. Plusieurs initiatives témoignent d'une prise en compte de l'événement (le textile est par exemple un bénéficiaire important des programmes), mais il n'est pas certain que celles-ci sont suffisantes et ont été prises à temps, l'Association Marocaine de l'Industrie Textile et Habillement (AMITH) ayant estimé nécessaire encore en novembre 2003 de « tirer la sonnette d'alarme » à ce sujet.

2D.1 There are potential complementarities and synergies between expected results

Des exemples de complémentarités et synergies entre programmes liés à différents domaines d'intervention existent, notamment entre les **services non financiers (EME)** et le **renforcement des Organisations Intermédiaires (O - Programme d'Appui aux Associations Professionnelles (PAAP)**, menant d'ailleurs à un réel transfert de savoir des uns aux autres. De manière générale, on retiendra l'importance croissante (notamment de MEDA I à MEDA II) accordée aux complémentarités entre les interventions en faveur des OI et celles d'autres programmes (par exemple le développement de la Formation Professionnelle), les OI ayant un rôle clé à jouer dans la MAN des entreprises marocaines.

Toutefois, la difficulté d'un nombre important de bénéficiaires d'**EME** à trouver des financements pour réaliser les investissements conseillés est un contre-exemple, témoignant d'une complémentarité prise en compte de manière insuffisante entre les programmes dans le domaines des **services non-financiers** et ceux concernant les **marchés financés**.

2D.2 Prioritisation of areas of intervention (expected results) leads to a better realisation of the purpose

Tant pour le statut juridique que pour la problématique du financement (voir plus haut), une priorisation des domaines d'intervention aurait pu s'avérer utile en termes de MAN. Il serait toutefois erroné d'en conclure trop rapidement que les interventions au niveau « macro » (l'environnement des entreprises) doivent précéder toute intervention à un niveau meso (marchés financiers, appui aux OI) ou micro (services non financiers). Malgré son évolution dans un contexte difficile, **EME**, par exemple, a pu générer des résultats et contribuer à la création d'une véritable dynamique de MAN.

EQ 3 – Relevance of PSD strategy in a given country

For a given country,

- A. Does the selection of the areas of intervention correspond to the CEC PSD strategy?**
- B. Does the selection of the areas of intervention correspond to clearly identified priority needs of this country to increase the competitiveness of the business sector with the view to contribute to the overall objectives of the EC external policy?**

- 3A.1 The areas of intervention (expect results) in Morocco correspond to the areas proposed in the CEC PSD strategy

Bien qu'au moment de la conception des programmes MEDA I et MEDA II la stratégie en termes de DSP au niveau CEC n'était pas encore disponible, la plupart des programmes MEDA I et MEDA II peuvent être classés sous les différents « domaines d'intervention » prévus par la CE (voir le tableau de l'annexe 6). En général, ces programmes ont d'ailleurs différentes composantes, correspondant à différents domaines d'intervention. En ce sens, il y a continuité entre les programmes MEDA I et MEDA II, les seconds étant moins nombreux, mais englobant plus de domaines d'intervention. Enfin, on notera l'importance accordée à la formation professionnelle au Maroc, domaine qui n'était pas prévu de manière très explicite dans la stratégie CE.

- 3B.1 The selected areas of intervention (expected results) correspond to clearly identified needs of Morocco in terms of PSD

Les différents programmes existants et les domaines d'intervention dans lesquels ils interviennent répondent aux besoins identifiés dans le draft CSP 1995 et le CSP 2002-2006 et une étude de 1999 de la BM :

	Domaines d'intervention EC					
	Environnement	Marchés financiers	Organisations intermédiaires	Investissement et b-to-b	Services non-financiers	Micro-entreprises
Besoins						
Modernisation de l'environnement des affaires	■					
Accès au financement difficile et onéreux		■				■
Modes de production obsolètes			■		■	
Procédures pour la création de nouvelles entreprises						
Accès au foncier difficile						
Manque de flexibilité dans le marché du travail					■	
Manque de qualification de la main d'œuvre						■

On notera que :

- les interventions de la CE ne couvrent pas forcément l'ensemble des besoins en matière de DSP ;
- la formation professionnelle, bien que ne correspondant pas à un domaine d'intervention à proprement parler (mais pouvant être rapprochée des services non financiers) répond à un besoin clairement identifié au Maroc ;
- la présence du **projet pilote d'appui au micro-crédit** est plutôt une intervention à vocation sociale et ne semble pas justifiée parmi les interventions visant à renforcer la compétitivité du secteur privé.

La principale difficulté du Maroc est « une industrie mal armée pour s'intégrer dans l'espace économique euro-méditerranéen ». Or, **si les interventions prises individuellement répondent bien à des besoins réels, les CSP ne proposent pas une véritable analyse et vision globale explicite du DSP au Maroc ni une véritable stratégie visant à traduire une approche intégrée**. C'est plutôt au moment de la mise en œuvre que la stratégie (au sens d'un effort de plus forte articulation des différents programmes) a été « reconstruite ».

A l'époque de MEDA I, la stratégie DSP de l'UE n'avait pas de correspondant au niveau national. Depuis, le Gouvernement a pris diverses initiatives qui vont dans le sens du développement d'une stratégie du DSP. Malgré ces évolutions, on **ne peut pas encore parler d'une stratégie de DSP explicite au niveau national et il est donc difficile de définir la manière dont les interventions de la CE s'inscrivent dans la stratégie nationale.**

EQ 4.1 – Effectiveness - Business environment

To what extend did EC interventions make the institutional, macro-economic and legal and regulatory framework more conducive to PSD?

- 41.1 EC support to the institutional setting has contributed to the development of the business sector
- 41.2 EC support to macroeconomic stabilization has contributed to the development of the business sector
- 41.3 EC support has achieved the removal of legal and regulatory barriers to the development of the business sector

Le programme Facilité d'Ajustement Structurel (**FAS**) mis en œuvre dans la période 1997-1999 a, malgré d'importants délais encourus, mené à des résultats impressionnantes. Plus spécifiquement, il a :

- induit le Gouvernement à concevoir une stratégie macro-économique pour la période 2000-2004 ;
- stimulé l'accomplissement de plusieurs réformes structurelles touchant les secteurs bancaire et financiers, le domaine fiscal, le commerce, la formation, les télécommunications, le secteur minier et la santé.

Malgré l'appréciation positive de ces résultats, des faiblesses ont également été relevées : des conditionnalités qui ne référaient pas de manière suffisamment précise aux exigences du processus de Barcelone et une absence de coordination entre le programme de FAS et d'autres instruments MEDA.

EQ 4.2 – Effectiveness - Reinforcing financial markets

To what extend did EC interventions reinforce financial markets?
<p>42.1 The appropriate framework for supplying well-developed and efficient financial services for SME is reinforced</p> <p>Le programme PAIGAM, visant à faciliter l'accès au crédit des PME/PMI à travers un schéma de garantie fiable et le volet « Fonds national de mise à niveau » (FOMAN) du PAE, s'inscrivent dans un contexte de besoin de financement considérable du système productif marocain (notamment en vue de la concurrence accrue due à la mise en place de la zone de libre échange). De plus, le système bancaire, malgré des surliquidités, n'emploie qu'une faible partie des ressources disponibles pour financer des crédits à moyen ou long terme orientés vers le secteur productif, à des taux d'intérêt élevés (système caractérisé par une faible concurrence et propension au risque insuffisante).</p> <p>Pour ce qui est du PAIGAM, depuis la signature de la convention en novembre 2000, des montants s'élevant à 24 M € ont été garantis. Si l'on tient compte d'un rapport garantie/montant garanti de 1/8, cela représente une garantie de 3 M€, soit une importante sous-utilisation du Fonds (celui-ci s'élevant à 25,5 M€). Ceci suscite la question de savoir si le problème de l'accès au financement se pose en termes de garantie où si le véritable problème à traiter est ailleurs (voir plus loin).</p> <p>Quant au volet FOMAN du PAE, il est un « matching fund » visant à faciliter l'accès des PME aux investissements matériels et au conseil de MAN par la consultance locale, selon une répartition du financement de 20% par l'entreprise, 30% par le FOMAN et 50% par la banque. Depuis la signature de la convention de financement en juillet 2003, 22 dossiers ont été soumis et seulement 1 financé, ce qui est loin du résultat attendu de 140 PME bénéficiaires d'accès aux crédits concessionnels du FOMAN.</p> <p>Ce manque d'utilisation des instruments pourrait s'expliquer comme suit :</p> <ul style="list-style-type: none">▪ Concernant le PAIGAM, la réticence des banques à prêter pourrait s'expliquer, non tant par un problème de garantie, mais par le taux de défaillance important des entreprises, ainsi qu'une perception des banques d'une rentabilité insuffisante du crédit aux PME en comparaison d'autres activités commerciales rentables et/ou un manque de capacités dans l'analyse des risques. A ce titre, on notera que plusieurs initiatives ont été prises en termes de « formation » et analyse des risques dans MEDA II.▪ Quant au volet FOMAN du PAE, selon plusieurs interlocuteurs cet instrument n'est pas efficace parce que soit les banques ne veulent pas prendre le risque de financer, soit elles sont disposées à financer, mais préfèrent renoncer au FOMAN afin d'appliquer leur propre taux.

EQ 4.3 – Effectiveness - Intermediate organisations (IO)

- A. To what extend did EC interventions help IO to increase their capacity to conduct a policy dialogue with the government;**
- B. To what extend did EC interventions help IO to improve the quality or quantity of the services provided to and used by its members?**

4.3A.1 Intermediate organizations have successfully promoted the interests of the private sector as a result of EC support

Il y a environ 500 Associations Professionnelles (AP) au Maroc, dont 300 associations d'entreprises et 200 associations d'individus. En termes de représentativité, il apparaît que :

- il est difficile d'estimer la proportion des entreprises adhérent à une AP, mais celle-ci est faible ;
- les grosses entreprises sont mieux représentées dans le secteur associatif que les PME ;
- de nombreuses AP ont peu de membres ou des membres qui n'ont pas payé leur cotisation ; beaucoup d'AP ne peuvent pas rendre de services à leurs membres ;
- il y a aussi des AP dormantes : sans cotisation et n'ayant aucune activité ;
- la majorité des AP limitent leur rôle à des fonctions de représentation passive.

Deux programmes sont concernés : le **PAAP** et une composante **EME** qui visait le renforcement des AP.

Le **PAAP** a touché 224 AP, représentant environ 14.000 entreprises sur 25.000 à 30.000. Parmi les AP bénéficiaires d'**EME**, l'AMITH a utilisé 35% du budget pour les actions groupées.

Selon plusieurs interlocuteurs, **la fonction de représentation des AP a augmenté et il y a une reconnaissance croissante des AP par le gouvernement**, en particulier les AP industrielles. L'AMITH a entrepris des actions vis-à-vis du gouvernement par rapport à la situation précaire du secteur textile et a tiré la sonnette d'alarme lors d'un séminaire sur le textile à Marrakech fin 2003 afin de provoquer une prise de conscience de l'enjeu de la fin du processus d'intégration défini dans l'article 2 de l'ATV. De manière générale, il ressort des entretiens que les actions en faveur des AP ont été considérées comme pertinentes et efficaces et que les **AP ont un rôle important à jouer dans la MAN**.

En termes de facteurs qui ont contribué au succès du programme on retiendra :

- pour le **PAAP** (outre les synergies avec **EME** évoquées sous 2D.1), le fait que le programme ait été accueilli et géré par une structure privée la Confédération Générale des Entreprises du Maroc (CGEM) : cette forte implication du secteur privé a été accueillie comme une bonne pratique, de par la proximité avec les bénéficiaires ;
- le fait qu'**EME** se présentait comme un « Business Centre » était un facteur d'attractivité pour les AP, tenant à leur autonomie vis-à-vis d'organismes administratifs.

Pour ce qui est des difficultés rencontrées :

- Le **PAAP** a été confronté à d'importants ralentissements, donnant lieu à une contraction du programme provoquant à son tour des difficultés d'ordre divers : une certaine « précipitation » dans la préparation de Plans d'Action (PA) avec un manque d'objectifs précis, difficultés de vérification des conditions d'éligibilité. L'approche était aussi initialement trop « uniforme » par rapport à l'éventail d'AP bénéficiaires.
- **EME** : certaines entreprises, plus fortes au sein des AP, ont plus bénéficié du programme que d'autres ; les entreprises membres d'AP moins dynamiques en ont moins ou n'en ont pas bénéficié.

43B.1 Intermediate organizations provide more and better services to their members as a result of EC support

Peu d'information est disponible sur les services fournis par les AP à leurs membres, mais il ressort des entretiens que peu d'AP sont en mesure de fournir des services payants.

EQ 4.4 – Effectiveness - Investment promotion and Business to Business (b-to-b) cooperation

To what extend did EC interventions increase trade, investment and general b-to-b cooperation?
44.1 EU interventions increased trade, investment or general b-to-b cooperation
<p>Il y a eu très peu d'interventions sur ce point dans le cadre des programmes nationaux. Par contre, en matière de promotion des investissements, on mentionnera le programme régional de Réseau Euro-Méditerranéen des agences de promotion des Investissements, ANIMA. Les bénéficiaires directs du programme sont les Agences de Promotion des Investissements (API) des 12 pays de la région MEDA. L'objectif principal du programme est d'augmenter les Investissements Directs Etrangers (IDE) dans la région MEDA et mettre en place une Agence Euro- Méditerranéenne de Promotion des investissements.</p> <p>Parmi les résultats mis en avant par une évaluation du programme en 2005, on retiendra :</p> <ul style="list-style-type: none">▪ une amélioration des compétences du personnel permanent des API MED ;▪ une implication active des 12 pays bénéficiaires. <p>Cela dit, l'évaluation constate aussi que :</p> <ul style="list-style-type: none">▪ la création d'un véritable réseau méditerranéen et euro-méditerranéen d'API n'a pas encore abouti ;▪ tous les pays méditerranéens sont inégalement préparés pour bénéficier du projet ;▪ l'implication des API européennes est perçue comme réduite ;▪ ANIMA a jeté les bases d'un processus de benchmarking (transparence des conditions du terrain, prise de conscience d'une solidarité régionale) mais les résultats – indirects – manquent de netteté ;▪ on observe des résultats peu tangibles en termes d'amélioration de l'image de la région auprès des investisseurs étrangers (surtout UE). <p>On notera encore que l'évaluation soulève plusieurs difficultés en termes de pertinence, qui suggèrent que le travail de préparation et d'identification du projet a été insuffisant (ce que l'évaluation confirme d'ailleurs, le manque d'étude préparatoire sur plusieurs sujets étant souligné) :</p> <ul style="list-style-type: none">▪ le renforcement des API ne peut avoir qu'un effet marginal sur l'évolution des investissements étrangers, ceux-ci dépendant principalement de facteurs structurels ;▪ la coopération économique régionale étant très réduite dans la région MEDA, les programmes de mise en réseau représentent des paris assez audacieux, au risque d'échec élevé ;▪ une des contraintes majeures est la forte hétérogénéité entre les différentes API-MED ;▪ le programme est fondé sur l'hypothèse d'un intérêt des API des deux rives à coopérer. Cette hypothèse est audacieuse, étant donné la mission des API d'attirer des projets d'investissement sur leur propre territoire : elles s'inscrivent dans une logique de compétition ce qui peut expliquer la grande difficulté à impliquer les API-UE dans le programme ;▪ la logique de transfert de savoir-faire des API-UE vers les API-MED est considérée comme inappropriée puisque les API UE sont surtout en relation avec les investisseurs hors-UE qu'elles ont pour mission d'essayer d'attirer en Europe. <p>Par ailleurs l'évaluation fait remarquer que le projet européen Portail du « Guide de l'investisseur » est destiné aux mêmes bénéficiaires qu'ANIMA, utilise la même approche réseau et couvre des sujets couverts par ANIMA.</p>

EQ 4.5 – Effectiveness - BDS

To what extend did EC interventions aiming to provide non-financial services create a competitive business development services markets?

45.1 EU interventions aiming to provide non-financial services create a competitive business development services markets

Les deux principaux programmes concernés sont **EME** et son successeur le **PAE**, qui visent tous les deux le conseil direct aux entreprises, mais ont également une composante renforcement de la consultation locale. Peu d'information étant disponible à ce jour sur le **PAE**, il n'est pas traité ici.

Entre 1998 et mi-2004, 363 entreprises industrielles (soit 5%) ont bénéficié des actions organisées par **EME** : soit le diagnostic stratégique (275 entreprises), soit des actions spécifiques de MAN (220 entreprises), soit les deux (132 entreprises). Le secteur textile représentait 35% d'entre elles.

En termes **quantitatifs**, les résultats suivants ont été avancés :

- le taux de croissance du Chiffre d’Affaires (CA) des entreprises de l'échantillon a dépassé les 6% (2003) dans plus de la moitié des cas étudiés, à comparer avec un taux de croissance du CA des entreprises industrielles marocaines figurant dans le Top-500 (branche confection) de 4,8%. Ces chiffres sont à nuancer, les bénéficiaires pouvant être les entreprises les plus dynamiques ;
- les activités de l'International Standard Organization (ISO) ont mené à la certification de 41 entreprises sur un total de 65 ayant bénéficié de l'accompagnement vers la certification.

De manière plus **qualitative** :

- le programme a servi de déclencheur ou détonateur de la politique de MAN : prise de conscience de la nécessité de la MAN, création d'une dynamique ;
- les entreprises ont compris l'utilité de l'utilisation du conseil pour se restructurer ;
- le recours aux consultants nationaux, bien que toujours limité, s'est beaucoup étendu, alors qu'il inspirait des appréhensions au niveau de la compétence et de la discrétion ;
- certains chefs d'entreprise satisfaits de la prestation de l'expert envoyé par **EME** ont fait appel à lui pour des prestations à titre privé.

L'accès au financement a constitué une importante limite au programme : 50% des entreprises en sont resté au stade du diagnostic ou pré-diagnostic et n'ont pas trouvé de financement pour réaliser les investissements conseillés.

Parmi les facteurs ayant contribué au succès du programme on retiendra :

- l'orientation vers des entreprises d'une taille suffisante, le processus de MAN étant coûteux et s'adressant nécessairement à des entreprises assez solides et disposant du potentiel requis pour développer la capacité de faire face à la concurrence internationale ;
- le travail en binôme des consultants nationaux avec des consultants étrangers, en raison des effets d'apprentissage bénéfiques, malgré les coûts plus élevés ;
- le succès des actions groupées (portant sur des domaines d'intérêt commun) parmi les actions verticales (c'est-à-dire s'adressant directement aux entreprises et non via les AP) ;
- les *leaders* dans leur secteur, qui sont les principaux à avoir réussi à adapter leur appareil productif et leurs structures de gestion ;
- les actions avec les AP, dites actions horizontales, qui se sont avérées très efficaces.

En termes de difficulté, il est important de noter :

- un manque de sélection :
 - **EME** a eu tendance à accepter toutes les entreprises qui se présentaient (par exemple des entreprises de plus de 1000 employés ou appartenant à d'importants groupes financiers) ;
 - une stratégie plus « demand driven » que « supply driven » ;

- un taux d'interruption de mission de 20% parce que :
 - les entreprises n'étaient pas toujours prêtes à collaborer avec un consultant ou avaient recours à des consultants pour des raisons de prestige et non pour répondre à un besoin précis ;
 - le mauvais choix des consultants (manque de compétence) et la capacité limitée des entreprises à juger de la compétence de ceux-ci ;
- le prix élevé des actions verticales ;
- quant à l'utilisation limitée du conseil local, plusieurs facteurs sont invoqués (certains d'entre eux pouvant être interprétés tant comme cause que comme effet) :
 - peu de locaux exercent l'activité de conseil à temps plein ;
 - l'expertise locale n'est pas toujours présente dans les domaines concernés ;
 - une grande part du marché du conseil au Maroc est aux mains de l'expertise étrangère ;
- le manque de suivi est également mentionné comme facteur limitant les résultats : certains chefs d'entreprise ont laissé le travail du consultant se terminer, alors qu'ils savaient qu'ils ne pourraient l'utiliser.

A un niveau plus global, on mentionnera cette observation de l'évaluation technique finale selon laquelle « **EME** aurait eu plus d'impact sur la mise à niveau des entreprises, si le Gouvernement avait mis en place des mesures d'accompagnement financier. (...) Un programme comme **EME** ne peut servir à lui seul à mettre à niveau les entreprises dans un pays, ce ne peut être qu'une des composantes d'un vaste plan national ».

EQ 4.6 – Effectiveness - Development of micro-enterprises

To what extent did EC interventions help develop micro-enterprises?
<p>4.6.1 EU interventions have contributed to the development of micro-enterprises</p> <p>Le seul programme concerné est le projet pilote d'appui au micro-crédit qui visait à faciliter l'accès au crédit pour les micro-entreprises en soutenant une ONG active dans le secteur. Plusieurs interlocuteurs considéraient que cette intervention n'avait pas sa place en termes de MAN des entreprises marocaines dans un contexte d'établissement de la ZLE.</p> <p>Malgré d'importants délais encourus, le projet a atteint ses résultats en termes de :</p> <ul style="list-style-type: none">▪ création de nouvelles représentations et recrutement de nouveaux agents (résultats doublés) ;▪ octroi de nouveaux prêts : 33% du montant attendu et 25% du nombre de nouveaux prêts, malgré les retards ;▪ professionnalisation de l'ONG bénéficiaire : bon positionnement sur le marché marocain de la micro-finance et capacité accrue à emprunter auprès des bailleurs de fonds internationaux et des banques commerciales ;▪ l'ONG s'est engagée par différentes actions de promotion et formation en faveur d'associations et ONG nationales à améliorer le cadre de la micro-finance au Maroc ;▪ l'ONG a fourni l'accès au micro-crédit pour 135.275 clients actifs sur un potentiel de 1.200.000, soit 11,27% de la demande potentielle ;▪ le système de prêt solidaire de l'ONG est basé sur l'octroi de montants progressifs : l'augmentation du montant moyen indique que les activités menées par les clients se développent ;▪ les prêts individuels pour la création de micro-entreprises affichent une croissance exponentielle. <p>Un important facteur de succès est que l'Assistance Technique (AT) a su établir un très bon rapport avec les dirigeants de l'ONG bénéficiaire en s'intégrant très positivement dans la dynamique organisationnelle interne.</p>

EQ 5 – Sustainability

To what extent are the effects (expected results) of the interventions likely to continue at the end of the EC support?

5.1 The effects of CEC PSD strategy in country X are likely to be long-lasting

La question de la durabilité (ou pérennité) vise à vérifier dans quelle mesure les effets des interventions continuent après l'intervention. Dans certains cas elle vise à vérifier si les interventions elles-mêmes sont durables : pour certains types d'interventions (par exemple les services non financiers) un besoin continu existe (les entreprises ont toujours besoin de ces services) et la question de la durabilité vise alors à vérifier si un relais est assuré (par exemple par le secteur privé, ou, nous y reviendrons plus loin, par le gouvernement).

Poser la question de la durabilité de la *stratégie* DSP revient d'abord à se demander si les résultats obtenus en termes d'amélioration de la compétitivité grâce au « mix » des différents domaines d'intervention seront maintenus après les interventions. Ensuite, cela revient à se poser la question de la continuité de la stratégie elle-même.

La réponse à la question de la durabilité des résultats obtenus est analysée pour chaque domaine d'intervention séparément ci-après. Il est difficile de se prononcer sur la durabilité de l'amélioration de la compétitivité (ou de la MAN dans le cas du Maroc), la mesure de ces résultats étant partielle et plutôt **qualitative**. Une question à mettre en exergue est toutefois celle de savoir si les mesures prises dans le secteur textile et habillement seront suffisantes et ont été prises à temps pour éviter que les résultats obtenus dans ce secteur soient perdus suite à la fin en janvier 2005 du processus d'intégration défini dans l'article 2 de l'ATV de 1994.

En termes de continuité de la stratégie on retiendra :

- que la stratégie en termes de MAN au Maroc est, pour l'instant encore, portée en grande partie par l'UE, sans qu'il y ait (malgré des évolutions récentes sur ce point) une stratégie marocaine de DSP très explicite qui puisse prendre le relais et dont la stratégie UE serait une composante, l'UE ne pouvant assumer le rôle d'assurer seule la MAN ;
- qu'au niveau de l'UE, il n'y a pas assez de vision globale, surtout lors de MEDA I, une vision plus stratégique ayant été reconstruite *ex post* lors de MEDA II.

5.2 Institutional, macroeconomic, legal and regulatory improvement is not disappearing / has not disappeared after EC intervention

Peu d'information est disponible en termes de durabilité des interventions aux niveau institutionnel et macroéconomique.

5.3 Reinforcement of financial markets is long-lasting

Vu la sous-utilisation du **PAIGAM** et du **FOMAN**, c'est d'abord leur pertinence qui est mise en question, ce qui soulève la question de la poursuite de ces programmes.

5.4 Reinforcement of IO position is not lost after EC intervention finishes

En termes d'implication des AP dans les processus de décision, plusieurs signes montrent que leur rôle est de plus en plus reconnu, comme interlocuteur, mais également comme intermédiaire clé dans la MAN.

En termes de relais et de capacité d'auto-développement, on notera que les AP n'ont pas de véritable capacité d'autofinancement (elles ne sont, par exemple, pas capables de générer des services payants) et que souvent elles ne peuvent garder les personnes engagées avec l'aide du **PAAP**. Les AP les plus susceptibles de pouvoir pérenniser les acquis obtenus grâce au programme sont celles qui étaient déjà solidement structurées au moment du lancement du **PAAP**. Les limites en termes d'auto-développement doivent susciter la question de la *nature* du relais : si les autorités nationales considèrent réellement les AP comme un interlocuteur important dans le cadre de la MAN, l'aide aux AP doit peut-être être maintenue et est sans doute inévitable pour certaines AP, représentatives, interlocuteurs valables, mais incapables d'assurer leur propre subsistance.

5.5 Business-to-business cooperation, trade and investment continues to expand after EC intervention
Information non disponible (en relation aux interventions).
5.6 A competitive BDS market continues to function after EC intervention has finished
<p>Il y a peu de données sur l'évolution de la demande pour les services non subventionnés aux entreprises. Il existe toutefois des exemples d'entreprises qui continuent à faire appel aux services des consultants après l'intervention. De même, au fur et à mesure que le programme EME progressait, l'utilisation des consultants locaux a été croissante. Peu d'information est toutefois disponible sur la pérennité de ce type d'effet et il est difficile d'affirmer que le secteur privé est en mesure de continuer à faire appel à de tels services sans s'appuyer sur des aides.</p> <p>La question de savoir si à terme l'aide doit nécessairement disparaître, devrait rester ouverte, une aide continue, comme c'est le cas par exemple en Europe, pouvant être justifiée. Dans ce cas, l'implication du Gouvernement s'avérerait cruciale en termes de durabilité, l'UE ne pouvant jouer ce rôle indéfiniment.</p> <p>La question de la durabilité doit aussi être posée au niveau des effets obtenus en termes d'amélioration de la compétitivité, visée principale des programmes concernés. A ce sujet on notera que :</p> <ul style="list-style-type: none">▪ le programme a contribué à lancer une dynamique d'adaptation de l'appareil productif marocain, dont la pérennité dépendra de l'implication du gouvernement ;▪ la pérennité des services aux entreprises est conditionnée par la capacité de résoudre les difficultés d'accès au financement.
5.7 Micro-enterprises continue to develop
Peu d'information est disponible sur le développement des micro-entreprises. Il ressort toutefois de l'évaluation que l'ONG bénéficiaire a atteint une autonomie opérationnelle (capacité de l'ONG de fonctionner sans subvention d'exploitation) et financière (capacité d'emprunter directement sur le marché des capitaux).

EQ 6 – Efficiency

To what extent have the organisational set-up or management systems and processes contributed or hindered the efficiency of the EC interventions to support private sector development? Four aspects are of particular interest to our evaluation:

- A. The deconcentration process and the support given by HQ
- B. The preference given in some regions to all-country programmes
- C. The preference given in some regions to promote local expertise instead of using international support
- D. Other organisational set-up or management systems and processes

6A.1 The deconcentration has contributed to the efficiency of the EC interventions

En termes d'efficience, plusieurs améliorations sont dues à la déconcentration:

- rapidité des prises de décision, notamment pour les appels d'offre, les contrats, les paiements, ce qui est d'ailleurs très lisible en termes d'augmentation des décaissements ;
- meilleure connaissance des besoins et des programmes conduisant à une meilleure programmation ;
- meilleure connaissance des interlocuteurs.

Cela dit :

- la charge de travail a fortement augmenté, la Délégation devant accomplir ses anciennes tâches, mais aussi une série de tâches qui étaient auparavant dévolues au Siège ;
- cette augmentation a pour effet que les tâches ont tendance à converger vers l'opérationnel au détriment de la réflexion stratégique (notamment en vue de la prochaine période de programmation) ;
- sans doute la prévalence d'une logique de déboursement sur une logique de résultat, évoquée par plusieurs interlocuteurs, doit être vue en relation avec l'augmentation de la charge de travail et avec la règle n+3 (voir 6D.1).

Enfin, on retiendra que plusieurs interlocuteurs ont souligné l'importance de l'échange d'expérience entre Délégations (certains échanges ont déjà lieu), *a fortiori* dans le contexte des pays MEDA où les échanges régionaux sont essentiels.

6B.1 The use of “all-country” programmes has contributed to the efficiency of the EC interventions

Pas d'information.

6C.1 The use of local expertise has contributed to the efficiency of the EC interventions

Pas d'information.

6D.1 The organisational set-up and management system has contributed to an efficiency implementation of the programme

En termes d'efficience de la gestion des programmes, on notera que:

- l'implication du secteur privé dans la gestion (voir le **PAAP**) est considérée comme une pratique favorisant l'efficience ;
- plusieurs programmes ont connu d'importantes difficultés de démarrage, en raison d'un manque d'anticipation de certaines difficultés (voir le statut juridique d'**EME**), des difficultés des procédures, des changements d'équipe ;
- pour plusieurs programmes, les coûts de gestion sont ou s'annoncent élevés (en raison des difficultés de démarrage, de changement d'équipe, d'un excès de formalisme dans la gestion des budgets, ou encore de succès limité du programme) ;
- la règle n+3 est considérée comme inadéquate, la convention de financement ne suivant pas toujours

directement la décision de financement, ce qui fait perdre du temps précieux aux programmes et favorise une certaine précipitation (logique de déboursement au lieu d'une logique de résultats).

Ces différents éléments ont eu une incidence négative sur la réalisation des résultats tant en termes de quantité (moins d'entreprises touchées, etc.) que de qualité (voir par exemple les problèmes de préparation des PA des AP, l'approche très *demand driven*).

Cela dit, des exercices importants de rattrapage ont eu lieu et plusieurs gestionnaires ont fait preuve d'une capacité d'adaptation au contexte difficile (voir par exemple le contrat cadre dans **EME**).

EQ 7 – Coherence (within EU action)

- A. To what extent does the EC PSD policy in general take into account other EU strategies and policies?
- B. To what extent does the EC PSD support strategy within a country strategy take into account:
 - i) The support given to other sectors within the same country strategy?
 - ii) Other EU strategies and policies
- C. To what extent do national or regional EC PSD programmes within a country take into account:
 - i) Other PSD programmes within the same country
 - ii) The support given to other sectors within the same country
 - iii) Other EU strategies and policies

7B.1 The EC PSD support strategy within a country takes into account other EU interventions

Le draft CSP 1995, le CSP 2002-2006 et le **PIN** 2002 font le relevé des différents types d'actions proposés dans les autres secteurs, mais ne contiennent pas de véritable analyse des synergies, conflits ou double emplois possibles entre les interventions relatives au secteur privé et ces autres interventions. La mission pays n'a pas fourni d'enseignements particuliers en termes d'incidence (positive ou négative) des interventions dans d'autres secteurs sur la réalisation des objectifs en termes de DSP.

Le CSP 2002-2006 contient une section dédiée explicitement à la cohérence avec d'autres politiques communautaires. A ce titre l'on notera d'ailleurs la situation particulière du Maroc, où la stratégie du DSP doit être comprise en relation directe avec l'Accord d'Association et la Déclaration de Barcelone. Tant le draft CSP 1995 que le CSP 2002-2006 et le **PIN 2002-2004** situent très explicitement la stratégie DSP dans ce contexte. Outre l'interaction étroite entre la stratégie DSP et la politique UE traduite dans la Déclaration de Barcelone, nous n'avons pas d'indications sur l'incidence d'autres politiques UE sur la réalisation des objectifs DSP dans le pays.

7C.1 National or regional EC PSD programmes within a country take into account other EU interventions

De manière générale, les documents de programmation ne contiennent pas d'analyse systématique et explicite des possibles complémentarités, synergies, conflits ou double emploi avec d'autres programmes de DSP ou des programmes dans d'autres secteurs au Maroc (il y a toutefois certaines références dans le **PIN 2002-2004**). Plusieurs exemples montrent toutefois que des complémentarités entre programmes DSP (notamment entre **EME** et le **PAAP**) ont été exploitées, avec des effets positifs sur la réalisation des objectifs. De tels exemples ne sont pas disponibles pour l'interaction avec d'autres secteurs, ni d'ailleurs des exemples de programmes DSP ayant eu un impact négatif sur d'autres programmes DSP.

EQ 8 – Coordination (with other donors)

To what extend is there coordination between donors, both at central and at country level?
<p>8.2 The EC actively participates to multi-donor coordination process at country level</p> <p>La coordination au Maroc émane des bailleurs et non des autorités nationales.</p> <p>Le CSP 2002-2006 décrit les activités des autres bailleurs de fonds et son annexe III contient un tableau sur les activités des Etats membres et autres bailleurs, précisant les priorités par secteur.</p> <p>Certains documents de programmation se réfèrent explicitement aux activités et politiques des autres bailleurs de fonds, bien que cela ne semble pas être une démarche systématique :</p> <ul style="list-style-type: none">▪ Les documents de programmation du programme de FAS mentionnent, par exemple, que « les réformes présentées sont cohérentes avec le prêt de développement des marchés financiers de la BM » (p. 17) ou encore qu'une « coordination étroite avec la BM et le FMI est prévue » (p. 18).▪ Le PAE quant à lui spécifie que l'Unité de Gestion de Projet (UGP) a pour tâche d'assurer le suivi des réalisations et de coordonner l'ensemble des actions du programme entre elles et avec les actions du Gouvernement marocain et les autres bailleurs de fonds. <p>On notera également que le CSP 2002-2006 mentionne que son processus d'élaboration a été étroitement coordonné avec les représentations des Etats membres sur place.</p> <p>Depuis 2003, il existe un groupe de coordination mutli-bailleurs en matière d'aide au DSP, composé de différentes instances présentes dans le pays (outre la Délégation CE : Société Financière Internationale (SFI), North Africa Enterprise Development facility (NAED), USAID, Mission Economique Française, Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ), Agence Nationale pour la Promotion de la PME (ANPME), etc.) et coordonné par la Société Financière Internationale (SFI). Ce groupe vise à faire l'état des lieux des programmes de DSP au Maroc, à coordonner les activités, à élaborer des statistiques. Il se réunit tous les trois mois et en était en avril 2005 à sa huitième réunion trimestrielle. Ces réunions sont au besoin suivies de réunions plus ad hoc d'échange « d'information brute ».</p> <p>Peu d'information est disponible quant à une distribution systématique des tâches, mais plusieurs interlocuteurs ont fait remarquer qu'il n'y avait pas d'exemple de double emploi. On notera encore à ce titre que la BM a abandonné l'idée d'un programme de MAN pour se centrer sur l'accompagnement de la zone libre échange UE.</p> <p>Enfin, il n'existe pas de programme multi-bailleurs (voir questionnaire), mais des initiatives conjointes ont été prises, comme l'organisation de réunions de sensibilisation du grand public pour des programmes similaires ou complémentaires.</p>

EQ 9 – Cross-cutting issues

Do the EC PSD interventions show concern for cross cutting issues such as promoting women led enterprises, ensuring acceptable working conditions notably for women, protecting the environment and promoting better governance practices?

9.2 CCI are taken into account in the PSD strategy and by programmes in country X

Malgré l'affirmation du CSP 2002-2006 selon laquelle la mise en place de la stratégie se fera en tenant compte des thèmes transversaux comme le genre et l'environnement et des références ponctuelles faites dans le **PIN 2002-2004** pour certains programmes, peu d'éléments sont disponibles pour affirmer qu'une analyse détaillée de l'intégration des thèmes transversaux existe. Cela dit, on retiendra que les bénéficiaires finaux du projet pilote appui au micro-crédit étaient majoritairement des femmes, cible première de la fondation Zakoura.

9.3 A CCI is treated through a specific project or programme in the frame of the PSD support in country X rather than as an horizontal issue

Il n'existe pas de programme de ce type au Maroc.

5. Conclusions

5.1 Pertinence

La **stratégie de l'UE** en matière de DSP au Maroc **répond à des besoins généralement reconnus**, même si :

- La pertinence de certains programmes a été remise en question :
 - soit parce que le besoin n'avait pas été identifié avec assez de précision (le problème d'accès au financement ne se réduit pas à un problème de garanties) ;
 - soit parce que la conception du programme n'était pas optimale (le volet **FOMAN** du **PAE**, le programme régional **ANIMA**).
- Dans un contexte de la fin de l'ATV en janvier 2005, il n'est pas certain que cette échéance ait été suffisamment prise en compte dans la stratégie, alors qu'elle est essentielle, compte tenu de l'importance du secteur textile au Maroc.

Cette stratégie **s'accorde en grandes lignes avec la stratégie globale de l'UE** pour le DSP, même si celle-ci était postérieure à l'élaboration des programmes. On notera toutefois :

- l'importance de la formation professionnelle au Maroc, un « domaine d'intervention » qui n'est pas identifié comme tel dans la stratégie globale UE ;
- la remise en question de la place des interventions en faveur des micro-entreprises dans le contexte marocain de la MAN des entreprises, en vue de l'instauration de la ZLE.

Le cas du **Maroc offre des enseignements importants en termes d'articulation des différents « domaines d'intervention »** :

- il existe des exemples de complémentarité entre programmes de différents domaines d'intervention, notamment ceux en faveur des OI et les services non financiers ;
- de MEDA I à MEDA II, les OI jouent d'ailleurs un rôle de plus en plus central au sein du dispositif des programmes, fonctionnant comme intermédiaires et acteurs stratégiques en termes de MAN ;
- parfois, des complémentarités « vitales » ont été anticipées de manière insuffisante, notamment entre les services non financiers et l'accès au financement, comme le révèle la difficulté d'un nombre important d'entreprises pour trouver les financements indispensables à la réalisation des investissements conseillés ;
- malgré l'importance d'assurer un cadre juridique et institutionnel approprié pour le fonctionnement des programmes (**EME**), l'absence d'un tel cadre ne doit pas forcément avoir un effet de blocage : **EME** a montré que l'on pouvait obtenir des résultats importants et déclencher une dynamique, même dans un tel contexte.

Cela dit, **peu d'éléments permettent d'affirmer qu'il existe pour le Maroc une véritable vision globale de l'UE en matière de DSP**, bien qu'il y ait une évolution importante sur ce point de MEDA I à MEDA II : même si la seconde période s'inscrit en continuité avec la première, elle s'appuie sur une cohérence et une vision globale « reconstruite ». Par ailleurs, si les interventions répondent bien à des besoins reconnus, une analyse très systématique des besoins ou une mise à jour d'autres études ne semblent pas avoir eu lieu.

Enfin, deux problèmes importants se posent en termes de rapport entre la stratégie de l'UE au Maroc et la stratégie du Gouvernement:

- des problèmes de décalage entre les processus de décision UE et la capacité des autorités marocaines à prendre les décisions nécessaires à la mise en oeuvre des projets, déjà évoqués dans le draft CSP 1995, semblent subsister et ont eu des conséquences néfastes pour certains programmes (notamment EME) ;
- il semble que la **stratégie UE de DSP au Maroc n'ait toujours pas de véritable correspondant du côté du Gouvernement marocain**. Ceci était le cas lors de MEDA I, mais, malgré plusieurs initiatives, il n'y a pas à proprement parler de stratégie explicite et articulée du DSP au Maroc, de telle sorte que la MAN, pourtant essentielle, semble portée principalement par l'UE, ce qui n'est pas son rôle.

5.2 Efficacité

En termes d'efficacité, on notera que :

- des résultats ont été obtenus en termes d'environnement des entreprises ;
- malgré des surliquidités, le problème de l'accès au financement demeure important et les réponses données peu efficaces parce que peu pertinentes (voir plus haut) ;
- les démarches en faveur des OI:
 - ont mené à des résultats concrets (importance croissante des OI comme interlocuteur et intermédiaire), mais il y a encore un long chemin à parcourir (par exemple en termes de capacité à fournir des services payants aux membres) ;
 - on retiendra la gestion du programme par le secteur privé comme bonne pratique ;
- peu est fait au niveau de la promotion des investissements ;
- le programme des services non financiers a provoqué une dynamique et a fait que le recours aux consultants locaux s'est étendu, bien qu'il soit toujours limité:
 - parmi les bonnes pratiques on retiendra: le travail en binôme expert UE – expert marocain et l'orientation vers les entreprises d'une taille et d'un potentiel suffisante ;
 - certaines difficultés ont été relevées : approche trop *demand driven*, problème de choix des consultants, manque de suivi ;
- le programme en faveur des micro-entreprises s'est révélé efficace mais peu pertinent par rapport au DSP.

5.3 Durabilité

Au niveau stratégique :

- pour ce qui est de la durabilité des effets obtenus, on rappellera la question mentionnée plus haut concernant la fin de l'ATV. Si cet événement n'a pas été anticipé de manière satisfaisante, d'importants effets négatifs en termes de maintien des résultats obtenus grâce aux programmes peuvent se produire ;
- en termes de continuité, on rappellera le manque de relais de la part du Gouvernement marocain en termes de stratégie de MAN, élément déterminant pour assurer la durabilité des interventions nécessaires à la MAN.

Au niveau des programmes :

- la poursuite des programmes non pertinents doit être remise en cause ;
- vu l'importance croissante des AP, entre autres comme interlocuteur des autorités, la question d'un soutien continu et donc du relais de la part du Gouvernement marocain doit être posée (ceci vaut également pour les services non financiers) ;
- le maintien des résultats obtenus grâce aux services financiers dépendra aussi de la capacité à résoudre la question de l'accès au financement.

5.4 Efficience

La déconcentration :

- produit des effets bénéfiques : rapidité, meilleure connaissance des besoins et de la programmation, meilleure connaissance des interlocuteurs ;
- mais pose aussi certains problèmes, notamment en termes de charge de travail fortement accrue, créant une tendance à :
 - orientation vers l'opérationnel au détriment du stratégique (à lier aux problèmes de vision globale mentionnée plus haut, surtout en vue de la prochaine période de programmation) ;
 - privilégier une logique de déboursement par rapport à un logique de résultats.

Au niveau des programmes, il y a eu d'importants problèmes de démarrage qui ont eu des répercussions sur les résultats obtenus, tant en quantité qu'en qualité. Une difficulté supplémentaire est liée à la règle n+3. Ces différents facteurs peuvent expliquer l'orientation sur l'opérationnel et la logique de déboursement. On notera toutefois que les gestionnaires ont fait preuve d'une capacité d'adaptation, donnant lieu à, par exemple, des rattrapages. Pour plusieurs programmes les coûts de gestion étaient élevés (liés aux difficultés de démarrage, au manque de succès des programmes, ...).

5.5 Cohérence, coordination, thèmes transversaux

Il ne semble pas il y avoir d'approche très systématique en termes de cohérence, mais il n'y a pas eu non plus de problèmes évoqués sur ce point.

La coordination est surtout le fait des bailleurs et non du gouvernement marocain et concerne surtout l'échange d'information. Il n'y a pas de signe d'une approche systématique de distribution des tâches, mais il semble qu'il n'y ait pas eu de double emploi.

Il n'y a pas de véritable approche systématique en matière de thèmes transversaux. Ceux-ci ne semblent pas avoir reçu un traitement prioritaire au Maroc.

ANNEXES

Annexe 1 – Personnes rencontrées

Délégation¹⁵

Organisation	Nom	Fonction
Délégation Maroc	Olivier Ruyssen	Premier Conseiller
Délégation Maroc	Pierre Hennebert	Chef de section
Délégation Maroc	Friedrich Hennemeyer	Chargé de programmes
Délégation Maroc	Alessandro Cerini	Chargé de projets et programmes
Délégation Maroc	Thierry Deloge	Chargé de programmes
Délégation Maroc	Martial Laurent	Chargé de programmes
Délégation Maroc	Olivier Breteche	Chargé de programmes

Autorités locales

Organisation	Nom	Fonction
ANPME	Latifa Echihabi	Directeur Général
Secrétariat d'Etat chargé de la Formation Professionnelle	El Hassane Benmoussa	Secrétaire Général

Unité de gestion de projet / Assistance technique

Organisation	Nom	Fonction
ANPME / UE	Paolo Castrataro	Chef de Projet
PAAP / UE	Omar Oukrid	Directeur
PAAP / UE	Dominique Séran	Conseiller

Bénéficiaires

Organisation	Nom	Fonction
CGEM	Mouhcine Ayouché	Directeur Délégué
Fédération Interprofessionnelle du Secteur Avicole	Chaouki Jerrari	Directeur Général
Fédération Interprofessionnelle du Secteur Avicole	Nabir Mourid	Responsable Développement

¹⁵ Ces personnes ont été rencontrées à plusieurs reprises: pour le briefing du 04/04/05 (sauf M. Ruyssen), individuellement pour des réunions bilatérales et pour le debriefing du 08/04/05 (sauf M. Ruyssen et M. Hennemeyer). M. Hennebert a également participé à la réunion avec l'IIFC et M. Deloge à la réunion avec le Secrétariat d'Etat chargé de la Formation Professionnelle.

Fédération Interprofessionnelle du Secteur Avicole	Ahmed Lamaachi	Responsable Administratif
R&D Maroc	Mohamed Smani	Directeur

Autres bailleurs de fonds

Organisation	Nom	Fonction
IFC	Joumana Cobein	Program Manager Middle East & North Africa Department

Annexe 2 – Documents consultés

1. Documents relatifs au développement du secteur privé

CE, Communication: Cooperation de la CE avec les pays tiers: Comment la Commission envisage de soutenir, à l'avenir, le développement des entreprises (2003).

CE (2003), EuropeAid, Guidelines Appui au Secteur Privé.

EC (2003), Communication : Sharing support for private sector development in the Mediterranean.

EC (1998), Communication: EC Co-operation with Third Countries: The Commission's approach to future support for the development of the Business sector.

EC (2003), EU Economic and Commercial Counsellors' 2003 Report.

2. Documents relatifs au pays

ADE (2003), Evaluation of Economic co-operation between the European Commission and Mediterranean countries.

BM (1999), Royaume du Maroc. Mise à jour de l'évaluation du secteur privé. Le secteur privé : Moteur de la croissance économique marocaine.

BM (2004), Morocco at a glance.

BM, Royaume du Maroc. Note de stratégie du secteur financier.

CE (2004), Document de travail des services de la Commission. Politique européenne de voisinage. Rapport sur le Maroc.

CE (2004), Document de travail des services de la commission. Politique européenne de voisinage. Rapport sur le Maroc.

CE, Maroc. Country strategy paper 1995 (draft).

CE, Maroc. Document de strategie 2002-2006 & Programme Indicatif National 2002-2004.

CE, Maroc. Programme Indicatif National.

EC, Regional Strategy Paper 2002-2004 & Regional Indicative Programme 2002-2004.

GFA (2003), Etude sur le développement des secteurs conseil et ingenierie industrielle.

IMF (2004), Maroc : questions générales (Rapport du FMI n° 04/164).

Maroc, Ministere de la prevision economique et du plan, Le plan de développement économique et social 2000-2004.

MWH-ODI-ECDPM (2003), Evaluation de la stratégie pays de la Commission européenne pour le Maroc.

Royaume du Maroc, Ministère de l'Economie, des Finances et de la Privatisation (2002),
Tableau de bord sectoriel de l'économie marocaine.

Royaume du Maroc, Ministère de l'Industrie, du Commerce, de l'Energie et des Mines,
Evolution du potentiel compétitif de l'économie marocaine de l'observation 1994
à l'observation 2000.

3. Documents relatifs aux programmes

Programme de développement du secteur privé Euro-Maroc-Entreprises (EME)

Convention de financement spécifique entre la Communauté Européenne et l'Agence Nationale pour la Promotion de la PME.

ECO (2004), Evaluation technique finale du Programme de Développement du Secteur Privé « Euro-Maroc-Entreprises ».

GOPA-AETS-CAC, Mission d'Appui au volet modernisation des PME en matière d'évaluation du portefeuille services du projet et d'impact économique au niveau des entreprises.

Facilité Ajustement Structurel

Convention de financement entre la Commission des Communautés Européennes et le Royaume du Maroc.

Appui à la mise à niveau de l'enseignement technique et de la formation professionnelle au Maroc

Convention de financement spécifique entre la Communauté Européenne et L'Office de la Formation Professionnelle et de la Promotion du Travail.

EC, Rapports de monitoring 2002 et 2003.

Appui à la privatisation

Convention de financement entre la Commission des Communautés Européennes et le Royaume du Maroc.

Projet d'Appui aux Institutions de Garantie (PAIGAM)

Contrat de subvention entre la Communauté Européenne et la Caisse Centrale de Garantie.

EC, Rapports de monitoring 2003 et 2004.

Programme d'Appui aux Associations Professionnelles (PAAP)

Contrat de subvention – Avenant n°4.

DFC (2003), Evaluation à mi-parcours.

PAAP Infos : septembre 2002 – mars 2005.

Projet pilote d'appui au micro-crédit

Contrat de subvention entre la Communauté européenne et la Fondation ZAKOURA.

EC, Rapport de monitoring 2003.

Evaluation finale.

Programme d'Appui aux Entreprises

Convention de financement spécifique entre la Communauté européenne et le Royaume du Maroc.

EC, Rapport de monitoring 2004.

Réseau Euro-Méditerranéen des agences de promotion des Investissements - ANIMA

Rapport final (2005).

Annexe 3 – Carte du pays



Annexe 4 – Liste de projets

Le tableau ci-dessous liste les différents programmes/projets (ci-après « programmes ») au Maroc pour la période 1995-2003 (correspondant en grandes lignes aux périodes MEDA I et MEDA II), ainsi que les montants prévus pour chaque programme/projet et leur part relative dans l'ensemble des programmes/projets de la période MEDA I ou MEDA II. Les programmes relatifs au DSP sont repris individuellement ; les autres programmes sont groupés dans la catégorie « autres ». Les programmes repris dans l'échantillon sont soulignés en jaune.

Nom du projet	Prévu CE M€	En % du total
MEDA I		
Programme de développement du secteur privé Euro Maroc Entreprises (EME)	21,9	3,6%
Facilité d'ajustement structurel	120,0	19,5%
Appui à la mise à niveau de l'enseignement technique et de la formation	38,0	6,2%
Appui au programme pour la promotion de la qualité	15,5	2,5%
Appui à la privatisation	5,0	0,8%
Projet d'appui aux institutions de garantie (PAIGAM)	30,0	4,9%
Appui aux associations professionnelles (PAAP)	5,8	0,9%
Projet pilote de micro-crédits	0,7	0,1%
Capitaux à risque (BEI)	45,0	7,3%
Appui à la création d'emploi	3,3	0,5%
Total MEDA I DSP	285,2	46,2%
Autres	331,6	53,8%
Total MEDA I	616,8	100,0%
MEDA II		
L'ajustement structurel financier	52,0	14,7%
Projet d'appui aux entreprises (PAE)	61,0	17,3%
Appui au développement de la Formation professionnelle	50,0	14,1%
Total MEDA II DSP	163,0	46,1%
Autres	190,6	53,9%
Total MEDA II	353,6	100,0%

Annexe 5 – Fiches de projets

Projet No 1 Programme du développement du secteur privé Euro-Maroc Entreprises (EME)

1. Données d'identification du programme

Titre	Programme du développement du secteur privé Euro-Maroc Entreprises (EME)
Numéro	MAR/B7-4100/IB/96/099
Source de financement	MEDA
Décision de financement	06/07/95
Convention de financement	- 1995 - Convention de financement spécifique avec l'ANPME signée en juin 2003 ¹⁶
Date de début (réelle)	1997
Date finale prévue	30/04/2004
Budget total	23 millions €
Budget CE (engage)	23 millions € (dont 3,7 couvert par la convention ANPME)
Budget CE contracté	21,9 millions € (31/01/05)
Paiements	17,9 millions € (31/01/05)
Bénéficiaire(s)	Secteur manufacturier et services liés à l'industrie
Opérateur (si différent du bénéficiaire)	

2. Budget (pour la convention de financement spécifique)

Budget opérationnel	3.100	EUR
Evaluation et audit	240	EUR
Frais divers et imprévus	360	EUR
TOTAL	3.700	EUR

3. Objectifs globaux

L'objectif global est de contribuer à la croissance des revenus réels ainsi que de la création d'emplois qualifiés par l'amélioration de la compétitivité et de la productivité du secteur privé au Maroc.

¹⁶ Cette convention supplémentaire a été signée en juin 2003 avec l'ANPME et porte sur 3,7 millions d'euros.

4. Objectifs spécifiques

L'objectif principal d'**EME** est l'accompagnement à la mise à niveau des Petites et Moyennes Entreprises (PME) marocaines touchées par le démantèlement tarifaire et plus globalement par une concurrence internationale accrue induite par l'entrée en vigueur de l'Accord d'Association entre l'Union Européenne et le Maroc. Le programme vise essentiellement à fournir des services de consultation et de formation aux entreprises du secteur privé.

- rendre les entreprises plus efficaces (acquisition de connaissances, méthodes plus performantes, appui d'experts, prise en compte des besoins informatiques) ;
- identification de partenaires commerciaux en Europe et mise en place d'accords de coopération et d'une gestion efficace des relations commerciales par les entreprises marocaines. Démarrage du « Euro-Info-Correspondance Centre » ;
- amélioration de l'environnement de l'entreprise (institutionnel et de services), renforcement des associations professionnelles.

5. Activités

Trois volets:

- Actions de conseil :
 - diagnostics d'entreprises, plans d'actions, expertise de court terme (en gestion et en technologie) avec accent sur politique commerciale vis à vis de l'UE ;
 - appui au montage de dossiers financiers de crédit à l'entreprise.
- promotion des échanges et du partenariat :
 - identification de partenaires commerciaux européens,
 - accords de coopération (franchises, licences.),
 - démarrage de la cellule de l'EICC (« Euro-Info-Correspondance Centre »).
- Mise en valeur des associations d'entreprises :
 - renforcement du rôle de ces associations par rapport au pouvoir public via la formation;
 - financement d'études stratégiques sectorielles ou de diagnostics, plans d'action, séminaire de formation, sensibilisation.

6. Résultats attendus

- amélioration de la compétitivité (mesurable à moyen terme) ;
- diminution des coûts de production ;
- amélioration de la production (qualité, quantité, CA, exportations, emplois créés.) ;
- augmentation des exportations des entreprises marocaines, investissements directs européens et entreprises conjointes.

Projet No 2 Facilité d'ajustement structurel (FAS)

1. Données d'identification du programme

Titre	Facilité d'ajustement structurel (FAS)
Numéro	MAR/B7-4100/IB/MED/96/083
Source de financement	MEDA
Décision de financement	
Convention de financement	24/02/1997
Date de début (réelle)	
Date finale prévue	30/06/1999 (date limite)
Budget total	
Budget CE (engage)	120 000 000 €
Budget CE contracté	
Paiements	
Bénéficiaire(s)	Royaume du Maroc
Opérateur (si différent du bénéficiaire)	

2. Budget

Pas de détail dans la convention de financement.

3. Objectifs globaux

L'objectif global est d'améliorer la compétitivité de l'économie marocaine et de valoriser les ressources humaines dans un cadre macro-économique stable permettant de poursuivre les réformes structurelles en vue de relever les défis liés à la future Zone de libre échange avec la Communauté Européenne¹⁷.

4. Objectifs spécifiques

La Facilité Ajustement Structurel (FAS) est conçue comme un appui à la mise en place de réformes pour répondre à ces défis majeurs. Les objectifs sont transcrits sous forme d'une matrice de mesures articulées autour de trois tranches (versements 30, 40, 50 MECU), axées sur les domaines clés suivants :

1. Adoption d'une stratégie de développement Economique et Social à moyen terme.
2. Finances publiques:
 - a. réduction du déficit budgétaire (hors privatisations),
 - b. réforme de la fiscalité,
 - c. rationalisation des dépenses publiques.

¹⁷ Convention de financement, P. 12 : le texte laisse penser que ces objectifs sont les objectifs « globaux », mais il ne le mentionne pas explicitement.

3. Politique de change.
4. Réforme du secteur financier.
5. Compétitivité et promotion du secteur privé:
 - a. amélioration du cadre réglementaire,
 - b. poursuite du processus de privatisation et concession.
6. Développement des ressources humaines et protection sociale:
 - a. réforme de l'éducation,
 - b. formation/mobilité de la main d'œuvre,
 - c. services de santé,
 - d. protection sociale.

5. Activités

6. Résultats attendus¹⁸

1. Adoption d'une stratégie de développement Economique et Social à moyen terme
 - Accroissement sensible de l'épargne et de l'investissement privé et publique.
 - Programmes triennaux glissants d'investissements publics.
 - Stratégie sociale.
 - Réforme administrative.
 - Stratégies sectorielles.
2. Finances publiques
 - a. Réduction du déficit budgétaire (hors privatisations)
 - À 4% du PIB en 96-97 avec équilibre à l'horizon 2000.
 - Revue satisfaisante de la mise en œuvre du budget 96-97.
 - Adoption de mesures nécessaires pour que le trésor n'accumule pas de nouveaux arriérés (avec objectif d'élimination progressive de ces arriérés à l'horizon 2000).
 - b. Réforme de la fiscalité
 - Lancement d'une étude d'impact de la ZLE avec PUE.
 - Lancement d'une étude sur le renforcement de l'administration fiscale et de perceptions des impôts.
 - Adoption d'une loi sur la pénalisation de la fraude fiscale.
 - Présentation et adoption d'un plan d'action à moyen terme sur la base d'études réalisées tenant compte de la nécessité de compenser l'impact de la ZLE avec l'UE.
 - Lancement de l'étude relative à la réforme administrative.
 - Progrès dans les travaux relatifs à la réforme du statut de la fonction publique et poursuite de la maîtrise du niveau des salaires publics par rapport au PIB.
 - Progrès dans les réformes des entreprises publiques tenant compte des résultats de l'étude sur la réforme du contrôle financier de celles-ci.
 - c. Rationalisation des dépenses publiques

¹⁸ Issus de la matrice reprenant les objectifs détaillés pour chaque tranche, dans la convention B7-4100/IB/MED/96/083. Il s'agit en fait des conditions relatives aux différentes tranches.

- Adoption d'un programme à moyen terme d'affectation des dépenses en tenant compte des besoins prioritaires des services de base (notamment éducation et santé).

3. Politique de change

- Progrès dans l'introduction et poursuite satisfaisante de cette politique d'élargissement du marché des changes interbancaire et poursuite d'une politique libérale de change.

4. Réforme du secteur financier

- Approbation par le Conseil d'administration de la Banque mondiale du versement de la seconde tranche du prêt de développement des marchés financiers.
- Réduction substantielle du Plancher. Nouvelle réduction du Plancher d'effets publics appliquée au système d'effets publics appliquée au système bancaire qui passe de 15 à 10.
- Elimination de la garantie de l'Etat sur les obligations publiques.
- Progrès dans la privatisation du secteur bancaire.
- Adoption d'un plan de restructuration du crédit immobilier et hôtelier.
- Progrès dans la mise en place et le développement du marché monétaire, du marché secondaire des capitaux et du marché hypothécaire ainsi que dans la modernisation du marché primaire de la dette publique.
- Adoption et mise en oeuvre Mise en œuvre satisfaisante du satisfaisante du plan d'action sur plan d'action l'épargne institutionnelle.
- Adoption par le Gouvernement d'un projet de loi relatif au marché hypothécaire, au dépositaire central et à la réforme de la Bourse de Casablanca (loi concentration des ordres sur le marché central).
- Lancement, sous réserve d'un appui financier de l'UE, d'une étude sur les mesures à prendre en vue de réaliser les objectifs retenus dans l'article 53 de l'Accord d'Association entre L'UE et le Maroc.

5. Compétitivité et promotion du secteur privé

a. Amélioration du cadre réglementaire

- Soumission au Parlement ou pour le moins adoption par le Gouvernement du projet de loi relatif à la réforme de l'Office national des postes et télécommunications (ONPT) en vue notamment d'une ouverture au secteur privé des activités à valeur ajoutée.
- Poursuite des réformes du secteur des télécommunications en vue d'une ouverture au secteur privé et adoption par le Gouvernement de la nouvelle réglementation des marchés publics.
- Adoption par le Gouvernement de la loi des prix et concurrence.
- Poursuite active de l'ouverture du secteur des transports au secteur privé.

b. Poursuite du processus de privatisation et concession

- Progrès significatif dans la mise en œuvre du programme des privatisations conformément aux objectifs de la loi de finances 96/97.
- Poursuite active de la politique de Finalisation d'un plan pour les concessions des services publics.

- Elargissement de la liste des Renforcement significatif de l'entreprise privatisables y compris processus de privatisation. dans le secteur des transports.
6. Développement des ressources humaines et protection sociale:
- a. Réforme de l'éducation:
 - Priorité en termes de ressources budgétaires allouées à l'éducation de base pour le budget 1997/1998.
 - b. Formation/mobilité de la main d'œuvre:
 - Adoption par le Gouvernement d'un Code de travail tenant compte notamment des objectifs de flexibilité et de la protection: des droits fondamentaux des travailleurs.
 - c. Services de santé:
 - Adoption par le Gouvernement d'un plan d'action avec réallocation vers les services de santé de base (notamment en milieu rural) et à une gestion autonome des hôpitaux. (Allocation accrue de ressources budgétaires en termes réels à la santé de base pour le budget 1997/1998).
 - Progrès réalisés par le Gouvernement dans la définition d'une politique de ciblage des transferts sociaux directs et dans la réduction progressive des subventions à la consommation.
 - d. Protection sociale:
 - Restructuration de l'Entraide et la Promotion nationale avant allocation budgétaire accrue.

Projet No 3

Projet d'Appui à la mise à niveau de l'enseignement technique et de la formation professionnelle au Maroc

1. Données d'identification du programme

Titre	Projet d'Appui à la mise à niveau de l'enseignement technique et de la formation professionnelle au Maroc
Numéro	MAR/B7-4100/IB/97/0587
Source de financement	MEDA
Décision de financement	
Convention de financement	30/04/1998
Date de début (réelle)	21/06/99
Date finale prévue	30/04/2003 (date limite) durée 54 mois
Budget total	73 600 000 € (contribution des bénéf. Limitée à 35,6 millions €)
Budget CE (engage)	38 000 000 €
Budget CE contracté	
Paiements	
Bénéficiaire(s)	Les groupements interprofessionnels d'Aide au Conseil (GIAC) et le secteur privé, OFPPT, Ministères chargés de l'Agriculture, du tourisme, du transport, de l'artisanat, des pêches et de la jeunesse et des sports
Opérateur (si différent du bénéficiaire)	

2. Budget

Rubriques	Contribution de la CE en MECU ~			Contributions des opérateurs de formation en MECU				Total
	AT.	Equip.	Total	AT.	Equip.	Fonct.	Total	
Centres de formation	7,15	21,8	28,95	6,15	25,15	pm	31,3	60,25
Secteur privé formation professionnelle	0,5	-	0,5	-	-	-	-	0,5
Unité gestion du projet	1,2	0,05	1,25	-	-	1,0	1,0	2,25
Conseillers en formation	2,3	0,05	2,35	-	-	1,0	1,0	3,35
Appui aux GIAC	0,5	0,3	0,8	2,3	-	-	2,3	3,1
Evaluation et audit	0,5		0,5	-	-	-	-	0,5
Sous-total	12,15	22,2	34,35	8,45	25,15	2,0	35,6	69,95

3. Objectifs globaux

L'objectif global du projet est d'améliorer la compétitivité des entreprises.

4. Objectifs spécifiques

- mise à niveau d'un système de formation professionnelle capable d'évoluer en fonction des besoins et de la demande des entreprises ;
- renforcement du rôle des associations professionnelles et des mécanismes d'identification et de satisfaction des besoins en compétences des entreprises.

5. Activités

Les activités principales sont les suivantes:

- Conseil et assistance en formation,
- Mise à niveau du système de formation professionnelle,
- Développement de la formation alternée.

6. Résultats attendus

- Formation professionnelle définie à partir des besoins des entreprises ;
- Des formateurs pratiquant des méthodologies qui prépareront réellement à l'exercice d'une profession ;
- Des supports pédagogiques qui, au delà de la transmission de la connaissance, privilégient l'acquisition des compétences et du développement des capacités d'adaptation ;
- Des équipements cohérents avec la pédagogie et la réalité industrielle ;
- Un accueil des stagiaires en entreprises par des tuteurs qui ont la double compétence technologique et pédagogique ;
- Un renforcement de la capacité du Ministère chargé de la formation professionnelle à suivre l'évolution de la formation professionnelle par rapport à l'évolution de la demande ;
- Enfin, un développement d'une formation initiale et continue réellement adaptées aux contextes professionnels et économiques.

7. Impacts

Pas d'impacts attendus mentionnés dans le FA.

Projet No 4 Projet d'Appui à la privatisation

1. Données d'identification du programme

Titre	Projet d'Appui à la privatisation
Numéro	MAR/B7-4100/IB/98/0504
Source de financement	MEDA
Décision de financement	10/12/98
Convention de financement	12/07/99
Date de début (réelle)	
Date finale prévue	31/12/2006 (date limite) durée projet: 54 mois, engagement financier: 72 mois
Budget total	
Budget CE (engage)	5 000 000 €
Budget CE contracté (date)	4 199 317 € (31/05/05)
Paiements (date)	2 894 689 € (31/05/05)
Bénéficiaire(s)	Ministère du Secteur Public et de la Privatisation
Opérateur (si différent du bénéficiaire)	

2. Budget

3. Objectifs globaux

Améliorer la compétitivité des entreprises, les finances de l'Etat et la fourniture de services publics, en apportant au secteur public le stimulant de la concurrence et les ressources du secteur privé national et international.

4. Objectifs spécifiques

- Continuer le programme de privatisation stipulé par la loi.
- Traiter notamment des cessions d'entreprises d'une difficulté accrue.
- Promouvoir l'ouverture du secteur à la participation privée et à la concurrence, y compris la concession d'infrastructures.

5. Activités

Une assistance technique est fournie au MSPP à long et à court terme, de même qu'un budget pour les services extérieurs d'exécution de transferts au privé.

L'assistance technique à long terme se compose de 5 experts internationaux (4 à temps plein durant le projet) et d'un chef d'équipe spécialisé dans la privatisation et les activités de banques et d'affaires.

L'expertise à court terme préparera des actions concrètes de privatisation, de participation privée, de démonopolisation et de promotion de la concurrence.

6. Résultats attendus

- la cession majoritaire, bien préparée, efficace et transparente d'au moins 16 entreprises au privé pour environ 5 milliards de Dirhams ;
- la mise sous concession privée (ou BOT, BOO, etc.) d'au moins 5 services d'infrastructures notables, de façon efficace et transparente ;
- la fourniture de guides complets et la formation approfondie de 10 cadres du MSPP en techniques de privatisation, de participation privée dans l'infrastructure et de démonopolisation.

Projet No 5
Appui aux institutions financières de garantie aux PME au Maroc
(PAIGAM)

1. Données d'identification du programme

Titre	Appui aux institutions financières de garantie aux PME au Maroc (PAIGAM)
Numéro	MAR/B7-4100/IB/98/0536
Source de financement	
Décision de financement	14/12/1998
Convention de financement	08/11/2000
Date de début (réelle)	
Date finale prévue	30/04/2003 (date limite) durée opérationnelle de 102 mois
Budget total	
Budget CE (engage)	30.000.000 millions €
Budget CE contracté (date)	27.672.313 millions € (31/01/05)
Paiements (date)	27.047.581 millions € (31/01/05)
Bénéficiaire(s)	Caisse Centrale de Garantie (CCG), Dâr Ad-Damâne (DAD)
Opérateur (si différent du bénéficiaire)	

2. Budget

3. Objectifs globaux

L'objectif global du projet est de renforcer la compétitivité des entreprises privées au Maroc en facilitant leur accès au crédit d'investissement à travers un schéma de garantie fiable. L'accent mis par le projet sur les PME favorisera l'emploi.

4. Objectifs spécifiques

Les objectifs spécifiques du projet sont :

- de développer la capacité financière et technique des institutions de garantie de crédit, ainsi que des banques requérant des garanties ;
- d'accroître les crédits aux entreprises viables par l'octroi de garanties sur ces crédits.

5. Activités

Le projet prévoit un schéma de garantie à travers un fonds capitalisé initialement à hauteur de 25,5 millions euros, et dont la trésorerie est gérée par la Banque européenne d'Investissements (BEI) à Luxembourg. L'AT s'élève à 4,5 M€. Pour bénéficier du projet, le promoteur doit apporter un minimum de fonds propres équivalent à 30% de l'investissement total, qui ne peut être inférieur à 100.000 euros. Le financement par crédit ne peut donc pas dépasser les 70% de l'investissement. La garantie ne couvre qu'un maximum de 50% des crédits éligibles, dont le risque est partagé pari passu avec les banques. Le montant maximum des crédits est par ailleurs plafonné en fonction de l'investissement à concurrence de 700.000 euros indépendamment du coût total de l'investissement. On estime que le projet permettra pendant sa durée totale de huit années le financement de 900 millions euros d'investissement de la mise à niveau.

6. Résultats attendus

Les principaux résultats attendus sont, dans l'hypothèse d'un taux de pertes annuelles de 8% des crédits décaissés chaque année :

- l'octroi de plus de 40 millions d'euros de garanties nouvelles par an,
- le financement d'environ 900 millions d'euros d'investissements nouveaux.

Projet No 6
Projet d'Appui aux Associations Professionnelles Marocaines
(PAAP)

1. Données d'identification du programme

Titre	Projet d'Appui aux Associations Professionnelles Marocaines (PAAP)
Numéro	MAR/B7-4100 /IB/99/0115
Source de financement	
Décision de financement	08/09/1999
Convention de financement	29/12/2000 ¹⁹
Date de début (réelle)	
Date finale prévue	30/6/2005 durée 54 mois (avenant 4) au lieu de 42 mois
Budget total	
Budget CE (engage)	5.845.000
Budget CE contracté (date)	5.771.821
Paiements (date)	3.873.782
Bénéficiaire(s)	Confédération Générale des Entreprises du Maroc (CGEM)
Opérateur (si différent du bénéficiaire)	

¹⁹ Seuls deux avenants ont été fournis (pas de convention). Un avenant portant le numéro 2 et un avenant portant le numéro 4. Ce dernier n'est pas signé.

2. Budget

La contribution de la Commission européenne au projet est de 5.845.000 euros et la contribution de la CGEM et des AP Bénéficiaires est estimée à 1.304.000 euros

Rubrique	CE				Bénéficiaires				TOTAL			
	Keuros				Keuros				Keuros			
	Montant contrat initial	Montant après Avenant 2	Montant Avenant 4	Total	Montant contrat initial	Montant après Avenant 2	Montant Avenant 4	Total	Montant contrat initial	Montant après Avenant 2	Montant Avenant 4	Total
1 Services	612	671	305	976					612	671	305	976
1.1 AT Internationale (30/06/2005)*	360	360	170	530							170	530
1.2 AT Locale	252	311	30	341							30	341
1.3 – Etudes												
1.4 – Formation AP			60	60							60	60
1.5 - Missions d'appui CT			45	45							45	45
2. Fournitures	25	25	15	40					25	25	15	40
2.1- Equipements	25	25	15	40							15	40
2.2 – Intrants												
3. Travaux												
4. Information												
5. Fonctionnement	42	47	15	62					70	70	42	85
6. Budget Opérationnel	4100	3986	450	4436	1550	1477	-243	1234	5650	5463	207	5670
6.1-CGEM	0	91		91								91
6.2- AP	4100	3895	450	4345	1550	1477	-243	1234				5579

Rubrique	CE				Bénéficiaires				TOTAL			
	Keuros				Keuros				Keuros			
	Montant contrat initial	Montant après Avenant 2	Montant Avenant 4	Total	Montant contrat initial	Montant après Avenant 2	Montant Avenant 4	Total	Montant contrat initial	Montant après Avenant 2	Montant Avenant 4	Total
7. Promotion	40	40		40					40	40		40
8. Audit et Evaluation***	30	80	60	140					30	80	60	140
10. Imprévus**												
10.1 CGEM												
10.2 AT Internationale*												
TOTAL BUDGET	5000	5000	845	5845	1550	1477	-173	1304	6550	6477	672	7149

* Gérée directement par la Commission.

** Rubrique ne pouvant être utilisée qu'avec l'accord ex ante de la Commission.

*** Dont évaluation finale (60.000 €) contractée et gérée directement par la Commission.

3. Objectifs globaux

« Le projet vise à accroître la compétitivité et la capacité de mise à niveau des entreprises, particulièrement dans les secteurs exposés aux difficultés qui seront engendrées par la suppression des frontières économiques, et notamment le secteur manufacturier et des services liés à l'industrie. Néanmoins, il pourra assister aussi certaines Associations Professionnelles (AP) dans la réalisation de plans d'action dans d'autres secteurs d'activité tels que les services, la pêche, le tourisme, le secteur hôtelier, l'audiovisuel, etc.»²⁰.

4. Objectifs spécifiques

Le projet vise spécifiquement les objectifs suivants :

- renforcer la capacité opérationnelle des A.P. pour la fourniture de services à leurs membres ;
- créer une dynamique d'amélioration de la représentativité des A.P. et d'accroissement de leurs ressources, leur donnant le:s moyens de leur auto-développement ultérieur.

5. Activités

Au cours de la phase préparatoire, le programme apportera son appui à l'élaboration de stratégie de développement des Associations professionnelles se traduisant par des programmes globaux. Ces programmes globaux seront concrétisés par des contrats-programmes sur lesquels s'engageront les AP et dans lesquels devront s'insérer les projets présentés par celles-ci. Parallèlement, le Programme s'emploiera à favoriser une large concentration entre AP d'un même secteur pour la définition de synergies, ainsi qu'à assurer la promotion du Programme, notamment au niveau régional.

Les AP candidates pourront, à leur demande, bénéficier d'un support technique gratuit de EME, dans le cadre de sa mission d'appui aux AP pour l'élaboration et la mise au point de leurs dossiers.

Au cours de la phase opérationnelle, le projet financera une quote-part des coûts de mise en place des projets prévus dans les contrats-programmes ainsi qu'une partie des coûts salariaux du personnel permanent recruté spécifiquement pour l'exécution du projet.

6. Résultats attendus

- mise en place par une trentaine d'AP, sur une base pérenne, de nouvelles actions concrètes de services à leurs membres ;
- amélioration de la représentativité de ces AP ;
- possibilité pour ces AP de dégager les ressources nécessaires à la poursuite et au développement des actions après la fin du programme.

²⁰ d'après l'Avenant 4.

Projet No 7
Projet pilote d'appui au micro crédit

1. Données d'identification du programme

Titre	Projet pilote d'appui au micro crédit
Numéro	MAR/B7-4100/IB/99/0177
Source de financement	MEDA
Décision de financement	22/12/1999
Convention de financement	31/07/2000
Date de début (réelle)	01/08/00
Date finale prévue	31/01/04 (42 mois)
Budget total	700.000 €
Budget CE (engage)	700.000 €
Budget CE contracté (date)	690.232 €
Paiements (date)	605.156 €
Bénéficiaire(s)	Fondation ZAKOURA (ONG), mais est également bénéficiaire
Opérateur (si différent du bénéficiaire)	

2. Budget

RUBRIQUES	UNION EUROPEENNE	
	Euro	%
1 Capital Fonds de Crédit	500 000	71%
2 Services	111290	16%
2.1 AT technique, 1 expert local, 16.5 mois x 6000 Ecu	99000	
2.2 Transport : 2000 km x16.5 mois x 0.13 Euro	4290	
2.3 Per diem missions au Maroc 80 jours x 100 Euro/jour	8000	
3 Equipement (ordinateur portable)	3000	0,40%
4 Evaluation	40000	6%
5 Participation aux frais de démarrage des nouvelles représentations 7 x 5000 Euro	35000	5%
6 Imprévus	10710	1,50%
TOTAL	700000	100%

3. Objectifs globaux

L'objectif du projet est de contribuer au développement des micro-entreprises et par ce biais à la croissance de l'emploi et la réduction de la pauvreté.

4. Objectifs spécifiques

Le projet pilote proposé vise trois objectifs spécifiques :

- faciliter l'accès au crédit pour les micro-entreprises exclues des financements bancaires, par la mise à disposition de ressources sous forme de crédit, géré par une ONG déjà active dans le secteur du Maroc ;
- renforcer la capacité de gestion de l'institution gestionnaire contribuant à sa stabilisation et, en conséquence à la pérennisation des services qu'elle offre à sa clientèle ;
- établir les bases pour l'élargissement de ce projet à d'autres ONG.

5. Activités

Le projet pilote de micro-crédit renforcera les fonds de crédit aux micro-entreprises (en grande majorité féminine) de la Fondation ZAKOURA d'un montant de 500.000 Euro dans un premier temps. Une augmentation de ces fonds de crédit d'un montant additionnel jusqu'à 500.000 Euro peut être envisagée ultérieurement. Les fonds du projet permettront à la Fondation ZAKOURA d'élargir successivement son réseau d'agences. Les fonds seront utilisés suivant la politique de fonctionnement de la Fondation ZAKOURA.

a. Politique de crédit

L'analyse de la gestion des premiers prêts démontrait une régulière dégradation du taux de remboursement parmi les bénéficiaires de sexe masculin localisés en milieu urbain. Il a également été constaté que le système de caution ne fonctionnait pas, et que le suivi des porteurs des projets n'était pas systématique. Après avoir analysé ces problèmes, la Fondation a réorienté sa politique de crédit comme suit:

- orienter les prêts essentiellement vers les femmes,
- ne plus limiter l'activité de la Fondation au milieu urbain uniquement,
- octroyer des prêts par la méthode de groupes solidaires,
- réduire la durée des prêts de 23 semaines,
- mettre en place un système de remboursements hebdomadaires,
- accorder des prêts des montants progressifs (de 1000 à 5000 MAD),
- exiger le titre de garanties la reconnaissance de dette et la caution du groupe solidaire.

b. Politique de sélection du personnel

Afin d'accroître l'efficacité et de réduire certaines charges inhérentes à l'activité des agents, la Fondation recrute son personnel sur les sites dans lesquels elle décide de travailler,

normalement des sites à forte densité démographique. Les agents de crédit sont responsables de garantir un taux de remboursement à 100%. Pour que les agents de crédit soient plus proches des porteurs des projets, la Fondation demande à son personnel de travailler sur les sites de manière quasi permanente.

c. Politique de formation

L'activité croissante de la Fondation et la recherche permanente d'efficacité ont nécessité la mise en place d'un département de formation. Ce département a pour mission:

- d'établir un plan de formation du personnel de la Fondation ;
- de former les nouveaux agents de crédit ;
- de former les chefs de représentation ;
- d'assurer la formation continue des agents de crédit qui sont en charge du recouvrement et de la formation des porteurs des projets.

d. Politique d'octroi des crédits

Les critères d'attribution des prêts sont les suivants :

- féminine en priorité ;
- appartenant à la frange la plus pauvre de la population: revenu mensuel par ménage de 5 personnes inférieur à 1500 MAD (139 Euros) ;
- ayant un savoir-faire ;
- ayant un petit projet ;
- n'ayant pas accès aux sources de financement traditionnelles.

e. Politique d'accompagnement

La Fondation poursuit ses efforts en vue d'améliorer l'accompagnement des porteurs des projets et de minimiser le taux de non-remboursement. Cette politique se traduit dans les activités suivantes :

- les agents de crédits accueillent les porteurs des projets par groupe de cinq ;
- afin d'établir rapidement une première sélection, les agents de crédits rencontrent aussi les demandeurs individuellement ;
- une formation des porteurs des projets est dispensée lors des réunions de remboursement (notions de gestion, d'épargne, etc.) ;
- lorsqu'un projet est accordé, chaque emprunteur bénéficie d'un suivi, assuré par l'agent de crédit qui, en même temps, conseille le porteur et augmente ainsi ses chances de réussite ;
- régulièrement, les agents de crédit rendent visite aux porteurs des projets pour vérifier si leurs activités sont toujours opérationnelles.

f. Politique de remboursement

En cas de défaillance, la Fondation fait jouer la caution solidaire du groupe. Si l'impayé n'est pas régularisé à l'échéance, tout octroi de nouveaux crédits pour le groupe est arrêté jusqu'à sa régularisation. Cette méthode s'est avérée efficace compte tenu que le taux de remboursement actuel dépasse les 99,9 %.

6. Résultats

Les principaux résultats attendus sont:

- octroi de nouveaux prêts (estimé à un total de 52,9 millions dirhams) aux micro-entreprises, essentiellement féminines ;
- création de deux nouvelles représentations dans la région nord (5 bureaux) et la région sud (2 bureaux) et renforcement de la région centre (2 nouveaux bureaux qui s'ajoutent aux deux existants) ;
- Recrutement de 27 nouveaux agents de crédit.

Résultats secondaires :

- capacités de crédit de la Fondation Zakoura renforcées ;
- acquisition de bonnes pratiques en matière de micro-finance ;
- renforcement de la gestion professionnelle de la fondation Zakoura.

7. Impacts

Pas d'impacts attendus mentionnés dans le FA.

Faire résumé de l'évaluation.

Projet 8

Projet pilote d'appui aux entreprises (PAE)

1. Données d'identification du programme

Titre	Projet pilote d'appui aux entreprises (PAE)
Numéro	MAR/AIDCO/2002/0041-44
Source de financement	MEDA
Décision de financement	11/11/2002
Convention de financement	15/07/2003
Date de début (réelle)	Pas de date mentionnée
Date finale prévue	30/06/2010
Budget total	93 800 000 €
Budget CE (engage)	61 000 000 €
Budget CE contracté (date)	34.870.184 €
Paiements (date)	12.661.579 €
Bénéficiaire(s)	Entreprises, institutions de soutien de l'industrie, administrations publiques
Opérateur (si différent du bénéficiaire)	

2. Budget

Postes de dépense	Contributions EURO	
	Contribution CE	Contribution marocaine
UGP	6.5	
Volet Qualité /Normalisation :	16.5	
- <i>Appui institutionnel</i>	2.0	12.8
- <i>Centres techniques</i>	14.5	
Volet Modernisation des PME	13.0	
Contribution financière au FOMAN	20.0	20.0*
Appui institutionnel FOMAN	2.5	
Audit/Evaluation	0.8	
Divers et imprévus	1.7	
TOTAL	61.000.000	32.800.000

* Estimation de l'équivalent de 200.000.000 Dirhams marocains (MAD).

3. Objectifs globaux

Le Programme vient en soutien à l'action du gouvernement marocain dans l'effort d'ouverture de son économie et dans sa politique d'insertion dans la Zone de libre - échange Euro- Méditerranéenne.

L'objectif global du Programme est l'appui au développement et à la modernisation du secteur privé marocain, en particulier des petites et moyennes entreprises (PME) dans la perspective de la libéralisation des échanges commerciaux.

4. Objectifs spécifiques

Le projet pilote proposé vise trois objectifs spécifiques :

Volet «Qualité/Normalisation»

Permettre à l'industrie marocaine d'atteindre un niveau de qualité compatible avec l'ouverture des frontières au sein de la Zone de libre - échange Euro - Méditerranéenne (ZLE) par:

- la consolidation du système national normatif, d'accréditation, de certification et d'évaluation de la conformité ;
- la création et l'équipement de cinq Centres Techniques spécialisés dans les secteurs Bois et Ameublement; Cuir et Tannerie; Automobile et Transport; Plasturgie, Chimie et Caoutchouc et des Nouvelles Technologies de l'Information et de la Communication.

Volet «Modernisation des PME»

Contribuer à la modernisation des PME marocaines et améliorer leur compétitivité en fonction des défis engagés par la création de la ZLE par :

- le conseil direct aux entreprises et la formation dans divers domaines (qualité, stratégie commerciale, réorganisation de la production, systèmes de gestion, conseil financier etc.) ;
- la promotion du partenariat avec les entreprises européennes ;
- l'amélioration et la diffusion de l'information commerciale aux entreprises ;
- des actions groupées au travers ou sur l'initiative des structures d'appui aux entreprises ;
- le renforcement de la consultance marocaine et sa participation de façon croissante aux activités de mise à niveau et de modernisation des PME.

Volet «Fonds national de mise à niveau» (FOMAN)

Faciliter l'accès des PME marocaines au conseil de mise à niveau (consultance locale) et au financement des équipements par :

- la contribution financière au **FOMAN** ;
- un appui institutionnel aux Agences d'exécution (Agence Nationale de Promotion de la PME/ANPME et Caisse Centrale de Garantie/CCG) pour le démarrage du **FOMAN** ;

- une contribution au changement d'attitude du secteur bancaire marocain par rapport au financement des PME via la formation de formateurs ;
- une information auprès des PME marocaines sur l'accès au et le fonctionnement de **FOMAN**.

5. Activités

Volet «Qualité / Normalisation»

Appui institutionnel

- fournir les actions d'assistance qui permettront l'amélioration de l'environnement normatif et réglementaire et la mise à jour de la réglementation marocaine en matière de normes techniques, de conditions de mise sur le marché, de méthodes d'évaluation de la conformité et de moyens de preuve de la conformité, etc. ;
- fournir l'Assistance Technique nécessaire à la consolidation du système national de normalisation, d'accréditation et de certification ainsi qu'à l'harmonisation du cadre législatif et normatif avec celui de l'Union européenne ;
- mettre en place les actions de formation et de soutien aux institutions permettant l'accès aux directives européennes relatives aux exigences essentielles en matière de qualité, y compris sécurité, santé, hygiène et protection de l'environnement et d'en organiser la diffusion vers le secteur industriel ;
- renforcer les capacités nationales en matière d'évaluation de la conformité en vue de conclure des accords de reconnaissance avec l'Union européenne et préparer la conclusion d'accords de reconnaissance mutuelle entre l'UE et le Maroc dans les domaines de l'évaluation de la conformité et de l'accréditation.

En particulier dans les domaines de la normalisation, la métrologie et l'accréditation, l'Assistance Technique sera fournie, de préférence, par des institutions homologues de l'Union européenne.

Centres techniques

- fournir l'Assistance Technique aux CTI pour finaliser les listes des équipements techniques nécessaires à leur fonctionnement ainsi que les besoins en formation pour les rendre opérationnels ;
- acquérir et mettre en place ces équipements pour les CTI ;
- fournir aux CTI les appuis ad hoc par des experts internationaux de Centres homologues européens afin d'établir puis de mettre en œuvre les plans de formation technique, administrative et de gestion et d'évaluer leur impact ;
- fournir les actions d'assistance qui permettront de mener à bien les actions de communication au profit du secteur industriel et de mettre à disposition du secteur une documentation technique et législative ainsi qu'un site Internet.

Volet « Modernisation des PME »

Conseil direct aux entreprises et formation

Fourniture et mise en œuvre d'une capacité de mise à disposition d'expertise spécialisée et de conseil. Le conseil porte autant sur la gestion que sur la technologie, l'amélioration des méthodes de gestion, stratégie commerciale, mise au point de produits, amélioration de la productivité, contrôles et normes de qualité, accompagnement à la certification ISO, gestion et systèmes financiers, etc.).

L'assistance technique pour conseil direct en entreprise se traduit par :

- préparation d'un diagnostic et la formulation d'un plan de mise à niveau ;
- accompagnement de l'entreprise dans la réalisation de ce plan de mise à niveau ;
- mise à disposition des formations spécifiques directement au bénéfice d'une entreprise ou pour un groupe d'entreprises.

Une attention spécifique est accordée au développement de la commercialisation et des exportations vers l'UE, ainsi qu'au montage de dossiers financiers de crédit à l'entreprise.

Pour la formulation d'un plan de mise à niveau ainsi que pour l'accompagnement de l'entreprise dans la réalisation de ce plan de mise à niveau, un mécanisme de contribution au frais d'expertise par l'entreprise est prévu.

Promotion des échanges et du partenariat

Fourniture et création de services de médiation et de suivi afin d'apporter des conseils et un encadrement approprié aux entreprises et, le cas échéant, aux structures appropriées dans trois domaines :

- identification de partenaires commerciaux européens ;
- mise sur pieds d'accords de coopération (franchises, licences, sous-traitance, etc.) et de partenariat ;
- gestion commerciale et marketing.

Diffusion de l'information industrielle, technologique et commerciale

Mise en place d'une cellule EICC « Euro-Info Correspondance Centre ». Cet EICC constituera le correspondant marocain du réseau européen de quelques 260 EIC « Euro-Info Centres » et aura pour objectif de collecter, rendre accessible et diffuser aux entreprises toute l'information industrielle, technologique et commerciale nécessaire en vue de faciliter les échanges commerciaux vers l'UE. Les besoins en informations spécifiques sur les marchés intérieurs, régionaux et internationaux seront également pris en considération.

Actions groupées au travers ou sur l'initiative des structures d'appui aux entreprises

Amélioration de l'environnement de l'entreprise, notamment en termes institutionnels, et introduction des services au niveau sectoriel au travers d'activités telles que :

- information et formation à la recherche de partenariats (commerciaux, technologiques et/ou financiers) ;
- information et formation à la promotion des exportations et au marketing international ;
- études stratégiques sectorielles, études de marché ou études légales ;
- formation et renforcement de la consultance locale ;
- constitution d'observatoires de veille technologique ;
- formation et sensibilisation à la nécessité, aux contraintes et aux modalités de la mise à niveau des entreprises ainsi que sur tous les instruments disponibles.

Ces activités seront organisées via les structures d'appui aux entreprises existantes (Fédérations Industrielles, Centres Régionaux d'Investissement, Chambres de Commerce et d'Industrie, Associations Professionnelles, etc.).

Renforcement de la consultance locale

Différentes mesures pour renforcer la consultance marocaine dans des domaines pertinents pour la mise à niveau des PME sont prévues, inter alia au travers la formation des formateurs et le soutien aux associations concernées.

Volet « Fonds National de Mise à Niveau » (FOMAN)

Au-delà de la contribution financière au **FOMAN** qui servira à financer des activités de l'assistance technique locale ainsi que les investissements matériels, un appui au démarrage de **FOMAN** est prévu couvrant les activités suivantes:

Appui institutionnel aux Agences d'exécution

Le volet fournira un appui institutionnel aux Agences d'exécution (Agence Nationale de Promotion de la PME/ANPME et Caisse Centrale de Garantie/CCG) pour renforcer leur capacité de gestion du volet respectif de **FOMAN**.

L'assistance technique à l'ANPME se concentrera surtout sur les aspects de la consultance locale. L'ANPME recevra aussi un appui pour renforcer sa capacité de gérer les instruments de la mise à niveau des entreprises.

L'appui à la CCG vise surtout la gestion financière du **FOMAN** en général et l'analyse des dossiers bancaires pour les investissements matériels en particulier.

Formation et information vis-à-vis du secteur bancaire marocain

Le volet préparera et fournira aux banques marocaines un programme de formation qui couvrira les questions et techniques bancaires liées à la gestion des dossiers de la PME (évaluation des crédits, financement des projets, gestion des risques etc.). La formation des formateurs et la préparation des outils de formation (manuels etc.) seront privilégiées.

En plus, une campagne d'information sera organisée pour informer les banques marocaines des objectives et des mécanismes de fonctionnement de **FOMAN**.

Mesures de promotion et de visibilité vis-à-vis des PME marocaines

Le volet prépara et fournira aux PME marocaines une campagne de promotion sur l'accès au et le fonctionnement de **FOMAN**. Des outils d'information (brochures, Site Web etc.) seront préparés et des séminaires seront organisés dans différentes régions du Maroc.

6. Résultats

Les principaux résultats attendus pour chacun des volets sont:

Volet «Qualité/Normalisation»

Appui institutionnel

- l'industrie marocaine dispose des normes, des standards et des procédures lui permettant d'atteindre un niveau de qualité compatible avec l'ouverture des frontières au sein de la Zone de Libre Echange ;
- le système marocain d'évaluation de la conformité (normalisation, accréditation, laboratoires, certification, inspection) ainsi que les réglementations marocaines existantes sont mises à niveau ;
- au moins 3000 nouvelles normes ont été produites et homologuées pendant la durée du Programme ;
- les structures institutionnelles sont en place et leur personnel a acquis le savoir-faire nécessaire pour permettre au Maroc de négocier des accords de reconnaissance mutuelle. Dès 2006 le système marocain d'évaluation de la conformité est presque totalement intégré au système européen des actions groupées au travers ou sur l'initiative des structures d'appui aux entreprises.

Centres techniques

- les cinq Centres techniques sont opérationnels dans les secteurs industriels du Bois et de l'Ameublement ; du Cuir et des Tanneries ; de l'Automobile et des Transports ; de la Chimie, la Plasturgie et le Caoutchouc et enfin des Nouvelles technologies de l'Information et de la Communication et ils sont dotés des moyens administratifs et techniques nécessaires à leur fonctionnement ;

- leur personnel est formé et opérationnel en terme de gestion, d'administration, de marketing ainsi que sur le plan technique grâce à l'appui d'experts internationaux venant, entre autre, des institutions homologues européennes ;
- les Centres Techniques sont reconnus par leurs secteurs industriels et fournissent à ce dernier l'assistance technique, l'information en terme de législation, normes, standards, procédures etc.

Volet «Modernisation des PME»

Conseil direct aux entreprises et formation

- à la fin du programme, environ 300 entreprises ont bénéficié d'au moins d'une intervention et parmi celles-ci au moins 50% ont complété avec succès leur mise à niveau. Plus précisément, dans le cadre des mises à niveau, les indicateurs de succès au sein des entreprises (en termes de diminution des coûts de production, augmentation de la production, amélioration de la qualité, augmentation du chiffre d'affaires, des exportations, d'emplois qualifiés créés, etc.) ont été atteints dans au moins 80% de cas ;
- au moins 400 entreprises ont bénéficié d'une action de formation et 80% d'entre elles ont confirmé que la formation a été appropriée à leurs besoins ;
- au moins 100 dossiers de demande crédit préparés avec l'assistance du programme.

Promotion des échanges et du partenariat

- organisation d'au moins 4 actions de promotion de partenariat au profit d'une centaine d'entreprises en tout.

Diffusion de l'information industrielle, technologique et commerciale

- un EICC a été créé et équipé (y compris en moyens informatiques et de communication) et son personnel a été formé ;
- un site Web a été créé et des bulletins périodiques de l'information industrielle ont été diffusés; des séminaires et des ateliers d'information ont été réalisés ;
- au moins 2000 entreprises ont bénéficié des services de l'EICC, y compris via la consultation de son site Web ;
- une centaine d'entreprises ayant bénéficié des services de l'EICC ont établi de nouveaux contacts commerciaux en Europe.

Actions groupées au travers ou sur l'initiative des structures d'appui aux entreprises:

- au moins une vingtaine d'actions horizontales telles que séminaires de formation et de sensibilisation, établissement des services de veille technologique, de services d'information commerciale et industrielle ont été mis à disposition des entreprises au travers des structures d'appui ;
- au moins une dizaine d'études (sectorielles et / ou régionales etc.) ont été préparées, à la demande des secteurs au travers de leurs structures d'appui.

Renforcement de la consultance marocaine

- l'expertise marocaine dans des domaines pertinents pour la mise à niveau sera renforcée avec un nombre accru des prestations des consultants locaux vis-à-vis des PME et une meilleure qualité des services rendus.

*Volet «Fonds National de Mise à Niveau» (**FOMAN**)*

La mise à disposition des fonds par le Gouvernement marocain ainsi que la contribution financière du programme d'Appui aux Entreprises au **FOMAN** permettront de financer un certain nombre d'interventions auprès des PME marocaines. Plus particulièrement, les résultats suivants sont attendus du **FOMAN**:

- au moins 200 PME ont bénéficié d'une assistance technique locale (partie «soft» du **FOMAN**). Au moins 50% de ces entreprises qui ont reçu des actions de diagnostic et de mise à niveau par les consultants marocains ont complété avec succès leur mise à niveau ;
- au moins 140 PME ont bénéficié d'accès aux crédits concessionnels du **FOMAN** pour financer les investissements matériels nécessaires pour leur processus de mise à niveau (partie «hard» du **FOMAN**). Les investissements globaux générés et concourant à la mise à niveau des entreprises par l'acquisition d'équipements représentent quelques 120 millions Euro.

Appui Institutionnel

L'appui institutionnel aux Agences d'exécution (Agence Nationale de Promotion de la PME/ANPME et Caisse Centrale de Garantie/CCG) pour le démarrage de **FOMAN** obtiendra les résultats suivants:

- les Modus operandi pour la gestion du Fonds tant la partie assistance technique aux entreprises que la partie investissements matériels sont opérationnels et utilisés de façon efficace, transparente et non discriminatoire ;
- l'ensemble du personnel en charge de la gestion du Fonds est formé et opérationnel pour gérer la consultance locale (procédures de sélection, paiements, contrôle de qualité, contentieux etc.) ainsi que pour gérer et analyser les dossiers bancaires ;
- un mécanisme de contrôle (audit et évaluation) est établi et appliqué pour suivre le bon déroulement des financements accordés par le **FOMAN** ;
- la capacité de l'ANPME sera renforcée sur le plan stratégique, conceptuel et méthodologique pour la mise à niveau de la PME.

Un appui au secteur bancaire est prévu sous forme de formation et information qui obtiendra les résultats suivants:

- une campagne d'information vis-à-vis du secteur bancaire a été diffusée et a été comprise par le secteur ciblé ;
- au moins 6 banques marocaines participent au schéma de co-financement du **FOMAN** ;

- approximativement 10 formateurs sont formés au sein du secteur bancaire aux techniques ;
- d'évaluation et d'analyse financière des dossiers de crédit pour les PME ;
- 200 personnes du personnel des banques participent à la formation et adaptent en conséquence leur approche de l'évaluation des crédits aux PME.

Une campagne de promotion et de visibilité vis-à-vis des PME est prévue pendant la durée du programme qui obtiendra les résultats suivants:

- le secteur industriel dans l'ensemble du Maroc a été atteint et les entreprises disposent d'une information sur l'accès au et le fonctionnement du Fonds, inter alia par une information sur un site Web mise régulièrement à jour ;
- des brochures explicatives ont été développées et sont facilement accessibles aux entrepreneurs. Des séminaires d'information ont été organisés dans différentes régions du Maroc ;
- entre 300 et 500 PME manifestent leur demande pour une assistance technique locale auprès de **FOMAN** («partie soft») ainsi que pour les crédits **FOMAN** (partie »hard»)pour leurs investissements matériels.

Les principaux résultats obtenus pour chacun des volets sont :

FOMAN

Des entretiens menés en 2004, il ressort que depuis la signature de la convention de financement 22 dossiers pour l'obtention de garanties ont été soumis, dont seulement 1 a été financé.

7. Impacts

Pas d'impacts attendus mentionnés dans le FA.

Annexe 6 – Grille des questions d'évaluation

EQ 2 - Overall design of the strategy

Is the CEC PSD strategy in terms of “expected results” well designed to ensure the realisation of the purpose of strengthening the business sector with a view to contribute to the overall objectives of the EC external policy?

- A. To what extent is each area of intervention (“expected results”) relevant in terms of contribution to the purpose?
- B. Is its success dependent on certain conditions (another expected result or some other ‘external’ factor)? If yes, which ones? Have they been identified in CEC PSD strategy documents?
- C. Is the set of fields of actions comprehensive (are some essential fields missing (for example, role of champions)?
- D. Is it well structured :
 - i. Are there potential complementarities and synergies between expected results and have they been identified?
 - ii. Are there possible contradictions between fields and have they been identified?
 - iii. Should there be a prioritisation?

2B.1 Conditions to reach the expected results exist

2B.1.3 *Country missions provide examples from such conditions*

En matière d'analyse des conditions pour atteindre les résultats, on notera que le **draft CSP 1995** soulignait l'importance du « décalage entre la rapidité relative du processus de décision de l'Union et la capacité des autorités marocaines à mettre en œuvre les aides accordées en signant les conventions de financement et en prenant les décisions de principe nécessaires à la mise en œuvre des projets. Le gouvernement et la haute administration constituent actuellement un véritable goulot d'étranglement pour la coopération ». Hormis ce constat à un niveau global (ne se référant par exemple pas à un type spécifique d'intervention), le draft CSP 1995 ne contient pas d'analyse systématique ou détaillée des conditions pour atteindre les résultats. Or, on sait à présent que le décalage susmentionné a conduit à des difficultés majeures pour certains programmes. Ainsi, l'évaluation technique finale d'**EME** montre que ce projet a souffert d'importants retards (38 mois, soit 43% de la durée du projet) en raison de l'absence d'un statut juridique précis pour ce projet, bien que les TdR du projet stipulaient que « *le statut juridique de l'EME sera convenu avec les autorités marocaines avant le démarrage du projet* ». Durant cette période, le projet ne fonctionnait que grâce à des mesures d'urgence (l'AT aux bénéficiaires était fournie par exemple à travers le CEPT qui est une sorte d'accord cadre signé entre Bruxelles et un consortium de cabinets auquel **EME** devait obligatoirement s'adresser : les procédures lourdes et lentes n'ont pas permis de faire jouer la concurrence pour le recrutement de consultants court terme et ce fut à l'équipe de permanence d'**EME** de faire elle-même les diagnostics pour la MAN), n'engageant que 8,7% du montant engagé durant sa durée totale (pour plus de détails sur ce projet voir la question 4.5).

Le CSP 2002-2006 identifie quant à lui aussi un certain nombre de risques (ainsi que des leçons à tirer du passé) à un niveau plus général. Les risques identifiés dans le **PIN 2002-2004** pour chaque type de projet concernent par contre directement le DSP et peuvent être assimilés, dans certains cas, à des conditions de succès :

- Pour le **PAE**, le **PIN** indique qu'il est essentiel de trouver un montage institutionnel bien ancré dans les mécanismes de MAN marocains existants en vue d'éviter des difficultés de mise en œuvre. Les interviews de la mission pays confirment que cette recommandation est à relier aux difficultés auxquelles le programme **EME** a été confronté. Les problèmes liés au statut juridique ne se sont d'ailleurs pas

posés pour ce le **PAE**, qui, comme cela a été le cas pour la fin d'**EME**, a été intégré dans l'ANPME, maître d'œuvre du programme avec la CCG et le MCIT qui est également maître d'ouvrage.

- Pour le programme d'Appui au Développement de la Formation Professionnelle, le **PIN** mentionne le risque de la fuite à l'étranger des personnes formées en raison d'un rythme de développement économique insuffisant pour stimuler l'embauche de ces personnes. Ce problème a été confirmé lors des interviews. Peu d'information est toutefois disponible sur l'ampleur de cette fuite à l'étranger, qui est d'ailleurs plus importante pour les niveaux plus élevés de formation.

On notera que l'impact de certains programmes dépendait de conditions précises qui n'avaient pas été (assez) prises en compte. Ainsi, l'évaluation technique finale **EME** explique qu'un nombre important d'entreprises (estimé à 50% durant les entretiens) ayant bénéficié des services non-financiers fournis via **EME** n'ont pu donner suite aux recommandations faites par les consultants en raison d'une incapacité à financer les investissements conseillés et sont donc passées à côté de la MAN. Les banques, selon l'évaluation finale « n'ont pas joué le rôle qu'on attendait d'elles dans le cadre de la mise à niveau : aider financièrement les entreprises à réaliser leur objectifs ». Certes, des interventions dans le domaine financier (par exemple **PAIGAM**) avaient été prévues, mais elles n'ont manifestement pas suffi à résoudre cette difficulté (voir à ce sujet la question 4.2). Les différents documents fournis ainsi que les entretiens menés fournissent peu d'indications d'une anticipation suffisante de ce type de difficulté.

A un niveau plus général (voir aussi la section 3.3), la question des conditions se pose également au sujet de la fin, le premier janvier 2005, du processus d'intégration défini dans l'article 2 de l'Accord sur les textiles et les vêtements (ATV) de 1994 (donc connu depuis cette époque) et ses conséquences importantes pour le Maroc. Sachant que 33% des exportations marocaines concernent le textile et l'habillement et que ce secteur emploie 45% des effectifs de l'industrie de transformation (voir les sections 3.2 et 3.3), cet événement est d'une importance majeure pour un pays comme le Maroc. Le CSP 2002-2006 ne s'y réfère pas explicitement, mais le **PIN 2002-2004** s'y réfère dans la partie consacrée au Programme de Formation professionnelle II. Par rapport au programme de formation professionnelle de MEDA I, ce programme – non repris dans notre échantillon – cible trois secteurs, dits « spécialement porteurs pour le développement économique du pays », dont le textile (les deux autres secteurs étant le tourisme et les NTIC). Vu l'ampleur du défi (le **PIN 2002-2004** note d'ailleurs à propos du textile (p. 41) que « *si l'impact du démantèlement tarifaire et des prix de référence de ces produits vis-à-vis de l'UE pourrait être relativement réduit, il en est tout autrement de la révolution qui se profile dans ce marché avec le démantèlement de l'Accord multifibres (échéance prévue pour 2005) et surtout par l'accession de la Chine à l'OMC. Répondre à ce problème constitue un grand défi pour le Maroc qui doit s'adapter au plus vite à cette nouvelle situation* »), il est important de se demander si la prise en compte du problème a été suffisante et est intervenue à temps. En effet le **PIN 2002-2004** y réfère de manière très explicite et spécifique surtout au niveau de la formation professionnelle, alors que le textile « *constitue la deuxième branche de l'industrie manufacturière après l'industrie agro-alimentaire et le premier employeur* » (voir **PIN 2002-2004**, p. 41). Même si le textile a été un bénéficiaire important des programmes (par exemple dans le volet AP d'**EME**, voir l'indicateur 43.A.1.3), la question d'une prise en compte suffisante du problème reste préoccupante, surtout lorsqu'on sait que l'AMIT a estimé nécessaire encore il y a peu (2003) de « tirer la sonnette d'alarme » afin de mettre en alerte le Gouvernement sur l'urgence du problème (voir l'indicateur 43.A.1.3).

2D.1 There are potential complementarities and synergies between expected results

2D.1.3 Country missions provide examples of such complementarities

Au Maroc, des exemples de complémentarités entre programmes liés à différents domaines d'intervention existent. C'est le cas notamment pour les programmes **EME** (relevant, principalement, des **services non financiers** aux entreprises) et le **PAAP** (**renforcement des organisations intermédiaires**). Aussi, l'évaluation technique finale **EME** note (p.48) à propos du programme **EME** qu'avec « *le Programme d'Appui aux Associations Professionnelles (PAAP), autre projet MEDA, une véritable synergie a été déclenchée, sous l'égide de la Délégation Européenne* ». L'évaluation souligne qu'il y a eu un réel transfert de savoir d'**EME** vers **PAAP**, plus spécifiquement:

- une étude d'opportunité **EME** fut conduite et financée par **EME**,
- le **PAAP** n'a pas connu les problèmes de base juridique dont a souffert **EME**,
- un consultant **EME** a aidé le **PAAP** à construire les plans d'action des AP agréées,
- **EME** était membre du Comité de Pilotage du **PAAP**,
- inversement, le **PAAP** a par exemple contribué à financer la promotion d'études menées sous **EME**.

Cette synergie est d'ailleurs corroborée tant par l'évaluation à mi-parcours du **PAAP** que par les entretiens menés lors de la mission pays. L'on notera d'ailleurs à ce sujet le rôle croissant des AP dans les programmes de la MAN. En effet, dans MEDA II les AP interviennent dans deux des trois programmes identifiés comme reliés au DSP, en l'occurrence :

- Le **PAE**, successeur d'**EME** prévoit dans son volet « modernisation des PME » une série d'actions groupées (voir l'indicateur 43.B.1.1), qui seront organisées via les structures existantes d'appui aux entreprises (Fédérations Industrielles, Centres Régionaux d'Investissement, Chambre de Commerce et d'Industrie, APs, etc.).
- Le programme d'**appui au développement de la Formation Professionnelle** (MEDA II, non repris dans notre échantillon) utilise les AP comme partenaires pour l'identification des besoins, la mise en place et la gestion des projets.

Par ailleurs, arguant du rôle clé des OI (« *La mise à niveau des entreprises doit être complétée par des actions de nature collective, auxquelles les entreprises, mises à part les plus grosses, ne pourraient avoir accès individuellement. L'ouverture du commerce extérieur ne peut être réussie qu'avec l'appui d'un secteur associatif dynamique qui fait prendre conscience aux entreprises, et en particulier aux PME, de la nécessité des réformes structurelles et du renforcement de leur compétitivité.* » Voir le **PIN** 2005-2006), la Délégation a insisté pour avoir un **PAAP** II (voir indicateur 6A.1.4), ce qui n'était pas prévu par le CSP 2002-2006 et le **PIN 2002-2004**, mais a été prévu dans le **PIN** 2005-2006. Les entretiens menés ont d'ailleurs permis de confirmer cette vision du rôle clé des OI et de la complémentarité entre les interventions dans le domaine des services non-financiers et des OI et la formation professionnelle.

Enfin, l'exemple donné ci-dessus (indicateur 2B.1.3) concernant la difficulté d'un nombre important de bénéficiaires d'**EME** à trouver des financements pour réaliser les investissements conseillés révèle l'importance, du moins lorsque le problème de l'accès au financement est réel, d'une complémentarité prise en compte de manière insuffisante entre les programmes dans le domaines des **services non-financiers** et ceux concernant les **marchés financés**.

2D.2 Prioritisation of areas of intervention (expected results) leads to a better realisation of the purpose

2D.2.3 Country missions provide examples of such issue

De ce qui précède, il ressort qu'une priorisation entre différents domaines d'intervention aurait sensiblement amélioré l'efficacité (et l'efficience) avec lesquelles les résultats ont été atteints :

- le problème du statut juridique d'**EME** aurait dû être résolu avant le démarrage du programme, comme le stipulaient d'ailleurs les Tdr ;
- la problématique de l'accès au financement pour financer les investissements conseillés dans le cadre d'**EME** peut également être compris en termes de priorisation.

Selon plusieurs interlocuteurs rencontrés, il serait erroné d'en conclure trop rapidement que les interventions au niveau « macro » (l'environnement des entreprises) doivent précéder toute intervention à un niveau meso (marchés financiers, appui aux OI) ou micro (services non financiers). **EME**, par exemple, s'est développé dans un contexte difficile, mais cela ne l'a pas empêché, comme il ressort de l'évaluation et comme l'ont confirmé plusieurs interlocuteurs, de générer des résultats et « d'ouvrir la voie » en contribuant à la création d'une véritable dynamique de MAN (voir également la question 4.5).

EQ 3 – Relevance of PSD strategy in a given country

For a given country,

- A. Does the selection of the areas of intervention correspond to the EU PSD strategy?**
- B. Does the selection of the areas of intervention correspond to clearly identified priority needs of this country to increase the competitiveness of the business sector with the view to contribute to the overall objectives of the EU external policy?**

3A.1 The areas of intervention (expect results) in country X correspond to the areas proposed in the EC PSD strategy

3A.1.1 Correspondence between the areas of intervention (expect results) in country X and the EC PSD strategy

Bien qu'au moment de la conception des programmes MEDA I et MEDA II la stratégie en termes de DSP au niveau CE n'était pas encore disponible, la plupart des programmes MEDA I et MEDA II peuvent être classés sous les différents « domaines d'intervention » prévus par la CE, comme il ressort du tableau ci-après²¹ :

	Domaines d'intervention					
	Environnement	Marchés financiers	Organisations intermédiaires	Investissement et b-to-b	Services non-financiers	Micro-entreprises
Programmes						
MEDA I						
EME						
FAS						
MAN Formation professionnelle						
Promotion de la qualité						
Privatisation						
PAIGAM						
PAAP						
Projet pilote micro-crédits						
Capitaux à risque						
Création d'emploi						
MEDA II						
AS financier						
PAE						
Formation professionnelle						

Certains programmes avaient plusieurs composantes et sont donc repris dans différents domaines d'intervention. Il est à noter toutefois que peu a été fait au niveau des investissements dans le cadre des programmes sus-mentionnés, les interventions dans ce domaine faisant partie de programmes régionaux. Par ailleurs, on notera l'importance donnée au Maroc à la formation professionnelle tant dans le cadre de MEDA I que de MEDA II (représentant respectivement 38 et 50 M€). Nous avons classé ces programmes dans les services financiers (et les OI pour MEDA I), car la stratégie DSP de la CE n'identifie pas en tant que tel ce domaine d'intervention, malgré son rôle crucial pour le DSP dans un pays comme le Maroc (voir ci-après). Par ailleurs, malgré les apparences (10 projets MEDA I et 3 projets MEDA II), il y a une forte continuité entre les programmes MEDA I et MEDA II, les programmes MEDA II ayant des composantes couvrant plus de domaines d'intervention.

²¹ Les programmes repris dans l'échantillon sont mis en exergue en bleu.

3B.1 The selected areas of intervention (expect results) correspond to clearly identified needs of countries X in terms of PSD

3B.1.1 Correspondence between selected areas of intervention (expect results) and clearly identified priority needs of countries X in terms of PSD

Note: Primary data needed: (i) Selected areas of intervention, (ii) Clearly identified priority needs

La section 3.3 offre un aperçu des principaux besoin du Maroc en matière de DSP, tels qu'identifiés dans respectivement le draft CSP 1995 et le CSP 2002-2006 et dans une étude de 1999 de la Banque Mondiale. Les différents programmes existants et les domaines d'interventions dans lesquels ils interviennent répondent bien à ces besoins, comme il ressort du tableau ci-après qui offre un aperçu des besoins reconnus auxquels les programmes des différents domaines d'intervention entendent répondre :

	Domaines d'intervention EC					
	Environnement	Marchés financiers	Organisations intermédiaires	Investissement et b-to-b	Services non-financiers	Micro-entreprises
Besoins						
Modernisation de l'environnement des affaires	■					
Accès au financement difficile et onéreux		■				■
Modes de production obsolètes			■			
Procédures pour la création de nouvelles entreprises						
Accès au foncier difficile						
Manque de flexibilité dans le marché du travail				■		
Manque de qualification de la main d'œuvre					■	

On notera que les interventions de la CE ne couvrent pas forcément l'ensemble du champ des besoins en matière de DSP auxquels le pays est confronté (voir l'indicateur 3B.1.2 ci-après). La formation professionnelle quant à elle, bien que ne correspondant pas à un domaine d'intervention à proprement parler (mais pouvant être rapprochée des services non financiers) répond à un besoin clairement identifié au Maroc. Enfin, comme l'ont fait remarquer plusieurs interlocuteurs, la présence du **projet pilote d'appui au micro-crédit** ne semble pas justifiée parmi les interventions visant à renforcer la compétitivité du secteur privé. Il s'agit plutôt d'un projet à vocation sociale.

Cela dit, comme le mettait en exergue le draft CSP 1995, la principale difficulté du Maroc est « une industrie mal armée pour s'intégrer dans l'espace économique euro-méditerranéen ». Or, si les interventions prises individuellement répondent bien à des besoins réels, les CSP ne proposent pas une véritable analyse et vision globale explicite du DSP au Maroc ni une véritable stratégie visant à traduire une approche intégrée. C'est plutôt au moment de la mise en œuvre que la stratégie (au sens d'un effort de plus forte articulation des différents programmes) a été « reconstruite ».

3B.1.2 Correspondence between PSD strategy in the country and national priorities or policies

Le rapport pays de l'évaluation MEDA souligne qu'à l'époque de MEDA I, la stratégie DSP de l'UE n'avait pas de correspondant au niveau national, au sens où il n'y avait pas à proprement parler de programme national pour faire face aux principales faiblesses des PME en termes de compétitivité, alors que la stratégie UE visait principalement à intervenir sur ces points. Ceci était d'ailleurs également mentionné dans le draft CSP 1995 qui identifiait l'absence « *d'un programme structuré de soutien des petites et moyennes entreprises* » comme un des principaux problèmes à résoudre.

Depuis (septembre 2000), le Gouvernement a toutefois publié son Plan de Développement économique et social 2000-2004. D'autres initiatives ont également été prises, comme la création de l'ANPME en novembre 2002, conçu comme instrument opérationnel des pouvoirs publics en matière de promotion et de

développement des PME, et ayant pour mission de contribuer de façon active à la promotion, au développement et à la MAN de l'entreprise, en s'appuyant sur le réseau d'institutions publiques et privées de promotion existantes, tout en les dynamisant et en coordonnant leurs actions. Il existe également des contrats programmes au niveau des secteurs qui sont des accords-cadres entre le Gouvernement et les AP. Basés sur un diagnostic sectoriel, les contrats programmes définissent des objectifs et un plan d'action et de décision pour les atteindre. Le contrat programme pour le secteur touristique a été un précurseur de cette approche qui est maintenant déclinée au niveau de différents secteurs. Malgré ces évolutions, on ne peut pas encore parler d'une stratégie de DSP explicite au niveau national et il n'est donc pas aisément de définir comment les interventions de la CE s'inscrivent dans la stratégie nationale.

EQ 4.1 - Effectiveness - Business environment

To what extend did EU interventions make the institutional, macro-economic and legal and regulatory framework more conducive to PSD?

41.1 EC support to the institutional setting has contributed to the development of the business sector

41.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy

Comme il ressort de la fiche programme correspondante, le **programme FAS** de la période MEDA I avait pour objectif global de constituer un appui strictement financier à la mise en place de réformes socio-économiques pour répondre aux défis liés à l'intégration progressive du Maroc dans la zone de libre-échange et ce par une amélioration du cadre macroéconomique, légal et des régulations. Parmi ses objectifs spécifiques on trouve la promotion du secteur privé, l'amélioration du cadre réglementaire et la poursuite du processus de privatisation et concession.

Le **PAE** (MEDA II) a également une dimension « institutionnelle », notamment via son volet « qualité/normalisation » qui vise à permettre à l'industrie marocaine d'atteindre un niveau de qualité compatible avec l'ouverture des frontières au sein de la ZLE entre autres par la consolidation du système national normatif, d'accréditation, de certification et d'évaluation de la conformité. Ce programme n'ayant pas encore été évalué, il ne sera pas traité ici.

41.1.2 Evidence that the improved institutional capacity due to EU support has produced a framework that is more conducive to PSD

Selon l'évaluation MEDA 2003, le **programme FAS** mis en œuvre dans la période 1997-1999 a, malgré d'importants délais encourus, mené à des résultats impressionnantes. Entre autres, ce programme a induit le Gouvernement marocain à concevoir une stratégie macro-économique pour la période 2000-2004 et a stimulé l'accomplissement d'un nombre important de réformes structurelles touchant le secteur bancaire et financier, fiscal, le commerce, la formation, les télécommunications, le secteur minier et la santé. En mars 2000 l'équipe MEDA, a entrepris une évaluation du **programme FAS**. Le rapport d'évaluation soulignait que le projet d'ajustement structurel avait contribué à d'importants changements dans le paysage légal, réglementaire et institutionnel : Tribunal de commerce, gestion de la dette publique, financement du Trésor, cycle et circuit des dépenses publiques, désengagement public et investissement public dans les secteurs sociaux.

Malgré l'appréciation positive de ces résultats, l'évaluation met également le doigt sur d'importantes faiblesses : conditionnalités qui ne référaient pas de manière suffisamment précise aux exigences du processus de Barcelone et une absence de coordination entre le **programme FAS** et d'autres instruments MEDA.

41.1.3 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

Nous ne disposons pas d'information quant aux facteurs ayant facilité ou entravé la mise en œuvre de ce programme.

41.2 EC support to macroeconomic stabilization has contributed to the development of the business sector

41.2.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy

Le **programme FAS** (MEDA I), déjà discuté sous 41.1.2 contenait certaines composantes axées sur la stabilisation macroéconomique, notamment en matière de finances publiques (réduction du déficit budgétaire, réforme de la fiscalité, rationalisation des dépenses, poursuite d'une politique libérale de change, réforme du secteur financier).

De même, le programme d'**appui à la privatisation** (MEDA I) est pertinent ici, son objectif global étant d'améliorer la compétitivité des entreprises, les finances de l'Etat et la fourniture de services publics, en apportant au secteur public le stimulant de la concurrence et les ressources du secteur privé national et international. Ce programme ne sera toutefois pas analysé ici, l'*Evaluation rétrospective du programme de privatisation au Maroc entre 1993 et 2003* de novembre 2004 n'étant pas encore disponible pour le public.

41.2.2 Evidence that the improved macroeconomic situation due to EU support has produced a framework that is more conducive to PSD

Evaluation pas encore disponible publiquement.

41.2.3 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

Evaluation pas encore disponible publiquement.

41.3 EC support has achieved the removal of legal and regulatory barriers to the development of the business sector

41.3.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy

Un des objectifs spécifiques du **programme FAS** déjà évoqué sous les indicateurs 41.1 et 41.2 est la poursuite d'une stratégie de développement économique et social à moyen terme. Il vise entre autres à améliorer la compétitivité externe de l'économie (démantèlement tarifaire progressif, amélioration du cadre législatif, démonopolisation et déréglementation), mais peu d'information est disponible sur les actions réellement mises en œuvre.

41.3.2 Evidence that the removal of legal and regulatory barriers due to EU support has produced a framework that is more conducive to PSD

Evaluation non disponible.

41.3.3 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

Evaluation non disponible.

EQ 4.2 - Effectiveness - Reinforcing financial markets

To what extend did EU interventions reinforce financial markets?
42.1 The appropriate framework for supplying well-developed and efficient financial services for SME is reinforced
<i>42.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy</i>
<p>Les programmes concernés de l'échantillon sont, pour MEDA I, le PAIGAM et, pour MEDA II, le PAE. Le programme PAIGAM vise à faciliter l'accès au crédit des PME/PMI à travers un schéma de garantie fiable, afin qu'elles puissent réaliser les investissements de moyen et long terme, par le biais d'un fonds capitalisé.</p> <p>Le volet FOMAN du PAE vise quant à lui à faciliter l'accès des PME marocaines au conseil de MAN (consultance locale) et au financement des équipements, notamment via une contribution financière au FOMAN, un appui institutionnel aux agences d'exécution, une contribution au changement d'attitude du secteur bancaire marocain par rapport au financement des PME via la formation de formateurs et l'information des PME marocaines au sujet du FOMAN.</p> <p>Le projet pilote d'appui au micro-crédit relève également du financier, mais visant les micro-entreprises il sera analysé dans la question 4.6.</p>
<i>42.1.2 The sustainability of the programme (i.e. its effects) are explicitly ensured from the first stage of the programme</i>
<p>La convention de financement du PAIGAM ne mentionne pas d'éléments permettant de s'assurer que la durabilité du programme a été assurée dès le début de celui-ci, au sens de la nécessité d'assurer l'équilibre entre les recettes (taux chargé) et les dépenses (sinistres) pour éviter que celui-ci ne se vide.</p> <p>Un des éléments qui sont un signe de la prise en compte de la durabilité du volet FOMAN du PAE est le fait que le fonds est constitué d'une contribution égale entre l'UE et le gouvernement marocain et que la gestion quotidienne reste sous la responsabilité des autorités marocaines. Selon les DTA du PAE le FOMAN « <i>réfère la volonté du Maroc de financer les efforts de mis à niveau par ses propres ressources et sous sa responsabilité nationale</i> » (p. 2). Cette appropriation est un facteur important de durabilité.</p>
<i>42.1.3 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i>
<p>Note: Present the value of these indicators in the Project Fiche and a conclusion here</p> <p>Pour aucun des deux programmes une évaluation est disponible.</p> <p>Par contre d'autres informations en termes de résultat ont pu être récoltées, soit par le biais de rapports de monitoring existants, soit lors des entretiens menés pendant la mission pays.</p> <p>Le programme PAIGAM, visant à faciliter l'accès au crédit des PME/PMI à travers un schéma de garantie fiable, s'inscrit dans un contexte de besoins de financement considérables du système productif marocain (notamment en vue de la concurrence accrue due à la mise en place de la zone de libre échange) et d'un système bancaire qui, malgré des sur-liquidités, n'emploie qu'une faible partie des ressources disponibles pour financer des crédits à moyen ou long terme orientés vers le secteur productif et ce qui plus est à des taux d'intérêt élevés (système caractérisé par une faible concurrence et propension au risque insuffisante). L'évaluation du programme PAIGAM est attendue pour le premier semestre 2005. Toutefois, lors des entretiens menés, quelques réserves ont été émises sur ce programme. Il semble en effet que depuis la signature de la convention du PAIGAM en novembre 2000, des montants s'élevant à 24 M € ont été garantis. Si l'on tient compte d'un rapport garantie/montant garanti de 1/8, cela représente une garantie de 3 M€, soit une véritable sous-utilisation du Fonds (celui-ci s'élevant à 25,5 M€). Ceci suscite la question de savoir si le problème de l'accès au financement devait véritablement se poser en termes de garantie où si le véritable problème à traiter était ailleurs (voir l'indicateur 42.1.5 ci-après).</p>

Le **PAE** quant à lui contient également un volet relatif au renforcement des marchés financiers, sous la forme d'un « Fonds national de mise à niveau » (**FOMAN**). Une évaluation de ce programme n'est pas encore disponible, mais lors des entretiens, plusieurs interlocuteurs ont émis des réserves à son sujet. **FOMAN** est un « matching fund » qui vise à faciliter l'accès des PME au conseil de mise à niveau par la consultation locale et aux investissements matériels selon une répartition du financement de 20% par l'entreprise, 30% par le **FOMAN** et 50% par la banque. Depuis la signature de la convention de financement en juillet 2003, 22 dossiers ont été soumis dont seulement 1 financé, ce qui est loin du résultat attendu de 140 PME bénéficiaires d'accès aux crédits concessionnels du **FOMAN**.

42.1.4 Other result indicators, such as: Ratio of credits demands to credits approvals (lower); Number of credits financed mobilizing private savings (higher); Cost to create a collateral (lower); Time for the credit approval procedure (shorter); Evidence of local financial institutions suffering distortions from EC programmes (in particular direct support to companies).

Données non disponibles.

42.1.5 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

Malgré des sur-liquidités, les banques continuent à avoir une aversion pour le risque, une faible connaissance des PME (voir un manque d'intérêt) et sont réticentes à mettre en œuvre de nouveaux projets d'investissement émanant de PME. Ce manque de confiance de la part des institutions financières dans les PME a été souligné par plusieurs interlocuteurs et est d'ailleurs également mis en avant par l'évaluation MEDA (2003) comme un frein important.

Pour ce qui est du **PAIGAM**, la réticence des banques à prêter pourrait également s'expliquer, comme l'ont suggéré certains interlocuteurs, par le taux de défaillance important des entreprises, une perception des banques d'une rentabilité insuffisante de l'activité de crédit aux PME dans un contexte d'autres activités commerciales rentables et/ou un manque de capacités dans l'analyse des risques. L'on notera à ce sujet (voir la fiche programme correspondante) les nombreuses initiatives prises dans MEDA II sur ce point dans le volet **FOMAN** du **PAE** (appui au secteur bancaire sous forme de formation et information, notamment relatives aux techniques d'évaluation et d'analyse financière des dossiers de crédit).

Quant au volet **FOMAN** du **PAE**, selon plusieurs interlocuteurs cet instrument n'est pas efficace parce que soit les banques ne veulent pas prendre le risque de financer (voir les raisons évoquées au sujet du **PAIGAM**), soit elles veulent financer, mais préfèrent renoncer au **FOMAN** afin d'appliquer leur propre taux.

EQ 4.3 – Effectiveness - Intermediate organisations (IO)

<p>A. To what extend did EC interventions help IO to increase their capacity to conduct a policy dialogue with the government;</p> <p>B. To what extend did EC interventions help IO to improve the quality or quantity of the services provided to and used by its members</p>
<p>43A.1 Intermediate organizations have successfully promoted the interests of the private sector as a result of EC support</p>
<p><i>43A.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy</i></p> <p>Le principal programme concerné est le PAAP (MEDA I) qui vise à la renforcer la capacité des AP dans la fourniture de services à leurs membres, d'améliorer leur représentativité et, par conséquent, d'accroître leurs ressources tant financières qu'en moyens d'actions.</p> <p>Un des objectifs spécifiques du programme EME (MEDA I) est le renforcement des AP, par le renforcement du rôle de ces associations par rapport aux pouvoirs publics via la formation.</p>
<p><i>43A.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i></p> <p>Note: Present the value of these indicators in the Project Fiche and a conclusion here</p> <p>L'évaluation à mi-parcours (août 2003) du PAAP stipule que (pp. 28-29): « <i>L'annexe 1 du Contrat de Subvention assigne au PAAP l'objectif de renforcer la capacité opérationnelle des AP pour leur permettre de générer les ressources nécessaires à la poursuite de leur développement et à la continuation de leurs actions au service de leurs membres (augmentation des adhésions, vente de services ... etc.). Elle ne lie cependant à ces objectifs aucun indicateur de résultats qui permettrait de mesurer en termes objectifs l'impact du PAAP. Logiquement, de tels indicateurs devraient prendre en compte l'augmentation des ressources propres générées par les AP tels que l'augmentation du nombre des membres effectifs (à jour dans le paiement de leur cotisation) et l'augmentation des ressources générées par des actions reconductibles des AP (services payants aux entreprises essentiellement). En l'absence d'indicateurs de résultats (output), l'évaluation des résultats obtenus par le PAAP à ce jour se limite nécessairement à l'évaluation des moyens mis en œuvre (input).</i> »</p> <p>Nous ne disposons pas d'information sur les indicateurs de résultat initialement prévus pour l'aspect renforcement des AP dans le cadre du programme EME.</p>
<p><i>43A.1.3 Other result indicators, such as</i></p> <ul style="list-style-type: none">▪ Evidence of involvement of IO (particularly if supported by the EC) in policy orientation meetings▪ Example of policies that directly respond to the demands of the IO (particularly if those were supported by the EC)▪ IO supported cover a significant part of local enterprises <p>Note: Present the value of these indicators in the Project Fiche and a conclusion here.</p> <p>Couverture du programme</p> <p>Selon l'information collectée lors des entretiens²², il y a environ 500 AP au Maroc, dont 300 associations d'entreprises et 200 associations d'individus.</p> <p>Dans le cadre du PAAP, deux types d'actions ont été menés : des actions verticales (directement sur les AP), et des actions transversales (sur le tissu associatif). Les actions verticales sont réparties selon quatre axes : l'appui institutionnel, l'information et la communication, la promotion du secteur d'activité et l'analyse du secteur d'activité ; les actions transversales concernent la communication/promotion, la formation et le renforcement du tissu associatif. 43 dossiers ont été validés par le programme, dont 16 pour les Fédérations sectorielles, 15 pour les Associations sectorielles, 7 pour les Associations / fédérations transversales et 5 pour les Associations de zones industrielles, ce qui représente environ 224 association,</p>

²² Interviews et bulletin d'info du PAAP de mars 2005.

soit 14.000 entreprises (sur un total estimé à 25-30.000).

L'évaluation technique finale d'**EME** (novembre 2004) explique que le programme :

- a soutenu à 5 AP qui ont reçu 19 interventions après la signature de protocoles d'accord avec ces AP, mais a également engagé des actions moins importantes avec un certain nombre d'AP plus petites ;
- a mené à travers les AP ayant signé les protocoles d'accord des actions de MAN sous forme d'actions groupées (concernant des domaines d'intérêt commun comme la démarche qualité, l'obtention de la certification ISO, etc.). Celles-ci, au nombre de 20 ont représenté 20% des hommes/jours mobilisés et ont concerné 117 entreprises sur les 363 entreprises bénéficiaires d'**EME** (voir aussi l'indicateur 45.1.3). On notera ici que l'AMITH a absorbé 35,5% du budget utilisé pour ces actions ;
- a mené avec les AP 12 études sectorielles et leur a apporté parfois un appui institutionnel (sous forme de subvention ou de coaching).

Le tableau ci-après identifie la part de chaque AP dans les activités **EME** visant les AP (*source : évaluation technique finale EME*) :

SECTEURS	A. P.	H/J expertise	%	Budget €	%
Textile	AMITH (1)	608	31	624 929	35,5
Cuir	FEDIC	156	8	130 290	7,4
Matériaux de construction	FMC	195	10	136 771	7,8
Papier carton	AFCOM + FIFAGE	210	10,7	142 646	8,1
Agro alimentaire	FICOPAM + AMIPAC + CRI Agadir (2)	488	24,9	336 109	19,1
Automobile	AMICA (3)	90	4,6	129 500	7,4
Chimie	FCP (subvention)	0	0	62 000	3,5
Développement régional	AZIT + CRI Agadir (5)	187	9,5	116 836	6,6
Patronat	CGEM (4)	25	1,3	79 941	4,5
TOTAL		1959	100,0	1 759 022	99,9

Représentativité et implication des OI dans les prises de décision stratégiques

Une évaluation à mi-parcours du **PAAP** a eu lieu en août 2003 et une mission d'impact est attendue pour juillet 2005.

En termes de représentativité, l'évaluation intermédiaire observe que :

- il est difficile de déterminer la proportion des entreprises marocaines qui adhèrent à une AP, mais cette proportion est faible ;
- la CGEM estime qu'environ 15.000 entreprises sont affiliées à au moins une AP. Ces entreprises représentent environ ¼ du PIB, c'est-à-dire que les grosses entreprises sont beaucoup mieux représentées dans le secteur associatif que les PME ;
- de nombreuses AP ont peu de membres ou des membres qui n'ont pas payé leur cotisation, beaucoup d'AP ne peuvent pas rendre de services à leurs membres ;
- il y a aussi des AP dormantes : sans cotisation et n'ayant aucune activité ;
- la majorité des AP limitent leur rôle à des fonctions de représentation passive.

Plusieurs interlocuteurs rencontrés ont affirmé que la fonction représentation des AP a augmenté et que, notamment, il y a une reconnaissance croissante par le gouvernement des AP, en particulier les AP industrielles. L'AMITH, par exemple, a entrepris des actions vis-à-vis du gouvernement par rapport à la situation précaire du secteur textile et a tiré la sonnette d'alarme lors d'un séminaire sur le textile à Marrakech fin 2003 (voir également ci-après), afin de provoquer une véritable prise de conscience de l'enjeu de la fin du processus d'intégration défini dans l'article 2 de l'Accord sur les textiles et les vêtements

(ATV) de 1994 (voir aussi l'indicateur 2.B.1.3). De manière générale, il ressort des entretiens que ce programme a été considéré comme efficace et pertinent et que les AP ont un rôle important à jouer dans la mise à niveau (voir aussi l'indicateur 2D.1.3 sur ce point).

L'évaluation technique finale **EME** note que :

- la question de la représentativité des AP au Maroc reste posée ;
- que les études avec les AP ont été considérées comme des « bases pour l'avenir ». A titre d'exemple, 5 études ont été menées avec l'AMITH, présentées lors d'un grand séminaire le 17/10/03 à Marrakech, puis à travers les villes du Maroc. 32 entreprises du secteur textile – habillement ont été accompagnées dans des actions d'amélioration de leur compétitivité et l'AMITH estime que les gains de productivité furent entre 20% et 25%. L'AMITH estime que sa collaboration avec **EME** fut exemplaire par son reporting et par son suivi (la collaboration quotidienne) et rejoint en cela les représentants de la plupart des AP rencontrés dans le cadre de l'évaluation technique finale (les responsables de la FEDIC, autre bénéficiaire important ont qualifié l'action d'**EME** de « bénéfique » et attendent une augmentation de la productivité des entreprises (l'évaluation note toutefois que les entreprises sélectionnées étaient parmi les plus dynamiques) ;
- Les chefs d'entreprise ont en général apprécié les actions horizontales à travers les associations professionnelles car ils ont trouvé les interventions moins précipitées et plus graduelles. La démarche, plus pratique et plus réaliste, permettait à l'entreprise une mise en place progressive des recommandations des consultants et une assimilation, au fur et à mesure, des changements à effectuer.

43.A.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

Pour le **PAAP** tant l'évaluation intermédiaire que les entretiens mentionnaient les éléments suivants comme ayant contribué à l'obtention des résultats du programme :

- le programme était accueilli et géré par la CGEM : cette forte implication du secteur privé a été accueilli comme une bonne pratique, de par sa proximité avec les bénéficiaires ;
- les synergies avec le programme **EME** évoquées plus haut (indicateur 2D.1.3) ;
- parmi les facteurs plus externes, l'introduction d'une nouvelle loi sur le droit associatif et l'impulsion donnée par le MCIT auprès des entreprises à se faire représenter par leurs AP ont été évoqués.

Pour **EME**, l'évaluation technique finale met en avant les facteurs favorables suivants :

- les AP tiennent à leur autonomie vis-à-vis des organismes administratifs. Or, **EME** se présentait comme un « Business Centre » libre de ce genre de contraintes et il pouvait être attractif de collaborer avec lui ;
- l'initiative de signer des protocoles d'accord avec certaines d'entre elles signifiait, de la part d'**EME**, un souci d'identification et d'opérationnalité (non exclusif d'ailleurs) qui se révéla très positif ;
- les synergies avec le programme **PAAP** déjà mentionnées plus haut.

Parmi les facteurs ayant entravé le programme **PAAP**, on retiendra les suivants :

- la lourdeur des procédures administratives a créé d'importants ralentissements et a conduit à une contraction de la durée du programme (ramenée de 42 à 30 mois) et de ses différentes phases. La phase de préparation a été ramenée de 12 à 4 mois, ce qui a eu pour conséquences :
 - un manque de préparation des AP dans la maîtrise des procédures se répercutant sur les délais de préparation et finalisation des PA ;
 - des difficultés pratiques de vérification des conditions d'éligibilité ;
 - un manque de précision des objectifs visés dans les PA.
- au début du projet la démarche pour soutenir les AP était trop uniforme. Une étude sur le tissu associatif menée à mi-parcours a permis de rectifier le tir en termes de démarche et ciblage des objectifs, mais cette étude aurait dû être menée avant ou au démarrage du projet afin d'avoir une approche mieux ciblée et adaptée dès la conception du projet.

L'évaluation technique finale d'**EME** note quant à elle que :

- l'apport des AP a été très irrégulier d'une association à l'autre. Les entreprises membres d'AP moins dynamiques n'ont pas pu bénéficier d'actions horizontales ;
- les entreprises ayant profité d'actions horizontales appartiennent souvent à un noyau dur au sein de l'AP et se trouvent en situation privilégiée pour en bénéficier. Certains chefs d'entreprise se sont plaints de ne jamais être informés par leur AP des actions groupées ;
- les actions envers les AP ont démarré tardivement (voir les problèmes d'**EME** mentionnés plus haut) et l'évaluation technique finale affirme à ce propos que (p. 48) « *ce caractère tardif, dans la durée d'EME, des actions envers les AP, s'agissant notamment des études sectorielles, fut une gêne pour les mener à bonne fin. Cela fut compensé par l'intensité du suivi d'EME qui évaluait les résultats de ces actions tous les 3 mois. Ceci explique que les associations professionnelles, bénéficiaires d'actions, aient été très laudatives à l'égard d'EME, mais ne saurait faire oublier qu'elles auraient pu être lancées avant 2002.* ».

43B.1 Intermediate organizations provide more and better services to their members as a result of EC support

43B.1.1 The objective of the programme corresponds to the expected results proposed by the EU PSD strategy

Le principal programme concerné est le **PAAP** (MEDA I) dont un des objectifs explicites est de renforcer la capacité des AP dans la fourniture de services à leurs membres.

Un des objectifs spécifiques du programme **EME** (MEDA I) est le renforcement des AP, par le renforcement du rôle de ces associations par rapport aux pouvoirs publics via la formation.

Un des objectifs spécifiques du programme d'appui à la mise à niveau de l'enseignement technique et de la formation professionnelle (MEDA I) est le renforcement du rôle des AP et des mécanismes d'identification et de satisfaction des besoins en compétences des entreprises. Ce programme s'appuie donc sur les AP, mais n'est pas réellement pertinent ici, ne visant pas directement à aider les AP à se renforcer.

Le volet « modernisation des PME » du **PAE** (MEDA II) vise quant à lui contribuer à la modernisation des PME marocaines et améliorer leur compétitivité en fonction des défis engagés par la création de la ZLE par, entre autres, des actions groupées (formation et sensibilisation à la nécessité, aux contraintes et aux modalités de la MAN des entreprises, information et formation à la promotion des exportations et au marketing international, etc.) au travers ou sur l'initiative des structures d'appui aux entreprises. Une évaluation de ce programme n'étant pas encore disponible, il ne sera pas traité ici.

43B.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up

Note: Present the value of these indicators in the Project Fiche and a conclusion here

Voir l'indicateur 43.A.1.2.

43B.1.3 Other result indicators, such as:

- Evolution of the number of services provided by IO (particularly if those were supported by the EC) (increased)
- Evolution of the number of companies benefiting from these services
- Evolution of membership in these IO
- Level of satisfaction of firms using services provided by IO
- IO supported cover a significant part of local enterprises

Note: Present the value of these indicators in the Project Fiche and a conclusion here

Ni l'évaluation du **PAAP**, ni l'évaluation **EME** ne fournissent de l'information quantitative sur ces indicateurs de résultat. Par contre, on notera que peu d'AP sont en mesure de fournir des services payants.

43B.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

Voir l'indicateur 43A.1.4 ci-dessus.

EQ 4.4 – Effectiveness - Investment promotion and b-to-b cooperation

To what extend did EU interventions increase trade, investment and general b-to-b cooperation?
44.1 EU interventions increased trade, investment or general b-to-b cooperation
<i>44.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy</i>
<p>Un des volets du programme EME prévoyait la promotion des échanges et du partenariat (identification de partenaires commerciaux européens, accords de coopération (franchises, licences), démarrage d'une cellule de l'EICC. Peu d'information étant disponible sur cet aspect du programme (il semble que peu ait été fait en la matière), il ne sera pas traité ici.</p> <p>Le volet « modernisation des PME » du PAE vise, entre autres, à promouvoir le partenariat avec les entreprises européennes. Une évaluation de ce programme n'étant pas encore disponible, il ne sera pas traité ici.</p> <p>En termes d'attraction des investissement, on retiendra surtout le programme régional de Réseau Euro-Méditerranéen des agences de promotion des Investissements, ANIMA, qui constitue un élément de la composante « Coopération industrielle euro-méditerranéenne » des programmes régionaux MEDA. Signé en Mars 2002, ce programme dispose d'un budget de 3,95 M€. Il est supervisé directement par EuropAid et géré par une UGP de l'AFII. Les bénéficiaires directs du programme sont les API des 12 pays de la région MEDA (l'API marocain est la Direction des Investissements ou DI, créée en 1996 et dépendant du Ministère des Affaires Economiques et Générales). L'objectif principal du programme est d'augmenter les IDE dans la région MEDA et mettre en place une Agence de Promotion des investissements Euro- Méditerranéenne. Les trois volets prévus sont :</p> <ul style="list-style-type: none">▪ renforcer l'expertise du personnel permanent des API Meda et les compétences des formateurs spécialisés dans la promotion de l'IDE ;▪ créer un réseau Euro-Mediterranéen d'APIs et à terme une institution commune entre les agences d'investissement UE et Med ;▪ soutenir des activités de promotion au niveau régional et national.
<i>44.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i>
Note: Present the value of these indicators in the Project Fiche and a conclusion here
<p>Des indicateurs de résultat pour EME n'ont pas été prévus sur ce point.</p> <p>L'évaluation du programme, ANIMA du 22/02/05 mentionne les résultats suivants :</p> <ul style="list-style-type: none">▪ Volet 1 : il y a une amélioration des compétences du personnel permanent des API MED, sauf en ce qui concerne la formation de formateurs ;▪ Volet 2 :<ul style="list-style-type: none">- la création d'un véritable réseau méditerranéen et euro-méditerranéen d'API n'a pas encore abouti,- en matière d'implication active de tous les pays méditerranéens dans le réseau, l'évaluation note que dans une mesure variable en fonction de leurs moyens (en ressources humaines, technologiques) les 12 pays bénéficiaires ont manifesté une implication active. Mais tous les pays méditerranéens sont inégalement préparés pour bénéficier du projet, en particulier pour tirer parti d'un support à la promotion de l'investissement régional ;- pour ce qui est de l'implication des API européennes dans les activités, la dimension UE du projet est perçue comme réduite à l'AFII ;

<ul style="list-style-type: none">▪ Volet 3 :<ul style="list-style-type: none">- pour ce qui est de l'amélioration de la promotion de l'investissement au niveau régional, ANIMA a jeté les bases d'un processus de benchmarking, assurant une plus grande transparence des conditions réelles du terrain, et accélérant la prise de conscience de la solidarité régionale dans la perception des investisseurs, mais les résultats, nécessairement indirects, manquent de netteté ;- en matière d'amélioration de l'image de la région auprès des investisseurs étrangers (surtout UE), que le travail d'assistance auprès des API Med dans leurs efforts de promotion de l'image de la région en est encore à ses débuts, et qu'on ne peut lui attribuer de résultat tangible. Les tendances semblent connaître un frémissement positif, même si les résultats de l'enquête ANIMA auprès d'investisseurs en région MEDA continuent de révéler une image dégradée de la région.
<p>44.1.3 Other result indicators, such as :</p> <ul style="list-style-type: none">▪ <i>Number of signed agreements (following an EC funded action) (increase)</i>▪ <i>Evidence of investment from European firms in local business following agreements signed</i>▪ <i>Evidence of increased exports from firms having participated to an EC-supported activity</i>▪ <i>Enterprises having participated to the activities cover a significant part of the target population of beneficiaries</i>▪ <i>Evidence of other forms of benefits following agreements signed</i>
<p>Note: Present the value of these indicators in the Project Fiche and a conclusion here.</p>
Ces données ne sont pas disponibles.
<p>44.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme</p> <p>En termes de pertinence, l'évaluation note :</p> <ul style="list-style-type: none">▪ Par rapport au volet 1 de renforcement des API : le renforcement et la MAN de telles institutions ne peut avoir qu'un effet marginal sur l'évolution des investissements étrangers, ceux-ci dépendant de facteurs structurels, qui surdéterminent les décisions d'investissement à l'étranger. Les API n'interviennent qu'à la périphérie des déterminants des IDE. Elles sont en général confrontées aux investisseurs lorsque ces derniers sont déjà très avancés dans leur processus d'arbitrage de localisation.▪ Dans un contexte de coopération économique régionale très réduite qui caractérise la région MEDA (le niveau des échanges commerciaux internes à la région est un des plus faible du monde selon l'évaluation), les programmes de mise en réseau représentaient des paris assez audacieux. Le risque d'échec de ces programmes régionaux était donc, en moyenne, plus élevé que pour les programmes engagés de manière bilatérale.▪ En amont de la mise en œuvre du programme, aucune étude (ou même sondage) préalable n'a été réalisée sur les besoins des bénéficiaires (les 12 API MEDA), leur ancrage institutionnel propre et leurs missions respectives, leurs tailles et leurs capacités d'absorption de l'assistance technique prévue, leur disponibilité et leur aptitude à travailler en réseau dans un cadre MEDA et MEDA-UE. Or, selon l'évaluation, l'une des contraintes majeures sur laquelle bute la mise en œuvre et la pérennité d'ANIMA est la forte hétérogénéité entre les différentes API-MED.▪ La conception du programme est par ailleurs fondée sur l'hypothèse, audacieuse selon l'évaluation, étant donnée la mission des API d'attirer des projets d'investissement sur leur propre territoire (c'est-à-dire étant donnée leur logique de compétition), d'une volonté et d'un intérêt à coopérer des API des deux rives. Cette logique de compétition est invoquée pour expliquer la grande difficulté à impliquer les API-UE dans le programme.

- L'architecture de réseau avec une logique de transfert de savoir-faire et d'outils des API-UE vers les API-MED est considérée comme inappropriée puisque les partenaires européens du programme, les API UE, sont surtout en relation avec les investisseurs hors-UE qu'elles ont pour mission d'essayer d'attirer en Europe.

En termes de cohérence, l'évaluation stipule que:

- le projet européen de Portail du « Guide de l'investisseur » est destiné exactement aux mêmes bénéficiaires qu'**ANIMA**, adopte une approche réseau et concerne une activité – l'assistance à la diffusion de l'information par internet – qui est également mise en œuvre par **ANIMA**.

Pour ce qui est de l'efficacité :

- certains API expriment un refus de mener des actions de promotion au niveau régional (la logique de concurrence semble prévaloir) ;
- les pays sont inégalement préparés pour bénéficier du projet, en particulier pour tirer parti d'un support à la promotion de l'investissement régional.

EQ 4.5 – Effectiveness – BDS

To what extend did EU interventions aiming to provide non-financial services create a competitive business development services markets?

45.1 EU interventions aiming to provide non-financial services create a competitive business development services markets

45.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy

Les deux principaux programmes concernés ici sont **EME** (MEDA I) et son successeur le **PAE** (MEDA II).

L'objectif principal d'**EME** est l'accompagnement à la MAN des PME marocaines touchées par le démantèlement tarifaire et plus globalement par une concurrence internationale accrue induite par l'entrée en vigueur de l'Accord d'Association entre l'UE et le Maroc. Le programme vise essentiellement à fournir des services de consultation et de formation aux entreprises du secteur privé. Son volet actions de conseil vise à effectuer le diagnostic d'entreprises, des plans d'action, de l'expertise court terme avec un accent sur la politique commerciale vis à vis de l'UE, ainsi que l'appui au montage de dossiers financiers de crédit à l'entreprise. Les DTA de la convention de financement avec l'ANPME mentionnent également (p. 18) que « *l'implication de la consultance locale sera un élément clé des actions de conseil. Un mécanisme sera mis en place afin de constituer une réserve d'experts locaux et une méthodologie sera développée pour mobiliser cette expertise locale.* ».

Deux volets du **PAE** sont concernés ici :

- le volet « qualité/normalisation » qui vise notamment la création et l'équipement de cinq Centres Techniques spécialisés ;
- le volet « modernisation des PME » dont 2 composantes sont directement concernées :
 - la composante conseil direct aux entreprises et formation dans divers domaines (qualité, stratégie commerciale, réorganisation de la production, systèmes de gestion, conseil financier, etc.) ;
 - la composante renforcement de la consultance marocaine et sa participation de façon croissante aux activités de mise à niveau et de modernisation des PME.

Une évaluation du **PAE** n'étant pas encore disponible, celui-ci ne sera pas traité ici.

La MAN de l'enseignement technique et de la formation professionnelle au Maroc est plus indirectement lié à ce domaine d'intervention et ne sera donc pas traitée ici.

45.1.2 The objective and overall design of the programme corresponds to the Blue Book on BDS programmes ("BDS for Small Enterprises: Guiding principles for donor intervention")

En ce qui concerne le *Blue Book on BDS programmes*, nous renvoyons à la question 5 et plus spécifiquement l'indicateur 5.6.1 qui pose la question du « relais » et plus particulièrement de la nécessité ou non d'une aide continue (voir dans le *Blue Book* la notion de « private good »).

45.1.3 Result indicators originally foreseen in project documents and evidence that these indicators were followed up

Note: Present the value of these indicators in the Project Fiche and a conclusion here.

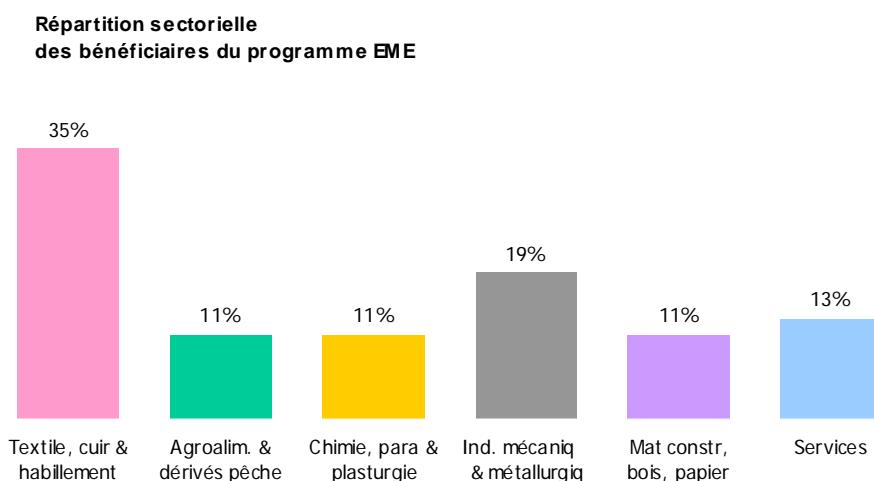
Des indicateurs spécifiques n'ont pas été définis pour le programme **EME**.

Pour le **PAE** il n'y a pas encore d'évaluation permettant de discuter l'obtention des indicateurs de résultats prédéfinis et repris dans la fiche programme.

Deux évaluations de 2004 sont toutefois disponibles pour le programme **EME** : l'évaluation technique finale de novembre 2004 et une évaluation d'impact.

En termes de réalisations, l'on retiendra qu'entre 1998 et mi-2004 363 (soit 5% des entreprises industrielles) ont bénéficié des actions organisées par **EME**, soit le diagnostic stratégique (275 entreprises), soit des

actions spécifiques de MAN (220 entreprises), soit les deux (132 entreprises). L'évaluation technique finale offre un aperçu de la répartition sectorielle des entreprises bénéficiaires, dont on retiendra le poids important du secteur du textile, du cuir et de l'habillement (*source : Evaluation technique finale du programme EME*):



Pour ce qui est des résultats, l'évaluation d'impact explique que l'enquête menée auprès d'un échantillon d'entreprises ayant adhéré au programme révèle que le taux de croissance du CA a dépassé les 6% (2003) dans plus de la moitié des cas étudiés. Considérant que les entreprises industrielles marocaines figurant dans le Top-500 (dans la branche confection) ont, dans la même année, enregistré un taux de croissance du CA de 4,8% l'évaluation d'impact conclut que l'impact marginal du programme **EME** a été positif. On notera ici que ces chiffres mériteraient une analyse plus approfondie. Il se pourrait, par exemple, que les entreprises ayant bénéficié d'**EME** soient précisément celles qui étaient les plus dynamiques et avaient le plus de potentiel de croissance et que leur succès relatif soit le résultat d'un effet d'écrémage.

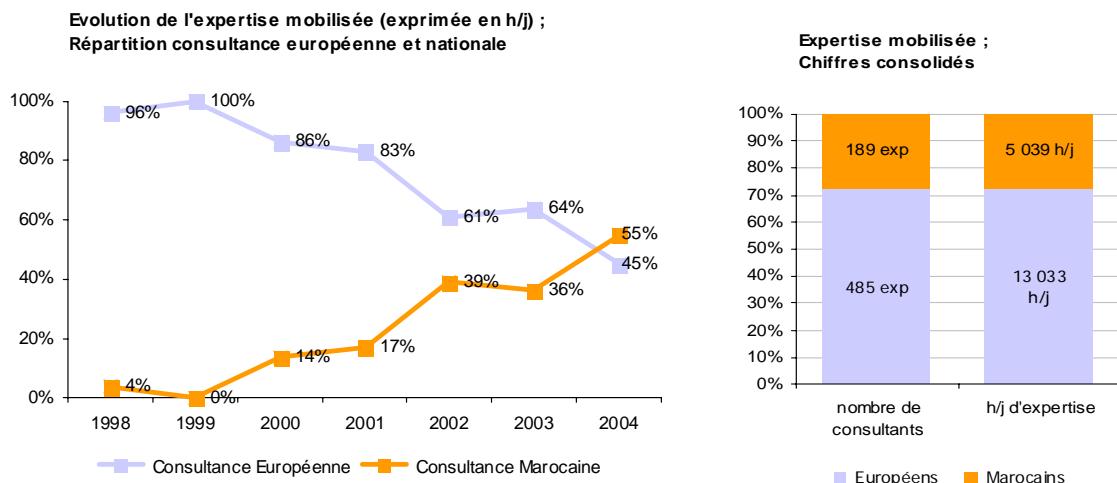
L'évaluation technique finale (novembre 2004) considérait quant à elle qu'il était trop tôt pour juger de l'influence des actions du programme **EME** sur l'augmentation du CA des entreprises bénéficiaires, du nombre de leurs employés ou l'accroissement de leur compétitivité, sauf pour celles ayant obtenu une certification ISO leur permettant de trouver des nouveaux clients en Europe (41 sur 65 entreprises ayant bénéficié de l'accompagnement vers la certification ISO). Par contre, elle mettait en exergue certains signes témoignant de l'impact positif du programme sur le marché des services aux entreprises :

- le programme a servi de déclencheur ou détonateur de la politique de MAN ;
- le recours au conseil n'est plus considéré par les entreprises comme un aveu de faiblesse, **EME** a fait comprendre aux entreprises l'utilité de l'utilisation du conseil pour aider à restructurer l'entreprise ;
- le recours aux consultants nationaux s'est beaucoup étendu, alors qu'il inspirait des appréhensions au niveau de la compétence et de la discréetion, bien qu'il soit demeuré limité ;
- certains chefs d'entreprise satisfaits de la prestation de l'expert envoyé par **EME** ont fait appel à lui pour des prestations à titre privé.

On pourrait encore y ajouter plusieurs éléments relevés lors des entretiens, bien que non basés sur des indicateurs explicites : prise de conscience de la nécessité de la MAN et création d'une dynamique, développement du conseil, amélioration de la gestion des entreprises (ayant recruté des cadres), une plus grande visibilité de l'UE.

Par contre, une limite importante du programme, soulevée tant par l'évaluation technique que par les entretiens et déjà mentionnée plus haut (indicateurs 2B.1.3 et 2D.1.3), est la problématique du financement : 50% des entreprises en sont resté au stade du diagnostic ou pré-diagnostic et n'ont pas trouvé de financement pour réaliser les investissements conseillés.

Par rapport au recours au conseil local, l'évaluation technique précise que l'utilisation de celui-ci, bien que s'étant accrue au fil du projet, est restée réduite, comme il ressort des tableaux²³ ci-après (source : *Evaluation technique finale EME*) :



En conclusion, bien qu'il y ait un développement du conseil local dans certains domaines (gestion financière, certification qualité), le nombre de domaines reste limité et le recours à l'expertise internationale demeure indispensable.

45.1.4 The internal monitoring system corresponds to the one proposed by the Blue Book on BDS programmes (« BDS Performance Measurement Framework »)

45.1.5 Other result indicators, such as:

- Number of SME acquiring BDS in general (to measure BDS market expansion)
- Number of SME acquiring BDS from the programme (to measure BDS market expansion)
- Evolution of the number of local consulting firms in the market (to measure BDS supply)
- % of potential SME acquiring BDS (to measure market penetration)
- Number and % of SE customers purchasing BDS who represent targeted populations (to measure outreach)
- Percent of customers reporting high satisfaction with a business development service (to measure impact)
- Repeat customers: % of all customers who purchase at least twice (to measure impact)
- Percentage of customers who applied the business service to their business, as defined by the program. (E.g.: percent who accessed new markets, developed new products, improved management practices, started keeping formal accounts, reduced costs, etc.) (to measure impact)
- Change in estimated gross profit, profit level, employment, exports from before and after receiving the service (to measure impact)
- Of the businesses that improved their estimated gross profits, what percent attribute the change to the BDS? (to measure impact)
- BDS supplier profitability and profitability of particular BDS Service (to measure sustainability)
- Simplified cost-benefit assessment comparing total, cumulative program costs to aggregate program benefits (to measure sustainability)
- Total program cost per customer served and total program cost per supplier assisted (to measure sustainability)

Note: Present the value of these indicators in the Project Fiche and a conclusion here.

²³ Voir ECO, Evaluation technique finale du Programme de Développement du Secteur Privé « Euro-Maroc-Entreprise ». Rapport final, novembre 2004.

Parmi ces indicateurs, seuls les suivants sont disponibles et ont été présentés sous l'indicateur 45.1.3 :

- nombre de PME ayant bénéficié de services non financiers à travers le programme : 363 ;
- % du potentiel recevant les services non financiers (à travers le programme) : environ 5% des entreprises industrielles ;
- évolution du CE : croissance de 6% pour les bénéficiaires par rapport à 4,8% pour les entreprises du Top 500 (voir la nuance apport).

45.1.6 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

Parmi les facteurs ayant contribué au succès du programme l'on retiendra (voir l'évaluation technique finale) :

- le fait que les critères d'éligibilité permettaient l'orientation vers des entreprises d'une taille suffisante (par exemple un effectif de minimum 20 personnes et un CA supérieur à 2.5 M Dhs). Le processus de MAN est coûteux et s'adresse nécessairement à des entreprises assez solides disposant d'une certaine capacité à faire face à la concurrence internationale. L'évaluation considère que si **EME** avait également été accessible à des plus petites entreprises il aurait connu un taux d'échec plus élevé ;
- le travail en binôme des consultants nationaux avec des consultants étrangers. Bien que coûteuse, cette démarche a été considérée comme une bonne pratique par l'évaluation technique finale et par plusieurs interlocuteurs rencontrés, en raison des effets d'apprentissage (acquisition de méthodes de travail éprouvées) obtenus ;
- parmi les actions verticales (c'est-à-dire les actions s'adressant directement aux entreprises), surtout les actions groupées (concernant des domaines d'intérêt commun comme la démarche qualité, l'obtention de la certification ISO, etc.) se sont avérées efficaces (bon choix des experts, TdR clairs et répondant aux besoins des requérants) ;
- se sont surtout les « leaders » dans leur secteur qui ont, dans le cadre des actions groupées, réussi à adapter leur appareil productif et leurs structures de gestion ;
- les actions avec les AP dites actions horizontales se sont avérées très efficaces. Deux types d'actions ont été menées : des interventions directement auprès des AP (tombant plutôt sous le vocable appui aux AP) et des interventions dans les entreprises par le biais des AP. Selon l'évaluation technique finale, les chefs d'entreprise ont en général apprécié les actions horizontales, jugeant la démarche plus pratique et mieux adaptée. Quant aux AP, l'évaluation technique finale précise que « *toutes abordent la MAN comme une tâche principale* » (p. 56).

L'évaluation technique finale met toutefois également en exergue un nombre important de difficultés (internes et externes) rencontrées :

- comme cela a déjà été mentionné plus haut (voir l'indicateur 2B.1.3), le projet a connu un retard important, dû à l'absence d'un statut juridique approprié. Cette obstacle a, dit l'évaluation, été mal mesuré au départ, tout comme d'ailleurs (p. 34) « *l'absence d'une définition marocaine précise d'un Programme de mise à niveau* ». Manquant de base juridique, le projet ne savait pas comment articuler son action avec celle, mal définie, de l'Etat ;
- selon l'évaluation technique les éléments sus-mentionnés et les retards auxquels ils ont donné lieu suggère que l'identification d'**EME** a souffert de certaines faiblesses ;
- l'évaluation technique relève aussi l'histoire mouvementée du projet : deux directeurs en 7 ans, plusieurs renouvellements de l'équipe d'experts permanents, occasionnant une perte de la mémoire technique ;
- il y a eu un manque de sélection :
 - **EME** a eu tendance à accepter toutes les entreprises qui se présentaient (par exemple des entreprises de plus de 1000 employés ou appartenant à d'importants groupes financiers) ;
 - il y a eu une stratégie plus « *demand driven* », saisissant les occasions, que « *supply driven* », limitant la fourniture de prestations à des critères plus stricts que ceux, purement quantitatifs, relatifs à la taille et au chiffre d'affaires, qui furent utilisés ;

- un taux d'interruption de mission de 20% a été constaté par l'évaluation technique finale. Les raisons invoquées sont :
 - les entreprises n'étaient pas toujours prêtes à collaborer avec un consultant ou ne possédaient pas de responsable attitré dans l'expertise qu'elles prétendaient acquérir ;
 - certaines entreprises faisaient recours à des consultants pour des raisons de prestige plus que pour répondre à un besoin précis ;
 - le mauvais choix ou l'incompétence des consultants et le manque de capacité des entreprises à juger de la compétence des consultants alors qu'à un certain moment le choix leur était soumis ;
- les résultats des actions verticales dites « ciblées » furent « très irréguliers et quelquefois catastrophiques » ; elles sont par ailleurs plus chères, les coûts des consultants étant les mêmes lorsqu'ils travaillent dans une ou plusieurs entreprises ;
- quant à l'utilisation limitée du conseil local, plusieurs facteurs sont invoqués (certains d'entre eux pouvant être interprétés tant comme cause que comme effet) :
 - peu de locaux exercent l'activité de conseil à temps plein (elle est plutôt exercée par des universitaires et des personnes ayant une autre activité principale) ;
 - le recours à l'expertise locale est impossible, celle-ci n'étant pas toujours présente dans les domaines concernés (technologies de production, recherches de marchés extérieurs, etc.). Le recours à l'expertise internationale est alors inévitable ;
 - une grande part du marché du conseil au Maroc est aux mains de l'expertise étrangère ;
 - le recrutement direct n'était pas possible ;
- le manque de suivi est également mentionné comme facteur limitant les résultats : certains chefs d'entreprise ont laissé le travail du consultant se terminer, alors qu'ils savaient qu'ils ne pourraient utiliser le travail ;
- enfin, on notera que l'évaluation technique observe que (notamment en relation aux difficultés de financement après conseil mentionnées plus haut) « **EME** aurait eu plus d'impact sur la mise à niveau des entreprises, si le Gouvernement avait mis en place des mesures d'accompagnement financier. (...) Un programme comme **EME** ne peut servir à lui seul à mettre à niveau les entreprises dans un pays, ce ne peut être qu'une des composantes d'un vaste plan national » (pp. 53-54). En d'autres termes, l'évaluation technique finale suggère ici que seule, l'UE ne peut atteindre le seuil critique nécessaire à assurer la MAN des entreprises nécessaires et que son intervention doit être considérée comme une contribution à un ensemble d'interventions plus large.

45.1.7 *Unsubsidized local BDS is not crowded-out by a subsidized supply of services: There are no complaints about “unfair competition” from unsubsidized suppliers of services, there are no clients that use to use unsubsidized consulting that are now using subsidized consulting*

L'évaluation n'a pas trouvé d'indices que les services non subventionnés se voient écartés au profit des services subventionnés ou qu'il y ait eu des plaintes en ce sens.

EQ 4.6 – Effectiveness - Development of micro-enterprises

To what extent did EU interventions help develop micro-enterprises?
46.1 EU interventions have contributed to the development of micro-enterprises
<i>46.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy</i>
L'objectif du projet pilote d'appui au micro-crédit est de contribuer au développement des micro-entreprises et par ce biais à la croissance de l'emploi et la réduction de la pauvreté. Il vise à faciliter l'accès au crédit pour les micro-entreprises exclues des financements bancaires, par la mise à disposition de ressources sous forme de crédit, géré par une ONG déjà active dans le secteur du Maroc, à renforcer la capacité de gestion de cette institution et à établir les bases pour l'élargissement de ce projet à d'autres ONG. On rappellera ici (voir également l'indicateur 3B.1.1) que plusieurs interlocuteurs considéraient que cette intervention n'avait pas réellement sa place en termes de MAN des entreprises marocaines dans un contexte d'établissement de la ZLE.
<i>46.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i> Note: Present the value of these indicators in the Project Fiche and a conclusion here
La convention de financement prévoyait les indicateurs de résultat suivants : <ul style="list-style-type: none">▪ octroi de nouveaux prêts (estimé à un total de 52,9 millions dirhams) aux micro-entreprises, essentiellement féminines ;▪ création de deux nouvelles représentations dans la région nord (5 bureaux) et la région sud (2 bureaux) et renforcement de la région centre (2 nouveaux bureaux qui s'ajoutent aux deux existants) ;▪ recrutement de 27 nouveaux agents de crédit. L'évaluation finale (octobre 2004) du projet pilote d'appui au micro-crédit considère que la réalisation des résultats a été optimale : <ul style="list-style-type: none">▪ pour ce qui est de la création de nouvelles représentations les résultats escomptés ont été atteints; pour le recrutement de nouveaux agents ils ont été doublés ;▪ pour l'octroi de nouveaux prêts : 33% du montant attendu et 25% du nombre de nouveaux prêts ont été atteints, ce que l'évaluation considère comme un bon résultat étant donné qu'il y a eu une réduction importante des moyens financiers et de temps du projet ;▪ l'ONG bénéficiaire du programme (la Fondation Zakoura) s'est professionnalisée : elle a un très bon positionnement sur le marché marocain de la micro-finance et sa capacité à emprunter auprès des bailleurs de fonds internationaux et des banques commerciales a augmenté ;▪ la Fondation s'est engagée par différentes actions de promotion et formation en faveur d'associations et ONG nationales à améliorer le cadre de la micro-finance au Maroc ;▪ la fondation a fourni l'accès au micro-crédit pour 135.275 clients actifs sur un potentiel de 1.200.000, soit 11,27% de la demande potentielle. Par ailleurs, l'évaluation finale du projet pilote d'appui au micro-crédit considère les éléments suivants comme de bons indicateurs du succès de ce projet : la demande croissante pour des crédits d'un montant plus important et la capacité d'épargne. Or : <ul style="list-style-type: none">▪ Le système de prêt solidaire de la Fondation est basé sur l'octroi de montants progressifs : le montant moyen continue à augmenter (1700 DH en 2003 contre 1300 DH en 2002), ce qui est un indice que les activités menées par les clients se développent positivement ;▪ Les prêts individuels pour la création de micro-entreprises affichent une croissance exponentielle : 208 en 2002, 1.524 en 2003 et 4.277 en 2004 ;▪ En très peu de temps plus du 3% des bénéficiaires ont fait appel à Zakoura pour les aider à ouvrir des comptes d'épargne (Zakoura ayant ouvert 4.375 comptes d'épargne pour ses clients). Le succès du projet a été confirmé lors des entretiens.

46.1.3 Other result indicators, such as:

- *Evolution of the number of micro-enterprises*
- *Evolution of turnover*
- *Evolution of profit level*
- *Evolution of employment level*

Note: Present the value of these indicators in the Project Fiche and a conclusion here.

Ces indicateurs ne sont pas d'application ici.

46.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

Selon l'évaluation, l'AT a su établir un très bon rapport avec les dirigeants de la Fondation en s'intégrant très positivement dans la dynamique organisationnelle interne comme un important facteur de succès. Par contre il y a eu pour ce projet d'importants retards en termes de mise en œuvre (dus à des difficultés procédurales dans la sélection du cabinet) qui ont eu un impact important sur les réalisations (33% des montants attendus et 25% des nouveaux prêts).

EQ 5 - Sustainability

To what extent are the effects (expected results) of the interventions likely to continue at the end of the EC support?

5.1 The effects of EU PSD strategy in country X are likely be long-lasting

5.1.1 Risks and assumptions that can affect the achievement of the PSD strategy have been identified

La question de la durabilité (ou pérennité) vise à vérifier dans quelle mesure les effets des interventions continuent après l'intervention. Dans certains cas elle vise à vérifier si les interventions elles-mêmes sont durables ; pour certains types d'interventions (par exemple les services non financiers) un besoin continu existe (les entreprises ont toujours besoin de ces services) et la question de la durabilité vise alors à vérifier si un relais est assuré (par exemple par le secteur privé, ou, nous y reviendrons plus loin, par le gouvernement).

Poser la question de la durabilité de la *stratégie* DSP revient d'abord à se demander si les résultats obtenus en termes de renforcement du secteur privé et d'amélioration de sa compétitivité dans les marchés locaux et internationaux grâce au « mix » des différents domaines d'intervention seront maintenus une fois que l'on met fin à ces activités. Ensuite, cela revient à se poser la question de savoir si un relais est assuré, c'est-à-dire si, dans la mesure du besoin, soit le secteur privé lui-même, soit le gouvernement continue à mener des actions dans (certains) domaines concernés.

La réponse à la première question, y compris l'identification des risques et hypothèses, doit être reconstruite à partir de l'analyse de la durabilité des effets dans les différents domaines d'intervention, effectuée ci-après. Une question à mettre en exergue est toutefois celle de savoir si les mesures prises dans le secteur textile et habillement seront suffisantes et ont été prises à temps pour éviter que les résultats obtenus dans ce secteur soient perdus suite à la fin en janvier 2005 du processus d'intégration défini dans l'article 2 de l'ATV de 1994.

Quant à l'identification des risques en termes de « relais », on appellera ici les quatre risques majeurs mentionnés plus haut :

- parmi les risques identifiés dans le draft CSP 1995 figurait (voir l'indicateur 2B.1.3 ci-dessus) la capacité du gouvernement et de la haute administration à prendre (dans les délais) des décisions de principe nécessaires à la mise en œuvre des projets ;
- un autre risque important est mentionné, entre autres, dans l'évaluation MEDA de 2003 (voir l'indicateur 3B.1.2) et concerne le fait que la stratégie DSP de l'UE lors de MEDA I n'avait pas de correspondant au niveau national. Ce risque n'est pas mentionné dans la section 6.6 « Risques » du CSP 2002-2006 ;
- de même, le manque de vision globale de la CE elle-même en matière de DSP au Maroc constitue également un risque important, comme il ressort, par exemple, du manque d'articulation constaté entre certains programmes (voir l'indicateur 2B.1.3).

5.1.2 Actions have been taken if risks have materialized or assumptions have not been verified

En termes d'actions entreprises lorsque ces risques se sont matérialisés, on notera que :

- En ce qui concerne le secteur textile et habillement, des mesures ont été prises dans MEDA II (voir par exemple la référence explicite faite au problème dans le **PIN 2002-2004** au niveau de la formation professionnelle, mais aussi du **PAE**), et l'analyse des différents programmes (voir les questions 4.3 et 4.5 notamment) montrent que le textile était déjà une pré-occupation importante lors de MEDA I. A la lumière de l'initiative prise par l'AMITH en novembre 2003 et vu l'importance du secteur au Maroc, la question demeure toutefois de savoir si les initiatives prises sont suffisantes et ont été prises à temps, condition indispensable à la durabilité des actions dans ce secteur.

<ul style="list-style-type: none"> ▪ En termes de prise de décision de principe nécessaires à la mise en œuvre des projets, on rappellera que le cas du statut juridique d'EME a mis environ 7 années à se résoudre (voir l'évaluation technique finale qui explique (p. 7) qu'à partir de «juin 2003, avec la Convention de Financement spécifique, le statut juridique d'EME est résolu par son intégration dans l'ANPME»). ▪ Pour ce qui est d'un correspondant de stratégie au niveau national, depuis MEDA I des initiatives ont été prises (voir la création de l'ANPME, les contrats programmes, etc.), mais il semble que le constat fait il y a peu (novembre 2004) par l'évaluation technique finale EME selon lequel un tel programme ne peut servir à lui seul à mettre à niveau les entreprises dans un pays et ne peut être qu'une des composante d'un vaste plan national, pourrait être étendu à l'ensemble de la stratégie DSP (voir aussi l'indicateur 45.1.6). Le fait que les interventions européennes n'ont pas à proprement parler de correspondant au niveau d'une stratégie nationale de DSP à laquelle elles contribueraient, est un des risques majeurs en termes de durabilité de la stratégie DSP de la CE. Ce problème ne semble toujours pas être résolu. ▪ Quant au manque de vision globale de la CE en matière de DSP au Maroc, ce problème était surtout présent dans MEDA I et a en partie été résorbé dans MEDA II par la reconstruction d'une stratégie <i>ex post</i> (voir l'indicateur 3B.1.1), par exemple en articulant mieux les différents programmes, notamment par le biais des AP.
5.2 Institutional, macroeconomic, legal and regulatory improvement is not disappearing / has not disappeared after EC intervention
5.2.1 <i>Evidence that improvement has continued after EU intervention</i>
Nous ne disposons pas d'information spécifique sur la durabilité des interventions faites au niveau institutionnel et macroéconomique (FAS et Appui à la privatisation).
5.3 Reinforcement of financial markets is long-lasting
5.3.1 <i>The number of credits from local banks to the private sector (especially SME and micro-enterprises) continues to increase or at least does not decrease after EC intervention</i>
Des données sur le nombre de crédits de la part des banques locales au secteur privé ne sont pas disponibles. Pour le FOMAN du PAE (voir l'indicateur 42.1.2), l'action conjointe du gouvernement marocain et de la CE (chacun versant une contribution de 50% au Fonds) est décrit dans les DTA comme un facteur important de durabilité. Tant pour le PAIGAM que le FOMAN , l'on rappellera toutefois l'utilisation limitée de ces instruments (voir les indicateurs 42.1.4 et 42.1.5) ce qui pose d'abord la question de leur pertinence qui à son tour soulève la question du bien-fondé de la poursuite de ces programmes.
5.3.2 <i>Repayment rate of loans in EU supported programmes (high enough)</i>
Ces données ne sont pas encore disponibles, ni le PAIGAM ni le FOMAN n'ayant été évalué à ce jour.
5.4 Reinforcement of IO position is not lost after EU intervention finishes
5.4.1 <i>Intermediate organizations continue to successfully promote the interests of the private sector after the end of EC intervention. For example: Evidence of continuous involvement of business sector organizations (particularly if supported by the EC) in policy orientation meetings</i>
En matière d'OI, la pérennité se pose à deux niveaux : <ul style="list-style-type: none"> ▪ au niveau des effets : les OI continuent-elles à être représentatives du secteur, impliquées dans les processus de décision et à fournir des services à leurs membres (voir l'indicateur 5.4.2) ; ▪ y a-t-il un relais des actions en faveur des AP : soit que celles-ci sont reprises par les AP elles-mêmes, soit qu'elles continuent à être soutenues par le gouvernement ou un autre bailleur, y compris la CE.

En termes d'implication des AP dans les processus de décision, l'on notera que plusieurs signes montrent que le rôle à jouer par les AP est de plus en plus reconnu et l'évaluation technique finale **EME** souligne à ce sujet que « *les AP se doivent de devenir les intermédiaires efficaces d'une politique de mise à niveau structurée* » (*ibid.*), ce qui d'ailleurs a été confirmé par plusieurs interlocuteurs, ainsi que par l'attention donnée aux AP dans la programmation (par exemple par la mise sur pied d'un **PAAP II**) et souligne que leur avenir est lié (p. 56) « *à l'intérêt que leur porteront les entreprises de leur secteur et corrélativement à leur reconnaissance comme interlocuteur par les administrations en charge du développement économique* ».

La pérennité en termes de relais constitue un des objectifs spécifiques du **PAAP**, celui-ci visant à créer « *une dynamique d'amélioration de la représentativité des AP et d'accroissement de leurs ressources, leur donnant les moyens de leur auto-développement ultérieur* ». L'évaluation à mi-parcours considère d'ailleurs que la non pérennité est le risque le plus important auquel doit faire face le **PAAP**. A ce titre, l'évaluation considère que les AP les plus susceptibles de pouvoir pérenniser les acquis obtenus grâce au programme sont celles qui étaient déjà solidement structurées au moment du lancement du **PAAP**. Toutefois, l'évaluation souligne que les AP n'ont pas de véritable capacité d'autofinancement et que, par exemple, souvent elles ne sont pas en mesure de garder les personnes engagées avec l'aide du **PAAP**.

Sur ces bases, il semble donc que la pérennité des AP (sauf peut-être pour les AP importantes) en termes « d'auto-développement ultérieur » n'est pas (encore) assuré. C'est ici que la question de la *nature* du relais doit être posé : si les autorités nationales considèrent réellement les AP comme un interlocuteur important dans le cadre de la MAN, l'aide aux AP doit peut-être être maintenue et est peut-être inévitable pour (certaines) AP, représentatives, interlocuteurs valables, mais incapables d'assurer leur propre subsistance.

- 5.4.2 Services provided by intermediate organizations continue to increase or at least do not decrease after EC intervention.**
For example:
- *Evolution of the supply and use of services provided by intermediate organizations after the end of the intervention*
 - *Evolution of the number of companies benefiting from these services*
 - *Evolution of membership in these intermediate organization*

Des indicateurs quantitatifs ne sont pas disponibles, mais il ressort des entretiens que peu d'AP sont en mesure de générer des services payants et qu'il y a encore « un long chemin à parcourir » sur ce point.

5.5 Business-to-business cooperation, trade and investment continues to expand after EC intervention

5.5.1 Evolution of the number of mutual agreements

Information non disponible.

5.5.2 Evolution of the number of investments following mutual agreements

Information non disponible.

5.5.3 Evolution of exports

Pas d'application.

5.6 A competitive BDS market continues to function after EU intervention has finished

5.6.1 Demand for non-subsidised BDS continues to increase or at least does not decrease after EC intervention

L'évaluation technique finale **EME** ne fournit pas à proprement parler de données sur l'évolution de la demande pour les services aux entreprises non subventionnés (bien qu'il soit mentionné que certaines entreprises aient continué à faire appel aux services des consultants après l'intervention -voir l'indicateur 45.1.3). L'évaluation montre également (voir l'indicateur 45.1.3) que l'utilisation des consultants locaux a été croissante au fur et à mesure que le programme progressait. Il y a toutefois peu d'information disponible sur la pérennité de ce type d'effet et il est difficile d'affirmer que le secteur privé est en mesure de continuer à faire appel à de tels services sans s'appuyer sur des aides.

Toutefois, la question de savoir si à terme l'aide doit nécessairement disparaître, comme le suggère la formulation même de cet indicateur, devrait être laissée ouverte. Une intervention publique continue peut être justifiée, comme c'est d'ailleurs souvent le cas en Europe. Dès lors, la question deviendrait (comme c'est le cas pour les OI) : qui doit assurer ce relais ? C'est ici que l'implication du gouvernement s'avérerait cruciale en termes de durabilité, l'UE ne pouvant jouer ce rôle indéfiniment.

Enfin, la question de la durabilité doit aussi être posée au niveau des effets obtenus en termes d'amélioration de la compétitivité. Car si le développement de la consultance locale était un des objectifs d'**EME** (voir l'indicateur 45.1.1), l'objectif principal était l'accompagnement à la MAN des PME marocaine touchées par le démantèlement tarifaire. Comme il ressort de l'indicateur, peu de résultats quantifiables sont invoqués par l'évaluation technique finale. Toutefois, en termes de durabilité elle souligne que :

- **EME** a contribué à lancer une dynamique positive d'adaptation de l'appareil productif marocain ;
- la pérennité de la MAN dépendra aussi de l'implication du gouvernement comme facteur d'accompagnement décisif.

On pourrait encore y ajouter la nécessité de trouver une solution aux difficultés qu'ont les entreprises à accéder au financement.

5.6.2 Local supply of non-subsidised BDS continues to increase or at least do not decrease after EC intervention

Pas de données disponibles, voir l'indicateur 5.6.1.

5.7 Micro-enterprises continue to develop

5.7.1 The number of micro-enterprises continue to grow after EC intervention

Pas de données disponibles.

Par contre, l'évaluation finale fournit des renseignements sur l'autonomie opérationnelle de l'ONG bénéficiaire (produits opérationnels / (charges financières / provisions pour pertes sur prêts + charges opérationnelles) et sur son autonomie financière (produits opérationnels / (charges financières + provisions sur pertes + charges opérationnelles + coût des fonds)), résumés dans le tableau ci-dessous.

Ratios	2000	2001	2002	2003
Autonomie opérationnelle	114%	111%	126%	133%
Autonomie financière	90%	98%	107%	118%

(source : *Projet pilote d'appui au micro-crédit. Evaluation finale*)

L'autonomie opérationnelle mesure la capacité de l'ONG de fonctionner sans subvention d'exploitation, atteinte assez rapidement. L'autonomie financière a atteint une valeur positive à partir de 2002, ce qui signifie qu'en principe l'ONG est à partir de là en mesure d'emprunter directement sur le marché des capitaux les ressources financières dont elle aura besoin.

5.7.2 Micro-enterprises continue to expand after EC intervention

Pas de données disponibles.

EQ 6 - Efficiency

To what extent have the organisational set-up or management systems and processes contributed or hindered the efficiency of the EC interventions to support private sector development? Four aspects are of particular interest to our evaluation:

- A. The deconcentration process and the support given by HQ
- B. The preference given in some regions to all-country programmes
- C. The preference given in some regions to promote local expertise instead of using international support
- D. Other organisational set-up or management systems and processes

6A.1 The deconcentration has contributed to the efficiency of the EC interventions

6A.1.1 *Speed of decision making during the identification and implementation stages (project preparation, implementation payments)*

La Délégation au Maroc est déconcentrée depuis 2002. Il ressort des entretiens menés que la déconcentration a eu un effet favorable sur la rapidité des prises de décisions, notamment pour les appels d'offre, les contrats, les paiements. Ceci vaut surtout pour la mise en œuvre – moins dans les étapes d'identification – et est d'ailleurs très visible en termes de décaissements (100 M€ en 2003, 140 M€ en 2004, 200 M€ prévus pour 2005). A ce sujet, plusieurs interlocuteurs étaient d'avis qu'une logique de déboursement prévalait sur une logique d'obtention de résultats.

6A.1.2 *Workload related to implementation procedures of project managers at the Delegation*

Les interlocuteurs rencontrés témoignent d'une forte augmentation de la charge de travail, la Délégation n'ayant pas abandonné ses anciennes tâches de conseil au Siège, d'accompagnement des missions, de relation avec les autres bailleurs de fonds en plus d'une série de tâches qui étaient auparavant normalement dévolues au Siège, y compris pour la gestion purement administrative et financière des projets. Ceci a eu pour conséquence que les tâches ont tendance à converger vers l'opérationnel au détriment du stratégique : « tout le monde a le nez dans le guidon » et peu de temps est disponible pour une réflexion stratégique et notamment pour la préparation de la période de programmation suivante.

6A.1.3 *The deconcentration has led to a better identification of needs and project design*

Note: This item is related to relevance (not to efficiency) and it is asked only to complement information.

Plusieurs interlocuteurs ont souligné que la déconcentration, de par une meilleure connaissance des besoins et des programmes, donne lieu à une meilleure programmation. Ainsi des exemples ont été donnés de programmes (le **PAAP**) dont la succession n'était pas prévue dans le **PIN 2002-2004**, mais pour lesquels la Délégation a pu montrer qu'il était essentiel qu'ils continuent (un **PAAP II** est en cours de création). Cela dit, le problème de l'équilibre difficile entre l'opérationnel et le stratégique demeure.

Enfin, on notera également comme un avantage la bonne connaissance des interlocuteurs grâce à la proximité.

6A.1.4 *Evidence of sharing experience / lessons learning from other Delegations*

Note: This item is related to one of the risks of the deconcentration and not to efficiency. It is asked here because it does not fit somewhere else.

Plusieurs interlocuteurs ont souligné l'importance de l'échange d'expérience entre Délégations, *a fortiori* dans le contexte des pays MEDA où des échanges au sein même des pays de la région sont essentiels, afin de savoir comment des programmes similaires sont implantés dans d'autres régions, comment tel ou tel problème particulier est traité, etc.

6B.1 The use of “all-country” programmes has contributed to the efficiency of the EC interventions
6B.1.1 <i>Speed of decision making during the identification and implementation stages (project preparation, implementation payments)</i>
Les entretiens n'ont pas permis de récolter de l'information sur les programmes régionaux.
6B.1.2 <i>Cost of interventions before and after “all-country” programmes</i>
Les entretiens n'ont pas permis de récolter de l'information sur les programmes régionaux.
6B.1.3 <i>Workload related to implementation procedures of project managers at the Delegation</i>
Les entretiens n'ont pas permis de récolter de l'information sur les programmes régionaux.
6B.1.4 <i>The use of “all-country” programmes has led to a better identification of needs</i>
Note: This item is related to relevance (not to efficiency) and it is asked only to complement information.
Les entretiens n'ont pas permis de récolter de l'information sur les programmes régionaux.
6C.1 The use of <u>local expertise</u> has contributed to the efficiency of the EC interventions
6C.1.1 <i>Speed of decision making during the identification and implementation stages (project preparation, implementation payments)</i>
Les gestionnaires de projets/programmes ne disposaient pas de beaucoup d'information sur les programmes régionaux.
6C.1.2 <i>Cost of interventions before and after deconcentration</i>
Information non disponible.
6C.1.3 <i>Workload related to implementation procedures of project managers at the Delegation</i>
Information non disponible.
6D.1 The organisational set-up and management system has contributed to an efficiency implementation of the programme
6D.1.1 <i>Programme inputs are on time, at planned cost and well managed on a day-to-day basis</i>
6D.1.2 <i>Programme activities are on time, at planned cost and well managed on a day-to-day basis</i>
Beaucoup de programmes ont connu d'importantes difficultés de démarrage :
▪ ainsi le PAAP a commencé avec un an de retard (voir l'indicateur 43A.1.4), principalement en raison de difficultés de recrutement de l'assistant technique ;
▪ EME a commencé avec plus de trois ans de retard dû à l'absence d'un statut juridique approprié (voir l'indicateur 2B.1.3) ;
▪ le projet pilote d'appui au micro-crédit a également été confronté à un retard important dû à différentes difficultés d'ordre pratique et procédural (le projet devant démarrer en janvier 2001 a démarré 18 mois plus tard).
En ce qui concerne les coûts de gestion on retiendra les éléments suivants :
▪ pour le PAIGAM (voir aussi l'indicateur 42.1.4), 25,5 M€ étaient prévus pour le fonds, 4,5 M€ pour l'AT. Depuis 4 ans, 3 M€ de garantie ont été émises (c'est-à-dire 24 M€ d'investissements). Dans ces conditions de sous-utilisation, le montant prévu pour l'UGP (4,5 M€) paraît énorme et risqué, à ce rythme, d'être d'un ordre comparable aux garanties émises ;
▪ pour le programme régional ANIMA , l'évaluation de février 2005 note que l'UGP seule représente, en terme de personnel, 31,58% des dépenses engagées ce qui dépasse largement les 19,80% initialement prévus dans le plan de financement ;

- selon l'évaluation technique finale d'**EME** (p. 36) : « *le ratio ex ante des dépenses de fonctionnement au budget opérationnel du projet est (...) passé d'un niveau initial de 8,5% à un niveau final de 13,2%, ce qui révèle une mauvaise efficience des structures de gestion que les avatars du projet ont aggravé* ». A noter encore que ce ratio d'efficience a fortement varié dans le courant du projet pour lequel l'évaluation distingue trois phases (voir également ci-après), dont la période de retard due au problème de statut juridique ressort clairement:
 - Phase I (janvier 1997 à avril 2000), soit la période durant laquelle le programme ne peut mobiliser le budget opérationnel car n'ayant pas de statut juridique et doit recourir à des artifices: 55% ;
 - Phase II (avril 2000 à juillet 2003), via un contrat cadre, le programme peut démarrer, c'est la phase clé d'**EME** : 6,3% ;
 - Phase III (juillet 2003 à juin 2004), période débutant avec la signature d'une convention de financement avec l'ANPME et l'intégration du programme au sein de cette structure : 8,3%.

L'évaluation technique note à ce sujet qu'à la phase initiale, le projet a subi les conséquences négatives engendrées par les faiblesses de sa conception. En outre le projet, dit l'évaluation, a souffert d'un excès de formalisme dans la gestion de son budget. La performance du Projet s'est considérablement améliorée à partir de la possibilité de mobiliser le budget opérationnel au moyen d'un contrat cadre. Enfin, la troisième phase est celle de la signature de la Convention de Financement en juillet 2003 avec l'ANPME. Durant cette période, le programme lance relativement peu d'actions nouvelles, ayant à achever celles qui ont été engagées. « *Plus « tourné sur lui-même » et disposant de moins d'autonomie dans sa gestion, le projet évolue vers une moindre efficience* » (voir Evaluation technique finale, p. 38).

L'évaluation technique finale conclut que (p. 38) « *les coûts de gestion d'un tel projet devraient être entre 3% et 5% et, globalement, EME fut un projet peu efficient* ». Enfin, l'évaluation invoque également le poids relativement peu important des actions horizontales (représentant, le restant étant dédié aux actions verticales, 6% du nombre de contrats, 14% des budgets engagés et 12% des H/J engagés) comme facteur explicatif de l'efficience réduite, ce type d'action étant nettement moins coûteuse, un expert s'occupant de plusieurs entreprises à la fois.

Des problèmes de gestion se sont posés pour plusieurs programmes, surtout au début de ces programmes où des changements d'équipe ont eu lieu.

Enfin, plusieurs interlocuteurs ont invoqué la règle n+3 comme un problème important en termes d'efficience. Selon cette règle les fonds doivent être engagés au plus tard trois années après la décision de financement. Or, la signature de la convention de financement ne suit pas toujours directement la décision de financement (parfois un laps de temps assez long peut s'écouler), ce qui fait perdre du temps précieux pour les programmes et favorise ensuite une certaine précipitation (logique de déboursement au détriment d'une logique de résultat).

Cela dit les décaissements croissants indiquent également d'une gestion efficience. De même, certaines bonnes pratiques ont été mises en avant, comme l'incorporation du **PAAP** à la CGEM.

6D.1.3 Results are being achieved as planned (quality and quantity)

Comme il ressort des résultats présentés plus haut, ces délais ont eu une incidence sur les résultats, tant en termes de qualité que de quantité :

- pour le **PAAP**, par exemple, le délai a mené à une contraction de la durée du programme et notamment de la phase de préparation, ayant pour conséquence, entre autres, un manque de préparation des AP dans la maîtrise des procédures se répercutant sur les délais de préparation et finalisation des PA (voir l'indicateur 43A.1.4) ;
- pour **EME**, en raison du manque de temps l'approche était trop souvent « *demande driven* », alors qu'il s'est avéré ensuite que certains entrepreneurs se trompaient sur la véritable nature des difficultés auxquelles l'entreprise devait faire face ou encore sur la capacité d'absorption de leur entreprise (leur capacité à donner suite aux conseils donnés) ;
- pour le **projet pilote d'appui aux micro-entreprises**, le retard a fait que seulement 33% du montant attendu et 25% du nombre de nouveaux prêts ont été atteints.

6D.1.4 Existence and use of an internal monitoring system

6D.1.5 The programme has been able to adapt to changing needs or context

Note: For instance, if the assumptions did not hold true, how well did the programme management adapt? How well did it adapt to external factors affecting the programme).

Différents d'exemples d'adaptation au contexte existent :

- dans le programme **EME** par exemple les gestionnaires du problème ont trouvé dans la Phase II du programme une solution au problème du statut juridique du programme et à la difficulté de mobiliser des consultants en faisant appel à un contrat cadre pour lancer les AO aux consultants. Comme il ressort de l'indicateur ci-dessus (6D.1.2), ceci a permis de véritablement lancer le programme et à donné lieu à un véritable exercice de rattrapage ;
- les gestionnaires du **PAAP**, après avoir constaté que l'approche des AP était trop uniforme, ont lancé une étude ;
- comme il ressort de la question 4.6, le **projet pilote d'appui au micro-crédit** a conduit à un taux de l'utilisation du fonds de crédit dit excellent, malgré les importants retards encourus.

EQ 7 – Coherence (within EU action)

- A. To what extent does the EC PSD policy in general take into account other EU strategies and policies?
- B. To what extent does the EC PSD support strategy within a country strategy take into account:
 - i) The support given to other sectors within the same country strategy?
 - ii) Other EU strategies and policies
- C. To what extent do national or regional EC PSD programmes within a country take into account:
 - i) Other PSD programmes within the same country
 - ii) The support given to other sectors within the same country
 - iii) Other EU strategies and policies

7B.1 The EU PSD support strategy within a country takes into account other EU interventions

7B.1.1 *Explicit reference to EU support to other sectors in the same country and analysis of possible complementarities, synergies, conflicts or overlaps between PSD and other sector support within the same country*

Le draft CSP 1995, le CSP 2002-2006 et le **PIN** 2002 font le relevé des différents types d'actions proposés dans les autres secteurs, mais ne contiennent pas de véritable analyse des possibles synergies, conflits ou double emplois entre les interventions secteur privé et ces autres interventions.

7B.1.2 *Evidence that EU support to other sectors in the same country has positively or negatively affected the achievement of the objectives of the PSD support strategy within the country*

Les entretiens menés n'ont pas fourni d'enseignements particuliers en termes d'incidence (positive ou négative) des interventions dans d'autres secteurs (autres que celles sur l'environnement des entreprises) sur la réalisation des objectifs en termes de DSP.

7B.1.3 *Explicit reference to the possible effects of other EU strategies and policies (development or non-development) on the PSD support strategy in a given country*

Le CSP 2002-2006 contient une section dédiée explicitement à la cohérence avec d'autres politiques communautaires où il est précisé, entre autres, que « *la stratégie proposée s'insère dans d'autres politiques de l'UE, en particulier dans les domaines du commerce (préparation au libre échange, libéralisation multilatéral au sein de l'OMC...) et du transport...* » (p. 25). A ce titre l'on notera d'ailleurs la situation particulière du Maroc, où la stratégie du DSP doit être comprise en relation directe avec l'Accord d'Association et la Déclaration de Barcelone (voir la section 3 de la note pays). Tant le draft CSP 1995 que le CSP 2002-2006 et le **PIN 2002-2004** situent très explicitement la stratégie DSP dans ce contexte.

7B.1.4 *Evidence that other EU strategies or policies (development or non-development) have positively or negatively affected the achievement of the objectives of the PSD support strategy within the country*

Outre l'interaction étroite entre la stratégie DSP et la politique UE traduite dans la Déclaration de Barcelone, nous n'avons pas d'indications sur l'incidence d'autres politiques UE sur la réalisation des objectifs DSP dans le pays.

7C.1 National or regional EU PSD programmes within a country take into account other EU interventions

7C.1.1 *Programme documents explicitly refer to the other EU PSD programmes in the same country and analyse possible complementarities, synergies conflicts or overlaps*

De manière générale, les documents de programmation ne contiennent pas d'analyse systématique et explicite des complémentarités, synergies, conflits ou double emploi possibles avec d'autres programmes de DSP dans le même pays. Le **PIN 2002-2004** se réfère par contre sur certains points aux autres programmes.

7C.1.2 Evidence that other EU PSD programmes in the same country have positively or negatively affected the achievement of the objectives of the programme

Nous renvoyons ici aux indicateurs 2B.1.3, 2D.1.3 qui montrent que l'exploitation des complémentarités (notamment entre **EME** et le **PAAP**) entre certains programmes ont eu des effets positifs sur la réalisation des objectifs. Des exemples de programmes DSP ayant eu un impact négatif sur d'autres programmes DSP ne sont pas disponibles et n'ont pas été donnés durant les entretiens.

7C.1.3 Programme documents explicitly refer to EU support to other sectors in the same country and analyses possible complementarities, synergies conflicts or overlaps between the programme and other sector support within the same country

De manière générale, les documents de programmation ne contiennent pas d'analyse systématique et explicite des complémentarités, synergies, conflits ou double emploi possibles avec des programmes dans d'autres secteurs dans le même pays.

7C.1.4 Evidence that EU support to other sectors in the same country has positively or negatively affected the achievement of the objectives of the programme

Nous ne disposons pas d'exemples d'aides dans d'autres secteurs ayant affecté la réalisation des objectifs des programmes de DSP.

7C.1.5 Programme documents explicitly refer to the possible effects of other EU strategies and policies (development or non-development) on the programme and analyses possible complementarities, synergies conflicts or overlaps

De manière générale, les documents de programmation ne contiennent pas d'analyse systématique et explicite des complémentarités, synergies, conflits ou double emploi possibles avec d'autres stratégies et politiques de l'UE.

7C.1.6 Evidence that other EU strategies and policies (development or non-development) have positively or negatively affected the achievement of the objectives of the programme

Des exemples d'autres stratégies ou politiques ayant eu une incidence positive ou négative sur la réalisation des programmes n'ont pas été trouvés.

EQ 8 – Coordination (with other donors)

To what extend is there coordination between donors, both at central and at country level?	
8.2	The EU actively participates to multi-donor coordination process at country level
8.2.1	<i>Evidence of participation of the EC to multi-donor coordination meetings at country level</i>
Depuis 2003, il existe un groupe de coordination mutli-bailleurs en matière d'aide au DSP. Ce groupe est composé de différentes instances présentes dans le pays (outre la Délégation CE : SFI NAED, USAID, Mission économique Française, GTZ, ANPME, etc.). Le groupe est coordonné par la SFI et vise à faire l'état des lieux des programmes de DSP au Maroc, à coordonner les activités mises en œuvre (éviter les doubles emplois, ...), à élaborer des statistiques. Il se réunit tous les trois mois et en était en avril 2005 à sa huitième réunion trimestrielle. Ces réunions sont au besoin suivies de réunions plus ad hoc d'échange « d'information brute ».	
On notera également que le CSP 2002-2006 mentionne que son processus d'élaboration a été étroitement coordonné avec les représentations des Etats membres sur place pendant trois missions des services de la CE au Maroc et qu'il prend en compte l'analyse du rapport biennal (1999-2000) des Conseillers Economiques et Commerciaux des Etats membres au Royaume du Maroc.	
Ces éléments indiquent que la coordination est une initiative qui émane surtout des bailleurs et non des autorités nationales.	
8.2.2	<i>Evidence of distribution of tasks among the different donors at country level</i>
Nous ne disposons pas d'information quant à une distribution systématique des tâches, mais plusieurs interlocuteurs ont fait remarquer qu'il n'y avaient pas d'exemples de double emploi entre les programmes des différents bailleurs et que les réunions mentionnées ci-dessus servent à ajuster les programmes en cas de double emploi par exemple.	
8.2.3	<i>Evidence of joint activities or projects between the different donors at country level</i>
Il n'existe pas de programme multi-bailleurs (voir questionnaire), mais des initiatives conjointes ont été prises, comme l'organisation de réunions de sensibilisation grand public pour des programmes similaires ou complémentaires (Euro-Symposium PME, ...).	
8.2.4	<i>Explicit reference to other donor policies or activities in country documents</i>
Le CSP 2002-2006 décrit les activités des autres bailleurs de fonds et son annexe III contient un tableau sur les activités des Etats membres et autres bailleurs, précisant les priorités par secteur.	
8.2.5	<i>Explicit reference to other donor policies or activities in programme level documents</i>
Certains documents se réfèrent explicitement aux activités et politiques des autres bailleurs de fonds, bien que cela ne semble pas être une démarche systématique :	
<ul style="list-style-type: none">▪ Les documents de programmation du programme FAS mentionnent, par exemple que « les réformes présentées sont cohérentes avec le prêt de développement des marchés financiers de la BM » (p. 17) ou encore qu'une « coordination étroite avec la BM et le FMI est prévue » (p. 18).▪ Le PAE quant à lui spécifie que l'UGP a pour tâche d'assurer le suivi des réalisations et de coordonner l'ensemble des actions du programme entre elles et avec les actions du gouvernement marocain et les autres bailleurs de fonds.	
8.2.6	<i>Examples of complementarities and synergies between programmes funded by the EU and programmes funded by other donors</i>

Nous ne disposons pas d'exemples concrets de complémentarités et synergies entre des programmes UE et ceux d'autres donneurs. Cela dit, on retiendra que la BM a abandonné l'idée d'un programme de MAN pour se centrer sur l'accompagnement de la zone libre échange UE.

8.2.7 Evidence of overlap between PSD programmes of the EU and of other donors at country level

Voir l'indicateur 8.2.2 ci-dessus.

8.2.8 Evidence of similar programmes with common beneficiaries funded by the EU and another donor

Nous ne disposons pas de tels exemples.

EQ 9 - Cross-cutting issues

Do the EU PSD interventions show concern for cross cutting issues such as promoting women led enterprises, ensuring acceptable working conditions notably for women, protecting the environment and promoting better governance practices?

9.2 CCI are taken into account in the PSD strategy and by programmes in country X

9.2.1 *The CSP explicitly refers to CCI (which ones?)*

Le CSP 2002-2006 stipule que : « *La mise en place de cette stratégie se fera non seulement dans le plein respect des objectifs inscrits dans le processus de Barcelone, mais aussi par la prise en compte des orientations générales ou spécifiques de la Déclaration conjointe du Conseil et de la Commission sur la coopération au développement (novembre 2000), ainsi que des Communications sur la prévention des conflits (avril 2001)*²³, *les droits de l'homme (mai 2001) , l'intégration des questions relatives au genre (juin 2001), et la stratégie pour l'introduction des considérations environnementales dans la politique de développement adoptée par le Conseil (mai 2001). La dimension environnementale sera prise automatiquement en compte dans tous les secteurs prévus par le PIN. En outre, des Etudes d'impact environnemental seront réalisées pour les grands projets d'infrastructures ou dans les secteurs particulièrement sensibles.* »

Le **PIN 2002-2004** mentionne pour le programme de formation professionnelle II qu'une « *attention particulière doit être prêtée à la dimension « genre » dans la formation* ».

Une analyse plus poussée de l'intégration des thèmes transversaux n'est toutefois pas proposée.

9.2.2 *Project/programme documents explicitly refer to CCI (which ones?)*

Il y a peu de références aux thèmes transversaux dans les documents de programmation.

9.2.3 *Internal Monitoring system takes into account CCI*

Note: For example for gender the number of women led enterprises monitored, proportion of (micro) credits granted to woman, share of women in the labour force, etc.

Information non disponible.

9.2.4 *Evidence of the effective implementation of cross-cutting issues*

A l'exception du **projet pilote d'appui au micro-crédit** (voir l'indicateur 9.3.1), il semble sur base de documents consultés et des interviews que les thèmes transversaux n'ont pas vraiment été pris en considération de manière prioritaire au Maroc.

9.3 A CCI is treated through a specific project or programme in the frame of the PSD support in country X rather than as an horizontal issue

9.3.1 *Examples of projects or programmes that focus on one of the CCI*

Les bénéficiaires finaux du **projet pilote appui au micro-crédit** étaient majoritairement des femmes, cible première de la fondation Zakoura.

Annex 10
Country Note Vietnam

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List of Acronyms

ADD	Agricultural Development Division
AFD	Agence Française de Développement
AFTA	ASEAN Free Trade Area
ALA	Asia Latin-America
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ASMED	Agency of Small and Medium Enterprise Development
BDS	Business Development Services
CCI	Chambers of Commerce and Industry
CDF	Comprehensive Development Framework
CEC	Commission of the European Communities
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
CPV	Communist Party of Vietnam
CRIS	Common Relex Information System
CSP	Country Strategy Paper
DANIDA	Danish International Development Agency
ETV	European Technical Assistance Programme for Vietnam
EC	European Community
EU	European Union
FA	Financing Agreement
FDI	Foreign Direct Investments
GDP	Gross Domestic Product
GNI	Gross National Income
GoV	Government of Vietnam
GTZ	German Technical Cooperation
HIPC	Highly Indebted Poor Country
HRDT	Human Resource Development in Tourism
IDA	International Development Association

IMF	International Monetary Fund
KfW	Kreditanstalt für Wiederaufbau
LMP	Labour Market Project
MARD	Ministry of Agriculture and Rural Development
MEDA	The Euro-Mediterranean Partnership
MUTRAP	Multilateral Trade Policy Assistance Programme
NIP	National Indicative Programme
ODA	Official Development Assistance
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
PSD	Private Sector Development
PSDP	Private Sector Development Programme
PSSP	Private Sector Support Programme
SME	Small and Medium Enterprise
SMEDF	Small and Medium Enterprise Development Fund
SOEs	State Owned Enterprises
SPF	Small Project Facility
ToRs	Terms of Reference
UNIDO	United Nations Industrial Development Organisation
USAID	United States Agency for International Development
USD	United States Dollars
VND	Vietnamese Dong
VNAT	Vietnam National Administration of Tourism
WTO	World Trade Organisation

1. Introduction

1.1 Mandate

The 2003 evaluation plan of the EuropeAid Cooperation Office provided for the Evaluation Unit to undertake an evaluation of European Community (EC) Support to Private Sector Development (PSD) in third countries. The aim of this sector-based evaluation is to contribute to improving the coherence of the Commission's sector-based approach through an assessment of the EC co-operation activities in PSD in the context of the objectives of the various national and regional co-operation and development programmes. It also aims at enhancing coherence between objectives in private sector development support and the EU's other policy objectives.

1.2 Background

The evaluation is being carried out in two separate phases. Between October 2003 and June 2004, a **Desk Evaluation** of the 'European Community Support to Private Sector Development in Third Countries' over the period 1994-2003 was carried out. This desk evaluation was based on an analysis of documents collected in Brussels and complemented by interviews with Commission officials and a questionnaire sent to a sample of Delegations. The evaluation's final report presented a set of Evaluation Questions, evidence in support of a response for each of these questions, a thorough analysis of this evidence and preliminary conclusions and recommendations.

The "desk" approach was confronted with certain limitations: strategic and policy aspects could be well covered through documentation analysis and interviews in Brussels, but more specific aspects regarding implementation and impact of projects and programmes were difficult to assess without field missions. For this reason, the Evaluation Unit of EuropeAid requested ADE to complement the Desk Evaluation by a Field and Synthesis Phase.

The **Field and Synthesis Phase** of the evaluation basically entails, first, adjusting the methodology to the new tasks; second, complementing the information base mainly through five country studies; third, integrating these new findings with those from the Desk Evaluation; and finally, analysing this information base to reach an overall assessment of EC support for private sector development in third countries.

1.3 The role of country studies

Country studies offer value added as they allow a better understanding of how Community support to PSD is implemented in the field. Country studies were carried out through a detailed analysis of country- and programme-related documents and complemented with a field mission. **The aim was to collect information that will contribute to answering the Evaluation Questions at the global (not-country specific) level** and not to carry out a sector-based evaluation at country level.

The countries analysed were selected through discussions with the Reference Group. It was agreed that five countries from four cooperation programmes would be included: two ACP countries (Zambia and Jamaica), one MEDA country (Morocco), one Asian country (Vietnam), and one Latin-American country (Mexico). **Vietnam** has been chosen as a case study for this global evaluation since PSD is a major sector of the Commission strategy in this country. Indeed PSD has been a cornerstone of the EC-Vietnam cooperation strategy whose overall objective is to ensure sustainable growth and development. Programming documents¹ identify transition to a market economy as a primary condition for achieving the overall objective with support to economic reforms, investment, technology cross-flow, business co-operation and trade constituting the main PSD oriented-elements of the strategy.

1.4 Purpose and Contents of the Country Note

The purpose of this Country Note is to provide a summary of the main findings of the country study. It is important to note that the report is of descriptive nature: it is limited to presenting the information collected and it does not attempt to analyse it or to reach judgments based on these findings. While the report contains a section on conclusions, these are not assessments or recommendations, which will instead be proposed at a later stage of the evaluation and at a global level. In addition, the required limit on the length of the report implies a focus on key findings only. Country notes will be published as annexes to the final report of the global evaluation.

Section 1 introduces this Country Note and gives the general background to the country study. **Section 2** presents data collection methods and its limits. **Section 3** presents the country context: it describes the main features of the country, its economic, social and political context, main government policies, and Community cooperation as well as a view of other donors' interventions in the sector. **Section 4** presents key findings for each of the nine Evaluation Questions. These findings are at criteria level and based on a more detailed matrix (presented in Annex 6) where information is presented at indicator level (see Section 2 on Data Collection Methods). **Section 5** presents the main conclusions derived from the country study. These conclusions will help with the structuring of the analysis stage of the evaluation.

¹ European Commission (1996), The European Commission Co-operation Partnership, A Presentation of the Cooperation Strategy 1996-2000 and European Commission (2002), EC-Vietnam Country Strategy Paper 2002-2006.

2. Data collection methods

2.1 Data collection tools

During the Desk Evaluation the team proposed a set of **Evaluation Questions** reflecting the main issues to be analysed. These questions relate to one or other of the DAC evaluation criteria, to the 3Cs or to cross-cutting issues. For each of these evaluation questions, at least one Judgement Criterion was proposed and for each criterion, several indicators were proposed. The questions were discussed with the Reference Group and were validated by the Evaluation Unit of EuropeAid. Evaluation Questions help focus the evaluation process and structure the analysis. They help to reach an overall assessment in a more objective and transparent way as judgement criteria (the way the Questions will be treated) are announced in advance. Further, the list of indicators constitutes a basic “check list” for collecting information on the field and at headquarters, making possible an effective and focused collection of information.

The tables comprising Evaluations Questions, Judgement Criteria and Indicators, already completed with information collected for Vietnam, are presented in **Annex 6**. A shorter version of these tables comprising only Evaluations Questions and Judgement Criteria is presented in **Section 4** of this Country Note. The answer to whether or not the criterion is met is based exclusively on the information at indicator level in Annex 6. Only Question, Criteria and Indicators that are relevant to Vietnam are presented in this Country Note.

To further organize the information, the team produced **Programme Sheets** presenting basic information for each of the programmes analyzed. These Programme Sheets are presented in Annex 5. They serve as a background to Evaluation Question Grids where the team has avoided including long descriptions of the programmes implemented.

2.2 Data collection before the mission

For the overall evaluation, information was already gathered in Brussels during the Desk Evaluation. The Commission’s strategy documents were reviewed; EC programmes relating to the private sector were identified, notably for Jamaica, using the Common RELEX Information System (CRIS). Finally, Commission officials involved in private sector support were interviewed to complete this information. For the country study, specific information was collected before the mission regarding both the country and Community interventions in support of PSD. Based on the complete set of information, the team started to complete Programme Sheets and Evaluation Question grids in advance of the missions.

2.3 Data collection during the mission

The evaluation team conducted structured interviews with the Commission Delegation, local authorities, programme management units, intermediate organisations and beneficiaries. The evaluation team also analysed more precisely a set of PSD programmes which is supposed to constitute a representative sample of the EC's PSD interventions in Vietnam (see Annexes 4 to 6). On the basis of the information collected, the team finalized the Evaluation Question grids for Vietnam.

3. Brief description of the context

3.1 Economic, political and social context

Vietnam is located in South East Asia, lying completely in the tropical zone. Its territory covers 331,690 square kilometres, of which about 23% is under cultivation and 29% is classified as forest or woodland. The Vietnamese eastern border consists of more than 3,000 km of coastline, facing the East Sea and the Pacific Ocean. To the North Vietnam shares a border with China, and to the west, borders with Cambodia and Laos. The population numbers around 81,3 million (2003 estimate)². Vietnamese is the national language while English is commonly spoken. Vietnam is a Socialist Republic whose President, Tran Duc Luong, was first elected in November 1997 and re-elected in August 2002. The political system is one-party, the Communist Party of Vietnam (CPV), with Nong Duc Manh as General Secretary. The national currency is the Vietnamese dong (VND).

The Socialist Republic of Vietnam was founded on 25th April 1976. The country was devastated by many years of war, and during the period 1975 – 1986 Vietnam had to cope with numerous difficulties including the obvious aftermath of war, social evils, mass flow of refugees, isolation and embargo from the United States and other Western countries, plus continual natural calamities. These conditions, together with misguided economic policies, led to a severe socio-economic crisis during the early 1980s, the inflation rate rising to a record 774.7% in 1986.

In 1986, the government launched the "Doi Moi", an all-round renovation process, initiating a process of gradual globalisation and integration into the regional structures. Priority was given to deep economic reforms aiming at creating a multi-sector market economy regulated by the Government (GoV), and at the same time consolidating the legal environment as well as renovating the Party and State structure. Since then the Vietnamese economy has opened and gradually transformed from a centralized planned economy heavily based on imports to a market-oriented one with the objectives of achieving export led growth and budgetary policy compatible with economic stabilisation. From 1989, Vietnamese exports began to increase, the inflation rate gradually decreased, living standards improved, and external relations were normalised, freeing the country from blockage and isolation.

Macroeconomic policies have been characterised by a prudent fiscal stance, accommodating while providing for structural reform costs. As a result, the government deficit has traditionally been moderate which has contributed to maintaining real interest rates at reasonable levels. Monetary policy has been oriented towards moderate credit restraint with a view to controlling inflation and safeguarding the banking system while managing the exchange rate flexibly.

² World Bank, Vietnam Data Profile, <http://devdata.worldbank.org/>.

During the 1991-1997 period the average economic growth rate reached around 9% per year. This rapid growth was nevertheless hampered as the economy was seriously affected by the East Asian crisis in 1997/1998. As a result, GDP growth was only 3.5% in 1998, a fall of more than 5 percentage points compared to 1997. However, economic performance rapidly recovered, although with GDP growth rates slightly below those recorded in the 1990s. In 2003 annual GDP growth was estimated at 7.2%³, in spite of the challenge posed by the avian flu which adversely affected the poultry sector⁴. Growth is being supported by the adoption of sound structural reforms, an increasing confidence in the economy as well as by strong expansion of domestic consumption and investment. However, these figures do not reflect certain major problems in economic performance.

In particular, Vietnam faces the following main challenges:

- i. Vietnamese income is still low and the incidence of poverty remains high. In 2003, per capita GNI was estimated at USD 480 which compares more to the low income countries (GNI of USD 450) than to the average per capita GNI of USD 1,080 of the East Asia and Pacific region⁵. The country still contains about 2.8 million poor households (17% of households, estimation 2001) with a relatively high poverty incidence in mountainous, remote, isolated, island, disaster-prone and ethnic minority areas (GoV, 2002).
- ii. The opening up of the economy implies fierce competition in international markets for which the country is still ill-equipped given its still low economic efficiency and competitiveness caused by poor labour productivity, the low quality of its products and underdeveloped domestic and international markets for agricultural, industrial and handicraft products (GoV, 2002; UNIDO, 2002).
- iii. The widening income and living standards gap (between urban and rural areas or among different population strata) is rising and the ability of poor areas to attract domestic and foreign investment is low (GoV, 2002). Average income is widely disparate (480 for the country as a whole but USD 1,640 in Ho Chi Minh City and much lower than average in the poorer provinces of the central and northern highlands (GoV, 2002).

3.2 The Vietnamese economy

The Vietnamese economy has undergone deep structural changes, away from agriculture into industry and in particular into manufacturing.

Although around 80% of the Vietnamese population is rural and around 70% of households earn their livelihood from agricultural production (2000 estimate), the contribution of the agricultural sector to Vietnamese GDP has decreased from 29.9% in

³ World Bank, Vietnam Data Profile, <http://devdata.worldbank.org/>.

⁴ Around 38 million out of a total of about 258 million heads of poultry have had to be culled. The Ministry of Agricultural and Rural Development (MARD) estimates the associated loss at around 0.5 percent of GDP. So far, the overall economic impact of the avian influenza epidemic remains relatively negligible and disruptions to the general economy have been avoided (World Bank, Country Brief).

⁵ World Bank, Vietnam at a glance, http://www.worldbank.org/data/countrydata/aag/vnm_aag.pdf.

1993 to 21.8% in 2003. This trend however mainly reflects the fact that production in other sectors of the economy has risen. The main agricultural production is concentrated in products such as paddy rice, corn, potatoes, rubber, soybeans, coffee, tea, bananas, sugar, poultry, pigs and fish. During the same period, the contribution of industry to GDP increased from 28.9% to 40.0%, the manufacturing sector's contribution growing from 15.2% to 20.8%. The main industrial sub-sectors are food processing, clothing, shoes, machine building, mining, cement, chemical fertilizer, glass, tyres, oil, coal, steel and paper. Finally the service sector, although remaining a cornerstone of the Vietnamese economy, has seen its contribution to GDP decrease from 41.2% in 1993 to 38.2% in 2003⁶. The main sub-sector is tourism, which provides almost 700,000 jobs (2002 estimate) and is expected to offer attractive potential in the near future.

The industrial sector has been a leading engine of growth. Between 1993 and 2003 it accounted for almost 50% of the GDP increase and featured average growth per annum of 10.8%. The highest growth rate was recorded in the manufacturing sector with 11.4% average growth per annum between 1993 and 2003. Agriculture on the other hand only accounted for around 17% of GDP growth during this period. Between 1993 and 2003, per annum growth rates in agriculture averaged 4.2%. Finally, growth in the service sector has also been limited with an average of 6.2% per annum for the period 1993-2003⁷. Importantly, one should note that the non-state domestic sector is the main engine of growth, the average annual growth rates of the private domestic sector being around 19% during the last three years as against 12% for the state sector. This reflects the process of transition to a market economy.

The Vietnamese balance of payments has been steadily improving during the last decade. It started to feature a surplus in 1999 which has since grown to USD 1,197 millions (2003 projection, IMF). This evolution is explained by the surplus recorded for the current account until 2001, stemming from an impressive growth in exports which, from 1996 to 2001, increased by more than 100%. On the contrary, except for a jump in 2000, imports have stagnated, even contracting in the aftermath of the East Asian financial crisis. In recent years imports have been increasing rapidly, leading to a current account deficit. The latter was however more than offset by the increase in private transfers. The East Asian financial crisis affected the evolution of the capital account, with a sharp fall in Foreign Direct Investment (FDI) inflows in 1998 (from USD 2,074 millions in 1997 to USD 800 millions in 1998). Since then, FDI inflows have been regularly increasing but have not yet reached their pre-crisis level (in 2003, FDI inflows amounted to around USD 1,200 million).

Vietnam's external debt service capacity is estimated to be sustainable which probably makes Vietnam ineligible for debt relief under the Highly Indebted Poor Countries (HIPC) initiative. The stock of outstanding debt is estimated at 37.8% of GDP and 54.3% of exports of goods and non-factor services in 2003. The annual debt service amounts to 5.1% of exports and the external reserve coverage steadily increased to around 7 weeks in 2003 (IMF, 2003).

⁶ World Bank, Vietnam at a glance, http://www.worldbank.org/data/countrydata/aag/vnm_aag.pdf.

⁷ World Bank, Vietnam at a glance, http://www.worldbank.org/data/countrydata/aag/vnm_aag.pdf.

Over the last decade, Vietnamese exports have been growing sharply, with an average annual growth rate of 18.8% between 1993 and 2003. In 2003 exports represented around 51% of GDP. Exports are concentrated in the manufacturing sector which in 2002 accounted for around 31% of Vietnamese exports. Among manufactured exports, clothing and footwear are the most important commodities with a share of total exports of 16.4% and 11.1% respectively. The share of manufacturing in total exports has increased from around 13% in 1995 to more than 30% today, reflecting again the transition of the Vietnamese economy towards industrial production. Accordingly, the importance of primary products in total exports has declined, from around 48% in 1995 to 38% in 2002. This trend is particularly clear for agricultural exports, the share of commodities such as rice and coffee in total exports decreasing respectively from 9.5% and 10.6% in 1995 to 4.4 and 1.9% in 2002 (IMF, 2003).

Vietnamese imports have featured the same type of evolution as exports. Between 1993 and 2003, their average annual growth rate was of 20.6%. In 2003 they represented more than 64% of GDP. Imports are concentrated in fuel, raw materials, machinery and equipment. This reflects the fact that, at its present stage of development, Vietnam's local production is not yet competitive with many capital goods and industrial raw materials produced elsewhere. The share of machinery, equipment, fuels and raw materials in the value of total imports increased respectively from 25.7% and 59.1% in 1995 to 30.9% and 63.8% in 2000. These commodities are indeed to a large extent used as inputs in the industrial sector which has been growing in importance for the Vietnamese economy. Finally, the low share of consumer goods in total imports is the result of the import-substitution policy pursued by the Vietnamese authorities for this type of product (IMF, 2002).

3.3 Assessment of the business environment

Since the Doi Moi reforms of the early 90s, the GoV have made industrialisation and modernisation the priorities of its development strategy. This has resulted in deep structural changes that have triggered a *de facto* privatisation process. In 1991, state-owned enterprises produced 56 % of total industrial output while by 2004 their contribution had receded to 38 %. The opening-up to international markets has revealed Vietnam's comparative advantage in light manufacturing. Today, heavy industrial products and minerals account for only 40% of industrial exports against 70% in 1991, while light manufacturing has risen to 60 % of industrial exports. Exports of consumer goods such as footwear or clothing have grown substantially, particularly after the implementation of the 2001 Vietnam-US bilateral trade agreement. The top three exports of manufactures (clothing, footwear and seafood, in that order) accounted for 40 % of total exports in 2003 and there has been a marked diversification in Vietnam's export markets as local products secured orders in an increasing range of foreign countries (UNIDO, 2005).

According to the General Statistical Office (2004), a total of 62,915 enterprises were in operation countrywide in 2002. This is much lower than the cumulative number of enterprises registered during the period 1991-1999 under the Company Law and the Law on Private Enterprise (44,500 during the decade) and, since January 2000 under the Enterprise Law (55,792 by the end of 2002) which suggests that a significant number of

enterprises register but never come into operation, or else that they do operate for a while but rapidly fall into bankruptcy. By the end of 2003 the number of firms registered under the Enterprise Law alone had risen to 83,454, and by June 2004 to 95,357. Apart from the steady acceleration of yearly registrations (from 14,457 in 2000 to 27,662 in 2003), there has also been a marked increase in average registered capital, which nearly doubled in real terms between 2000 and 2003 and is today of the order of VND 2 billion (UNIDO, 2005).

A quarter of Vietnamese enterprises engage in manufacturing activities, but these employ as much as 45% of total labour and generate 30% of the turnover in the enterprise sector. They mostly fall in the Small and Medium Enterprise (SME) category as defined in Decree 91/2001: whether by the measure of employment (less than 300 regular workers) or registered capital (less than VND 10 billion), 95% of them can be labelled SMEs. The majority of registered enterprises employ between 5 and 50 regular workers; altogether, 80% of enterprises include fewer than 50 workers.

The distribution of enterprises in terms of size varies significantly across industries: while nearly 90 percent of manufacturing enterprises belong in the SME category, this ratio is even higher in the food processing sector (93%) but sharply lower in the textile and clothing industries (73% altogether, with a low of 68% in the clothing sector alone), and 50 percent in the leather and footwear sector⁸. Although the datasets on trade and production do not connect “exports” to “size of enterprise”, anecdotal evidence suggests that the bulk of Vietnam’s exports originate from these larger companies.

According to the World Bank⁹, the cost of doing business varies from one aspect to another. For example, although the number of procedures (11 against a regional average of 8) and the average number of days (56 against a regional average of 51) required to establish a business is high, the cost equivalent remains relatively low (28.6% of Gross National Income against a regional average of 48.3%). It is in terms of access to credit that the performance of the Vietnamese economy is the lowest, which is to a large extent explained by the difficulties to obtain the information necessary to monitor credit. For instance, the number of firms listed in a public and/or private credit registry system with current information on repayment history, unpaid debts, or credit outstanding is low (the public credit registry covers 8 borrowers per 1,000 adults against a regional average of 33.9 while the private credit registry coverage is nil against a regional average of 67.3).

In recent years, Vietnam witnessed large inflows of foreign investment, to a large extent in the form of FDI. However, with the onset of the East Asian financial crisis, all kinds of capital inflows dropped. As a result, from 1995 to 2000, FDI flows decreased from 11.3% to 6.5% of GDP. FDI in Vietnam tend to concentrate in heavy industry, i.e. in capital-intensive activity, like for instance, oil, construction, transportation and communication, and real estate. As a result, if FDI accounts for a significant share of industrial output (46.5% in 2000), its contribution to employment is marginal, representing about 400,000

⁸ 84 companies operating in the clothing sector and as many as 103 in the leather and footwear sector count more than a thousand regular workers.

⁹ World Bank (2004), Doing Business,
<http://rru.worldbank.org/DoingBusiness/ExploreEconomies/BusinessClimateSnapshot.aspx?economyid=202>.

jobs out of a work force of about 40 millions workers. In recent years, FDI has been more and more export oriented. Between 1995 and 2000, the share of FDI in manufactured exports increased from 8.8 % to 33.8%. Finally, an increasing share of FDI in Vietnam originates from other Asian countries and in particular from the Asian Tigers (Hong Kong, Singapore, Taiwan, Korea) as well as from countries like Thailand and Malaysia.

The main challenges of the Vietnamese private sector are the following:

- (i) Access to resources remains limited for enterprises and resource mobilisation mechanisms are unable to channel savings to the domestic private sector. In particular, reinvestment capacity is limited and the banking and financial system is inefficient (GoV, 2002). Foreign investment is stagnating if not decreasing and the environment still features important shortcomings in terms of management and regulations (UNIDO, 2002). Also, land shortages constitute a major constraint on the country's development and in particular on the development of its private sector (World Bank, 2005).
- (ii) The proportion of trained workers in the labour force is low and Vietnam's ability to create new jobs and increase labour productivity remains limited, which intensifies pressure to solve the employment problem. Urban unemployment has been rising in recent years, and rural unemployment, estimated at between 25% and 35% during non-harvest periods, is already at critical levels. Layoffs in the state sector and in foreign-invested enterprises, combined with the lasting effects of an earlier military demobilisation, have further exacerbated the unemployment situation (GoV, 2002). From this point of view, private sector development is critical for job creation.
- (iii) The two pillars of Vietnam's manufactured exports are confined to labour-intensive sectors where the wage bill typically absorbs most of the value-added; furthermore, the two sectors operate primarily through contract processing on behalf of foreign intermediaries who supply raw materials, semi-transformed products, equipment, and intangibles such as design, technology and marketing know-how. Thus their ultimate impact on the trade balance is more modest than export figures alone would suggest, as it is basically reduced to the dollar equivalent of their consolidated wage bill (UNIDO, 2005).
- (iv) The low profitability of domestic enterprises highlights both Vietnam's comparative advantage in cheap labour, and the cut-throat competition that characterizes these industries globally. It leaves very few resources to spare for a process of accumulation that would drive Vietnam's exports from labour-intensity through capital intensity to, ultimately, technology- and knowledge-intensity (UNIDO, 2005).
- (v) The process of reforming the economy is in progress but is still slow in certain respects. In particular state-owned enterprises (SOEs) remain important economic actors (still accounting for about 38% of GDP in 2002 (European Commission, 2003). As pointed out by the IMF and the World Bank, the pace of reform of SOEs and the banking sector has proved slower than originally envisaged. Progress in improving and simplifying governance in the SOEs has to date been limited, while the *equitisation* programme fell behind schedule (IMF and IDA, 2004).
- (vi) The overall business environment still suffers from important weaknesses. In particular, the Vietnamese Business Forum held in 2002 identified the following areas for attention: improving efficiency and transparency in the civil service,

ensuring even-handed and strict law enforcement, removal of market entry limitations like unnecessary permits, acceleration of financial sector reform, utilities costs and infrastructure, and overhaul of the tax regime (European Commission, 2003).

3.4 Government policies

Economic policy has been characterised by a prudent fiscal stance, accommodating while providing for structural reform costs. Monetary policy has been oriented towards moderate credit restraint with a view to controlling inflation and safeguarding the banking system while managing the exchange rate with flexibility. The structural policies concern trade policy and private sector development, reform of the banking sector and of SOEs, all aspects supporting the objective of integrating Vietnam in the world trading system. The pace of economic (including trade) liberalisation is nevertheless rather slow as trade protectionism continues and SOEs still represent a large share of economic activities. Moreover, the poor financial conditions of SOEs induces a general vulnerability of the financial sector, which is likely to hamper the longer-term growth prospects of the country.

Since the Sixth National Congress of Vietnam's Communist Party, and the adoption of the overall economic renovation policy ("Doi Moi"), the GoV has reaffirmed its commitment to a socialist-oriented multi-sector economy operating under the market mechanism and state management, and called for deep structural reforms. In particular, one of the most important aspects of economic reform in Vietnam is the encouragement of domestic and foreign private investment. The Company Law, the Law on Private Businesses, the Law on Encouragement of Domestic Investment and especially, the Law on Businesses (which replaced the Company Law and the Law on Private Businesses and is considered most liberal) were adopted with the view to fostering the development of the private sector in Vietnam. The first Law on Foreign Investment in Vietnam was promulgated by Vietnam's National Assembly in December 1987. After being amended twice, the law was repealed and replaced by a new Law on Foreign Investment in November 1996. The new Law was amended again in May 2000 to create an even more favourable environment for FDI. The Law is now considered among the most liberal investment laws in the region (China-ASEAN Business Council, 2005).

In the area of external trade, import and export restrictions have been greatly reduced. Vietnam has been gradually moving from state monopoly on foreign trade to free trade. The country is now a member of the Asian Free Trade Area (AFTA) and Asian-Pacific Economic Cooperation (APEC) and is negotiating for accession to the World Trade Organisation (WTO). At present all Vietnamese businesses including private companies have the intrinsic right in law to handle export and import business within their registered scope of business. Foreign trading companies are allowed to set up branches or representative offices in the country to conduct or promote trade. As a result, the number of companies engaged in export and import business rose from only 50 in 1986, when the reform was initiated, to around 12,000 in the year 2000.

Vietnam's Poverty Reduction Strategy Paper (PRSP) - Comprehensive Poverty Reduction and Growth Strategy (CPRGS) - was adopted in 2002. Although private sector development is not explicitly mentioned, related aspects are disseminated through the strategy, particularly under *Part III: Create Environment for Rapid and Sustainable Growth, and for Poverty Reduction* and *Part IV: Major Policies and Measures for the Development of Sectors and Industries to Ensure Sustainable Growth and Poverty Reduction*. In short, it seeks to improve the legal environment so as to enforce a fair level and competitive playing field for all enterprises, state and private, domestic and foreign. It includes elimination of unnecessary business licenses and other administrative impediments and promotion of equal and non-discriminatory access for all types of enterprises to capital, credit, land, new technology, and information. The CPRGS also plans to reorganize, renovate and improve effectiveness of SOEs and to develop policies and mechanisms to ensure that SOE investment plans are in accordance with sector development strategies and the business environment in the context of international economic integration. More generally, it seeks to develop comparative advantages in labour-intensive industries and in industries that utilise domestically produced agricultural, fishery and forestry raw materials, and to formulate policies which, *inter alia*, create jobs, provide credit, develop essential infrastructures, improve urban environment and landscape, strengthen vocational training and resolve effectively the problem of urban migration (GoV, 2002).

3.5 EC interventions to support PSD

EC programming documents mention the following features of the country's private sector¹⁰:

- (i) Predominance and non-competitiveness of SOEs as well as their crowding out of private investment and the unfair competition they impose on private SMEs.
- (ii) Existence of a distorted trade regime leading to investment in sectors in which the country has no genuine comparative advantages.
- (iii) Lack of policies and legislation to support SMEs.

In response to these challenges, the EC's strategy highlights the following needs:

- (i) Make PSD and service liberalisation a top GoV priority and particularly promote investment in labour intensive industries so as to absorb excess supply in the labour markets and overcome shortages of specific qualified manpower.
- (ii) Reduce vulnerability of exports by enhancing quality, broadening markets and promoting product diversification.
- (iii) Create a supportive climate for enterprises by targeting SOEs, banking sector reform and trade policies.
- (iv) Promote business co-operation and technology transfers.

¹⁰ Commission programming documents do not include a description of the country's private sector as such. Pieces of information are disseminated through the documents. See European Commission (1996), The European Commission Co-operation Partnership, A Presentation of the Cooperation Strategy 1996-2000 and European Commission (2002), EC-Vietnam Country Strategy Paper 2002-2006.

EC PSD intervention in Vietnam occurs at different levels and in different fields of action. At the macro-level, the EC supports the reinforcement of the legal and regulatory framework as well as reinforcing institutional capacity, which have impact on the private sector. This field of action is tackled, *inter alia*, through **The European Technical Assistance Programme Vietnam 1 and 2** (ETV 1 and ETV 2). In addition, the **Private Sector Support Programme** (PSSP) aims at creating a supportive business environment for enterprise growth. Other actions aiming at reinforcing institutional capacity for labour market intelligence include the **Labour Market Project** (LMP)¹¹.

At meso-level, the Commission contributes first to development of a reinforced financial market that provides more effective financial services to SMEs. This objective is achieved mainly with the **SME Development Fund** (SMEDF) phases I and II. The latter consists of the provision of medium and long-term financing to SMEs through commercial banks. Another field of action at meso-level involves reinforcing intermediary organisations. In particular, the **Small Project Facility** (SPF) programme supports the on-going reform process of Vietnam's economy and systems of governance through enhanced involvement of civil society partners, in areas such as regional integration and integration in the world economy.

At micro-level, several initiatives are taking place:

- (i) **Asia-Invest Phases I and II** support facilitation and promotion of business co-operation between the European Union and South Asian countries and China.
- (ii) One component of the **Private Sector Support Programme** aims at overcoming market deficiencies in the provision of business support services to SMEs.
- (iii) The **Information Technology and Communication Programme** supports the promotion of co-operation in the ITC field between non-profit organisations in Europe and Asia, benefiting in particular, although not exclusively, to SMEs.
- (iv) The **European Business Information Centre** (EBIC) aims at increasing the capacity of Asian businesses to engage in mutually beneficial linkages with EU businesses.
- (v) The **Human Resources Development in Tourism Programme** (HDRT) aims at upgrading the standard and quality of human resources in the tourism industry in Vietnam (this project can be considered as aiming to improve human capital in the country).

It is difficult to quantify the share of the EC's PSD interventions in Vietnam in relation to all EC interventions, given that PSD related projects/programmes are not explicitly categorised as PSD interventions. The National Indicative Programme (NIP) 2002-2004 details the resources allocation to the different elements of the country strategy. The elements that can be considered as PSD related account for around 45% of the total A-envelope of €101 millions, namely €10 millions for vocational training, €10 millions for support to the private sector and €6 millions for integration into global and regional economic arrangements. Moreover, some of the European Union's financed ongoing

¹¹ One could also include initiatives like the Multilateral Trade Policy Assistance Programme (MUTRAP) which is not a private sector support programme but is designed to support the transition towards a market economy and did substantial research work in the area of trade and investment which is closely linked to PSD.

projects can be regrouped in categories of interventions that can be considered to impact on PSD. Figures are the following¹²:

- Economic management (9.69% of all EC interventions).
- Development Administration (6.86% of all EC interventions).
- Human Resource Development (11.21% of all EC interventions).
- Industry (0.34% of all EC interventions).
- International trade in goods and services (6.40% of all EC interventions).

Based on this list, intervention areas with an impact on PSD represent about 34% of total EC interventions in Vietnam¹³.

Vietnam also benefited from assistance channelled through Commission all-country programmes related to PSD. In particular:

- Vietnam has participated in the Asia-Invest programme, which targets the creation of EU-Asian business linkages, with 44 project proposals involving Vietnam as the lead applicant, partner organisation or target country, presented so far out of a total of more than 250 projects.
- Vietnam also received financing for 20 projects under the Asia ITC programme, which supports EC-Asian linkages in the information technology and communication field.

3.6 Other donors interventions in support of PSD¹⁴

Japan: Japanese support to PSD in Vietnam falls under “Growth acceleration”, one of Japan’s three focus areas in the country (the other 2 areas being “Improvement of social and living environments” and “Regime establishment”). Growth acceleration is composed of two components: private sector and FDI. Particular activities in this component include improving the investment environment, developing SMEs, training human resources for economic development, and reforming all economic sectors including state owned enterprises.

World Bank: PSD falls mainly into the first of three World Bank objectives in Vietnam, namely transition to a market economy, which is the central focus of the Bank’s activities in the country. Interventions of the World Bank focus on financial sector development; state enterprise reform; support for the emerging domestic private sector; corporate governance; and private participation in infrastructure. Actions also aim at improving the climate for foreign and domestic investment. The Bank Group programme will continue to operate at the sectoral level, and will continue to promote rural and urban development, and investment in human resources and physical infrastructure.

¹² See European Union's financed ongoing and pipeline projects by country,
<http://www.delvnm.cec.eu.int/en/whatsnew/bluebook/section1/section1.htm>.

¹³ Other areas with potential impact on PSD include Natural resources (7.77%), Agriculture, Forestry and Fisheries (5.91%).

¹⁴ For the sake of conciseness, only the top five donors in the area of PSD are considered.

Asian Development Bank (ADB): in 2003 ADB operations focused on the following: (i) sustainable growth through agriculture diversification and private sector development; (ii) inclusive social development with emphasis on health and education; (iii) good governance, especially public administration reform; and (iv) economic growth in the central region. Policy-based operations focused on improving agricultural technology and promoting commercialisation of agriculture sector outputs, raising the efficiency of the financial sector and public administration, and promoting the domestic private sector with a focus on small and medium enterprises.

DANIDA: The PSD Programme was approved by the Danish Government in 1996. The programme aims at creating economic growth and poverty alleviation through support to commercially viable businesses. Presently, 10 ongoing start-up facilities and 18 projects are supported under the PSD framework in Vietnam.

GTZ: Operating since 1994, GTZ's PSD projects aim at improving the competitiveness of small- and medium-scale Vietnamese enterprises. Focusing on strengthening the market for business development services, the project is working on both improving the quality of services provided as well as strengthening SMEs demand for them.

4. Findings

This section presents key findings for each of the Evaluation Questions relevant at country level (questions 2 to 9). Findings have been synthesised at criteria level based on a more detailed matrix (presented in Annex 6) where information is presented at indicator level.

EQ 2 – Overall design of the strategy

<p>Is the EU PSD strategy in terms of “expected results” well designed to ensure the realisation of the purpose of strengthening the business sector with a view to contribute to the overall objectives of the EU external policy?</p> <p>A. To what extent is each area of intervention (“expected results”) relevant in terms of contribution to the purpose?</p> <p>B. Is its success dependent on certain conditions (another expected result or some other ‘external’ factor)? If yes, which ones? Have they been identified in EU PSD strategy documents?</p> <p>C. Is the set of fields of actions comprehensive (are some essential fields missing (for example, role of champions)?</p> <p>D. Is it well structured:</p> <ul style="list-style-type: none">i. Are there potential complementarities and synergies between expected results and have they been identified?ii. Are there possible contradictions between fields and have they been identified?iii. Should there be a prioritisation?

2B.1 Conditions to reach the expected results exist

In Vietnam, the EC PSD interventions are embodied in the second focal point of the country strategy (Integration into the international economy). The Country Strategy Paper (CSP) 2002 (European Commission, 2003) indicates that two areas are targeted. First, assistance to the essential internal reforms Vietnam needs to undertake and second, to assist in the opening of its market to the international flows of trade and investment in the framework of its planned accession to WTO and of its existing commitments with AFTA. The first focal point of the CSP contains a component related to vocational training which is meant to address the scarcity of specific skills and is supposed to contribute to the development of the professional and technological skills needed to assist the expansion of SMEs and promote FDI.

Both external and internal-to-PSD-strategy conditions likely to affect the results achieved in a particular component exist. Per se, the CSP does not refer to conditions. Instead, it mentions complementarity between the two areas of its second focal point. However, there does not seem to be systematic and comprehensive coverage of the main elements conditioning the success of interventions programmed and implemented in a given area. For instance, although good governance aspects and best administrative practices are mentioned as key issues, there is no reference either to the important institutional bottlenecks constraining the development of the private sector in Vietnam, or to the fundamentals explaining the weaknesses of the financial and banking sector, or to the particular mechanisms by which SOEs crowd out the private sector by limiting its access to financial resources and land. As a result, although intervention address issues that are relevant to PSD, there is no clear identification of what are the most important constraints and how to lift them.

2D.1 There are potential complementarities and synergies between expected results

The CSP explicitly mentions that aspects targeted by the component relating to the **promotion of good governance and best administrative practice** (corresponding to the expected result-field of action "**Macroeconomic, legal and regulatory framework**") are key issues for the success of the country's reform process, particularly with regard to **reform of the SOEs** (also to be included in the expected result-field of action "**Macroeconomic, legal and regulatory framework**"). **Vocational training** (related to the expected result-field of action "**Developing services for SMEs**") is considered as crucial for supporting the ongoing socio-economic transition as skill shortages are identified as a major constraint that could dampen development efforts. Moreover, the CSP explicitly links this intervention to the **human development** component of its second focal point (related to the expected result-field of action "**Developing services for SMEs**"). In conclusion, the CSP does not explicitly clearly identify complementarities between different PSD expected results-field of action. Nor does it identify measures for exploiting complementarities and possible synergies between the different PSD components of the country strategy.

2D.2 Prioritisation of areas of intervention (expected results) leads to a better realisation of the purpose

The CSP/NIP 2002 does not establish a prioritisation of the PSD components included in the strategy or of the various elements the strategy. For instance, there is no mention that achievement in the area of the legal and regulatory framework should be a priority given that they potentially influence the effectiveness of support for SMEs. Nor does it mention the possible priority to be given to trade aspects so as to maximise in the effectiveness of support for SME export capacities. Prioritising fields of action and related activities could improve matters. According to parties interviewed during the field mission, this possibility may however be limited (i) by the difficulty of establish such priorities in a fast growing economy and (ii) the constraint imposed by the ALA regulation on formulating programmes that promote mutual interest.

EQ 3 – Relevance of PSD strategy in a given country

For a given country:

- A. Does the selection of the areas of intervention correspond to the EU PSD strategy?
- B. Does the selection of the areas of intervention correspond to clearly identified priority needs of this country to increase the competitiveness of the business sector with the view to contribute to the overall objectives of the EU external policy?

3A.1 The areas of intervention (expect results) in Vietnam correspond to the areas proposed in the EC PSD strategy

There is a close correspondence between the areas of intervention in Vietnam and those proposed in the Commission's PSD strategy such as described in the related policy documents (European Commission, 2003). The “**Policy making and implementation**” component of the PSD strategy included in the CSP clearly corresponds to the field of action “**Administrative and macroeconomic reforms**” of the *Guidelines for European Commission Support to Private Sector Development* and has been implemented through programmes such as **European Technical Assistance Programme Vietnam (ETV 1 and ETV 2)** which clearly target improvement of the legal and regulatory framework.

The “**Promotion of the private sector**” component of the country strategy is rather broadly defined, for the CSP mentions that it could include activities such as SOE reform, promotion of financing for start-up and development costs, training for SMEs (for example, in quality control, marketing etc), establishment and development of trade and industrial associations, establishment of an institutional framework for the development of SMEs, and helping SMEs to internationalise their activities. This is related to the fields of action “**Developing services for Small and Medium-Sized Enterprises**” (e.g. establishment and development of trade and industrial associations), “**Investment and inter-enterprise co-operation promotion activities**” (e.g. maximising industrial co-operation opportunities) and “**Investment financing and development of financial markets**” (e.g. promotion of financing for start-up and development costs).

The connection between the “**Human development**” and “**Vocational training**” components of the country strategy and the different fields of actions included in the Commission PSD strategy is less obvious although it could be related to “**Developing services for Small and Medium-Sized Enterprises**” (particularly given the objective of “**skill upgrading**” included in this field).

3B.1 The selected areas of intervention (expect results) correspond to clearly identified needs of Vietnam in terms of PSD

Section 3 of this Country Note lists the main constraints affecting PSD in Vietnam as reflected in various documentary sources as well as by the GoV's priorities in the field of PSD. These constraints are broadly in line with those identified by various stakeholders interviewed during the field mission. As the analysis of the country strategy and of the PSD projects and programmes implemented in Vietnam reveals (see annex 6), there is a close correspondence between the areas of intervention selected for the country's PSD strategy and the major needs of Vietnam in terms of PSD as well as with the main orientation of the GoV's PSD strategy.

EQ 4.1 – Effectiveness - Business environment

To what extend did EU interventions make the institutional, macro-economic and legal and regulatory framework more conducive to PSD?

4.1.1	EC support to the institutional setting has contributed to the development of the business sector
EC PSD interventions aimed at improving Vietnam's institutional setting through the following programmes: ETV 1 and 2, Labour Market Project, and Human Resources Development in Tourism. Of these, only ETV 1 has been completed and can therefore be assessed in terms of effectiveness ¹⁵ . While EC interventions under ETV 1 have achieved tangible outputs in the field of institutional development (support to the drafting of new laws, establishment of independent auditing capability, reinforcement of standards and quality agency, etc.), it is difficult to conclude that these have had a strong impact on PSD. For instance, some positive impacts include the field of accounting and auditing which have resulted in the integration of Vietnamese audit firms into some of the big five Western audit companies. But the realisation of many of the expected objectives of ETV 1 depends strongly on acceptance of legal reforms, which have not been enforced so far. For instance, accounting and auditing standards have not yet been accepted by the Vietnamese Parliament, which prevents the new legislation to be enforced. In the insurance component, facilitation of creation of insurance companies largely depends on the passing of the new law and on when the relevant bodies will be ready to supervise it. According to the evaluation report of ETV 1 , the lack of impact in some other cases (e.g. Intellectual property project) was said to result from a too modest budget. Moreover, when designing programmes, effectiveness lessons from similar programmes in the past or in other countries do not seem to be taken sufficiently into consideration.	
4.1.3	EC support has achieved the improvement of the legal and regulatory framework in view to encourage the development of the business sector
As mentioned above, programmes like ETV 1 and ETV 2 have indirectly supported reforms of the legal and regulatory framework in view to encourage the development of the business sector. Also, the Private Sector Support Programme aims at simplifying and strengthening the SME environment at Provincial level. But some indications suggest that such a programme is potentially effective. According to the programme manager, programmes requiring coordination between different political and business actors have more chances of succeeding at provincial level, given that the political structure is more flexible at that level than at central level, for example.	

¹⁵ The other programmes have not been implemented yet.

EQ 4.2 – Effectiveness - Reinforcing financial markets

To what extend did EU interventions reinforce financial markets?
<p>4.2.1 The appropriate framework for supplying well-developed and efficient financial services for SME is reinforced</p> <p>This objective was meant to be achieved through the Small- and Medium-Sized Enterprise Development Fund (SMEDF) I, which was concluded in 2000 and will be relaunched this year under SMEDF II. According to the final SMEDF Evaluation Report, the objective of improving the lending-to-SME capabilities of participating banks was to be achieved through training of bank staff (particularly loan appraisal and monitoring capabilities). The project provided almost no training at all. There was little explanation either in the final evaluation report or during interviews as to why the training component was not carried out.</p> <p>In terms of improving financial services to SMEs, the evaluation report concludes that SMEDF did not improve financial services to SMEs in general, but only to a selected segment. This is mainly due to the design of the programme (stringent criteria for the selection of beneficiaries and limited geographic coverage). Based on interviews with the banking sector during the country mission, it seems that the increase in credits to SMEs was not significant (e.g. Vietnam Bank of Agriculture and Development's lending to SMEs improved mildly from 10% of the bank's portfolio prior to being a beneficiary of SMEDF, to 13.5% in 2004). It seems that this modest improvement can be explained by the fact that the supply of credit-line in itself was not sufficient to improve the lending capabilities of banks: other measures such as training to bank staff were also necessary but did not occur. This is symptomatic of the banking sector which seems to suffer from multiple weaknesses at different levels (lack of financial resources and human training at the banking level; rigid regulation for issuing land certificates at government level; and lack of proper financial reporting at company level). It seems that these problems are interdependent, thereby putting at risk the effectiveness of the whole programme if deficiencies occur in a particular component.</p>

EQ 4.5 – Effectiveness - BDS

To what extend did EU interventions aiming to provide non-financial services create a competitive business development services markets?

4.5.1 EU interventions aiming to provide non-financial services create a competitive business development services markets

The **Private Sector Support Programme** aimed at establishing pilot business-technology incubators in selected sectors of industry, but this programme has just started and there is as yet no evidence indicating the potential effectiveness of this programme. Other programmes such as **Human Development Resources in Tourism** aimed at the delivery of training and not at improving the BDS market, suggesting that, even when completed, these programmes will at most be effective in the provision of training, but not in the creation of a competitive BDS market.

EQ 5 – Sustainability

To what extent are the effects (expected results) of the interventions likely to continue at the end of the EC support?	
5.1	The effects of the Commission's PSD strategy in Vietnam is likely be long-lasting
	Many of the EC interventions covered by the field mission have not been completed so it is difficult to assess their sustainability. Assumptions and risks related to sustainability are included in the programming documents of most projects/programmes under consideration. However, the question as to why market forces fail to deliver what is eventually provided through public assistance is never addressed. As a result, the fundamental nature of the problem PSD projects/programmes are tackling does not seem to be thoroughly identified (accelerating the production factor/human capital/capacity/technology accumulation process, coping with market failures, and if so, which ones). In such case, interventions are more likely to cope with the symptoms than with the causes and impact will generally lack sustainability.
5.2	Institutional, macroeconomic, legal and regulatory improvement is not disappearing / has not disappeared after EC intervention
	Programmes such as ETV 1 and ETV 2 , Labour Market Project – component 1, Human Resource Development in Tourism and Private Sector Support Programme – component 1, broadly aim at strengthening institutional capacity and improving human capital. As such, these programmes can be considered as contributing to the institutional and human capital accumulation of the country and their impact is therefore likely to be sustainable. However, although it appears that lessons retrieved from ETV 1 have been taken into account in the assumptions and risks of ETV 2 , no concrete measures been taken to tackle the issues that were considered as limiting the sustainability of ETV 1 .
5.3	Reinforcement of financial markets is long-lasting
	The SMEDF evaluation report states that “ SMEDF has little sustained impact in terms if improving financial services to SMEs in general and that it many of them could have obtained bank loans even in the absence of SMEDF but that all participating banks confirmed, that the availability of SMEDF funds gave a boost to their SME lending operations and in that sense, SMEDF was an important element in improving financial services to those SMEs.” Based on interviews during the mission, it seems that the growth of lending to SMEs has been modest, thus putting in doubt the question of whether the reinforcement of the financial market will be long-lasting.
5.4	Reinforcement of intermediary organisations position is not lost after EU intervention finishes
	Given that most selected projects have not entered implementation phase, it is not yet possible to judge the sustainability of Small Projects Facility -related projects and of their associated professional associations. That being said, the programme manager at the European Commission European Commission Delegation has a 60% confidence level of the sustainability of the programmes. Measures aimed at ensuring the sustainability of impacts include specific criterions in the application and selection process, such as the continuous finance viability of the firms (will they be able to sustain their investment after the end of the project) and the capacity to contribute to the policy dialogue.
5.6	A competitive BDS market continues to function after EU intervention has finished
	The Private Sector Support Programme aims at reinforcing business incubators at provincial level. This programme is entering implementation phase, so it is difficult to assess its sustainability. However, the point made in 5.1 above particularly applies to this programme in the sense that no clear identification of the market failures leading to insufficient supply of BDS has been conducted during project identification, thus raising doubts about the sustainability of PSSP impact.

EQ 6 – Efficiency

To what extent have the organisational set-up or management systems and processes contributed or hindered the efficiency of the EC interventions to support private sector development? Four aspects are of particular interest to our evaluation:

- A. The deconcentration process and the support given by HQ
- B. The preference given in some regions to all-country programmes
- C. The preference given in some regions to promote local expertise instead of using international support
- D. Other organisational set-up or management systems and processes

6A.1 The deconcentration has contributed to the efficiency of the EC interventions

According to several parties interviewed, deconcentration had positive impact on the speed of the decision-making process, at both programming and implementation levels. Deconcentration allows the stakeholders and beneficiaries to be much more in direct contact with the European Commission Delegation (meetings, e-mails, phone calls) than they used to be with Brussels HQ. Although it is difficult firmly to establish formal evidence that deconcentration has led to better identification of needs, a positive impact of such closer contacts on better understanding of the country context and realities is highly probable. The impact of deconcentration on the cost of interventions is however difficult to assess and quantify. Implementation costs have possibly decreased owing to the improved quality of project management resulting from deconcentration but no figures or tangible evidence could be provided to support such an assertion. Deconcentration certainly implied a significant increase in the workload for European Commission Delegation staff, but the issue is broader in that the Delegation must increasingly complement its managerial tasks with strategic and technical inputs in different domains which are more and more specialised. This is particularly the case when the assistance is channelled through budget support, which heavily draws on the European Commission Delegation's resources as participation in the policy dialogue requires such inputs and hence developing of the analytical capacity of the Delegation.

6B.1 The use of “all-country” programmes has contributed to the efficiency of the EC interventions

The extent to which the use of “all-country” programmes has contributed to the efficiency of the EC interventions is unclear. In some instances efficiency and, in particular, speed of decision-making has been adversely affected by the organisational design of the programme (e.g. **Asia-Invest**) and the related heavy administrative procedures. In other cases (e.g. **EBIC**), implementation apparently did not suffer any problems of identification or implementation due to slowness in the administrative procedures or decision-making processes, but it remains difficult to asses the exact impact of such programmes on the global efficiency of the Commission’s PSD strategy in Vietnam.

6C.1 The use of local expertise has contributed to the efficiency of the EC interventions

No compelling evidence could be obtained regarding the impact of the use of local expertise on the efficiency of the EC interventions in the area of PSD.

6D.1 The organisational set-up and management system has contributed to efficient implementation of the programme

The implementation of some projects or programmes has been hampered by major delays in the provision of inputs. Projects or programmes have generally started two or three years after the signing of the financial agreement. Some programmes also encountered difficulties in implementing the planned activities in a timely manner. Deficiencies are generally related to heavy administrative procedures, difficulties in setting up the PMU, managerial practices of the steering committees and lack of funds.

EQ 7 – Coherence (within EU action)

- A. To what extent does the EU PSD policy in general take into account other EU strategies and policies?
- B. To what extent does the EU PSD support strategy within a country strategy take into account:
 - i. The support given to other sectors within the same country strategy?
 - ii. Other EU strategies and policies
- C. To what extent do national or regional EU PSD programmes within a country take into account:
 - i. Other PSD programmes within the same country
 - ii. The support given to other sectors within the same country
 - iii. Other EU strategies and policies

7B.1 The EU PSD support strategy in Vietnam takes into account other EU interventions

The CSP makes explicit or implicit references to potential complementarities and synergies between the PSD aspects of its strategy and other components of the country strategy. For instance, vocational training, which is included in the first focal point of the country strategy, is mentioned as a key area to cope with scarcity of specific skills and contribute to the development of the professional and technological skills needed to assist the expansion of the SME sector and to promote FDI. However, the extent to which interventions in other sectors are taken into account is rather limited in spite of the fact that some of them have immediate implications for the Vietnamese private sector. This is particularly the case with trade as programming documents remains relatively silent on the need to co-ordinate activities programmed and implemented in one area or another. For instance it gives no information on how trade policy and trade facilitation aspects affect the country's private sector, and provides no indication on how the articulation between PSD and trade activities should be designed so as to integrate PSD and trade in a comprehensive approach. The reason might be that the PSD strategy is in fact focused on SMEs and that the participation of SMEs in international trade is limited. But even if the export activities of SMEs are modest, they will certainly be affected by the opening-up to trade that Vietnam will experience in the near future. For these reasons, the apparent disconnection of PSD and trade in strategy documents certainly leaves room for improvement. The same observation can be made with regard to other EU policies. For instance, much evidence suggests that EU trade policy effectively affects Vietnam's trade performance but the extent to which this spills over into private sector development is not discussed in programming documents.

7C.1 EU PSD programmes implemented in Vietnam take into account other EU interventions

This issue has to be analysed with regard to the internal coherence of the PSD programmes portfolio, to its coherence with programmes implemented in other areas and to other EU policies. On the first point, PSD interventions constitute an area where complementarities and synergies are numerous. However, there is no real analysis of the nature of these links or on how to maximise their exploitation. Nevertheless, in practice the projects or programmes implemented in Vietnam form a coherent body with elements which most of the time are adequately inter-related, even though some room for improvement exists. As for the second point, none of the programmes reviewed in Vietnam include reference to support for other sectors or analyse possible complementarities, synergies, conflicts or overlap with programmes implemented in other sectoral areas of intervention. Potential for such practice exists however, as some projects/programmes (like the Multilateral Trade Policy Assistance Programme - MUTRAP - for instance) have clear and major connections with those implemented in the area of PSD. Finally, projects and programmes implemented in Vietnam do not include reference to the potential impact of other EU policies (in particular EU trade policy) on the private sector in general or on the degree of achievement of the projects and programmes.

EQ 8 – Coordination (with other donors)

To what extend is there coordination between donors, both at central and at country level?
8.2 The EC actively participates in multi-donor coordination processes at country level
In Vietnam, there are numerous multi-donor coordination platforms for PSD: the SME Partnership Group, the EU PSD working Group, the World Bank's PSDP and the Like-Minded Donor Group. The EC actively participates in all these groups, except in the latter. Despite the existence of these several groups, little concrete output seem to have emerged so far. One of the few examples of output resulting from coordination is the EC's participation in the Poverty Reduction Support Credit (PRSC) set up by the World Bank. The contribution of the EC to this budget support programme represents 4-5% of the programme's allocation and actively participates to the policy dialogue with the GoV and the other donors involved. Reasons for lack of output resulting from coordination include the fact that most of these groups are fairly new, and that coordination is hampered by national interests which are likely to exist in issues related to PSD (e.g. donor visibility in the country, or business-to-business cooperation between local and national companies). Despite the fact that the existence of national interest that make donor coordination in PSD particularly challenging, there is room for improvement through a thorough analysis of specific areas of coordination where conflict of interests are less present. During the country mission, the team identified higher potentials of coordination in specific expected results (legal and regulatory framework, institutional capacity, and PSD policy; an example is budget support) as well as in particular topics in which the potential for cross-area coordination (i.e. coordination on different types of expected results is possible) is high, including local economic development. Coordination is however more challenging in some expected results which often involve national interest, e.g. B-2-B cooperation. These conclusions were confirmed by a survey in Vietnam of the Official Development Assistance (ODA) transaction costs within the donor community, undertaken under the auspices of the World Bank's Comprehensive Development Framework (CDF). The study took place in July 2002 and included the EC in its sample of donors. Efficiency was said to be rather low and coordination superficial. Most of the respondents stated that the efficiency of donor coordination has improved over the last five years but it was widely stated that there is still "room for improvement". The general perception of donor-driven coordination efforts led to a suggestion that there needs to be more ownership and capacity on the GoV side . Aside from coordination between donors, coordination is also managed indirectly by the Agency of Small and Medium Enterprise Development (ASMED). As one of its objectives, that of being a channel between donor and government, ASMED also attempts to coordinate donor funds by discussing with donors the areas in which funds could be better used (ASMED also plays an active role in the SME Partnership group). ASMED tries to play a role in the distribution of tasks among donors in order to ensure that the donor community covers the most important areas in PSD and that overlaps are minimized. When donors wish to execute a certain intervention, they usually consult with ASMED on whether the proposed project is relevant for Vietnam's PSD needs and on whether or not it has been already addressed by another donor. ASMED also directs donors towards relevant PSD areas. According to ASMED's Deputy Director General, most important PSD areas are covered by donors. According to one person working closely with ASMED, the role of the government in terms of coordination has improved, but there is still a lot of work to do.

EQ 9 – Cross-cutting issues

Do the EC PSD interventions show concern for cross cutting issues such as promoting women led enterprises, ensuring acceptable working conditions notably for women, protecting the environment and promoting better governance practices?

9.2 CCI are taken into account in the PSD strategy and by programmes in Vietnam.

According to the CSP, crosscutting themes are an integral part of EC-Vietnam co-operation and include environmental protection and disaster preparedness, culture and education, gender equality, promotion of human rights, and good governance. The CSP does not give directions for systematic integration of cross-cutting issues into the various elements of the strategy. It simply mentions that, when appropriate, specific cooperative action can be developed to promote such themes on an *ad hoc* basis. The CSP also recalls that, in addition to NIP resources, horizontal budget lines such as “environment and tropical forest protection”, “human rights”, and Commission co-financing of NGOs, can be utilised. No specific reference is made with respect to the private sector.

The extent to which cross-cutting issues are taken into account by PSD programmes varies with the issues considered. Generally, good governance seems to be the issue which receives most attention. The overall objective of **ETV 1** and **ETV 2** is to improve economic and social development in Vietnam during its period of transition to a market economy. This is to be achieved by facilitating better decision-making in the public and private sectors, and development of clear, rational, transparent policies, strategies, plans and legislation through a strengthening of policy-making, legislative and implementation capacity. The projects are therefore naturally targeted on good governance issues. The **Private Sector Support Programme** is designed to promote the creation of an environment conducive to SMEs, particularly at provincial level. From this point of view the programme also implicitly addresses the issue of good governance through support for decentralisation. The **Small Projects Facility** programme is explicitly targeted on good governance. Its overall objective is to support the ongoing reform processes in Vietnam’s economy and systems of governance, as well as to facilitate Vietnam’s integration into the international economy which is to be achieved *inter alia* through enhanced involvement of civil society partners and of the private sector as a contribution to grass-roots democracy, better governance, and respect for the rule of law.

Gender and environment issues are less well represented in the programmes and projects reviewed in Vietnam. For the **Small Projects Facility** programme, the selection criteria for projects are gender-sensitive. As a result, one project in seven relates to women in business. The **Human Resources Development in Tourism** programme refers to environment as its objectives indeed reflect the integrated national approach of the GoV, including the training of key government officials in essential tourism management skills, including environmental planning. Specifically, the project includes a component dealing with practical aspects of tourism planning, including environmental awareness.

Globally, there does not appear to be any overall strategy to ensure consistent coverage of cross-cutting issues in the EC PSD programmes implemented in Vietnam. Their inclusion in a particular project or programme rather reflects pragmatism and is most evident when the object of the project or programme naturally relates to one particular cross-cutting issue.

9.3 A CCI is treated through a specific project or programme in the frame of the PSD support in Vietnam rather than as an horizontal issue

The **Small Projects Facility** is the only programme reviewed during the field mission which is explicitly targeted on a specific cross-cutting issue (good governance).

5. Conclusions

Design and relevance of the Commission PSD strategy in Vietnam:	
▪ There is a close correspondence between the PSD strategy programmed in Vietnam and the areas proposed in the EC PSD strategy. Most of the elements included in the PSD strategy programmed in Vietnam are for instance related to some of the fields of actions contained in the EC PSD Guidelines.	3A.1
▪ The strategy is also in line with the GoV's main priorities and policy orientations.	3B.1
▪ Finally, the PSD strategy implemented in Vietnam addresses some important constraints affecting the country's private sector.	3B.1
Design and relevance of the Commission PSD strategy in Vietnam: <i>However, the PSD strategy programmed in Vietnam may lack comprehensiveness as:</i>	
▪ In particular, it does not seem to be designed so as to ensure systematic and comprehensive coverage of the main elements conditioning the success of interventions programmed and implemented in a given area.	2B.1
▪ The strategy does not seem to be designed so as ensure systematic exploitation of complementarities between the different PSD components of the strategy, or between the PSD strategy and other issues, for instance trade.	2D.1
Effectiveness and impact: <i>EU programmes usually achieve their expected outputs, but do not always achieve their expected results. Reasons include the following:</i>	
▪ <i>The achievement of expected results requires a comprehensive coverage of the main elements conditioning success.</i> The banking sector seems to suffer from multiple weaknesses at different levels (lack of financial resources and human training at the banking level; rigid regulation for issuing land certificates at government level; and lack of proper financial reporting at company level). It seems that these problems are interdependent, thereby putting at risk the effectiveness of an intervention in only one of these areas, such as the EC programmes aimed predominantly at the supply of a credit-line.	42.1
▪ <i>When designing EU programmes, lessons from similar programmes in the past or in other countries do not seem to be taken sufficiently into consideration.</i> Lessons from the first programme aiming at reinforcing institutional capacity (ETV 1) did not seem to be sufficiently taken into account in the design of the second programme (ETV 2).	41.1

<p>Sustainability:</p> <ul style="list-style-type: none"> ▪ <i>All programmes that aim at strengthening institutional capacity and improving human capital are likely to be sustainable, yet it does not seem that EU took all possible steps to ensure that sustainability will be maximized.</i> <p>The sustainability of institutional, legal and regulatory improvements largely depend on a proper dissemination of reforms to the private sector. These seemed absent in ETV 1 and do not seem to be sufficiently taken into account in the design of ETV 2.</p>	5.2
<ul style="list-style-type: none"> ▪ <i>Some EU programmes have not properly identified the existence of a market failure justifying government intervention, thus putting at risk the sustainability of the impacts</i> <p>In designing its programme on to reinforce a local BDS market, a thorough analysis of the existence of a market failure that may explain the current vacuum (e.g. is it a demand or supply problem) has not been conducted.</p>	5.6
<p>Coherence:</p> <p><i>The various elements of the PSD strategy implemented in Vietnam form a coherent set. However, some room for improvement exist as:</i></p>	
<ul style="list-style-type: none"> ▪ The extent to which interventions in other sectors are taken into account is rather limited in spite of the fact that some of them have immediate implications for the Vietnamese private sector (e.g. trade). 	7B.1
<ul style="list-style-type: none"> ▪ Complementarities and synergies are numerous within the portfolio of PSD activities but are not sufficiently taken into account, analysed and exploited. 	7C.1
<p>Coordination:</p> <ul style="list-style-type: none"> ▪ <i>Despite the fact that the existence of national interest that make donor coordination in PSD particularly challenging, there is room for improvement through a thorough analysis of specific areas of coordination where conflict of interests are less present.</i> <p>Coordination is possible in several expected results or in themes in which high levels of cross-coordination is feasible. Coordination is more challenging for some expected results which involve a lot of national interest.</p>	8.2

ANNEXES

Annex 1 - People interviewed

European Commission Delegation / PMU / Technical assistance

Organisation	Name	Title
Delegation of the European Commission to Vietnam	Mr Patrick Cooney	Programme Officer, Co-operation section, European Union
Delegation	Mrs Hans Nguyen	SMEDF I&II
Co-operation section, European Union, Delegation of the European Commission to Vietnam	Mrs Vu Thi Tuan Anh	Programme Officer ETV 2
European Union, Delegation of the European Commission to Vietnam	Mr Hans-Anand Beck	Economic Co-operation Adviser
European Union, Delegation of the European Commission to Vietnam	Mr Andrew Jacobs	First Secretary, Head of Co-operation
Delegation of the European Commission to Vietnam	Mr Francisco Fontan	Deputy Head of Co-operation
EU-Vietnam Private Sector Support Programme	Mrs Ricarda Meissner	European Union Chief Adviser

Donors

Organisation	Name	Title
German Technical Cooperation (GTZ)	Mrs Corinna Küsel	Sector Coordinator SME Promotion and Private Sector Development
Embassy of Italy in Vietnam, Development programme Office	Mrs Alessandra Bravi	Programme Officer
United Nations Industrial Development Organisation (UNIDO)	Mr Philippe Scholtès	Representative
Embassy of Finland	Mr Pekka Seppälä	Counsellor
Asian Development Bank (ADB)	Mr Ramesh Adhikari	Head Country Programmes and Economics
Royal Danish Embassy (DANIDA)	Danida Henrik Vistisen	Counsellor
Japan International Cooperation Agency, Vietnam Office (JICA)	Mrs Ebihara Yuko Mr Oshikiri Koji	Deputy Resident Representative

Local Authorities

Organisation	Name	Title
Vietnam Chamber of Commerce and Industry	Mr Pham Thi Thu Hang	General Director
Vietnam Chamber of Commerce and Industry	Mr Nguyen Minh Tuan	Manager
Hanoi Small and Medium Enterprises Association (HASMEA)	Mr Nguyen Hoang Luu	Vice Standing – Chairman - General Secretary
Ministry of Planning and Investment, Agency of Small and Medium Enterprise Development (ASMED)	Dr Nguyen Chi Dzung	Deputy Director General
Ministry of Planning and Investment, Agency of Small and Medium Enterprise Development (ASMED)	Mr Bui Thu Thuy	Officer Int'l Cooperation Division
Vietnam National Administration of Tourism (VNAT)	Mr Phung Duong	Deputy Director of Int'l Cooperation dept.

Private Sector

Organisation	Name	Title
CBAM	Dr. Nguyen Hoang Anh	Director of International co-operation Department of CBAM
Ha Thanh Technology Development., JSC	Mr Dang Duc Dzung	Managing Director
Vietnam Bank of Agriculture & Development	Mr Hoang Quang Tuan	Expert of Int'l Relations Department
Vietnam Bank of Agriculture & Development	Mr Nguyen Viet Hung	Deputy Director of the Project Management Department
State Bank of Vietnam	Mr Le Thi Yen	National Programme Officer
State Bank of Vietnam	Mr Nguyen Vinh Hung	Deputy Director
State Bank of Vietnam	Mr Nguyen Hanh Phuc	SME Finance Project Manager

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European Technical Assistance Programme Vietnam II:
Financing Proposal
Financing Agreement
Technical and administrative provision for implementation

Labour Market Project
Financing Agreement
Technical and administrative provision for implementation

Private sector support programme
Financing Proposal
Financing Agreement
Technical and administrative provision for implementation

Small Project Facility
Financing Proposal
Financing Agreement
Technical and administrative provision for implementation

Small and Medium Enterprises Dev. Fund-Phase I
Financing Proposal
Financing Agreement
Final Evaluation Report

Small and Medium Enterprises Dev. Fund-Phase II
Financing Proposal
Financing Agreement
Technical and administrative provision for implementation

European Business Information Centre
Fourth Six Months and Final Report 2001-2003, September 2003.

Annex 3 - Map of the country



Source: CIA World Fact Book.

Annex 4 - List of programmes

Year (FA)	Project number	Project title
1993	5896	European Technical Assistance Programme Vietnam I
2002	2474	European Technical Assistance Programme Vietnam II
2002	2970	Labour Market Project
2003	5885	Private sector support programme
2003	5814	Small project Facility
1997	2667	Human Resources Development in Tourism
2000	MIS n° 96/032	Small and Medium Enterprises Dev. Fund-Phase I
2002	2466	Small and Medium Enterprises Dev. Fund-Phase II
2001	2587	European Business Information Centre EBIC

Annex 5 – Programme sheets

Programme 1 European Technical Assistance Programme Vietnam I

1. Project identification data

Title	European Technical Assistance Programme Vietnam I
Number	Ref. no. CC/AS/VI/B7-3010/SOFRES/97/011
Budget line	B73001
Financing decision	19/06/1993
Financing agreement	30-Sep-1994
Start date	n.a.
Planned end-date	n.a.
Total Budget	19.0m € (final value 23.8m ECU)
EC Budget (committed)	n.a.
EC Budget contracted	n.a.
Disbursements	n.a.
Beneficiary	The Main counterpart is the Ministry of Planning and Investment
Operator (if different from Beneficiary)	

2. Budget

Budget Item	€	%
Projects		
1. Accounting and auditing	8.2	34%
2. Insurance	1.9	8%
3. Support to the MPI	1.6	7%
a. promotion of foreign investment		
b. the BOT sector		
4. Standards and Quality Assurance	3.7	16%
5. Intellectual Property	0.9	4%
6. Institutional Strengthening of the MPI – short-term assistance	0.8	3%
7. Support to the National Information System for Economic Planning	3.8	16%
8. Programme Co-ordination	2.9	12%
Total	23.8	100%

3. Global objectives

To contribute to Vietnam's ongoing effort to:

- Achieve the transition to a market oriented economy.
- Prepare and implement sustainable and strategic reforms in areas vital for the development of the Vietnamese economy in a market oriented environment.
- Develop a legislative and regulatory framework suitable to market mechanisms and conductive to external trade and foreign investors.
- Modify and establish effective, efficient and sustainable institutional framework consistent with legislative and regulatory frameworks.
- Operationalise legislative, regulatory and institutional reforms by providing:
 - appropriate training both on-the-job and academic at all working levels in relevant and selected areas;
 - limited but essential equipment deemed necessary to enhance reform mechanisms.
- Improve Vietnam's economic operators' penetration in free-trade markets (in particular European markets) as well as to assist European investors to gain a foothold in Vietnam.

4. Specific objectives

Accounting and auditing:

- Reform Vietnamese accounting and auditing system: develop, adapt and enforce standards and rule for financial reporting.
- Obtain compliance with the new accounting and auditing framework throughout the economic sector within a set time frame.
- Establish an independent auditing capability.

5. Activities

Accounting and auditing:

- Component 1: Legislative and regulatory components:
 - reform of Law on accounting and auditing,
 - reform of accounting and auditing standards,
 - revision of accounting Manual and Code of Account,
 - develop the publicity and training programme on Accounting reform.
- Component 2: Institutional Development:
 - NAC/VAA Development;
 - development of syllabi and curricula for CPA and Auditor examinations;
 - creation and staffing of a Vietnamese centre for postgraduate training;
 - review and development of the University degrees in accounting to meet the needs of a market-oriented economy.
- Component 3: Operational component.

Intellectual Property Project:

- to enhance the functioning of the patent and trademark administrations through assistance and training;
- raise awareness of the benefits of an improved intellectual property system;
- improve the professional skills of legal practitioners, patent agents and enforcement agencies;
- encourage co-operation and exchange of information with the Association of South East Asian Nations (ASEAN) countries in view of harmonisation procedures.

Insurance Project:

- to draft a new legal, regulatory and institutional framework for the insurance sector;
- to increase technical expertise amongst the state-owned Vietnamese insurance companies and provide access to best European insurance practice;
- to facilitate the opening of the insurance market by creating the conditions for effective private sector companies.

Standards and quality assurance project:

- to improve Vietnam's ability to reach international production quality levels,
- to help Vietnam with a National Quality Policy,
- to strengthen the Directorate for STQM as a focal point for quality in Vietnam,
- to promote the use among companies for S&Q related techniques.

6. Expected Results

Accounting and auditing:

- installation of uniform accounting and auditing system compatible with international and regional practice;
- a Trained MOF staff of instructors, supervisors and analysts;
- new curricula on accounting and auditing for business schools and Universities;
- framework for the institution of an independent licensed auditing profession.

Intellectual Property Project:

- enhance the functioning of the industrial property protection;
- raise awareness of the benefits of intellectual property protection;
- improve the professional skills of legal practitioners, patent agents and enforcement agencies;
- encourage co-operation and exchanges with ASEAN countries.

Insurance Project:

- The new Vietnamese insurance law (including decrees) will be drafted and submitted for approval by the relevant decision-making bodies. This law should lay the foundations for further liberalisation of the Vietnamese insurance market.
- The Insurance Supervisory Division of the MoF will be operational with a staff of ten senior civil servants trained in legal, regulatory and supervisory matters concerning the insurance sector.
- At least 180 staff from Vietnamese insurance enterprises will have received internationally-recognised training in the principles and practice of insurance.
- The principal Vietnamese insurance company, Bao Viet, will have been strengthened, ready to operate in a more competitive market.

Standards and quality assurance project

- n.a.

7. Impacts

Accounting and auditing:

- reform Vietnamese accounting and auditing system: develop, adapt and enforce standards and rules for financial reporting. Outputs include drafting of several texts including a new accounting law, Vietnamese accounting standards, etc: although the final texts have not been officially voted, they have been accepted by the MoF and should be quickly put in force (examine whether they have been put in force);
- obtain compliance with the new accounting and auditing framework throughout the economic sector within a set time frame: This objective has begun to be reached with a time-schedule established for the final Vietnamese adaptation;
- successful establishment of an independent auditing capability through the training and assistance to the development and reinforcement of the audit firms (independence is not yet completed due to the strict control of the MOF over audit firms).

Intellectual Property Project:

Represents a small part of the total budget, but the project made a key contribution to a number of sectors that have to be developed if VN is to succeed in its aim of transiting towards a market economy. The modest budget for IP hides the importance of the value of the inputs which are being fed into key institutions such as NOIP and shortly COV.

Insurance Project:

To assist Vietnam in its transition to a market economy:

- It has to be said that the impact of the project towards this objective is still largely awaited. The impact will come largely from the development of the legal and institutional framework;

- the vocational training will assist the development of the new insurance companies and the study tours have exposed senior managers to the working of the insurance industry in developed market economies. They now understand far better to need for regulation, supervision, trade associations and how companies operate under true competition;
- unfortunately the latest move in the sector in the face of stiff competition and more competitive rates is to fix prices;
- no progress has been made on achieving market access for EU companies although this was not a stated objective of the project.

To improve the financial infrastructure and conditions for private sector investment:

- the project has contributed via the legal and institutional framework sub-components but this will be for the future.

Standards and quality assurance project

- STAMEQ has been definitely reinforced;
- the promotion of a Vietnamese Quality Policy will be very easy now;
- seed companies are using quality techniques and concepts;
- Vietnam's ability to reach international levels of quality has certainly improved, but there is a long way to go.

In its first two years, the Program has had a clear impact on the incipient Vietnamese infrastructure for quality. A brief review of this impact can be summarized as follows:

- There is an increasing awareness of the strategic value of quality in manufacturing goods that could not have reached the present stage if the Project had not been in place.
- At the highest political level, there is a clear understanding of European industrial legislation and other features relevant for manufacturing and trading purposes (CE-Mark, regulations "New Approach" certification arrangements, accreditation...) that wouldn't be there without the activities launched by the ETV Program.
- Since the beginning of the Program, many TV appearances, receptions, seminars, training courses, conferences (some of them organized by People's Committees), and all type of contracts with high level managers of Vietnamese companies have taken place.
- The European expertise has helped, in the past two years, to improve the Information Centre (IC) on standards and related matters, as well the perception from industry of the value and role of the standards in a modern economy.
- During the time this evaluation was taking place, the IC accomplished a Web-site Page, it had reached more than two hundred subscribers to its Newsletter (approximately \$70/year for Vietnamese companies, \$100/year for foreign companies), and the income for selling standards amounted to 138.000 Vietnamese dong, which represents an increase of 30% since the beginning of 1996.
- So far, there is a clear impact of the Project on the Vietnamese main metrological institutions (QUATEST 1,2,3 located in Hanoi, Danang and HCMC, and the Vietnamese Metrology Institute), since experts from the Program have been heavily involved in defining and improving metrological laboratories. The annual increase of activities (number of reports) goes from 13% in VMI to 33% in QUATEST 2.

8. Problems encountered

Accounting and auditing

- When the project began in 1996, the evolution towards a market economy has not gone very far;
- It took time to establish links with the main counterpart (the MoF);
- High concentration of outputs and activities at MoF;
- Capacity of absorption and adaptation to the Vietnamese situation.

Intellectual Property Project

- n.a.

Insurance Project

- a barely existing insurance sector,
- low political priority given to the sector,
- lack of market access for EU companies.

Standards and quality assurance project

- n.a.

Programme 2
European Technical Assistance Programme Vietnam II

1. Project identification data

Title	European Technical Assistance Programme Vietnam II
Number	VNM/AIDCO/2002/0589
Budget line	B-7301
Financing decision	18/12/2002
Financing agreement	n.a.
Start date	2003
Planned end-date	10/01/2005
Total Budget	12 024 800 €
EC Budget (committed)	11 034 800 €
EC Budget contracted	0 € (as of 29/04/2005)
Disbursements	0 € (as of 29/04/2005)
Beneficiary	Direct beneficiaries will include officials at the Ministry of Finance, Ministry of Planning and Investment, Directorate General for Customs and the Directorate for Standards and Quality
Operator (if different from Beneficiary)	Ministry of Finance (MOF), Ministry of Planning and Investment (MPI), Ministry of Science and Technology (MOST)

2. Budget

Budget Item	€	%
I Fiscal Policy and Legal Advisory Services	2 002 580	18.15
II Taxation	2 415 755	21.89
III Customs	2 059 280	18.66
IV Auditing/ Accounting and Insurance	785 315	7.12
V Statistical Analysis, Policy Tools	1 076 690	9.76
VI Quality Control	2 432 680	22.05
Monitoring and Evaluation (M&E)	250 000	2.26
Overall contingencies	12.500	0.11
Total	12 024 800	100%

Category Breakdown	EC (In Euro)	Beneficiary (In Euro)	Total (In Euro)
1. Services	8 038 000	500 000	8 538 000
1.1 European TA	7 568 000	0	7 568 000
Long-term advisor(s)	3 690 000	0	3 690 000
Short-term experts	3 878 000	0	3 878 000
1.2 Local TA	470 000	500 000	970 000
2. Supplies	860 000	0	860 000
2.1 Vehicles & equipment	860 000	0	860 000
2.2 Consumables	0	0	0
3. Activities	240 000	0	240 000
3.1 Seminar/workshops	240 000	0	240 000
4. Information	260 000	0	260 000
5. Operating Costs	528 000	490 000	1 018 000
5.1 Local personnel	360 000	195 000	555 000
5.2 Other costs (running costs, local transport, communications, office supplies)	168 000	295 000	463 000
6. Training	350 000	0	350 000
7. Monitoring, Evaluation & Auditing	250 000	0	250 000
8. Contingencies	508 800	0	508 800
Total	11 034 800	990 000	12 024 800

3. Global objectives

The overall objective of the European Technical Assistance Programme for Vietnam (ETV2) is to improve economic and social development in Vietnam during its period of transition to a market economy. This is to be achieved by facilitating better decision making in the public and private sector, and the development of clear, rational, transparent policies, strategies, plans and legislation through a strengthening of policy/legislation making capacity and of the means of implementation.

4. Specific objectives

The specific objectives of are:

- to enhance capacity for raising domestic revenue at the Ministry of Finance for all major revenue sources and at all levels;
- to strengthen policy making and to develop and apply related tools for implementation;
- to improve auditing/accounting and insurance legislation and develop related standards in line with international ones;
- to improve information management, monitoring systems and statistical analysis at the Ministry of Planning;
- to create confidence in the process of Measuring, Standardisation, Testing and Quality.

5. Activities

Component 1: Fiscal Policy and Legal Advisory Services

- undertaking legal and policy needs analysis and producing a strategic plan;
- identifying technical revenue collection and legal issues for discussion, problem-solving, and decision-making;
- design management, organisation and administration guidelines;
- mobilisation and effective utilisation of the services and advice provided by long-term advisers and short-term experts;
- performing technical and legal needs analysis regarding local and regional taxes/revenue sources and proposing improvements for inter-governmental fiscal relations;
- identifying legal tax potentials, proposing improvements for increased utilisation of potentials;
- initiating an overall review of efficiency and effectiveness of fiscal systems. Developing criteria for measuring performance for tax and custom apparatus;
- carrying out a study on equity and incidence of revenue system.

Component 2: Taxation

- establishing stable and comprehensive legal frameworks,
- drafting laws in keeping with international standards,
- producing subsidiary legislation, regulations and procedures,
- carrying out priority projects,
- putting management and operational planning systems in place,
- developing and testing methods and systems for revenue projections/forecasting,
- putting operational systems in place.

Component 3: Customs + Component 4: Accounting, Auditing, Insurance

- enhancing capacity to conduct sound policy research and application at the Department for Accounting Policies and the Department of Banking and Financial Institutions of the Ministry of Finance;
- preparing and applying effective and sound laws/regulations, policies, and standards in accounting, auditing and insurance at the Ministry of Finance;
- preparing decrees for the implementation of the law on accounting for business enterprises and on the implementation of the law on accounting for administrative units;
- Assisting in continually preparing and publishing accounting as well as auditing standards in line with international standards and suitable for Vietnamese management and the tendency to economic integration to obtain international recognition;
- preparing and issuing guidelines on accounting and auditing standards;
- supporting the activities of the National Council of Accounting (NCA);
- re-developing a training curriculum for accounting and auditing;

- assisting the institutional development of the Insurance Supervision Division, by developing an early warning system, together with processes and methods for recovering payments; developing regulation(s) on state management in supplying over-the-border services; developing reports on legal and financial aspects of capital requirements based on risks; building models of insurance management authority: framework of organisation.

Component 5: Statistical Analysis, Policy Tools

- improving staff skills and practice in short term monitoring of statistics;
- Improving staff skills in the areas of medium and long term planning and policy analysis as well as forecasting procedures;
- assisting in the building up of information systems for managing enterprises and investment projects;
- providing both hardware and software equipment to enable the Ministry of Planning and Investment to complete their local area communications network at three HQ sites in Hanoi with connections to twenty provincial offices.

Component 6: Standards and Quality Control

- establishment of a stable and agreed legal framework, shared among all the concerned parts (Code of Good Practice);
- full alignment of Vietnamese metrology with international practice;
- completion of the existing National Standards corpus, starting from the most urgent sectors, in line with the Government's priorities (e.g. fish and other food products) and following the international approach, creating the basis for a proper follow-up;
- improving testing capabilities of the Vietnamese quality testing operators involved in the quality process and engendering the creation of a testing culture in line with the international one, particularly in fish and other food products;
- updating and enlarging the certification and accreditation system;
- Creating a "Quality System Vietnam";
- involving the Vietnam Chamber of Commerce and Industry (VCCI) as reference point for documentation and basic formation, but also as representative of the developing Private Sector.

6. Results

- increased revenue raising capacities as a consequence of an improved policy making process;
- effective taxation / custom laws and procedures and a fair and equitable tax collecting system;
- the completion of legal frameworks for accounting, auditing and insurance in accordance with international standards;
- accurate statistical analysis, forecasting and monitoring to support policy decision making process;

- a legal framework for standards and quality assurance in line with international standards; establishment of national normative corpus completed.

7. Impacts

The Programme has not been implemented yet and there is no indication about the likely impact of the program. But the delay in implementation of the programme (2 years so far) may put at risk the effectiveness of the programme.

8. Problems encountered

There are problems related to the delays of implementation.

Programme 3 Labour Market Project

1. Project identification data

Title	Labour Market Project
Number	VNM/AIDCO/2002/0484
Budget line	B7-3000
Financing decision	21/11/2002
Financing agreement	17/12/2002
Start date	The project hopes to start on the first quarter of 2005.
Planned end-date	31/12/2009
Total Budget	11,200,000
EC Budget (committed)	10,000,000
EC Budget contracted	53,645.00 (as of 29/04/2005)
Disbursements	37,363.60 (as of 29/04/2005)
Beneficiary	Ministry of Labour, Invalids and Social Affairs (MoLISA)
Operator (if different from Beneficiary)	Ministry of Labour, Invalids and Social Affairs (MoLISA)

2. Budget

Category Breakdown	EC	GoV	Total
1. Services	5,000,000		5,000,000
1.1 European TA	3,400,000		3,400,000
EU Project Co-Director	700,000		700,000
EU Field Expert	600,000		600,000
EU Finance/Administration Expert	400,000		400,000
EU Short-term experts	1,700,000		1,700,000
1.2 Local TA	400,000		400,000
1.3 Training	300,000		300,000
1.4 Studies and surveys	600,000		600,000
1.5 Monitoring, evaluation and auditing	300,000		300,000
2. Supplies	3,300,000	600,000	3,900,000
2.1 Vehicles (cars, motorbikes etc.)	100,000		100,000
2.2 Equipment	3,150,000	600,000	3,750,000
2.2 Software & web-site development	50,000		50,000
3. Information	200,000		200,000
3.1. Newsletters, reports & CD-ROMs	200,000		200,000
4. Operating Costs	1,000,000	600,000	1,600,000
4.1 Local personnel (incl. salary allowance Vietnamese Project Co-Director)	300,000	200,000	500,000
4.2 Other costs (PMU running costs, local transport, communications, office supplies incl. electrical appliances)	700,000	100,000	800,000
4.3 Office facilities & maintenance (both project components)		300,000	300,000
5. Contingencies	500,000		500,000
Total	10,000,000	1,200,000	11,200,000

3. Global objectives

The **overall objective** of the project is to support the development of human resources in Vietnam in line with Government of Vietnam's market-oriented industrialisation policy. The project aims to upgrade the skills of the labour force in Vietnam and thus to continue to attract diverse investments than can provide jobs and income-earning opportunities.

4. Specific objectives

1. Upgrade human resource development planning through a facilitation of analysis and dissemination of data relating to labour market needs and evolution in key provinces and at a central level through the design, development, and application of a labour market observatory information system.
2. Strengthen the quality of technical teacher's training in order to satisfy public and private sector demand for skilled workers and technicians.

5. Activities

The project has two corresponding components:

1. A labour market information system (LMIS) that will support the establishment of labour market observatories at provincial and central level.
2. A technical teacher's training component that will improve the quality and availability of technical training in Vietnam.

The first six months of the project will be the inception phase. The following activities will be carried out:

- mobilisation of two project co-directors and selected TA staff;
- preparation of the Initial Plan of Activities (IPA) within one month after mobilisation of the two project co-directors;
- establishment of the PMU, including procurement of furniture and equipment and recruitment of support staff;
- establishment of financial and administrative systems;
- preparation of an Overall Work Plan and Budget, as well as of a first Annual Work Plan;
- updating of the project's Logical Framework and development of a monitoring and evaluation system for each component;
- following detailed assessment, establishment of the list of key provinces for the labour market observatory offices, and establishment of the list of vocational schools to take part in the programme;
- preparation of detailed lists of equipment for all participating offices and schools.

During the implementation phase the following activities will be carried out:

Labour market information system component

- creation of labour market observatory offices in selected key provinces;
- creation of a labour market information system network and database;
- dissemination of information gathered by the observatories to different target groups using i.a. reports, newsletters, CD-ROMs and an internet site;
- design and development of a training plan and training modules for the training of a core group of trainers (capacity building);
- conduct periodic (6-monthly or annual) labour market surveys.

Technical teacher training component

- design and development of harmonised modular-based curricula for skilled technicians and workers at the selected vocational training/education programmes, linking theory with practice and the needs of industry;
- training of selected technical teachers in the use of modern equipment, instructional materials, modern pedagogical theory and student activating teaching methods;
- training of the administration and managerial staff in strategic planning and management;
- harmonisation of the recognition of qualifications as well as of entry requirements for the centres;
- procurement of equipment for the selected schools. The equipment will be used to upgrade the technical standards of the schools and mainly their workshops.

6. Results

Labour market observatory

By the end of the project each observatory supported will be in a position to collect, store and retrieve labour market data (related to both public and private sectors) from various primary and secondary data sources as well as independently carry out or contract out labour market surveys (enterprise-based, house-hold based, graduate tracer surveys). The data will be used to facilitate the planning and delivery of vocational training that it is keeping with evolving market needs. It will also be valuable to those in the job market who need ensure that their skills correspond to what employers require.

Technical teacher training

By the end of the project a critical mass of skilled technical teachers in target vocational schools will have the capacity to train skilled workers and technicians by using modern equipment and modern pedagogical methods. The curriculum for the training of skilled workers and technicians will be organised on a modular basis providing the possibility of partial certification.

7. Impacts

The Programme has not been implemented yet.

8. Problems encountered

The Programme has not been implemented yet.

Programme 4 Private sector support programme

1. Project identification data

Title	Private Sector Support Programme
Number	Asie/VIET/2003/005-885
Budget line	B7-301
Financing decision	08/12/2003
Financing agreement	Oct. 2004.
Start date	Due to Tet Holiday in Vietnam at the beginning of Feb. 2005, the programme is expected to be launched after TET.
Planned end-date	31/12/2008
Total Budget	€ 11,145,000
EC Budget (committed)	€ 9.050.000
EC Budget contracted	€ 4,410,325 (as of 29/04/2005)
Disbursements	€ 300,000 (as of 29/04/2005)
Beneficiary	Vietnam's provincial and district government officials concerned with administering SME-related regulations, representatives of business associations and persons engaged in the private sector from the supply of business support and advocacy services.
Operator (if different from Beneficiary)	Ministry of Planning and Investment

2. Budget

Costs Breakdown	EC	beneficiary	Total	Contracting authority
1. Component 1				
1.1. Services	2,622,000		2,622,000	EC, MPI
1.2. Supplies/Equipment	55,000		55,000	MPI
1.3. Works				
1.4. Operating Costs	358,000	100,000	458,000	MPI
1.5. Information	50,000		50,000	MPI
2. Component 2				
2.1. Services	2,000,000		2,000,000	EC, MPI
2.2. Supplies/Equipment	825,000		825,000	MPI
2.3. Works				
2.4. Operating Costs	690,000	1,900,000	2,590,000	MPI
2.5. Information	50,000		50,000	MPI
3. Horizontal component				
3.1. Services	1,560,000		1,560,000	EC, MPI
3.2. Supplies/Equipment	70,000		70,000	MPI
3.3. Works				

3.4. Operating Costs	240,000	95,000	335,000	MPI
3.5. Information	100,000		100,000	MPI
4. Contingency	430,000		430,000	
Totals (per cost type)				
1. Services	6,182,000		6,182,000	
2. Supplies/Equipment	950,000		950,000	
3. Works				
4. Operating Costs	1,288,000	2,095,000	3,433,000	
5. Information	200,000		200,000	
6. Contingency	430,000		430,000	
Total	9,050,000	2,095,000	11,145,000	

3. Global objectives

The global objective of the Vietnam Private Sector Support Programme (VPSSP) is poverty alleviation and job creation via promotion of the private sector, in particular of Vietnamese small and medium enterprises (SME), and its integration into the international economy.

4. Specific objectives

The Programme purpose is to strengthen the administrative capacity and operational effectiveness of SME-related local government structures and private sector associations, fostering SME's development, in line with the reform process leading towards a market-oriented economy in Vietnam.

5. Activities

- Component 1 - Simplification and strengthening of the SME enabling environment at Provincial level:
 - provision of Technical Assistance for a reduction of inconsistencies between SME development policy formulation at central level and their implementation at local level;
 - provision of Technical Assistance to identify and disseminate best practice conducive to SME growth to local stakeholders (9 provinces targeted);
 - provision of Technical Assistance for strengthening capacity amongst business associations and independent business development service (BDS)¹⁶ providers to design and deliver service products appropriate for enterprises at each stage of development – start-up, consolidation, growth and internationalization;
 - support consultative activities from regulatory authorities and facilitate constructive government-private sector dialogue;
 - information dissemination for the private sector on all local regulations and how to comply with them;

¹⁶ BDS is used here in accordance with the World Bank definition, which excludes financial services for business development.

- raising awareness and consensus on economic development directions and long-term strategies for SME development in provincial and district government constituencies.
- Component 2 – Establishing of pilot business-technology incubators in selected sectors of industry with the aim to replicate them thereafter in other locations:
 - provision of Technical Assistance offering the European experience on business-technology incubators;
 - support the start up costs of a business incubator in the sector of Food Processing and Packaging in Hanoi (capable to accommodate about 20 companies);
 - support the start up costs of a business incubator in the sector of Information and Communications Technologies in Ho Chi Minh City (capable to accommodate about 20 companies);
 - dissemination of results and best practice to local stakeholders in particular in other municipalities and provinces.

6. Results

- Improved administrative and regulatory environment for SME development at Provincial level (nine provinces targeted).
- Improved public-private sector dialogue conducive to SME development.
- Enhanced capacity of business associations to represent private sector interests needs and increased availability of business support services for SME's at Provincial level.
- Creation of new enterprises facilitated through the establishment of replicable business-technology incubators in selected sectors (Food processing in Hanoi and Information technologies in Ho Chi Minh City).

7. Impacts

The program is just starting implementation phase, so, no impacts nor indicators of effectiveness are available.

8. Problems encountered

The program is just starting implementation phase.

Programme 5 Small project Facility

1. Project identification data

Title	Small project Facility
Number	ASIE/VN/2003/5814
Budget line	43010 -
Financing decision	15/12/2003
Financing agreement	11/03/2004
Start date	15/06/2004
Planned end-date	31/12/2009
Total Budget	2,200,000
EC Budget (committed)	2,000,000
EC Budget contracted	294,476.90 (as of 29/04/2005)
Disbursements	209,020.94 (as of 29/04/2005)
Beneficiary	Professional associations, companies and others
Operator (if different from Beneficiary)	

2. Budget

Category Breakdown	EC	Grantees	Total
1. Services			
1.1 Ad-hoc seminars/workshops and short term, small, technical assistance	150,000		150,000
1.2 Monitoring, Audit and Evaluation (1)	150,000		150,000
1.3 TAs for assessing projects (2)	160,000		160,000
2. Grants to Projects			
2.1 Grants to Projects	1,400,000	200,000	1,600,000
3. Information			
3.1 Information (3)	70,000		70,000
4. Contingencies (4)	70,000		70,000
Total	2,000,000	200,000	2,200,000

3. Global objectives

The overall objective of this programme is to support the on-going reform process of Vietnam's economy and systems of governance, as well as to facilitate Vietnam's integration into the international economy. This is to be achieved inter alia through an enhanced involvement of civil society partners and of the private sector. The overall objective is in-keeping with the priorities set down in the European Commission's Country Strategy Paper and National Indicative Programme.

4. Specific objectives

The project purpose is to improve the mutual understanding and joint visibility of partners by promoting civil society dialogue and facilitating interactions in the following areas:

- governance, Administrative Reform, Decentralisation;
- integration into the regional and world economy;
- strengthening of civil society and public interest organisations as a contribution to grass-root democracy, better governance, and the respect of the rule of law.

5. Activities

The programme will provide financial support to a limited number of projects in accordance to the following criteria.

Areas of co-operation and eligible activities (other criteria like non-eligible projects are not covered here).

Projects will be supported to the extent that they are policy advice-oriented, strategic in nature, have an European dimension, *inter alia* by involving qualified European institutions, associations, expertise.

In particular proposals in the following areas would be considered:

- governance, Administrative Reform, Decentralisation;
- integration into the regional and world economy;
- strengthening of civil society and public interest organisations as a contribution to grass-root democracy, better governance, and the respect of the rule of law.

Projects funded may take the form of:

- training, educational and capacity building activities;
- studies;
- media events and media products;
- business-related research activities (provided they are non-profit making);
- conferences, seminars and workshops; (provided they are not individual sponsorships);
- other activities that promote the image of the EU as a model or example of best or unique practice.

6. Results

The envisaged results of the project are:

- Projects which are small in financial terms and of limited duration, innovative and of high visibility in the areas mentioned in 1.2, which are of strategic importance and mutual interest to Vietnam and the EU, successfully implemented.

- Ad-hoc seminars and workshops aimed at improving the mutual understanding and visibility of both partners in the areas mentioned in 1.2 successfully organized.
- Ad-hoc short-term, small, technical inputs aimed at improving the mutual understanding and visibility of both partners in the areas mentioned in 1.2 mobilised.

7. Impacts

Most SPF-selected projects have not been launched yet so no result indicators are yet available.

8. Problems encountered

n.a.

Programme 6
Human Resources Development in Tourism

1. Project identification data

Title	Human Resources Development in Tourism
Number	VNM/B7-3010/IB/97/0234
Budget line	B7-3010
Financing decision	06/11/1997
Financing agreement	n.a.
Start date	04/02/2004
Planned end-date	31.06.2008.
Total Budget	12 000 000 EURO
EC Budget (committed)	10 800 000 EURO
EC Budget contracted	5,186,910.00 (as of 29/04/2005)
Disbursements	556,694.00 (as of 29/04/2005)
Beneficiary	Government of Vietnam through the Vietnam National Administration of Tourism (VNAT), the labour force, training institutes and European/international tourists through the introduction of standards and so enhancing the service quality of the Vietnamese Industry
Operator (if different from Beneficiary)	

2. Budget

Budget Item	€	%
EC contribution		
Institutional Strengthening	3 500 000	
Standards & Certification	1 000 000	
Trainer Development Programmes	1 800 000	
Regional Accreditation and Co-operation Programme	500 000	
Regional Co-operation Programme	500 000	
Tourism Management Training	500 000	
Tourism Secretariat (PMU) including the two co-directors	3 000 000	
Total EC contribution	10 800 000	
Vietnamese contribution		
Training facilities, offices, etc	1 200 000	
Total Vietnamese contribution	1 200 000	
Total	12 000 000	100%

3. Global objectives

The overall objective of the project is to upgrade the standard and quality of human resources in the tourism industry in Vietnam and to enable the Government and industry to sustain the training quality and quantity at the project's completion.

4. Specific objectives

The immediate objectives reflect the six major elements of the integrated national approach recommended by the workshop and adopted by the Government. They are:

- Institutional strengthening to establish a tourism committee and supporting framework for national training organisation and implementation.
- Adaptation and development of national craft skill standards and the development and implementation of a national certification scheme for craft skill workers from accredited institutions.
- The adaptation and development and implementation of accredited trainer development programmes in core craft skill areas to develop a pool of qualified industry trainers to sustain the national capability and capacity.
- The development of a regional accreditation programme to ensure regional skills in training are exchanged, recognised and to improve regional co-operation in Vietnam's role in training.
- The training of key government tourism officials in essential tourism management skills. This will include tourism management, environmental planning, socio-cultural management and marketing, as well as related services important for the travel industry.
- The establishment of a Tourism Secretariat (TS) to act as a Project Management Unit and secretariat to the Tourism Committee which for the purpose of the project implementation will function as the project's Steering Committee. The TS should at the end of this project maintain its existence for the development of the sector and serve as a catalyst for future actions. The detailed terms of reference and training outputs are attached as Appendix A.

5. Activities

1. Institutional Strengthening to establish a tourism committee.
2. Adaptation and development of national craft skill standards.
3. Adaptation and development and implementation of accredited trainer development programme.
4. Development of a regional accreditation programme.
5. Training of key government tourism official.

6. Results

Key assessments:

- Vietnam Tourism Committee is established and strengthened;
- tourism training standards in core craft skill areas are adapted and developed;

- a pool of 2,500 industry based trainers and additional 1,475 in complimentary skills are qualified;
- a regional accreditation/recognition programme is developed in conjunction with regional tourism organisations to facilitate; and to
- improve regional co-operation of Vietnam's role in training;
- a series of Workshops to elaborate European Tourism Marketing programme/practical marketing approaches for the European market is held;
- short training programmes for key government officials in essential tourism management skills are executed.

7. Impacts

- The project started on 4th feb. 2004.
- IPA was approved in May 2004; The first draft OWP was submitted in August 2004 and it was discussed in the PSC Meeting in Sept. 2004. The second draft was re-submitted in Oct and there were still substantive comments from the members of the last Project Steering Committee in Oct. 2004 toward the second draft OWP.
- Until now the OWP has not been approved. The IPA has been extended to cover the activities until Feb. 2005.

8. Problems encountered

- The PMU team (including TA and Vietnamese partner) prove to be unable to present the OWP to the satisfactory standard. It may be a need to change the management team including the two co-directors (Vietnamese and European) and possibly the training expert.
- The TA contractor has submitted several CVs for the European Co-director position. One possible candidate has been selected.
- An interview by telephone was taken place on 7th Jan. 2005. and the candidate appears to be ok.
- The TA contractor will have to make the official proposal for the replacement as soon as possible and in Jan. 2005.

Programme 7
Small and Medium-Sized Enterprise Development Fund –
Institutional Support to Lending Institutions I

1. Project identification data

Title	Small and Medium-Sized Enterprise Development Fund – Institutional Support to Lending Institutions
Number	VNM / AIDCO / 2000 / 2469
Budget line	B 7-3000
Financing decision	n.a.
Financing agreement	n.a.
Start date	n.a.
Planned end-date	n.a.
Total Budget	2, 395,000
EC Budget (committed)	995,000
EC Budget contracted	n.a.
Disbursements	n.a.
Beneficiary	The main beneficiaries of the project will be small and medium-sized enterprises (SMEs), both privately owned and state-owned, that correspond to the official definition criteria (i.e. a registered capital of below VND 5 billion - equivalent to € 360,000 - and an average number of employees below 200).
Operator (if different from Beneficiary)	Development Assistance Fund

2. Budget

Budget Item	€	%
EC contribution	995,000	100%
Services	890,000	89,45%
Contingencies	45,000	4,52%
Evaluation	60,000	6,03%
Vietnam Government	1,040,000	100%
Services	120,000	
Supplies	175,000	
Information / visibility	20,000	
Contingencies	25,000	
Operating costs	1060,000	
Total	2,395,000	100%

3. Global objectives

The overall objective of the project is to enhance economic and social development in Vietnam through the provision of improved financial services to SMEs.

4. Specific objectives

1. To create and operate a revolving financing facility - the small and medium-sized enterprise development fund (SMEDF) - that offers medium to long-term financing to selected commercial banks for on-lending to SMEs. The SMEDF will be capitalised with the financial resources retrieved from the reimbursement of loans granted under the project "Small and Medium-Sized Enterprise Development Fund SMEDF VNM/B7-3000/96/032".
2. To strengthen the institutional capacity of the Vietnamese Development Assistance Fund (DAF) and of intermediary banks in dealing with the financing needs of SMEs.

5. Activities

Major project activities related to the above outputs are:

- Establishment and operation of a Project Management Unit (PMU) at the DAF:
 - physical installation: procurement of office equipment, furniture, installation of computer systems;
 - recruitment of Vietnamese professional and support staff;
 - design and implementation of internal systems and work flows;
 - allocation of responsibilities and on-the-job training;
 - administrative and budgetary project control and reporting.
- Establishment and operation the SMEDF:
 - opening of accounts and transfer of funds,
 - determination of SMEDF lending policies,
 - selection of participating banks and allocation of quota,
 - screening of disbursement requests,
 - supervision of disbursement and reimbursement transactions,
 - monitoring of approved loans,
 - continued recovery and re-allocation of funds from the previous project.
- Provision of professional training to staff at DAF:
 - identification of training needs of staff and management;
 - analysis of similar training programmes of other donors/institutions;
 - design and development of training courses;
 - identification and recruitment of local resources and/or short-term experts for delivery of training;
 - execution of training courses and monitoring of results.

- Provision of professional training to staff at participating banks:
 - identification of training needs of staff and management of participating banks;
 - analysis of similar training programmes of other donors/institutions;
 - design and development of training courses as “classroom” style training for the banks in credit related issues;
 - identification and recruitment of local resources or short-term experts for delivery of training;
 - execution of training courses and monitoring of results;
 - on-site training for credit officers of participating banks in diagnostic reviews at SMEs
- Provision of professional training to SME managers:
 - identification of the training/information needs of managers of SMEs;
 - design and provision of training courses for SME managers to strengthen their capacity to prepare investment plans and bank loan requests. This is likely to be carried out with the involvement of chambers of commerce or other business associations.

6. Results

- i. Establishment and operation of a revolving refinancing facility for on-lending to SMEs (the SMEDF), using existing financial resources from the previous project.
- ii. Design and delivery of training to (a) the staff and management of the DAF, (b) staff of intermediary banks and (c) managers of SMEs.

7. Impacts & Problems encountered

From evaluation report¹⁷:

Improvement of SME Lending Capabilities of Participating Banks

This objective was to be achieved through training of bank staff, particularly loan officers to improve their loan appraisal and monitoring capabilities. The mid-term evaluation interpreted it as also including institutional development support to the participating banks to improve their investment credit management systems. Since the project practically carried out no training at all, the question of whether and how effectively it achieved the objective becomes irrelevant, whether it is interpreted in a more limited operational, or in a wider management-oriented sense.

Improved Financial Services to SMEs

SMEDF regulations obliged the participating banks to apply stringent criteria to the selection of beneficiary SMEs, since they had to assume the full default risk. This naturally limited the segment of SMEs, which could benefit from SMEDF loans, and it may be

¹⁷ SMEDF Evaluation Report Phase I.

argued, that many of them could have obtained bank loans even in the absence of SMEDF. However, all participating banks confirmed, that the availability of SMEDF funds gave a boost to their SME lending operations and in that sense, SMEDF was an important element in improving financial services to those SMEs, that satisfied the banks' selection criteria.

Rider No.1 to the Financing Agreement extended the geographical coverage of SMEDF from originally 21 provinces and cities to nation-wide. In practice, all but 21 (8.6%) of the 243 SMEDF loans were concentrated in the North and South (including Delta) areas. This reflects the distribution of economic (industrial) activities in Vietnam, on which SMEDF had no noticeable impact. It reinforces the argument, that SMEDF, the way it was designed, did not improve financial services to SMEs in general, but only to a select segment. However, even this is a considerable achievement.

Improved Performance of SMEs and their Increased Contribution to Growth and Employment Generation

This was the core objective of SMEDF, and while it is difficult to measure the improvement in performance of the beneficiary SMEs, and their increased contribution to growth, it is possible to quantify the employment generation effect of the SMEDF loans.

According to the SMEDF database the loans created about 9,400 new employments. The mission's visits to a sample of 31 enterprises gives reason to believe that the figure may be overestimated by as much as 30% and the effective creation of new employments was about 6,800. This figure has to be seen in relation to the means employed. The total amount of SMEDF loans was approx. 18,000,000 US\$, which gives about 2,650 US\$/employment created. Considering that the SMEDF target group overwhelmingly consists of labour-intensive, low-technology SMEs, the figure is quite high. However, significant differences exist between POEs and SOEs: 1,850 US\$/new employment for POEs versus 7,900 US\$ for SOEs. Even allowing for distortions through the size of the sample, it is safe to say that the employment generation effect of loans to privately owned enterprises was a multiple of that of loans to state-owned enterprises.

The project disregarded the SMEDF objective of employment generation in approving a considerable number of loans, which showed a low or even zero employment creation effect, even in the ex-ante estimates. Theoretically, the PPMU could have refused such loans. In practice, it would have been problematic, as it would have imposed an additional selection criterion on the banks that already found it difficult to identify 'good' projects.

In summary, SMEDF had a significant employment generation effect in absolute terms. It could have been larger with a different design of the project, which is a lesson for the future.

No other indicators mentioned in the evaluation grid are available.

Programme 8
Small and Medium-Sized Enterprise Development Funds –
Institutional Support to Lending Institutions II

1. Project identification data

Title	Small and Medium-Sized Enterprise Development Funds – Institutional Support to Lending Institutions II
Number	VNM/AIDCO/2000/2469
Budget line	32130
Financing decision	10/12/2002
Financing agreement	16/04/03
Start date	Sept. 2004.
Planned end-date	2006 (tbc)
Total Budget	2,395,000
EC Budget (committed)	995,000
EC Budget contracted	798,780.00 (as of 29/04/2005)
Disbursements	246,000.00 (as of 29/04/2005)
Beneficiary	The Development Assistance Fund (DAF)
Operator (if different from Beneficiary)	

2. Budget¹⁸

Category Breakdown	EC	Vietnam	Total:	Contracting Authority	Responsible for payment
1. Services	950,000	120,000	1,070,000		
European TA	890,000		890,000	EC	EC
Local TA		120,000	120,000	EA/IA	EA/IA
Monitoring and Evaluation	60,000		60,000	EC	EC
2. Supplies		175,000	175,000	EA/IA	EA/IA
2.1 Vehicle rent/purchase		60,000	60,000		
2.2 Office equipment		80,000	80,000		
2.3 Consumables		35,000	35,000		
3. Information/visibility		20,000	20,000	EA/IA	EA/IA
3.1 Development of information material, CD ROMs, web pages etc.		20,000	20,000		

¹⁸ No other budget presentation available.

4. Operating Costs		1,060,000	1,060,000		EA/IA
4.1 Local Personal and office costs		400,000	400,000		
4.2 Local transport and communication		260,000	260,000		
4.3 Training – related expenses		250,000	250,000		
4.4 Audit		80,000	80,000		
4.5 Others		70,000	70,000		
5. Contingencies	45,000	25,000	70,000	EC/EA	EC/EA
Total	995,000	1,400,000	2,395,000		

3. Global objectives

- The overall objective of the project is to enhance economic and social development in Vietnam through the provision of improved financial services to small- and medium sized enterprises (SMEs)¹⁹.

4. Specific objectives

- To create and operate a revolving financing facility -the small and medium-sized enterprise development fund (SMEDF) -that offers medium to long-term financing to selected commercial banks for on-lending to SMEs. The SMEDF will be capitalised with the financial resources retrieved from the reimbursement of loans granted under the project "Small and Medium-Sized Enterprise Development Fund SMEDF VNM/B7-3010/96/032".
- To strengthen the institutional capacity of the Vietnamese Development Assistance Fund (DAF) and of intermediary banks in dealing with the financing needs of SMEs.

These measures will contribute to increase the productivity and competitiveness of SMEs in Vietnam, and help to create new employment opportunities.

5. Activities

Major project activities related to the above outputs are:

- Establishment and operation of a Project Task Force (PTF) at the DAF:
 - physical installation: procurement of office equipment, furniture, installation of computer systems;
 - recruitment of Vietnamese professional and support staff;
 - design and implementation of internal systems and work flows;

¹⁹ The eligibility for loans under this scheme will be limited to Vietnamese and EU – owned SMEs.

- allocation of responsibilities and on-the-job training;
- administrative and budgetary project control and reporting.
- Establishment and operation of the SMEDF:
 - opening of accounts and transfer of funds;
 - determination of SMEDF lending policies;
 - selection of participating banks and allocation of quota;
 - screening of disbursement requests;
 - supervision of disbursement and reimbursement transactions;
 - monitoring of approved loans;
 - continued recovery and re-allocation of funds from the previous project.
- Provision of professional training to staff at DAF:
 - identification of training needs of staff and management;
 - analysis of similar training programmes of other donors/institutions;
 - design and development of training courses;
 - identification and recruitment of local resources and/or short-term experts for delivery of training;
 - execution of training courses and monitoring of results.
- Provision of professional training to staff at participating banks:
 - identification of training needs of staff and management of participating banks;
 - analysis of similar training programmes of other donors/institutions;
 - design and development of training courses as "classroom" style training for the banks in credit related issues;
 - identification and recruitment of local resources or short-term experts for delivery of training;
 - execution of training courses and monitoring of results;
 - on-site training for credit officers of participating banks in diagnostic reviews at SMEs.
- Provision of professional training to SME managers:
 - identification of the training/information needs of managers of SMEs;
 - design and provision of training courses for SME managers to strengthen their capacity to prepare investment plans and bank loan requests. This is likely to be carried out with the involvement of chambers of commerce or other business associations.

6. Results

The envisaged results of the project are:

- (i). Establishment and operation of a revolving refinancing facility for on-lending to SMEs (the SMEDF), using existing financial resources from the previous project.
- (ii). Design and delivery of training to (a) the staff and management of the DAF; (b) staff of intermediary banks and (c) managers of SMEs.

7. Impacts

The Programme has not been implemented yet.

8. Problems encountered

The Programme has not been implemented yet.

Programme 9
European Business Information Centre (EBIC)

1. Project identification data

Title	European Business Information Centre (EBIC Vietnam)
Number	VNT/ALA/97/05/B73010 VNM/RELEX/H01/2000/2242
Budget line	B7-3010
Financing decision	
Financing agreement	
Start date	
Planned end-date	
Total Budget	0.993081 Mio €
EC Budget (committed)	0.993081 Mio €
Beneficiary	The Socialist Republic of Vietnam
Executing agency	Ministry of Trade

2. Budget

Budget Item	Euros	%
1. PMU's operational costs	700,000	71%
2. Technical assistance	293,081	29%
Total	993,081	100,00%

3. Overall and objectives

- To raise the profile of the European Union among the business community in Vietnam.
- To contribute to the development of Vietnam.

4. specific objectives

- To increase, while acting in a manner complementary to the public and private sector agencies of the EU member states, the capacity of Asian businesses to engage in mutually beneficial linkages with EU businesses.

5. Activities planned

- The European Business Information Centre (EBIC) Vietnam was part of a network set up and financed by the European Commission all over Asia. EBIC programmes were integrated into European Chambers of Commerce or European Business Councils. Distinct offices were located, inter alia, in India, Malaysia, Sri Lanka, and Vietnam. The

vehicles used to pursue the above objectives were: (1) provision of information; (2) provision of training; (3) matchmaking opportunities; and (4) providing access to respective instruments.

- The EBIC Vietnam was designed to act in a manner complementary to the public and private sector agencies of the EU member states, and as a so-called Focal Contact Point (CFP) and “antenna” for various EU-Asia economical co-operation and development programmes. In addition, EBIC was designated as a national sale and distribution agent of OPOCE, the official agency for all EU publications in print and electronic format.
- The Centre was closed in 2003 at the request of the EU member states on the basis that trade promotion should be the preserve of the member states and not a Community competence.

6. Problems encountered

- By all accounts, the EBIC performed a useful function in Vietnam, was appreciated by its beneficiaries. As a ‘one stop shop’ it provided the Vietnamese business community, professional associations and trade promotion offices with an efficient means of obtaining information, inter alia, on the Single Market and as a ‘clearing house’ passed on requests for business linkages to the embassies of the EU member states.
- The main problem encountered relates to sustainability, since future funding has been withdrawn.

Annex 6 – Evaluation Questions Grid

EQ 2 - Overall design of the strategy

Is the EU PSD strategy in terms of “expected results” well designed to ensure the realisation of the purpose of strengthening the business sector with a view to contribute to the overall objectives of the EU external policy?

- A. To what extent is each area of intervention (“expected results”) relevant in terms of contribution to the purpose?
- B. Is its success dependent on certain conditions (another expected result or some other ‘external’ factor)? If yes, which ones? Have they been identified in EU PSD strategy documents?
- C. Is the set of fields of actions comprehensive (are some essential fields missing (for example, role of champions))?
- D. Is it well structured:
 - i. Are there potential complementarities and synergies between expected results and have they been identified?
 - ii. Are there possible contradictions between fields and have they been identified?
 - iii. Should there be a prioritisation?

2.B.1 Conditions to reach expected results exit

Preliminary comment

For each field of actions included in the Commission PSD strategy (see annex 8), conditions likely to influence the success of interventions are mentioned. Reviewing the five fields of actions, one can for instance identify:

- (i) **Administrative and macroeconomic reforms:** The need to develop some reliable results indicators related to private sector development, the need to conduct a prior analysis of the country’s economic situation using a sound methodology so as to identify the problems and constraints affecting the creation of a climate conducive to PSD, the general conditions for adopting a budget support and/or sector support approach.
- (ii) **Investment and inter-enterprise co-operation promotion activities:** the need to tailor standard components of the programme to the regional context, the use of simple and fast procedures, a clear identification of the different tasks associated with management of the programme and their distribution to the different participants so as to avoid duplication of efforts, the obligation to implement these measures as part of an overall investment promotion and business-to- business cooperation programme.
- (iii) **Investment financing and development of financial markets:** the need to focus on financing operations enabling firms to contribute to improving the general economic and social situation of the country to which strictly eligibility criteria should be applied, the need to meet local demand that cannot be satisfied by local financial systems due to lack of funds or suitable financial instruments, the need to seek leverage effects in order to attract other private capital into financing of these investments, the need to channel these operations through local financial institutions in order to encourage their development, the need to operate according to conditions applicable to similar operations on the local market so as to avoid market distortions.

- (iv) **Developing services for Small and Medium-Sized Enterprises (non-financial services):** ensure that these measures go hand-in-hand with the macroeconomic level, the need to implement such measures in countries where private enterprises have reached a minimum level of development and where the business environment is sufficiently favourable, ensure sustainability by giving priority to intermediaries, basing the strategy on what exists locally and using market forces.
- (v) **Support for micro-enterprises:** the need to manage micro-finance activities in a commercial way so as to avoid creating market distortions and promote beneficiaries' responsibility, the need to assess the viability of micro-finance institutions (MFIs), the quality of their projects and the quality of MFIs management.

Such conditions are rather general and are not explicitly structured around a conceptual basis that would help to identifying the central and generic conditions they in fact refer to (Cfr. annex 9 summarising the main justifications of public interventions in the private sector).

2B.1.3 Country missions provide examples from such conditions

In Vietnam, the Commission's PSD interventions are embodied in the second focal point of the country's strategy (Integration into the International Economy). The CSP 2002²⁰ indicates that this focal point targets two complementary areas. First, assistance to the essential internal reforms Vietnam needs to undertake and second, to assist in the opening of its market to the international flows of trade and investment in the framework of its planned accession to WTO and existing commitments with AFTA. PSD activities are included in the first area through three different aspects:

- i. Human development: Develop new types of education, know-how, training and skills are needed to implement the transition.
- ii. Policy making and implementation: Develop appropriate policies, laws and regulations to direct the process and provide assistance in their application by government in both the public and private sector which implies the existence of a properly functioning judiciary system is also essential for effective implementation of the regulatory framework.
- iii. Promotion of the private sector: Foster employment creation by increasing numbers of SMEs to drive the modernisation of Vietnam's economy and to maximise export and industrial co-operation opportunities.

These genuine PSD components are completed with two additional aspects:

- a. alleviation of the social consequences of reform and in particular, migration problems linked to important segments of rural population migrating to urban centers;
- b. promotion of good governance and best administrative practices with a particular attention to reforms of SOEs.

Finally, first focal point of the CSP contains a component related to vocational training meant to address the scarcity of specific skills and supposed to contribute to the development of the professional and technological skills needed to assist the expansion of SMEs and to promote FDI.

In terms of activities, the NIP 2002 focuses on the creation and development of SMEs aiming to increase their productivity and competitiveness, through the provision of²¹:

- (i) an extension of the financing facility (SMEDF) aiming to strengthen the capacity of the relevant lending institutions by enhancing their ability to assess risks related to projects presented by SMEs and reducing the practice of asking for excessive collateral and / or a risk premium. This specific intervention would facilitate access to existing SMEDF lending facility by SMEs;
- (ii) other financial support to SMEs to be further examined, such as guarantees;

²⁰ European Commission (2003), *EC-Vietnam Country Strategy Paper 2002-2006*.

²¹ European Commission (2003), *EC-Vietnam Country Strategy Paper 2002-2006*.

- (iii) technical assistance to improve performance in for example marketing and quality assurance, access to business co-operation opportunities with economic operators outside Vietnam;
- (iv) accompanying services for innovative start-ups to ensure their feasibility;
- (v) assistance in the development of chambers of commerce and trade/industrial associations, promoting access to EU regulatory industrial requirements;
- (vi) assistance to reform of a selected group of State Owned Enterprises.

Both external and internal-to-PSD-strategy conditions likely to affect the results to be achieved in a particular component exist. As far as external conditions are concerned, PSD is closely related to (i) to the stability of the social-political context which reduces investment risks and (ii) the soundness of the general macroeconomic framework, particularly for avoiding the crowding out of the private by the public sector and the coherence with the trade policy. The objective to contribute to Vietnam's export and hence to an export led growth process can indeed only be achieved if tangible progress is recorded in the area of trade policy and trade facilitation. In Vietnam, such conditions are likely to be fulfilled, except for the predominance of numerous SOEs in some segments of activities and the fact that the capacity of SMEs - which represent around 95% of Vietnamese firms - to access export markets remains limited. The various elements of the PSD strategy can also constitute major conditions with respect to each other. In particular, promotion of the private sector and the success of direct support to private operators are strongly dependent on the progress in the area of policies, laws and regulations as well as on structural reforms in the area of SOEs.

The CSP refers to some conditions likely to affect the results achieved in a particular area. In particular, it mentions that aspects targeted by the component related to the promotion of good governance and best administrative practices are key issues for the success of the country's reform process in particular with regard to reforms of the SOEs. Vocational training is considered as crucial for supporting the ongoing socio-economic transition as lack of skills is identified as a major constraint that could dampen development efforts. Moreover, the CSP explicitly link this intervention to focal point 2, "human development".

However, there does not seem to be a systematic and comprehensive coverage of the main elements conditioning the success of interventions programmed and implemented in a given area. For instance, although good governance aspects and best administrative practices are mentioned as key issues, there is no reference to the important institutional bottlenecks constraining the development of the private sector, in particular with regard to the financial and banking sector and the particular mechanisms through which SOEs crowd-out the private sector by limiting its access to financial resources and land.

2D.1 There are potential complementarities and synergies between expected results

Preliminary comment:

The expected results corresponding to the fields of actions of the Commission PSD strategy are highly complementary and progresses in one area is often conditional on those achieved in other ones, in particular the reforms of the legal and regulatory framework. The Commission's Guidelines considers some links between the various fields of actions included in its PSD strategy. Namely, the field **Administrative and macroeconomic reforms** is mentioned as an important complement to **Developing services for Small and Medium-Sized Enterprises**. However, complementarities and synergies between the different expected results are not systematically established. Guidelines hardly refer to the sequence with which the different components should be addressed, nor do they establish a prioritised road map to PSD in which one realisation in an upstream field of action would clearly appear as a precondition for implementing activities in a downstream one.

2D.1.3 Country missions provide examples of such complementarities

The CSP mentions two complementary areas of interventions included in the second focal point of the strategy, namely internal reforms and opening to trade. As indicated above, the CSP also links between

some elements of the PSD strategy like the fact that the promotion of good governance and best administrative practices and reforms of the SOEs, or vocational training, human development and support to SMEs. However, it does not explicitly identify potential complementarities between the different PSD components of the strategy. Logically, it does not provide indications as how to articulate the different aspects of the strategy so as to maximise the exploitation of those complementarities.

2D.2 Prioritisation of areas of intervention (expected results) leads to a better realisation of the purpose

2D.2.3 Country missions provide examples of such issue

The CSP/NIP 2002 does not establish a prioritisation of the PSD components included in the strategy or of the various elements the strategy. For instance, there is no mention that achievement in the area of the legal and regulatory framework should be a priority as they possibly condition achievements in the support to SMEs. Prioritisation of fields of actions and related activities could constitute an improvement. However, parties interviewed during the field mission reported that this possibility remains limited due to (i) the difficulty to establish such a priority in a fast growing economy and (ii) the constraint imposed by the ALA regulation to formulate programmes that promote mutual interest.

EQ 3 – Relevance of PSD strategy in a given country

For a given country,

- A. Does the selection of the areas of intervention correspond to the EU PSD strategy?**
- B. Does the selection of the areas of intervention correspond to clearly identified priority needs of this country to increase the competitiveness of the business sector with the view to contribute to the overall objectives of the EU external policy?**

3A.1 The areas of intervention (expect results) in Vietnam correspond to the areas proposed in the Commission's PSD strategy

3A.1.1 Correspondence between the areas of intervention (expect results) in Vietnam and the Commission's PSD strategy

The Commission's main PSD interventions are embodied in the second focal point of the country's strategy and cover three different aspects:

- i. Human development: Develop new types of education, know-how, training and skills are needed to implement the transition.
- ii. Policy making and implementation: Develop appropriate policies, laws and regulations to direct the process and provide assistance in their application by government in both the public and private sector which implies the existence of a properly functioning judiciary system is also essential for effective implementation of the regulatory framework.
- iii. Promotion of the private sector: Foster employment creation by increasing numbers of SMEs to drive the modernisation of Vietnam's economy and to maximise export and industrial co-operation opportunities.

Programmed activities indicated in the NIP 2002 target the following aspects:

- i. an extension of the financing facility (SMEDF) aiming to strengthen the capacity of the relevant lending institutions by enhancing their ability to assess risks related to projects presented by SMEs and reducing the practice of asking for excessive collateral and / or a risk premium. This specific intervention would facilitate access to existing SMEDF lending facility by SMEs;
- ii. other financial support to SMEs to be further examined, such as guarantees;
- iii. technical assistance to improve performance in for example marketing and quality assurance, access to business co-operation opportunities with economic operators outside Vietnam;
- iv. accompanying services for innovative start-ups to ensure their feasibility ;
- v. assistance in the development of chambers of commerce and trade/industrial associations, promoting access to EU regulatory industrial requirements;
- vi. assistance to reform of a selected group of State Owned Enterprises.

The “Policy making and implementation” component clearly corresponds to the field of action **“Administrative and macroeconomic reforms”** and has been implemented through programmes like **ETV 1** and **ETV 2** that clearly target the improvement of the legal ands regulatory framework.

The “Promotion of the private sector” component is rather broadly defined as the CSP 2002 mention that it could include activities such as SOE reform, promotion of financing for start-up and development costs, training for SMEs - for example, in quality control, marketing -, establishment and development of trade and industrial associations, establishment of an institutional framework for the development of SMEs, helping SMEs to internationalise their activities. This is related to the fields of actions **“Developing services for Small and Medium-Sized Enterprises”** (e.g. establishment and development of trade and industrial associations), **“Investment and inter-enterprise co-operation promotion activities”** (e.g. maximise industrial co-operation opportunities) and **“Investment financing and development of financial markets”** (e.g. promotion of financing for start-up and development costs). Note that this

component of the Vietnam's CSP in fact covers several fields of actions of the Commission PSD strategy.

Finally, the connection between the “Human development” component and the different fields of actions included in the Commission PSD strategy is less obvious although it could be related to “**Developing services for Small and Medium-Sized Enterprises**” (particularly given the objective of “skill upgrading” included in this field).

Other elements of the CSP are related to PSD aspects although they are not directly related to the fields of actions of the Commission PSD strategy. In particular, the first focal point of the country strategy includes vocational training which is explicitly mentioned as a key issue for SMEs. Also, the CSP component titled “Alleviation of the social consequences of reform” is supposed to address the social costs of the country’s transition to a market economy and complement PSD interventions to address such issues.

3B.1 The selected areas of intervention (expect results) correspond to clearly identified needs of Vietnam in terms of PSD

3B.1.1 *Correspondence between selected areas of intervention (expect results) and clearly identified priority needs of Vietnam in terms of PSD*

The analysis reported in section 3 of this Country Note lists the following aspects as the main constraints affecting PSD in Vietnam:

- (i) Resources remain limited and resource mobilisation has been limited and inefficient. In particular, reinvestment capacity is inconsiderable, and banking and financial system is inefficient²². Foreign investment is stagnating if not decreasing and the environment still features important shortcomings in terms of management and regulations²³. Also, land shortages constitute a major constraint on the country’s development and in particular on the development of its private sector²⁴. Land resources are limited in the Vietnam, and SOEs control most of available land for business purposes. In addition, the process for SMEs of getting land is cumbersome: companies need to apply in their local authority, which involves a lot of transaction and hidden costs as well as numerous uncertainties. **Covered by CSP point (iii) and NIP points (i) and (ii). This also covered by projects implemented by the Commission such as SMEDF I and II.** Note that access to land is repeatedly cited as a major constraint for PSD (see section 3 of the country report), but the Commission’s strategy remains silent on this particular aspect.
- (ii) The proportion of trained workers in the labour force is low and Vietnam’s ability to create new jobs and increase labour productivity remains limited which intensifies pressure to solve the employment problem. Urban unemployment has been rising in recent years, and rural unemployment, estimated to be between 25% and 35% during non-harvest periods, is already at critical levels. Layoffs in the state sector and foreign-invested enterprises combined with the lasting effects of an earlier military demobilization further exacerbate the unemployment situation²⁵. From this point of view, private sector development is critical for job creation. **Covered by CSP points (i), (iii) and CSP’s first focal point, component “Vocational training”. Covered by labour market project.**
- (iii) The two pillars of Vietnam’s manufactured exports are locked in labour-intensive sectors where the wage bill typically absorbs most of the value-added; furthermore, the two sectors operate primarily through contract processing on behalf of foreign intermediaries who supply raw materials, semi-transformed products, equipment, and intangibles such as design, technology and marketing know-

²² GoV (2002), The Comprehensive Poverty Reduction And Growth Strategy.

²³ UNIDO (2002), Integrated Programme of Cooperation between the Socialist Republic of Vietnam and UNIDO, 2003-2005.

²⁴ World Bank (2005), Managing Investment Climate Reforms: Viet Nam Case Study.

²⁵ GoV (2002), The Comprehensive Poverty Reduction And Growth Strategy and IMF and IDA (2004), Joint Staff Assessment of the Poverty Reduction Strategy Paper, Annual Progress Report.

how. Thus their ultimate impact of the trade balance is more modest than export figures alone would suggest, as it is basically reduced to the dollar-equivalent of their consolidated wage bill²⁶. **Covered by CSP points (i) and (iii) and NIP points (iii), (iv) and (v).**

- (iv) The low profitability of domestic enterprises highlights both Vietnam's comparative advantage in cheap labour, and the cut-throat competition that characterizes these industries globally. It leaves little resources indeed to spare for a process of accumulation that would drive Vietnam's exports from labour-intensive through capital intensive to, ultimately, technology and knowledge-intensive. It also shows that Vietnam's enterprises have precious little margin for manoeuvre on a proactive Corporate Social Responsibility agenda, unless the firms can internalise tangible benefits through the enhanced productivity of their employees²⁷. **Covered by CSP point (i) and (iii) and NIP points (iii) and (iv).**
- (v) The process of reforming the economy is in progress but is still slow on certain aspects. In particular state-owned enterprises (SOEs) remain important economic actors (still accounting for about 38% of GDP in 2002²⁸). As pointed by the IMF and the World Bank, the pace of reform of SOEs and the banking sector has proven to be slower than originally envisaged. Progress in improving and simplifying governance in the SOEs has to date been limited, while the equitisation program fell behind schedule²⁹. **Covered by CSP points (i) and NIP point (v).**
- (vi) The overall business environment still suffers from important weaknesses. In particular, the Vietnamese Business Forum held in 2002 identified the following needs for improvement: Efficiency and transparency of the civil services, even and strict law enforcement, market entry limitation like unnecessary permits, acceleration of the financial sector reform, utilities costs and infrastructure and overhaul the tax regime³⁰. **Covered by CSP point (i) and NIP points (i) and (ii). Institutional reforms are covered by programmes like ETV 1, ETV 2 or Small Projects Facility.** However, no Commission programme directly addresses the issue of reforms of SOEs. **This is however covered by other donors like the World Bank or DFID.**

Note that this list broadly corresponds to the main PSD constraints as identified by various stakeholders interviewed during the field mission and which relate to:

- lack of financial resources,
- lack of land resources,
- lack of skills workers,
- low value-added goods,
- low margins,
- predominance of SOEs,
- business environment,
- lack of administrative capacity,
- lack of entrepreneurial culture,
- business management capacity,
- professional associations,
- technology.

In conclusion, there is a relatively close correspondence between the selected areas of intervention for the country PSD strategy and the major needs of Vietnam in terms of PSD. Exception to that is the fact that

²⁶ UNIDO (2005), Socio-economic facts, Vietnam, <http://www.un.org.vn/unido/>.

²⁷ UNIDO (2005), Socio-economic facts, Vietnam, <http://www.un.org.vn/unido/>.

²⁸ European Commission (2003), EU Economic and Commercial Counsellors' 2003 Report.

²⁹ IMF and IDA (2004), Joint Staff Assessment of the Poverty Reduction Strategy Paper, Annual Progress Report.

³⁰ European Commission (2003), EU Economic and Commercial Counsellors' 2003 Report.

no project/programme seems to address (i) the general issue of the collateral requirements imposed to entrepreneurs and the particular one of access to land (which remains the main form of collateral admitted by financial institutions) and the administrative difficulties in obtaining land certificates, (ii) the lack of capacity in the banking sector for providing long term funding due to weaknesses of accounting practices and the related absence of credit rating associations, and (iii) important institutional bottlenecks like for instance the absence of accreditation system which prevents the establishment of local private providers of BDS (e.g. accountants) or the legal provisions hampering the emergence of an efficient financial and banking sector (e.g. credit officer responsible for bad debt can be punished by imprisonment). Finally, the relevance of the Commission's PSD strategy which focuses on SMEs (which is in line with the Commission's guidelines) can be questioned as the vast majority of Vietnamese SMEs remain extremely small. Although they represent 95% of private firms, they only account for less than 35% of industrial employment, attract less than 20% of investment, are not sufficiently developed to compete on international markets and contribute modestly to growth. For these reasons, there is doubt that SMEs constitute a strong engine of development and growth for the country.

3B.1.2 Correspondence between PSD strategy in the country and national priorities or policies

The analysis reported in section 3 of this Country Note identifies the following priorities in the GoV's strategy in the field of PSD:

- i. Reform of the trade policy. **Covered by CSP and NIP (Integration into the international and regional economic structure).**
- ii. Reform of the financial and banking sector. **Covered by CSP point (iii) and NIP points (i) and (ii).**
- iii. Reform of SOEs. **Covered by CSP point (ii) and NIP points (vi).**
- iv. Improve the legal and regulatory environment. **Covered by CSP point (ii).**
- v. Develop comparative advantages in labour intensive industries and industries that utilise domestically produced agricultural, fishery and forestry raw materials. **Not specifically covered.**
- vi. Formulate policies to, *inter alia*, create jobs, provide credit, develop essential infrastructures, improve urban environment and landscape, strengthen vocational training and resolve effectively problem of urban migration. **Covered by CSP points (i), (ii) and (iii) and NIP points (i), (ii), (iv) and (v).**

EQ 4.1 – Effectiveness - Business environment

To what extend did EU interventions make the institutional, macro-economic and legal and regulatory framework more conducive to PSD?

EC PSD intervention aimed at improving Vietnam's institutional setting through the following programmes: European Technical Assistance Programme Vietnam (ETV) 1 and 2, Labour Market Project, and Human Resources Development in Tourism. Of these, only ETV 1 is in completion and can be assessed in terms of effectiveness.³¹ The other programmes have not yet been implemented³².

41.1 EC support to the institutional setting has contributed to the development of the business sector

41.1.1 *The objective of the programme corresponds to the expected result proposed by the EU PSD strategy*

The Commission's programmes in the business environment correspond to the expected results of the Commission's PSD strategy. ETV 1, the only programme in that sub-field that has been completed, aimed among other objectives, at

- developing a legislative and regulatory framework suitable to market mechanisms and conducive to external trade and foreign investors;
- modify and establish effective, efficient and sustainable institutional framework consistent with legislative and regulatory frameworks;
- operationalise legislative, regulatory and institutional reforms by providing appropriate training both on-the-job and academic at all working levels in relevant and selected areas limited but essential equipment deemed necessary to enhance reform mechanisms;

These objectives are in line with EC PSD strategy to improve the institutional framework.

41.1.2 *Evidence that the improved institutional capacity due to EU support has produced a framework that is more conducive to PSD*

The Commission's intervention aimed at improving Vietnam's institutional setting through several programmes.³³ Of these, only ETV 1 is in completion and can be fully assessed in terms of effectiveness. For other programmes, the evaluation team has analysed the likely effectiveness of the programme by assessing the extend to which the programmes incorporated lessons from past programmes³⁴.

ETV 1: According to the evaluation report³⁵:

- Accounting and auditing: The project has been in line with the objectives of assisting Vietnam in its transition to a market economy and of improving Vietnam's financial infrastructure and the conditions for foreign investment as well as domestic investment. But these objectives will be completely reached when the proposed reforms have been fully accepted.
 - More specifically:
 - institutional and legal component: Accounting and auditing standards have not yet been accepted by Vietnamese parliament. Reasons include that the as they stand, the new laws could damage the economy because it will force some firms into bankruptcy given that these companies do not meet new standards;
 - professional action: Dissemination to six audit firms. Positive impacts include the integration of Vietnamese audit firms into the big five Western audits firms, as well as the general appreciation by the big five Western firms of the new auditing environment.;

³¹ The other programmes have not yet been implemented.

³² SPF, Labour Market Project and PSSP have not started implementation phase.

³³ European Technical Assistance Programme Vietnam (ETV) 1 and 2, Labour Market Project, and Human Resources Development in Tourism.

³⁴ The other programmes have not yet been implemented.

³⁵ Euro-TAP Viet Programme Evaluation.

- academic assistance: utilisation of new training methodology was limited to the MOF, global system of training not yet been adopted given that this requires complete re-organisation of curricula at university level and re-definition of role of the FTC (Financial Training Centre at MOF), requiring the stop of monopoly of FTC and redelegation of its works to other universities.
- Intellectual property project: The report in May 1997 for the EC 'Vietnam – Trade and Investment Analysis 1997 update' says the majority of companies reported no change in the level of IP protection over the previous 12 to 18 months. While the IP projects represent a small part of the total budget, but the project made a key contribution to a number of sectors that have to be developed if Vietnam is to succeed in its aim of transiting towards a market economy. The modest budget for IP hides the importance of the value of the inputs which are being fed into key institutions.
- Insurance Project:
 - Impact on Vietnam's transition to a market economy:
 - it has to be said that the impact of the project towards this objective is still largely awaited. The impact will come largely from the development of the legal and institutional framework;
 - the vocational training will assist the development of the new insurance companies and the study tours have exposed senior managers to the working of the insurance industry in developed market economies. They now understand far better to need for regulation, supervision, trade associations and how companies operate under true competition;
 - unfortunately the latest move in the sector in the face of stiff competition and more competitive rates is to fix prices;
 - no progress has been made on achieving market access for EU companies although this was not a stated objective of the project.
 - To improve the financial infrastructure and conditions for private sector investment:
 - the project has contributed via the legal and institutional framework sub-components but this will be for the future.
- Standards and quality assurance project

In the period from 1996 to 2000, with the support of S&QA project and EU expert in reviewing the current legislative framework, the MSTQ activities have been changed basically: The National Quality Policy has been developed and quality consciousness at national level is improved; new technical regulations were designed based on new European approaches; the above two main ordinances were revised and re-promulgated in the year 1999 resulting in improvement of legislative framework of MSTQ sector; which could be lately further developed and harmonized with regional and international one; the mandatory products and goods registration has been changed into company's conformity declarations, which gives broader initiative to the companies; the certification and accreditation activities have been started and operated according to international standards and criteria; the calibration services first time is included in the revised Ordinance on Metrology, that contributes to development of not only legal but also industrial and scientific metrology.

Currently, in the process of preparation for joining the WTO, with ETV 2 (Standards and Quality Control component- S&QC) support, the following results would be achieved (in developing legislative framework):

 - knowledge and skill on GRP development could be improved;
 - active participation in regional and international MRAs could be promoted;
 - technical barriers to trade should be reduced;
 - review of organizational structure could be reached in term of having QUACERT and BoA independent as much as possible and regional and internationally recognised.

ETV 2 has not yet been launched, but the evaluation team did analyse the extent to which the design of ETV 2 took into consideration the effectiveness lessons learned in ETV 1. In particular, according to the final evaluation of ETV 1, it seems that achieving the embracement of the private sector from legal & institutional reform, two conditions needs to be fulfilled:

1. **The successful introduction of the law (Accounting and auditing; insurance sector).**
2. **An adequate targeting of the private sector (dissemination, etc.) to make sure they are aware of the changes (e.g. IP project in ETV 1).**
3. **Proper delegation of work at lower levels and thus reform monopoly of MFI.**

During interviews, we have assessed the extend to which measures have been taken to ensure that these obstacles have been considered in the design and implementation of ETV 2. According a Commission's delegate responsible for ETV 2, it seems that ETV 2 will not suffer effectiveness-related problems such as those experienced during ETV 1. Reasons include that:

- a. There is an improved knowledge in the country: back in the mid-1990s, the Vietnamese authorities and private sector were not knowledgeable about auditing (there were very few auditing firm/individuals, etc.), so they essentially had to start from scratch.
- b. Local authorities are more experienced with owning and delegating projects: while the MOF will still be involved in most projects during ETV 2, it is now better experienced to delegate its responsibilities.
- c. Components of ETV2 are more easily absorbable by the private sector:
 - i. compared to auditing, tax law is requires less the adoption of the private market.
 - ii. ETIVII components e.g. customs require less dissemination and training.
- d. There have been measures to test the new law on some companies through the introduction of pilot implementation of the law in some companies.

According to the ETV programme manager, it seems important to integrate companies as much as possible in the projects in order to make sure that the reforms actually get implemented in the economy.

Labour Market Project

Component 1: labour market information system

The project has not been implemented yet and there is so far little indication related to the effectiveness of the project.

Human Resources Development in Tourism

Institutional strengthening

The project has not been implemented yet and there is so far little indication related to the effectiveness of the project.

41.1.3 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

Based on the ETV 1 final evaluation report:

- The realisation of many expected objectives in ETVI strongly depends on the acceptance of legal reforms, which have not been enforced so far:
 - accounting and auditing standards have not yet been accepted by the Vietnamese Parliament, which blocks the compliance of companies;
 - in the insurance component, the facilitation of creation of insurance companies largely depends on the passing of the new law and when the ISD will be ready to supervise it.
- Certain institutional and legal reforms take long to be complied by the market place because they involve such a radical change: in accounting and auditing, compliance of the private sector of new accounting standard may imply that a large number of firms would become technically bankrupt.

<ul style="list-style-type: none">■ In other cases, modest impact (e.g. intellectual property project) is said to results from a too limited budget.
41.2 EC support to macroeconomic stabilization has contributed to the development of the business sector
<i>41.2.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy</i>
No Commission programme under the scope of the evaluation aimed at the macroeconomic stabilization.
<i>41.2.2 Evidence that the improved macroeconomic situation due to EU support has produced a framework that is more conducive to PSD</i>
No EC programme under the scope of the evaluation aimed at improving the macro-economic stabilization.
<i>41.2.3 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme</i>
No Commission programme under the scope of the evaluation aimed at improving the macro-economic stabilization.
41.3 EC support has achieved the improvement of the legal and regulatory framework in view to encourage the development of the business sector
<i>41.3.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy</i>
PSSP - component 1 (Simplification and strengthening of the SME enabling environment at Provincial level) aims at simplifying and strengthening the SME environment at the Provincial level, which corresponds to the objective of EU PSD strategy to remove legal and regulatory barriers.
<i>41.3.2 Evidence that the improvement of the legal and regulatory framework due to EU support has produced an environment that is more conducive to PSD</i>
PSSP is currently starting to be implemented and there is so far little indication related to the likely effectiveness of the project. One notable observation raised by the PSSP programme manager is that given the more flexible structure of government at the provincial level as opposed to the central level, programmes such as PSSP which involve coordination between different bodies have more chance to succeed at the provincial rather than at the central level.
<i>41.3.3 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme</i>
PSSP is currently starting to be implemented and no factors have been identified that have enhanced or hampered the production of expected results or achievement of objectives of the programme.

EQ 4.2 – Effectiveness - Reinforcing financial markets

To what extend did EU interventions reinforce financial markets?
42.1 The appropriate framework for supplying well-developed and efficient financial services for SME is reinforced
<i>42.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy</i>
SMEDF Is overall objective was to enhance economic and social development in Vietnam through the provision of improved financial services to SMEs. This objective is in line with EU PSD strategy to reinforce financial markets.
<i>42.1.2 The sustainability of the programme (i.e. its effects) are explicitly ensured from the first stage of the programme</i>
Three components of sustainability are mentioned in the Financing proposal of SMEDF I: <ol style="list-style-type: none">1. <u>Financial and economic viability</u> The Vietnamese Government will take appropriate budgetary measures to ensure the sustainability and maintenance of the project's undertakings during and after the implementation period. At the end of the project, the Commission and the Government will agree on the further use of the funds injected into the project's lending operations.2. <u>Technological appropriateness and environmental considerations</u> The project will indirectly support the introduction of more modern and environment-friendly technologies into the operation of Vietnamese SMEs through training of bank staff responsible for the appraisal of loan applications and monitoring of the investments carried out by the beneficiary SMEs.3. <u>Policy environment</u> The Vietnamese Government has confirmed its commitment to the development of the SME sector through improvement of the regulatory environment, the removal of discriminations against privately owned enterprises, the privatisation of state-owned enterprises and the promotion of SME support structures. The reform of the banking sector constitutes a priority on the Government's agenda (though according to the SMEDF evaluation report; progress has been slow so far).
<i>42.1.3 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i>
The SMEDF I evaluation report states that “The Financing Agreement did not a Logical Framework, that would have synthesised the above in a hierarchy of project objectives, outputs and inputs, and defined indicators for their monitoring, as well as critical assumptions. This was done only later by the mid-term evaluation mission, when it was really too late, because the operational routines had already been established.”
In terms of reaching the projects overall objectives, the mid-term evaluation tried to make this formulation more specific be distinguishing between: <u>Improvement of SME Lending Capabilities of Participating Banks</u> This objective was to be achieved through training of bank staff, particularly loan officers to improve their loan appraisal and monitoring capabilities. The mid-term evaluation interpreted it as also including institutional development support to the participating banks to improve their investment credit management systems. Since the project practically carried out no training at all, the question of whether and how effectively it achieved the objective becomes irrelevant, whether it is interpreted in a more limited operational, or in a wider management-oriented sense.

Improved Financial Services to SMEs

SMEDF regulations obliged the participating banks to apply stringent criteria to the selection of beneficiary SMEs, since they had to assume the full default risk. This naturally limited the segment of SMEs, which could benefit from SMEDF loans, and it may be argued, that many of them could have obtained bank loans even in the absence of SMEDF. However, all participating banks confirmed, that the availability of SMEDF funds gave a boost to their SME lending operations and in that sense, SMEDF was an important element in improving financial services to those SMEs, that satisfied the banks' selection criteria.

Rider No.1 to the Financing Agreement extended the geographical coverage of SMEDF from originally 21 provinces and cities to nation-wide. In practice, all but 21 (8.6%) of the 243 SMEDF loans were concentrated in the North and South (including Delta) areas. This reflects the distribution of economic (industrial) activities in Vietnam, on which SMEDF had no noticeable impact. It reinforces the argument, that SMEDF, the way it was designed, did not improve financial services to SMEs in general, but only to a select segment. However, even this is a considerable achievement.

42.1.4 Other result indicators, such as:

- *Ratio of credits demands to credits approvals (lower).*
- *Number of credits financed mobilizing private savings (higher).*
- *Cost to create a collateral (lower).*
- *Time for the credit approval procedure (shorter).*
- *Evidence of local financial institutions suffering distortions from EC programmes (in particular direct support to companies).*

None of these indicators were monitored systematically.

42.1.5 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

- Internal hampering factors:
 - geographic coverage of the programme was too limited;
 - in practice, the programme was only focused on the supply of a credit-line, thereby overlooking training of bank officers.
- External hampering factors
 - companies that apply for funds do not provide sufficient financial information;
 - government laws (e.g. punishing bankers responsible for bad debts) discourage bankers to lend to SMEs.

Case study: Vietnam Bank of Agriculture & Development (2nd largest Vietnamese bank in terms of assets).

Before being part of SMEDF, the bank's lending to SMEs constituted slightly less than 10% of their portfolio. In 2004, SME lending constitute 13,5% of the banks portfolio. This evolution does not represent a high increase. Bank representative did not provide a clear explanation for this flat evolution of lending to SMEs, aside from saying that the bank still lacks trained staff to assess SME lending. Given that this bank received only EC support in the form of credit and very little (if none) in the form of technical assistance, it is likely that the flat performance in improved lending to SME can explained by the lack of attention on the human capital side the banking sector. This is symptomatic of the banking sector which seems to suffer from multiple weaknesses at different levels (lack of financial resources and human training at the banking level; rigid regulation for issuing land certificates at the government level; and lack of proper financial reporting at the company level). Given that these problems seem interdependent, intervention in only one of these areas seem to put the effectiveness of the expected result at risk.

These hampering factors can be put to light when comparing the Commission's SMEDF I programme with other programs in Vietnam aimed at improving the banking sector. For example, the State Bank of Vietnam's is currently implementing a new programme with JBIC that aims at overcoming the problem of collateral. The programme is inspired by Japanese banking practices, in which lending to SMEs depend both on the analysis of financial and non-financial information (quality of management etc.). The latter is achieved through the creation of a long-term relationship between banks and SMEs, thanks to which banks can truly assess the viability of the borrowers. As a result, the need for collateral is supposedly greatly reduced. This is an example of a programme that targets multiple problems at once in order to reinforce Vietnam's financial market.

EQ 4.3 – Effectiveness - Intermediate organisations (IO)

- | |
|---|
| A. To what extend did EC interventions help IO to increase their capacity to conduct a policy dialogue with the government; |
| B. To what extend did EC interventions help IO to improve the quality or quantity of the services provided to and used by its members? |

43A.1 Intermediate organizations have successfully promoted the interests of the private sector as a result of EC support

43A.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSDD strategy

Two EC programmes aimed at reaching the expected results proposed by the EU PSD strategy.

The Private Sector Support Programme, whose objective included: “Enhanced capacity of business associations to represent private sector interests needs and increased availability of business support services for SME’s at Provincial level”.

The Small Project Facility: Based on programming documents, the purpose of the Small Project Facility is to improve the mutual understanding and joint visibility of partners by promoting civil society dialogue and facilitating interactions in the following areas:

- Governance, Administrative Reform, Decentralisation.
- Integration into the regional and world economy.
- Strengthening of civil society and public interest organisations as a contribution to grass-root democracy, better governance, and the respect of the rule of law.
- Projects will be supported to the extent that they are policy advice-oriented, strategic in nature, have an European dimension, *inter alia* by involving qualified European institutions, associations, expertise.

In that sense, it could be said that programme objectives were in line with the expected results of promoting the interest of the private sector. But in practice, none of the selected projects involved strengthening intermediate organizations’ capabilities to promote the interest of the private sector. Most projects were aimed at improving human and institutional capacity:

Project 1: Developing human resource capacity in SMEs to improve their understanding of how to export their produce.

Project 2: Improve the quality of shrimp production in the Mekong Delta region through capacity building, training, seminars and workshops.

Project 3: Assist 20 SMEs from Vietnam to improve and strengthen their export capabilities, particularly to Europe, through training.

Project 4: Promote good governance and public administration reform in the field of urban planning by organising a targeted simulation game for government bodies involved in the urban planning process.

Project 5: Identify needs, gaps, and best practices in the provision of services for people with disabilities in Vietnam.

Project 6: Train a selected group of Vietnamese business women in the establishment of a network in order to promote the transfer of knowledge between women working in public and private sector companies.

Project 7: Develop the capacity of the applicant’s partner DOLISA (HCMC) in the field of vocational training and project management.

43A.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up

For the PSSP, the logical framework in the TAPs identified the following indicators (which cannot be assessed so far given that the programme is starting its implementation phase):

- number of private sector business associations providing effective advocacy services and gateways to support SME-development has increased in targeted provinces;
- fee paying membership of business associations has increased;
- number and variety of BDS providers informed of market niches at provincial level;
- SMEs demand for and take-up of professional business support services has increased (e.g. 5 to 10%);
- the range and quality of appropriate business support services available to SMEs has improved (e.g. 5 to 10%);
- the programme has not yet been implemented so the results cannot yet be assessed.

For SPF, no selected programmes under SPF aimed at the promotion of the private sector's interest through professional associations.

43A.1.3 Other result indicators, such as

Evidence of involvement of IO (particularly if supported by the EC) in policy orientation meetings.

*Example of policies that directly respond to the demands of the IO (particularly if those were supported by the EC).
IO supported covers a significant part of local enterprises.*

No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.

43A.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.

43B.1 Intermediate organizations provide more and better services to their members as a result of EC support

43B.1.1 The objective of the programme corresponds to the expected results proposed by the EU PSD strategy

As explained in 43A.1.1, the SPF projects aimed mainly at strengthening human capital via professional associations, thereby indirectly reinforcing institutional capacity of the latter. As such, the programme is indirectly in line with EU PSD expected result of improved IO services to their members.

43B.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up

The Logical Framework of SPF mentions the following indicators³⁶:

- number of direct beneficiaries,
- number of indirect beneficiaries,
- number of networks established.

Most projects selected under the SPF programme have not been launched yet and no evidence is available so far about the likely effectiveness of the programme.

43B.1.3 Other result indicators, such as:

- *Evolution of the number of services provided by IO (particularly if those were supported by the EC) (increased).*
- *Evolution of the number of companies benefiting from these services.*
- *Evolution of membership in these IO.*
- *Level of satisfaction of firms using services provided by IO.*
- *IO supported cover a significant part of local enterprises.*

Most projects selected under the SPF programme have not been launched yet and no evidence is available so far about the likely effectiveness of the programme.

³⁶ EU – Vietnam Small Project Facility in Economic cooperation – Global Work Plan.

43B.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

Most projects selected under the SPF programme have not been launched yet and no evidence is available so far about internal or external factors that have enhanced or hampered the production of expected results.

EQ 4.4 – Effectiveness - Investment promotion and b-to-b cooperation

To what extend did EU interventions increase trade, investment and general b-to-b cooperation?
44.1 EU interventions increased trade, investment or general b-to-b cooperation
<i>44.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy</i>
No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.
<i>44.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i>
No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.
<i>44.1.3 Other result indicators, such as</i>
<ul style="list-style-type: none">▪ Number of signed agreements (following an EC funded action) (increase).▪ Evidence of investment from European firms in local business following agreements signed.▪ Evidence of increased exports from firms having participated to an EC-supported activity.▪ Enterprises having participated to the activities cover a significant part of the target population of beneficiaries.▪ Evidence of other forms of benefits following agreements signed.
No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.
<i>44.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme</i>
No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.

EQ 4.5 – Effectiveness – BDS

<p>To what extend did EU interventions aiming to provide non-financial services create a competitive business development services markets?</p>
<p>45.1 EU interventions aiming to provide non-financial services create a competitive business development services markets</p>
<p><i>45.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy</i></p> <p>One programme component whose objective corresponds to the expected result proposed by the EU PSD strategy (the creation a competitive BDS market) is PSSP Component 2 – Establishing of pilot business-technology incubators in selected sectors of industry with the aim to replicate them thereafter in other locations.</p> <p>Other programmes such as Human Development Resources in Tourism, aimed at the direct delivery of training and not at improving the BDS market. The financial agreement states that the overall objective of the project is “to upgrade the standard and quality of human resources in the tourism industry in Vietnam and to enable the Government and industry to sustain the training quality and quantity at the project’s completion”. As such, it does not fully correspond to the expected result of creating a competitive BDS market.</p>
<p><i>45.1.2 The objective and overall design of the programme corresponds to the Blue Book on BDS programmes (“BDS for Small Enterprises: Guiding principles for donor intervention”)</i></p> <p>The overall design of the programme seems to correspond with key features of the Blue Book on BDS programmes. For example, PSSP focuses strongly on building a local BDS capacity “establishment of replicable business-technology incubators in selected sectors.” Moreover, the programme aims at ensuring that incubators are economically viable, with a cost recovery of 100% at the end of the programme.</p>
<p><i>45.1.3 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i></p> <p>The TAPS of PSSP identifies the following indicators:</p> <ul style="list-style-type: none">▪ clarification of the legal status and activities that can be undertaken by business associations;▪ incubators are economically viable, with a cost recovery of 100% at programme end;▪ authorities elaborated plans for replication based on experience;▪ number of companies and of employment created and amount of revenues generated (e.g. 20 companies/3 years per Incubator);▪ viability and growth of incubated companies above average (sector/provinces);▪ number of international business-to-business linkages and in particular between EU and Vietnam firms. <p>The PSSP programmes has not started implementation phase and there is so far little evidence to assess its likely effectiveness.</p>
<p><i>45.1.4 The internal monitoring system corresponds to the one proposed by the Blue Book on BDS programmes (« BDS Performance Measurement Framework »)</i></p> <p>The indicators of the programme (found in the logical framework) are overall in line with the Performance measurement framework, but do not cover the full list of performance measurements indicators in the bluebook. Those indicators that are in line are:</p> <ul style="list-style-type: none">▪ incubators are economically viable, with a cost recovery of 100% at programme end,▪ viability and growth of incubated companies above average (sector/provinces).

45.1.5 Other result indicators, such as:

- Number of SME acquiring BDS in general (to measure BDS market expansion).
- Number of SME acquiring BDS from the programme (to measure BDS market expansion).
- Evolution of the number of local consulting firms in the market (to measure BDS supply).
- % of potential SME acquiring BDS (to measure market penetration).
- Number and % of SE customers purchasing BDS who represent targeted populations (to measure outreach).
- Percent of customers reporting high satisfaction with a business development service (to measure impact).
- Repeat customers: % of all customers who purchase at least twice (to measure impact).
- Percentage of customers who applied the business service to their business, as defined by the program. (E.g.: percent who accessed new markets, developed new products, improved management practices, started keeping formal accounts, reduced costs, etc.) (to measure impact).
- Change in estimated gross profit, profit level, employment, exports from before and after receiving the service (to measure impact).
- Of the businesses that improved their estimated gross profits, what percent attribute the change to the BDS? (to measure impact).
- BDS supplier profitability and profitability of particular BDS Service (to measure sustainability).
- Simplified cost-benefit assessment comparing total, cumulative programme costs to aggregate programme benefits (to measure sustainability).
- Total programme cost per customer served and total programme cost per supplier assisted (to measure sustainability).

The PSSP programmes has not started implementation phase and there is so far little evidence to assess its likely effectiveness.

45.1.6 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme

The PSSP programmes has not started implementation phase and there is so far little evidence to assess its likely effectiveness.

45.1.7 Unsubsidized local BDS is not crowded-out by a subsidized supply of services: There are no complaints about “unfair competition” from unsubsidized suppliers of services, there are no clients that use to use unsubsidized consulting that are now using subsidized consulting

The PSSP programmes has not started implementation phase and there is so far little evidence to assess its likely effectiveness.

EQ 4.6 – Effectiveness - Development of micro-enterprises

To what extent did EU interventions help develop micro-enterprises?
46.1 EU interventions have contributed to the development of micro-enterprises
<i>46.1.1 The objective of the programme corresponds to the expected result proposed by the EU PSD strategy</i>
No Commission programmes aimed at this expected result.
<i>46.1.2 Result indicators originally foreseen in project documents and evidence that these indicators were followed up</i>
No Commission programmes aimed at this expected result.
<i>46.1.3 Other result indicators, such as:</i>
<ul style="list-style-type: none">▪ Evolution of the number of micro-enterprises.▪ Evolution of turnover.▪ Evolution of profit level.▪ Evolution of employment level.
No Commission programmes aimed at this expected result.
<i>46.1.4 Internal or external (to the programme) factors that have enhanced or hampered the production of expected results or achievement of objectives of the programme</i>
No Commission programmes aimed at this expected result.

EQ 5 – Sustainability

To what extent are the effects (expected results) of the interventions likely to continue at the end of the EC support?

5.1 The effects of EU PSD strategy in Vietnam is likely be long-lasting

5.1.1 *Risks and assumptions that can affect the achievement of the PSD strategy have been identified*

Before introducing the identification of risks in programming documents, is it worth introducing two general criteria of sustainability that are relevant to consider in the design of any programme:

Criteria 1: that government intervention is justified (Cfr JC 2.B.1; if nothing justifies government intervention in a particular intervention, then is it highly probable that the effects (expected results) will not continue after the end of the EC support).

Criteria 2: that the effects (expected result) of the interventions are likely to continue at the end of the EC support.

Given that the most programmes have not been completed, it is particularly important to test these criteria in order to determine to what extend the programme designer took them into account.

Additional identification of risk and assumptions can be found in programming documents;

ETV 1

No logical programming documents available.

ETV 2

Several assumptions and risks in terms of sustainability mentioned in the programme's Logical Framework include:

- “Reform path continues”.
- “Valid advice and improvement proposals under I-VI accepted and applied”.
- “Political will for enforcement at all level”.
- “Ministry of Finance (MOF)/Government of Vietnam (GOV) continues reform program”.
- “Continues interest and willingness to change by MOF”.
- “Promulgation of accounting laws and standards”.

Labour Market Project

Several assumptions and risks in terms of sustainability mentioned in the programme's Logical Framework include:

- “GoV continues its market-oriented industrialization policy”;
- “teachers are able to develop improved VTE programmes based on labour market information”;
- continued commitment of management and teachers to work towards the improvement of the Colleges/Centres selected;
- sufficient commitment of the technical teachers to undertake in-service training;
- those who have been trained under the Project stay on the job for some time.

Human Resource Development in Tourism

No assumption and risk are mentioned in the programming documents.

Small Project Facility

The only risks associated with the sustainability of results mentioned in the programming document is “Government commitment to reform maintained³⁷.

³⁷ Small Project Facility - TAPs.

SMEDF I and II

In SMEDF II, key risks that have been identified at the operational level, which have an impact on sustainability include³⁸:

- the lending policy of the participating banks limits the development impact of the project.
- the banks do not respond to the training of their staff offered by the project.

5.1.2 *Actions have been taken if risks have materialized or assumptions have not been verified*

No evidence available.

5.2 Institutional, macroeconomic, legal and regulatory improvement is not disappearing / has not disappeared after EC intervention

5.2.1 *Evidence that improvement has continued after EU intervention*

Legal and regulatory framework – Since the Sixth National Congress of Vietnam's Communist Party, and the adoption of the overall economic renovation policy ("Doi Moi"), the GoV has been reaffirmed its commitment to a socialist oriented multi-sector economy operating under the market mechanism and state management, and called for deep structural reforms. In particular, one of the most important aspects of economic reforms in Vietnam is the encouragement of domestic and foreign private investment. From that point of view, numbers of reforms of the legal and regulatory environment have been implemented and led to adoption of several laws defining the private and business legal framework. In Particular, the Company Law, the Law on Private Businesses, the Law on Encouragement of Domestic Investment and especially, the Law on Businesses (which replaced the Company Law and the Law on Private Businesses and is considered most liberal) were adopted with the view to foster the development of the private sector in Vietnam. The new Law on Foreign Investment was amended in May 2000 to create an even more favourable environment for foreign direct investment. The Law is now considered among the most liberal investment laws in the region.

In the area of external trade, import and export restrictions have been greatly reduced. Vietnam has been gradually moving from state monopoly on foreign trade to free trade. The country is now a member of AFTA and APEC and is negotiating for the accession into WTO. At present, by law, all Vietnamese businesses including private companies have the intrinsic right to handle export and import business within their registered scope of business. Foreign trading companies are allowed to set up branches and/or representative offices in the country to conduct and/or promote trade.

This shows that the legal and regulatory framework has been in constant evolution during the period covered by the evaluation and the process is still ongoing. At the same time, Commission interventions supporting the process have not stopped which makes it difficult to asses the sustainability of the Commission interventions in the area.

Finally, the Commission did not programme and implement activities that were directly targeted to an improvement of the macroeconomic framework. Fiscal and monetary policies have been characterised by a prudent fiscal stance and moderate credit restraint with the view to controlling inflation and safeguarding the banking system while managing the exchange rate with flexibility. As a result, the government deficit has been traditionally moderate which contributed to maintain real interest rates at rather low levels.

However, at the level of programmes/projects, the following is noted:

ETV 1

ETV 1 broadly aim at strengthening institutional capacity and improving human capital. As such, this programme can be considered to contribute to the institutional and human capital accumulation of the

³⁸ SMEDF I Financing proposal "Small and Medium-Sized Enterprise Development Fund - Institutional Support to Lending Institutions".

country and thus meets the first condition of sustainability described above. In terms of meeting the second criterion, the evaluation report ³⁹ notes that generally speaking there is a risk that key people in the project leave for other post and that in terms of individual components:

- Policy: the Vietnamese accreditation scheme is not yet defined and will probably need a few years of support from the EC.
- Legislation:
 - accounting and auditing law code: there is a risk that project reform is kept under wraps and that the adoption of official standards is not made for a long time, as well that Vietnamese companies adopts non-EU accounting standards (e.g. US GAAP), which put the project at risk and discourage EU companies to do business in Vietnam;
 - insurance legal framework: the EU should put firmer deadlines and create more ownership from local authorities.
- Dissemination:
 - Accounting: there is a risk that insufficient distribution of equipment and assistance to the different universities of Vietnam do not produce the anticipated dissemination effect.
- Training: there is a risk that without any incentive, the auditors will not continue to improve their professional practice and that in some sub-components (accounting); Cash inputs after the projects are necessary to keep pace (IP); Lack of training of trainers and exclusion of universities in the process (insurance). Recommended ways to overcome sustainability include: Establishment of examination centre, and Publication and wide Dissemination of the bi-lingual training manual (insurance).

During the country mission, it was too early to assess whether these risks have materialized nor whether the effects of the programs have been long-lasting. That being said, the above mentioned risks for ETV 1 were used as a basis to determine whether the design of ETV 2 has taken into account the sustainability experience of ETV 1 into account.

ETV 2

Like ETV 1, ETV 2 aims at improving institutional capacity and human capital and can therefore also be considered to contribute to Vietnam's institutional and human capital accumulation, thereby meeting the first condition of sustainability described above.

In terms of meeting the second criterion, the components within ETV 2 are separated into several groups. Given that these projects are within implementation phase, there exists no evidence regarding their sustainability, a part from what is mentioned in the FA:

"Policy advisory services at a high level provide the opportunity for long-term and consistent planning as the basis for successful reform at technical levels. It is foreseen that the proposed Project Steering Committees will become permanent Vietnamese institutions which should effectively continue even after ETV 2 ends after 4 years. The reform programmes established during the lifetime of ETV 2, together with 5 year modernisation plans and other outputs will be Vietnamese products, for the preparation of which ETV 2 will provide assistance, information on international best practice and training."

It is expected that the major legal and policy documents, guidelines, manuals, training programmes etc. established will have long term beneficial effects, not only for improved administration but for the tax paying public and business community at large."

That being said, the experience of ETV 1 raised several sustainability issues that are applicable to the projects under ETV 2. Interviews during the country missions were directed towards determining to what extend sustainability issues raised under ETV 1 have been taken into consideration during the design of ETV 2. The following is a tentative list of issues based on the experience of ETV 1. Once again, the components of ETV 2 are re-grouped under several categories.

³⁹ Euro-TAP Viet Programme Evaluation.

⁴⁰ Financing agreement: Vietnam Human Resources Development in Tourism

Sustainability experience from ETV 1	Actions Taken in ETV 2
<ul style="list-style-type: none"> ▪ Policy: What measures have been put in place to ensure continuation of design? (e.g. ensuring ownership or further possible provision from the EU after the project?). 	<ul style="list-style-type: none"> ▪ The Logical Framework of ETV 2 mentions in the assumptions & risks that “Ministry of Finance (MOF)/Government of Vietnam (GOV) continues reform programme improvement proposals/programs”. ▪ Relevant ministries such as MOF that have already been involved with ETV 1 are now more experienced.
<ul style="list-style-type: none"> ▪ Legislation: What measures have been put in place to more ownership of local authorities outside the centre of the implementation of new laws? 	<ul style="list-style-type: none"> ▪ n.a. (note that other EC programmes such as PSSP aimed at reinforcing local authorities at the provincial level with a view to be able to implement decisions from the centre).
<ul style="list-style-type: none"> ▪ Institutional development and capacity enhancement: what measures have been put in place to avoid to ensure sufficient funds from local authorities to support these activities in the future? 	<ul style="list-style-type: none"> ▪ No explicit mentioning of concrete measures in place.
<ul style="list-style-type: none"> ▪ Dissemination: What measures have been put in place to avoid insufficient dissemination coverage. 	<ul style="list-style-type: none"> ▪ The Logical Framework of ETV 2 mentions in the assumptions & risks the importance of dissemination e.g. Promulgation of accounting laws and standards. But there is no explicit mentioning of concrete actions.
<ul style="list-style-type: none"> ▪ Training: What measures have been put in place to avoid that rate of development (learning curve) after the project will stop. 	<ul style="list-style-type: none"> ▪ The Logical Framework of ETV 2 mentions in the assumptions & risks the importance of training (e.g. in the customs component: “No resistance to using new training techniques.”), but no explicit reference explains concrete actions to be take.

Labour Market Project

Component 1 of the labour market project broadly aims at strengthening institutional capacity. As such, this programme can be considered to contribute to the institutional capital accumulation of the country and thus meets the first condition of sustainability described above. In terms of meeting the second criterion, it is too early in the phase of the project to assess its sustainability.

That being said, it is possible to determine through interviews whether the design of the LMP has taken into consideration aspects that might endanger the sustainability of the project. This includes:

- Given the continuous nature of a labour market information system, who will fund it at the end of the project?
 - programming document make an assumption that: The sustainability of the school after donor funding will be withdrawn has to be observed since it will be at high cost to operate the school under the Vietnamese budget.
- Is there a clearly identified ownership structure at the end of the project (responsible body etc)?
 - programming document make an assumption that “Those who have been trained under the Project stay on the job for some time”.

Human Resources Development in Tourism

The HRDT project broadly aims at strengthening institutional capacity and training. As such, this programme can be considered to contributing to the institutional capital accumulation of the country and thus to meet the first condition of sustainability described above. In terms of meeting the second criterion, it is too early in the phase of the project to assess its sustainability. That being said, it is possible to determine through interviews whether the design of the HRDT programme has taken into consideration aspects that might endanger the sustainability of the project. This includes:

- Institutional capacity components:
 - Is there a clearly identified ownership structure at the end of the project (responsible body etc)?
- Training components:
 - What measures have been put in place to avoid that rate of development (learning curve) after the project will stop?
 - Programming document note that: “The approach will assist Government tourism institutes (existing and planned) but will not establish new ones. It is seen as a cost efficient and the most technically effective because it prevents duplication of training costs, maximised existing resources and takes clear account of the needs. It also provides clearly for sustainability by the establishment of structured training systems (certification) the training of government official in key skills, a major trainer development programme and improved international linkages and co-operation. The training of a large number (over 2.500) of trainers will ensure that Vietnam retains the capacity to sustain the training when the project ends”⁴⁰.

Private sector support programme

Component 1 of the programme aims at strengthening the administrative capacity and operational effectiveness of SME-related local government structures and private sector associations. As such, this programme can be considered as contributing to the institutional and human capital accumulation of the country and thus meets the first condition of sustainability described above. In terms of meeting the second criterion, it is too early in the phase of the project to assess its sustainability. That being said, it is possible to determine through interviews whether the design of the PSSP has taken into consideration aspects that might endanger the sustainability of the project. This includes:

- Institutional development:
 - Is there a clearly identified ownership structure at the end of the project (responsible body etc)?
 - How will coordination between central level and local level be ensured after the end of the project?
- Training components:
 - What measures have been put in place to avoid that rate of development (learning curve) after the project will stop?
- Dissemination component:
 - Will dissemination be large enough to ensure sufficient coverage (of local regulation to the private sector; best practice conducive to SME growth to local stakeholders)?
 - Programming document note that “In the interest of the programme’s sustainability, equipment and vehicles will be handed over to the appropriate authorities at the end of the Programme on the basis of a detailed proposal prepared by the Programme Director and approved by the Executing Authority and the Commission.

5.3 Reinforcement of financial markets is long-lasting

5.3.1 *The number of credits from local banks to the private sector (especially SME and micro-enterprises) continues to increase or at least does not decrease after EC intervention*

The programme evaluation⁴¹ suggested that “SMEDF has little sustained impact in terms of improving financial services to SMEs in general and that many of them could have obtained bank loans even in the absence of SMEDF but that all participating banks confirmed, that the availability of SMEDF funds gave a boost to their SME lending operations and in that sense, SMEDF was an important element in improving financial services to those SMEs (see full answer above from the evaluation report).” During the country mission, the evaluation team assessed the extent to which this “boost” has been sustained. The evaluation team could conduct one interview with the Vietnam Bank of Agriculture & Development (2nd largest bank in terms of assets). As mentioned in 42.1.5: before being part of SMEDF,

⁴¹ SMEDF Evaluation Report Phase I.

the bank's lending to SMEs constituted slightly less than 10% of their portfolio. In 2004, SME lending constitute 13,5% of the banks portfolio. This is not a high increase and thus raised doubts regarding the sustainability of the programme.

Additional information

About the training component of SMEDF I

The programme's objective that involves training to DAF staff and management, to intermediary banks and managers of SMEs (in loans appraisal, monitoring capabilities and improvement in credit management systems) could be said to improve the institutional and human capital, thereby meeting the first criterion of sustainability. But given that no training was provided in practice, nothing else need to be said on sustainability in that regards, aside perhaps the impact that no training may have on the Commission's effort to reinforce Vietnam's financial sector. Many interviewees concluded that in order to bring about sustained improved lending to SMEs, boosting initial contact between lenders and borrowers through mechanisms like the revolving fund must be accompanied by training facilities.

On the sustainability of the fund itself (from the evaluation study)

According to the SMEDF I evaluation report, "one must remember that the 1994 project identification study, which proposed the establishment of the SMEDF project, recommended that the Fund should 'work towards self-sustainability', but also estimated that the process may take as long as 8-10 years. This reserve has disappeared in the Financing Agreement, which stipulates that "*funds will be lent to commercial banks by the SMEDF at (interest) rates ensuring the sustainability of the Fund*". To this end, the interest rate should be sufficiently high to cover the Fund's costs, the management, inflation and bad debts.

Even though SBV introduced ceilings on interest rates only at a later time, it must have been clear, with inflation alone estimated at 7%, that this would put an interest rate on SMEDF funds that would make them unattractive to the banks as a refinancing source. In fixing its rate at 6.28%, the project found a reasonable compromise, though, by doing so, it largely abandoned the concept of sustainability. It became a total impossibility once SBV imposed, and subsequently reduced ceilings on the banks' interest rates, and the project was obliged to reduce its own rate to 4.5%.

However, the project maintained the ultimate objective of sustainability by shifting at least the default risk entirely to the banks. If the banks accepted this, thereby assuring that all funds would eventually flow back into the SMEDF, it was only fair to leave the selection of enterprises, which could benefit from SMEDF loans, to their sole discretion. If we believe the banks, there has been, so far, not a single case of default and only a limited number of cases, where rescheduling of loans has become necessary. With a total of 243 loans, such a result would have been highly unlikely, if the banks had given as much consideration to aspects like job creation and promotion of start-up enterprises as to collateral and financial soundness of beneficiary SMEs. This was tacitly accepted by the project, as shown by the fact that it approved a considerable number of loan applications, which did not propose to create a single new employment. If we follow this logic and accept that employment creation was the single most important objective of SMEDF, we must conclude that the project limited its potential development impact by trying to at least approach sustainability".

5.3.2 Repayment rate of loans in EU supported programmes (high enough)

According to SMEDF I final evaluation report, the programme has granted loans to 243 projects for a total of VND 250.5 millions. The flow of reimbursements started as early as 1998, and in 2000 accumulated reimbursements of principals and interest reaching VND 100 billion. By the end of the project, the originally available funds had only been disbursed by 94.5%. Finally, SMEDF procedures also strictly prohibited anticipated reimbursements by the banks. As a result, a number of loans have been prematurely reimbursed by SMEs to the banks, but could not be reimbursed by the banks to SMEDF, because of the clause contained in the Memoranda of Refinancing that prohibits anticipated repayments. This makes it difficult to assess the exact loan repayment rate but also provide indication that this rate is rather high and in any case constrained by the procedures of the project.

5.4 Reinforcement of IO position is not lost after EU intervention finishes
5.4.1 <i>Intermediate organizations continue to successfully promote the interests of the private sector after the end of EC intervention. For example: Evidence of continuous involvement of business sector organizations (particularly if supported by the EC) in policy orientation meetings</i>
Small project facility
Broadly speaking, the SPF project aims at improving interactions between different national and international players, particularly in the areas of governance, Administrative Reform, Decentralisation; Integration into the regional and world economy; Strengthening of civil society and public interest organizations.
But the types of eligible programmes are varied (training, capacity building, studies, media events, research activities, conferences) which makes difficult a priori to determine whether the SPF projects meet the criterions of sustainability. Nevertheless, it is possible to make a few observations on their likely sustainability. In terms of meeting criterion 1 of sustainability, programmes related to training and capacity building can be said to contribute to institutional and human capital of Vietnam. Other types of programmes must be justified on the basis of existing market failures. During interviews, it was not clear that the existence of market failure determined the selection of programmes. Projects allocated to SMEs were mainly judged based on their impact in the country. In terms of meeting the second criterion of sustainability, some projects are of one-off nature (media events, conferences). For other programmes, interviews must determine what measures have been taken to ensure the sustainability of impacts.
Although it is not possible to judge the sustainability of SPF-related projects and of their associated professional associations, the programme manager at the delegation has a 60% confidence level of the sustainability of the programmes. Measures aimed at ensuring sustainability include criterions in the application and selection process:
<ul style="list-style-type: none"> ▪ Continuous finance viability of the firms: will they be able to sustain their investment after the end of the project. ▪ Policy aspect: how will their programs help at influencing policy dialogue.
5.4.2 <i>Services provided by intermediate organizations continue to increase or at least do not decrease after EC intervention. For example:</i>
<ul style="list-style-type: none"> ▪ <i>Evolution of the supply and use of services provided by intermediate organizations after the end of the intervention.</i> ▪ <i>Evolution of the number of companies benefiting from these services.</i> ▪ <i>Evolution of membership in these intermediate organization.</i>
See 5.4.1
5.5 Business-to-business cooperation, trade and investment continues to expand after EC intervention
5.5.1 <i>Evolution of the number of mutual agreements</i>
No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.
5.5.2 <i>Evolution of the number of investments following mutual agreements</i>
No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.
5.5.3 <i>Evolution of exports</i>
No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.
5.6 A competitive BDS market continues to function after EU intervention has finished
5.6.1 <i>Demand for non-subsidised BDS continues to increase or at least do not decrease after EC intervention</i>

5.6.2 Local supply of non-subsidised BDS continues to increase or at least do not decrease after EC intervention

Private sector support programme

Component 2: pilot business-technology incubators

Given that this programme has not yet been implemented, the sustainability of this programme can only be tested according to the sustainability criteria mentioned in 5.1.1.

To meet the suitability criteria 1, the need for intervention in the establishment of business incubators must be justified by the existence of a market failure. Possible market failures in this case may include:

- Asymmetry of information: like banks, local business incubators are not sufficiently well developed to understand the risks associated with local business and are therefore reluctant to get involved in incubating a business. This asymmetry of information also applied to foreign incubators: little info about Vietnamese companies make the area unattractive to get involved in.
- That being said, it is also possible that the non-existence of a market for business incubators results from a demand problem: there are no sufficient companies in Vietnam that wish to get established, which may be the real cause for the undeveloped business incubator market. If that were true, then promoting the incubator market will only help during the lifetime of the project and then perhaps decline following the natural demand of the market.

Based on country mission interview, it is not clear that a thorough analysis of the existence of a market failure has been conducted.

5.7 Micro-enterprises continue to develop

5.7.1 The number of micro-enterprises continue to grow after EC intervention

No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.

5.7.2 Micro-enterprises continue to expand after EC intervention

No Commission programs aimed at this objective in Vietnam under the scope of this evaluation.

EQ 6 - Efficiency

To what extent have the organisational set-up or management systems and processes contributed or hindered the efficiency of the EC interventions to support private sector development? Four aspects are of particular interest to our evaluation:

- A. The deconcentration process and the support given by HQ**
- B. The preference given in some regions to all-country programmes**
- C. The preference given in some regions to promote local expertise instead of using international support**
- D. Other organisational set-up or management systems and processes**

6A.1 The deconcentration has contributed to improve the efficiency of the Commission's interventions

Preliminary comment:

The deconcentration process transfers management responsibility for external assistance projects to the local level of the European Commission's Delegation offices. This follows the reforms of the Commission's external assistance launched in May 2000. However, while partners welcome the process of deconcentration, which will bring procurement and financial control closer to the field where implementation takes place, there are some risks. For the reform to be more efficient, the deconcentrated staff should be given delegated authority which has largely been achieved. For deconcentration to be more effective, there should be a second stage which involves increasing analytical capacity and providing negotiating authorities, in order to deepen discussion with partners in the field. The OECD Peer Review of DAC Members⁴² notes that further refinements to the organisation to clarify responsibilities, improve speed of aid delivery, and enhance organisational and analytical capacity are necessary to make deconcentration work. Also, it stresses the need to ensure appropriate and sufficient staffing to strengthen implementation. In this perspective, it recommends to undertake specific evaluation studies of the effectiveness of the Commission's deconcentration process and to delegate further authority to the field under clear guidance. It also underlines the need to provide more development personnel to the country offices. The Peer Review underlines that more staff, skills and other resources are needed to ensure the effectiveness of deconcentration.

6A.1.1 Speed of decision making during the identification and implementation stages (project preparation, implementation payments)

According to several parties interviewed, deconcentration had positive impact on the speed of the decision making process, both at the programming and at the implementation levels. For example, the identification, approval, tendering procedures before the deconcentration were much longer than after the deconcentration took place. The impact of deconcentration on the cost of interventions is difficult to assess and quantify. It has possibly decreased due to the improved quality of projects' management resulting from the deconcentration but no figures or tangible evidence could be provided to support such assertion.

6A.1.2 Workload related to implementation procedures of project managers at the Delegation

Deconcentration implied a significant increase in the workload for the Delegation staff. However, the issue is broader in that the Delegation must increasingly complement its managerial tasks with strategic and technical input in different domains which are more and more specialised. This is particularly the case when the assistance is channelled through budget support which heavily draws on the Delegation's

⁴² OECD-DAC (2002), Development Co-Operation Review, European Community.

resources as the participation to the policy dialogue requires to provide such input and hence to develop the analytical capacity of the Delegation.

6A.1.3 The deconcentration has led to a better identification of needs

Note: This item is related to the relevance of interventions (not to efficiency) and it is asked only to complement information

The deconcentration allows the stakeholders and beneficiaries to be in much more direct contact with Delegation (meetings, e-mails, phonecalls) than they used to be with Brussels' Head Quarters. Although it is difficult to firmly establish some formal evidence that the deconcentration has led to a better identification of needs, the positive impact of such closer contacts on a better understanding of the country's context and realities is highly probable.

6A.1.4 Evidence of sharing experience / lessons learning from other Delegations

Note: This item is related to one of the risks of the deconcentration and not to efficiency. It is asked here because it does not somewhere else

No compelling evidence of sharing experience / lessons learning between the Commission, Delegation in Vietnam and Delegations in other countries could be established.

6B.1 The use of "all-country" programmes has contributed to the efficiency of the EC interventions

Preliminary comment:

Two major all-country programmes have been implemented in Vietnam: The European Business Information Centre (EBIC) and Asia-Invest. They are briefly described in annex 10.

6B.1.1 Speed of decision making during the identification and implementation stages (project preparation, implementation payments)

Asia-Invest: Efficiency and in particular speed of decision has been to some extent adversely affected by the organisational design of the programme. As noted by the *Evaluation of Economic Cooperation between the European Community and Partner States in Asia and Latin America*⁴³, and which covers Asia-Invest I, the operations of the Secretariat are considered efficient insofar as day-to-day operations are concerned, but their decision-making responsibilities are limited and only the Commission can disburse monies. Delays within the Commission over approving contracts, which require approval by an Evaluating Committee and disbursing funds cause delays. A consistent complaint, from applicant business organisations whose members are the target group, is the onerous paperwork required, particularly since the guidelines were revised in 1999 and new applications must meet one of two annual deadlines. The Secretariat's website and bulletin board are helpful tools for networking and the search for partners. As noted by the report, significant number of efforts to put together a proposal for funding fail through a lack of interest by firms or the complexity of the regulations. The programme took time to get established, and started to deliver after two-and-a-half years. Judged by the number of applications, the percentage of approvals then began to rise. At the June 2000 deadline, 35 applications had been received and 10 grants awarded – 28.5 per cent. However, out of 14 applications for technical assistance (TA) under the Business Priming Fund (BPF) only one application was approved.

EBIC: According to *Evaluation of Economic Cooperation between the European Community and Partner States in Asia and Latin America*⁴⁴, it is not possible to generalise about the efficiency of EBICs, as EBICs has been set up differently in each country. Much has depended on relations with the Management Board and Advisory Committee, as well as the abilities of the Director. By all accounts, the EBIC performed a useful function

⁴³ Eva-EU Associations (2001), *Evaluation of Economic Cooperation between the European Community and Partner States in Asia and Latin America*.

⁴⁴ Eva-EU Associations (2001), *Evaluation of Economic Cooperation between the European Community and Partner States in Asia and Latin America*.

in Vietnam and was appreciated by its beneficiaries. As a ‘one stop shop’ it provided the Vietnamese business community, professional associations and trade promotion offices with an efficient means of obtaining information, *inter alia*, on the Single Market and as a ‘clearing house’ passed on requests for business linkages to the embassies of the EU member states. The project did apparently not suffer any problems of identification and/or implementation due to slowness in the administrative procedures and/or decision process. The main problem encountered in fact relates to sustainability, since future funding has been withdrawn. In Vietnam, the timely starting of the project and delivery of output suggest that EBIC did indeed feature smooth and fast speed of the decision making process.

6B.1.2 Cost of interventions before and after “all-country” programmes

No compelling evidence could be obtained with regard the impact of “all-country” programmes on the cost of interventions.

6B.1.3 Workload related to implementation procedures of project managers at the Delegation

Workload related to “all-country” programmes seems very high given the high procedural requirements it involves. Several parties interviewed during the field mission experienced severe and costly management difficulties related to the heavy administrative procedures linked to such programmes.

6B.1.4 The use of “all-country” programmes has led to a better identification of needs

Note: This item is related to the relevance of interventions (not to efficiency) and it is asked only to complement information

Asia-Invest: According to the *Evaluation of the Economic Cooperation between The European Community and Partner States in Asia and Latin America*⁴⁵ achievements with respect to expected results have been mixed. As noted by It was unfortunate that the Asia-Invest programme was started during the Asian economic crisis, a time when Asian enterprises were not looking to expand and European firms not looking to invest. Halfway through the first term, the technical assistance however offered under the Business Priming Fund seems to be having a positive impact, although it is too early to the long-term results. The report gives two illustrative examples from the leather industry in Vietnam and Thailand where the provision of technical assistance to enhance the quality of shoemaking and design and the introduction of new equipment and machinery has been of mutual benefit to recipient country and EU member country. Another example of successful TA is the grant of more than EUR 80,000 to train a group of future Vietnamese IT quality managers in the concept and practice of meeting ISA 9000 standards. The extent to which Asia-Invest contributed to a better identification of needs is difficult to assess, in particular as this aspect was not a genuine and explicit objective of the programme.

EBIC – According to the *Evaluation of Economic Cooperation between the European Community and Partner States in Asia and Latin America*⁴⁶, EBICs generally appear to disseminate information effectively to the business community. As noted above, EBIC in Vietnam has generally delivered satisfactory results and has benefited from a dynamic local PMU. It has also significantly contributed to disseminate and promote the image of the EU in Vietnam as well as awareness concerning usual practices on EU markets. This said, EBICs are not known for a particular impact related to identification of needs in the country’s they were implemented. Referring to the programme description given above, this is indeed not an expected result of the programme.

⁴⁵ Eva-EU Associations (2001), *Evaluation of Economic Cooperation between the European Community and Partner States in Asia and Latin America*.

⁴⁶ Eva-EU Associations (2001), *Evaluation of Economic Cooperation between the European Community and Partner States in Asia and Latin America*.

6C.1	The use of local expertise has contributed to the efficiency of the Commission's interventions
<i>6C.1.1 Speed of decision making during the identification and implementation stages (project preparation, implementation payments)</i>	No compelling evidence could be obtained with regard the impact of the use of local expertise on the speed of decision making.
<i>6C.1.2 Cost of interventions when using local expertise</i>	No compelling evidence could be obtained with regard the impact of the use of local expertise on the cost of interventions.
<i>6C.1.3 Workload related to implementation procedures of project managers at the Delegation</i>	No compelling evidence could be obtained with regard the impact of the use of local expertise on the workload at the Delegation.
JC 6D.1	The organisational set-up and management system has contributed to an efficiency implementation of the programme
<i>6D.1.1 Programme inputs are on time, at planned cost and well managed on a day-to-day basis</i>	The implementation of some projects/programmes has been hampered by important delays in the provision of input. Most of projects/programmes have at best started two or three years after the signing of the financial agreement. For instance, SMEDF II was supposed to continue the activities of SMEDF I that was terminated in 2000. However, the programme could not start before 2002. The Labour Market Project was agreed upon between the European Commission and the GoV in June 2003. The Delegation hopes to start the implementation of the Labour Market Information System component in the second half of 2005. Yet, there is fear among Vietnamese officials that such change will again imply delays in the implementation of the programme. Complaints were raised with regard to the complexity and rigidity of administrative procedures that impair high transaction costs, and this not only for the Commission but also for other donors. One party interviewed also suggested that the time lap foreseen for completing the paper work in applying to Commission funding was way too short and suggested that the procedures should allow for differentiating primary compliances (necessitating responses within a short notice) from secondary compliances (for which longer response time could be envisaged).
<i>6D.1.2 Programme activities are on time, at planned cost and well managed on a day-to-day basis</i>	Some programmes encountered difficulties to implement the planned activities timely. For instance, in the case of SMEDF I, the implementation was affected by a series of contractual and financial problems, in particular, the termination of the Service Contract in 1998 and the resulting absence of a European Co-Director during 14 months. Uncertainty about the duration of the project, resulting in repeated short-term extensions in 2000 and another 3-months absence of the European Co-Director plus the lack of operational funds due to an accounting mistake, implied the cancellation of short-term man/months allocated for training activities ⁴⁷ .
<i>6D.1.3 Results are being achieved as planned (quality and quantity)</i>	Some projects/programmes have succeeded to deliver their results as planned (e.g ETV 1). For others, achievement of results has only been partial. For instance, SMEDF I contained two major components,

⁴⁷ Ecodes (2002), *Small and Medium Enterprise Development Fund*, Evaluation of the first Project Phase.

one related to the lending operations and the other to training. The programme scored well in terms of efficiency for the first component. However, training activities were actually limited to the implementation of a series of 10 workshops in November/December 1997, with a target group including both, bank staff and SME managers. This was in contradiction to the provisions of the Financing Agreement that targeted bank staff only for training activities. According to the SMEDF I evaluation report⁴⁸, opinions on the usefulness of such mixed workshops were divided, but mostly negative. This first training activity was at the same time the last and the evaluation report only points to implementation difficulties partly due to the extended absence of a European Co-Director, the repeated changes of opinion of the Steering Committee, and finally the lack of funds that are considered as equally responsible for the poor result. Finally, the project also contained a component related to assistance to the banks in the development of new products or marketing strategies to enhance the banks' capacity to generate additional lending resources through increased savings mobilization. The evaluation concludes that activities in this area were simply non-existent as, quoting the European Co-Director's Draft Final Report "*SMEDF could not set up methodologies and marketing tools to increase the capabilities of the participating banks to mobilise more long term savings. This was due to external factors like the regulatory framework preventing attractive deposit rates and the lack of confidence from the depositors.*".

6D.1.4 Existence and use of an internal monitoring system

The TAPs of the projects/programmes specify that day-to-day technical and financial monitoring is a continuous process as part of the responsibility of the PMU and that independent consultants recruited directly by the Commission should be carried out the external monitoring and evaluation of the project. However, it does not define a list of indicators on which such monitoring and evaluation would be based. Accordingly, the internal monitoring process is to be defined within the project's/programme's implementation.

6D.1.5 The programme has been able to adapt to changing needs or context

Note: *For instance, if the assumptions did not hold true, how well did the programme management adapt? How well did it adapt to external factors affecting the programme?*

The only example representative of a case for which a project/programme had to adapt to changing needs or context is the Labour Market Project. The initial project design was drafted in the context of the Project Preparatory Mission of August 2000. After the project preparatory mission in 2000, further rapid economic growth has led to an increased demand of skilled labour. Originally, the programme contained two components: support to the Labour Market Information System (LMIS) and vocational training. In the meantime, the reform oriented GoV was also able to secure further donor support in the field of vocational training and for the development of the labour market information tools. Therefore in late 2003 the Commission fielded another Preparation Mission to update the original project design in order to facilitate a smooth launch of the project implementation while the GoV asked to redirect the resources allocated to Labour Market Project on its first component. In September 2004 the Delegation had additional meetings with the Ministry of Labour, Invalids and Social Affairs (MOLISA) to discuss this project further. The final outcome of these meetings was that both parties agreed that the vocational training component of the project is no longer relevant and should therefore not be implemented.

⁴⁸ Ecodes (2002), *Small and Medium Enterprise Development Fund*, Evaluation of the first Project Phase.

EQ 7 – Coherence (within EU action)

- A. To what extent does the EU PSD policy in general take into account other EU strategies and policies?
- B. To what extent does the EU PSD support strategy within a country strategy take into account:
 - i. The support given to other sectors within the same country strategy?
 - ii. Other EU strategies and policies
- C. To what extent do national or regional EU PSD programmes within a country take into account:
 - i. Other PSD programmes within the same country
 - ii. The support given to other sectors within the same country
 - iii. Other EU strategies and policies

7B.1 The PSD support strategy within a country takes into account the support given to other sectors within the same country

7B.1.1 *Explicit reference to EU support to other sectors in Vietnam and analysis of possible complementarities, synergies, conflicts or overlaps between PSD and other sector support in Vietnam*

The EC-Vietnam cooperation strategy is built around two focal points. The first focal point "**Improvement of human development**" is focused on assistance targeted on either a geographical or thematic basis to contribute towards Vietnam's efforts to improve human development. Particular attention is paid to providing support to the most vulnerable sectors of society and ensuring the sustainable use of natural resources. Priorities under this focal point are:

1. *Integrated rural development.* Activities aiming at reducing poverty in some of the poorest provinces in Vietnam. The Commission's support may have three components: rural development, basic health and basic education.
 - a. *Rural development.* This activity aims to increase self-sufficiency and income. In particular, it will support the sustainability and replicability of co-operation actions already being undertaken by the Commission in these areas in rural development. Particular attention is paid to assisting alternative off-farm activities, supporting the establishment and development of household enterprises, and promoting the sustainable management of natural resources.
 - b. *Enhanced access to health services.* This intervention aims to give increased access to basic health services.
 - c. *Primary education.* Activity aims at enhancing the quality of delivery and children's participation could be examined.
2. *Education.* Components of this approach are:
 - a. Assistance in improving the quality and efficiency of the educational delivery process.
 - b. *Vocational training* is a key area for intervention in the education sector as scarcity of *specific skills* at this crucial stage in socio-economic transition could dampen development efforts. This intervention should contribute to the development of the professional and technological skills needed to assist the expansion of the SME sector and to promote FDI. This intervention is linked to focal point 2, "human development".
 - c. On a focused geographical basis (see point above, for integrated rural development), targeted interventions in *primary education* for the poorest segments of population, such as some ethnic minorities in remote areas, could be examined.

3. *Health.* The principal intervention foreseen in the short term is in relation to the integrated rural development, as mentioned above.

The Commission PSD interventions are embodied in the second focal point "**Integration into the international economy**" which targets two complementary areas: (i) "Reform towards a market oriented economy" which provides assistance to the essential internal reforms Vietnam and (ii) "Support to Integration into the international and regional economic" which provides assistance to the opening of its market to the international flows of trade and investment in the framework of its planned accession to WTO and existing commitments with AFTA:

1. Support to "Reform towards a market oriented economy" includes actions in the fields of:
 - a. Human development (HD), both in the public and private sectors, as new types of education, know-how, training and skills are needed to implement the transition.
 - b. Policy-making and implementation as the transition to a market oriented economy needs not only appropriate policies, laws and regulations to direct the process, but also assistance in their application by government and in both the public and private sector.
 - c. Promotion of the private sector targeting the reform of State-Owned Enterprises and the anticipated migration of people away from the land that will result in a more pressing need for employment creation. Increased numbers of small and medium-sized enterprises will be required to drive the modernisation of Vietnam's economy and to maximise export and industrial co-operation opportunities.
 - d. Alleviation of the social consequences of reform, in particular, migration problems linked to important segments of rural population migrating to urban centres will be addressed.
 - e. Good governance and best administrative practices which is needed for the success of the reform process with the particular area of corporate governance that is central in the framework of SOE reform.
2. Support to Integration into the international and regional economic structures aims at accelerating the country's integration into international trade and investment flows. Therefore co-operation involves the following:
 - a. Trade policy formulation and accession to the World Trade Organisation and possible assistance to adapt the economic policy to meet the AFTA deadline. Possible areas where trade-related technical assistance may be appropriate include customs reform, market access for industrial goods – to identify export interests, negotiation techniques, tariffication, trade facilitation - through simplification of import and export procedures- as well as assistance with the SPS, TBT, and TRIPS agreements, and help to develop understanding of investment and competition issues.
 - b. Facilitating access of Vietnam products into the world markets and attracting foreign investment. Among them, are enhanced quality of Vietnam's products and the international recognition of its quality assurance system. In addition to industrial products, particular attention will be paid to the quality (phytosanitary specifications) of its agricultural products. Strengthening implementation of the intellectual property rights protection system can assist to encourage technology transfer to Vietnam.

The CSP makes explicit and/or implicit references to potential complementarities and synergies between the PSD aspects of its strategy and other components of the country strategy. In particular:

- i. The Rural development component of focal point 1 mentions alternative off-farm activities, supporting the establishment and development of household enterprises;
- ii. Vocational training is mentioned as a key area to cope with scarcity of *specific skills* and contribute to the development of the professional and technological skills needed to assist the expansion of the SME sector and to promote FDI. This intervention is explicitly said to be linked to focal point 2, "human development".

- iii. Points (a), (b) and (c) of the first area of focal point 2 form the backbone of the PSD strategy which are complemented by activities aimed at alleviating the social consequences of reforms and the promotion of good governance.

However, no explicit reference to PSD is found in the second area of focal point 2 in spite of the fact that it has immediate implications on the Vietnamese private sector, both because it includes measures that aim at facilitating exports and measures that should contribute to increase imports competition on the local market, among which:

- i. Assistance to trade policy formulation promotes understanding of investment and competition issues which have a direct impact on the export capacity of the private sector but also will contribute to the accession to WTO which is likely to substantially change the nature of competition on local markets.
- ii. Point (b) of focal point 2 focuses on trade facilitation and FDI issues which should obviously have direct impact on the Vietnamese private sector and hence links with the Commission PSD strategy.

In spite of the importance of relationship between the PSD strategy and trade issues, programming documents remains relatively silent on the major need to closely articulate activities programmed and implemented in one or another area. For instance, it gives no information on how trade policy and trade facilitation aspects affect the country's private sector, and does not provide any indication on how the articulation between PSD and trade activities should be designed so as to integrate PSD and trade in comprehensive approach. The reason might be that the PSD strategy is in fact focused on SMEs and that the participation of SMEs to international trade is limited. However, even if exports activities of SMEs are modest, they will certainly be affected by the opening to trade that Vietnam will experience in a near future. For these reasons, the apparent disconnection of PSD and trade in strategy documents leaves certainly room for improvement.

7B.1.2 Evidence that EU support to other sectors has positively or negatively affected the achievement of the objectives of the PSD support strategy within the country

No compelling evidence on possible effects of EU support to other sectors on the achievement of the objectives of the PSD support strategy in Vietnam.

7B.1.3 Explicit reference to the possible effects of other EU strategies and policies (development or non-development) on the PSD support strategy in a given country

The CSP 2002 notes that, as indicated in the Council and the Commission Development Policy Declaration, six core areas for EC Development Co-operation have been identified: trade and development, regional integration and co-operation, macro economic reform and social programmes, transport, food security and rural development, and institutional capacity strengthening. The Trade Policy of the EU is founded in the development of a fair and open, rule-based international trading system. The priorities for EC-Vietnam co-operation include in the country strategy are consistent with the European Community's Development and Trade Policies. They are also consistent with the Community's specific policies for relations with Vietnam and with ASEAN. However, it does not provide an analysis of possible effects of other development or non-development EU policies on the PSD support strategy in Vietnam. It also gives no directions or elements of strategy for achieving coherence and/or complementarity with other EU policies.

The EU policy that is most likely affecting the private sector in Vietnam is the EU trade policy. The EU is one of the main trade partners of Vietnam in particular as an export market, the EU being the largest importer of Vietnamese products with more than 20% of Vietnam's exports having the EU as destination (estimation 2002)⁴⁹. Vietnam's principal exports to the EU are textile and footwear

⁴⁹ European Commission (2003), EU Economic and Commercial Counsellors' 2003 Report.

products, coffee and tea. Some of these products are submitted to high tariff and non-tariff barriers, particularly for footwear and textiles when imported in the EU. However, Vietnam and the EU formalised bilateral trade relations with a textile agreement signed in 1992. This agreement opened the EU market to Vietnamese textile exports establishing quantitative limits. Since then, the agreement has been amended on four occasions to increase export quantities allowed into the EU. In 1999, an agreement on surveillance of footwear exports to the EU was aimed at restricting transhipment through Vietnam of Chinese footwear subject to antidumping duties. On 15 February 2003, the Commission and Vietnam established a trade agreement on textiles and market access, technically a further amendment of the 1992 textile agreement, but which also included market access elements other than textile. The agreement gave Vietnam increases in textile and garment quotas worth € 200 millions a year in exchange for tariff reductions by Vietnam for EU textiles and clothing, and other liberalisation commitments in a number of sectors. Programming documents however give no information on the extent to which Vietnamese exports to EU markets, and hence development of its private sector, are (positively or negatively) affected by such provisions of the EU trade policy.

7B.1.4 Evidence that other EU strategies or policies have positively or negatively affected the achievement of the objectives of the PSD support strategy within the country

Vietnamese exports might however be bounded by trade restrictions on EU markets. For instance, the Ministry of Trade reports that although Vietnam's garment industry exported 18 % more during the first three quarters of 2004 than during the preceding year, performance was expected to drop in the remaining months as export quotas to the two main markets of the EU and the US have nearly run out⁵⁰. In 2001, the Ministry of trade already indicated that removal of EU's quotas on made-in-Vietnam textiles and clothing following the dismantlement of the Agreement on Textile and Clothing (ATC) would be a good opportunity for Vietnam to increase exports to these markets⁵¹. According to the Ministry of trade, another factor that significantly affects Vietnamese exports are legal issues, which arise in trade relations with foreign countries. They are mostly lawsuits about Vietnam's "dumping" of products. Most of cases originate from complaints in the US but also in the EU. For instance, in 2004 the EU investigated an allegation that Vietnam dumped bicycles in the EU market⁵². This suggests that EU trade policy effectively affects Vietnam's trade. The extent to which this spills-over to private sector development is however not documented.

7C.1 National or regional EU PSD programmes within a country take into account other EU interventions

7C.1.1 Programme documents explicitly refer to the other PSD programmes supported by the EU in the same country and analyse possible complementarities, synergies conflicts or overlaps

In general, programme/project documents do not explicitly refer the other Commission PSD interventions in Vietnam. In particular, the TAPs do not refer to other PSD projects/programmes nor analyses possible complementarities, synergies conflicts or overlaps between PSD projects/programmes. Moreover, the risks and assumptions listed in the programme logical framework do not mention achievements and/or results in other PSD projects/programmes. EBIC is however said to serve as a Focal Contact Point and antenna for various EU-Asia economical co-operation and development programmes such as Asia Invest, Asi@IT&C, Asia Urbs, Asia ProEco, Asia Link, etc.

⁵⁰ News on Line – Vietnam Economic Time (2005),
<http://www.vneconomy.com.vn/eng/index.php?param=article&catid=0605&id=041005140200>.

⁵¹ ASEM Connect (2001), VietnamTrade News,
<http://www.asemconnectvietnam.gov.vn/asemvn/asps/news.asp?idnews=6469&tuan=13>

⁵² Vietnam Style (2005), <http://www.vn-style.com/viewDetails.asp?catId=4&PostId=21599>.

7C.1.2 Evidence that other EC PSD programmes in the same country have positively or negatively affected the achievement of the objectives of the programme

PSD interventions constitute a set of areas where complementarities and synergies are numerous. However, there are no real analysis of the nature of these links and how to maximise their exploitation. For instance, the strategy does not mention the main legal and regulatory constraints affecting the development of the private sector which makes it difficult to assess the extent to which PSD interventions in the micro and meso areas are effectively articulated to interventions in the macro area. In practice, however, the projects/programmes implemented in Vietnam form a coherent body with elements that are most of the time adequately inter-related. Some room for improvement nevertheless exist as revealed by the following table.

Support to/ articulated with	Institutional reforms	Financial sector	B2B-I	BDS	SMEs/mirco enterprises
Institutional reforms					
Financial sector	High risk bearing for credit officers				
B2B-I					
BDS	Accreditation limits development of BDS				
SMEs/mirco enterprises	Weaknesses in law enforcement; Skewness of legal framework towards SOEs; Access to land/collateral;	Lack of risk assessment capacity in banking sector; Firms lack accounting capacity.			

Degree of coherence:

[High: satisfactory and no particular caveat detected]

[Medium: satisfactory and some activities are hampered by elements related to another area of intervention]

[Low: Absence of coherence prevents the achievement of objectives]

[Not relevant]

7C.1.3 Programme documents explicitly refer to support to other sectors and analyses possible complementarities, synergies conflicts or overlaps between the programme and other sector support within the same country

In general, programme/project documents do not explicitly refer to or take into account support to other sectors. In particular, the TAPs do not refer to support to other sectors nor analyses possible complementarities, synergies conflicts or overlaps between the programme and other sector support. Moreover, the risks and assumptions listed in the programme logical framework do not mention achievements and/or results in other sectors.

7C.1.4 Evidence that support to other sectors has positively or negatively affected the achievement of the objectives of the programme

No compelling evidence that support to other sectors has affected the achievement of the objectives of PSD projects/programmes.
<i>7C.1.5 Programme documents explicitly refer to the possible effects of other development or non-development EU strategies and policies on the programme and analyses possible complementarities, synergies conflicts or overlaps</i>
None of the programme documents for the projects/programmes reviewed during the field mission incorporate references to possible effects of other EU policies and /or strategies. This is true for the general description of the projects and their context as well as for the risks and assumptions considered in the projects logical framework.
<i>7C.1.6 Evidence that other EU strategies or policies have positively or negatively affected the achievement of the objectives of the programme</i>
No compelling evidence that other EU strategies or policies have affected the achievement of the objectives of PSD projects/programmes.

EQ 8 – Coordination (with other donors)

To what extend is there coordination between donors, both at central and at country level?																			
8.2 The EU actively participates to multi-donor coordination process at country level																			
<p>Vietnam was one of six countries selected for a survey amongst the donor community of ODA transactions costs by the World Bank's Comprehensive Development Framework (CDF). The study took place in July 2002 and included the Commission in its sample of donors. Almost all of the donors surveyed agreed that there has been an increase in the frequency of donor coordination activities during the last five years. All of the respondent donors participate in the Consultative Group (CG) process (annual and mid-term meetings) which is coordinated by the MPI and the World Bank. There are no "Mini-CG" meetings in Vietnam. Other coordination activities mentioned include: Liked Minded Donor Group (LMDG); ODA Harmonisation; Poverty Reduction; CPRGS; EU Development Counsellors; UNDP monthly forum. The largest focus of specific coordination activities lies with sector issues. The CG is complemented by the establishment of sector Partnership Groups, which are more focused on coordination between donors involved in a particular area and the concerned Ministries and local agencies. One of these groups involves all donors active in the area of PSD. The efficiency has however said to be rather low and coordination superficial. Recently, the PSD Partnership Group initiated the process of setting up more specific groups in an attempt to increase efficiency of coordination in this area; Other activities mentioned include: Urban forum; Forestry partnership group; donor group (sub-group) meetings on Governance, Banking, PER, Gender; SME Partnership; PAR; Civil Society; Poverty; Environment; Education; Transport; HIV/AIDS, Trade; Agriculture; Fishery sector; Health Working Group; ISG Health; ISG-MARD; Legal Reform/LNA; Public Financial Management, SOE Reform. The donors surveyed indicated that GoV is invited to almost all partnership group meetings. Most of the respondents stated that the efficiency of donor coordination has improved over the last five years but it was widely stated that there is still "room for improvement". The general perception of donor-driven coordination efforts lead to the suggestion that there needs to be more ownership and capacity on the GoV side.</p> <p>From the Commission perspective, coordination is necessary to increase effectiveness of assistance, in line with the related provisions of the ALA regulation. It also allows to reduce transaction costs which are likely to be important in the are of PSD due to the large number of donors covering this field in Vietnam.</p> <p>Coordination within large groups proves difficult because of the involvement of different type of activities, donor idiosyncrasies (in particular difference in the type of instruments, administrative procedures, project cycle) and the participation of people involved on the one hand at the strategic-counselling level and on the other hand at the operational level.</p>																			
<p><i>8.2.1 Evidence of participation of the EC to multi-donor coordination meetings at country level</i></p> <p>In Vietnam, there are numerous multi-donor coordination's platforms for the private sector.</p> <table border="1"> <thead> <tr> <th>Group name</th> <th>members</th> <th>Head</th> <th>Meetings</th> </tr> </thead> <tbody> <tr> <td>▪ Partnership Group</td> <td>▪ 25 donors ▪ GoV ▪ Non-governmental bodies</td> <td>▪ Donor: Unido ▪ Vietnam: Asmed</td> <td>▪ Started in 2002 ▪ Bi-annual meetings (70 people) ▪ Formal meetings ▪ Division into sub-groups of experts: Policy, business environment, legal, BDS</td> </tr> <tr> <td>▪ EU working Group</td> <td>▪ EC ▪ 14 EU MS</td> <td>▪ EC</td> <td>▪ No formal PSD meetings</td> </tr> <tr> <td>▪ Like-Minded donor group</td> <td>▪ Group of +8 members</td> <td>▪ Tbc</td> <td>▪ Ad Hoc meetings (unlikely that a specific PSD meeting and/or output has been planned/ achieved so far)</td> </tr> </tbody> </table>				Group name	members	Head	Meetings	▪ Partnership Group	▪ 25 donors ▪ GoV ▪ Non-governmental bodies	▪ Donor: Unido ▪ Vietnam: Asmed	▪ Started in 2002 ▪ Bi-annual meetings (70 people) ▪ Formal meetings ▪ Division into sub-groups of experts: Policy, business environment, legal, BDS	▪ EU working Group	▪ EC ▪ 14 EU MS	▪ EC	▪ No formal PSD meetings	▪ Like-Minded donor group	▪ Group of +8 members	▪ Tbc	▪ Ad Hoc meetings (unlikely that a specific PSD meeting and/or output has been planned/ achieved so far)
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▪ PSDP	▪ several donors ▪ GoV	▪ MPI and the World Bank	▪ Set up of joint programme: - Basket funding - Common monitoring indicators ▪ Joint participation to policy dialogue
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While several PSD donor coordination group exist and while Vietnam is quite advanced in that field compared to other countries, little concrete output has emerged from this coordination groups as of yet. Apart from direct coordination between donor, there also exists indirect coordination managed by ASMED (see 8.2.2).

8.2.2 Evidence of distribution of tasks among the different donors at country level

Despite the existence of multi-donor coordination meetings, very little has been done in terms of task distribution. Reasons for lack of effectiveness include that.

- Most of these groups are fairly new.
- Donors have still lots of national interest (e.g. branding), especially in private sector (business with national companies).

Despite the fact that the existence of national interest that make donor coordination in PSD particularly challenging, there is room for improvement through a thorough analysis of specific areas of coordination where conflict of interests are less present. During the country mission, the team identified higher potentials of coordination in specific expected results (legal and regulatory framework, institutional capacity, and PSD policy; an example is budget support) as well as in particular topics in which the potential for cross-area coordination (i.e. coordination on different types of expected results is possible) is high, including local economic development. Coordination is however more challenging in some expected results which often involve national interest, e.g. B-2-B cooperation.

That being said, the Ministry of Planning and Investment created in ASMED in 2001. One of ASMED's objective is to be a channel between donor and government. In doing so, ASMED also attempts to coordinate donor funds by discussing with donors in which area the funds could be better used (ASMED also plays an active role in the SME Partnership group). ASMED tries to distribute tasks among donors in a way that most important areas in PSD are covered by donors and to avoid overlaps. When donors which to execute a certain intervention, they usually consult with ASMED whether the proposed project is relevant for Vietnam's PSD needs and whether it has been already addressed by another donor or not. ASMED also directs donors towards relevant PSD areas. According to ASMED's Deputy Director General, most important PSD areas are covered by donors: According to one person working closely with ASMED, the role of the government in terms of coordination has improved, but there is still a lot of work to do.

8.2.3 Evidence of joint activities or projects between the different donors at country level

The Commission participates to the Poverty Reduction Support Credit (PRSC) set up by the World Bank. The contribution of the Commission to this budget support programme represents 4 to 5% of the programme's allocation. Some EU Member States also participates, like Denmark (providing 3% of the funding) and the U-K.

Several joint activities occur bilaterally. For example,

- Italy & Finland: "Assistance to establish the national and provincial SME Infrastructure".

8.2.4 Explicit reference to other donor policies or activities in country documents

At the level of the country strategy, the CSP stresses that it is important that the actions supported by the Community are planned and implemented in a manner which is coherent and complementary with the policies of the Government of Vietnam and the actions of the European Union Member States and other donors. It also notes that considerable progress has been made in Vietnam in developing Government-donor co-ordination. The annual Government-donor Consultative Group Meeting has become

increasingly inter-active in recent years, and it is supplemented each year by a Private Sector Forum and by a mid-term Consultative Group Meeting. According to the CSP, particular attention is paid in Vietnam to ensuring a maximum level of co-ordination of co-operation work among the EU Member States and the Commission, and the Development Counsellors of the EU Member States embassies and the Commission Delegation meeting on a monthly basis to exchange information on ongoing projects, planned initiatives, and future priorities. Such co-ordination contributes significantly to coherence of strategies and complementarity of actions. Each year a comprehensive directory of EU co-operation projects is produced and widely circulated, resulting both in better co-ordination of Member State/Commission initiatives, in reduced risk of duplication, and in enhanced visibility for the combined EU effort⁵³. Annex 4 of the CSP displays a table indicating the EU Development Co-Operation with Vietnam by Member States. One learns that Members States involved in the area of Industry are Austria, Belgium, France, Germany, Spain and Sweden. The main elements of the co-operation strategy of some Member States are also indicated. These descriptions are rather general, do not explicitly refer to the other PSD programmes supported by the Member States and do not provide directions so as to exploit possible complementarities and synergies.

8.2.5 Explicit reference to other donor policies or activities in programme level documents

At the level of programmes, we restrict the analysis to the sample of projects selected for Vietnam.

i. European Technical Assistance Programme Vietnam I

TAPs not available.

ii. European Technical Assistance Programme Vietnam II

Section 2.8 of the TAPs notes that “In order to preserve the necessary coherence between the activities of the present project and those activities undertaken by other donors in the target sectors, regular meetings will take place with all interested parties to ensure an open exchange of information, to avoid overlapping of activities and/or financing and to incorporate the lessons learnt by these other actors into the work of the project”.

iii. Labour Market Project

Section 2.8 of the TAPs notes that “In order to preserve the necessary coherence between the activities of the present project and those activities undertaken by other donors in the target sectors, regular meetings will take place with all interested parties to ensure an open exchange of information, to avoid overlapping of activities and/or financing and to incorporate the lessons learnt by these other actors into the work of the project”.

iv. Private sector support programme

Section 3.9 of the TAPs notes that “In order to preserve the necessary coherence between the activities of the present project and those activities undertaken by other donors in the target sectors, regular meetings will take place with all interested parties to ensure an open exchange of information, to avoid overlapping of activities and/or financing and to incorporate the lessons learnt by these other actors into the work of the project”.

v. Small Projects Facility

Section 3.10 of the TAPs notes that “In order to preserve the necessary coherence between the activities of the present project and those activities undertaken by other donors in the target sectors, regular meetings will take place with all interested parties to ensure an open exchange of information, to avoid overlapping of activities and/or financing and to incorporate the lessons learnt by these other actors into the work of the project”.

⁵³ European Commission (2003), *EC-Vietnam Country Strategy Paper 2002-2006*.

iv. Human Resources Development in Tourism

No mention of coordination in the TAPs (the word is not included in the text).

i. Small and Medium Enterprises Dev. Fund-Phase I

TAPs not available.

ii. Small and Medium Enterprises Dev. Fund-Phase II

Section 3.9 of the TAPs notes that “In order to preserve the necessary coherence between the activities of the present project and those activities undertaken by other donors in the target sectors, regular meetings will take place with all interested parties to ensure an open exchange of information, to avoid overlapping of activities and/or financing and to incorporate the lessons learnt by these other actors into the work of the project”.

iii. European Business Information Centre EBIC

The projects description notes that “EBIC closely co-operates in tangible ways with for instance the EC Delegation in Hanoi, EUROCHAM, and with all EU member state missions and business associations nation-wide”.

Obviously, coordination with other donors and their PSD programmes is in fact not addressed in programmes/projects documents.

8.2.6 Examples of complementarities and synergies between programmes funded by the EU and programmes funded by other donors

EC: SMEDF: aims at reinforcing the banking sector through the provision of credit lines and technical training. But the banking sector also requires a reinforcement of its auditing capabilities, which is financed by other institutions. But while there is complementarities between those projects, there was no corresponding attempts at coordination.

EC PSSP and GTZ programmes: after the implementation of the projects by each donor, CTA's of each programmes try to determine what synergies could be achieved at the very operational level. For example, it has been arranged that the EC will use some of their tools and consultant's for the benefit of their programmes. In return, GTZ will hope to use EC's resources in the future.

8.2.7 Evidence of overlap between PSD programmes of the EU and of other donors at country level

Institutional Technical Assistance:

- EC: Private Sector Support Programme.
- Italy-Finland: “Assistance to establish the national and provincial SME Infrastructure”.

According to ASMED's Deputy Director General, there may be some areas of overlap, but not significant ones.

The design of the HRDT programme was in 1997, and the project started in 2004. Given the large time lag between those two dates, some concerns has been raised regarding its effectiveness. For since 1997, Since then there has been significant support provided by Luxembourg government to the development of tourism industry, especially in term of training and technical assistance to key training schools. This may raise issues regarding of overlap between the two donors. (See efficiency).

8.2.8 Evidence of similar programmes with common beneficiaries funded by the EU and another donor

Some donors are doing similar types of interventions and working with the same type of local authorities, but they do so in difference provinces of the country. So there is strictly speaking no same ultimate beneficiary that benefits from two similar programmes.

EQ 9 - Cross-cutting issues

Do the EU PSD interventions show concern for cross cutting issues such as promoting women led enterprises, ensuring acceptable working conditions notably for women, protecting the environment and promoting better governance practices?

9.2 CCI are taken into account in the PSD strategy for the country

9.2.1 *The CSP explicitly refers to the CCI*

According to the CSP, crosscutting themes is an integral part of EC-Vietnam co-operation and include environmental protection and disaster preparedness, culture and education, gender equality, the promotion of human rights, and good governance. The CSP does not give directions for a systematic integration cross-cutting issues into the various elements of the strategy. It just mentions that, when appropriate, specific cooperation actions can be developed to promote such themes on an ad-hoc basis. As an example, it mentions environment protection and disaster preparedness and prevention that could address the persistent flooding in the central provinces, linked to deforestation, that has led to repeated humanitarian crises and that could be the subject of a specific intervention with a social forestry approach. The CSP also recall that, in addition to the NIP resources, horizontal ones such as the “environment and tropical forest protection”, “human rights” budget lines and the EC co-financing of NGOs can be utilised. No specific reference is made with respect to the private sector⁵⁴.

9.2.2 *Project/programme documents explicitly refer to cross cutting issues*

(i) European Technical Assistance Programme Vietnam I

ETV 1 is targeted to institutional reforms aimed at accelerating the transition towards a market economy and therefore is tackling good governance issues. There is no evidence that the programme addressed other cross-cutting issues.

(ii) European Technical Assistance Programme Vietnam II

The overall objective of ETV 2 is to improve economic and social development in Vietnam during its period of transition to a market economy. This is to be achieved by facilitating better decision making in the public and private sector, and the development of clear, rational, transparent policies, strategies, plans and legislation through a strengthening of policy/legislation making capacity and of means of implementation. The project is therefore naturally targeted to good governance issues. However, good governance or any other cross-cutting issues are not explicitly referred to in the programming documents⁵⁵.

(iii) Labour Market Project

The project's programming documents do not refer to any of the cross-cutting issues⁵⁶.

(iv) Private sector support programme

The global objective of the Vietnam Private Sector Support Programme (VPSSP) is poverty alleviation and job creation via promotion of the private sector, in particular of Vietnamese small and medium enterprises (SME), and its integration into the international economy. The programme is design so as to promote the creation of an environment conducive to SME's particularly at the level of the country's Provinces. From this point of view, the programme implicitly addresses the issue of

⁵⁴ European Commission (2003), *EC-Vietnam Country Strategy Paper 2002-2006*.

⁵⁵ European Commission (2002), *European Technical Assistance Programme for Vietnam*, Financing Agreement and Technical and Administrative Provisions.

⁵⁶ European Commission (2002), *Labour Market Project*, Financing Agreement and Technical and Administrative Provisions.

good governance through support to decentralisation. However, good governance or any other cross-cutting issues are not explicitly referred to in the programming documents⁵⁷.

(v) Small Projects Facility

This programme is explicitly targeted to good governance. Its overall objective is to support the ongoing reform process of Vietnam's economy and systems of governance, as well as to facilitate Vietnam's integration into the international economy. This is to be achieved inter alia through an enhanced involvement of civil society partners and of the private sector. More specifically, the programme intends to improve the mutual understanding and joint visibility of partners by promoting civil society dialogue and facilitating interactions in the areas of governance, administrative reform and decentralization as well as strengthening of civil society and public interest organisations as a contribution to grass-root democracy, better governance, and the respect of the rule of law. No other cross-cutting issues are not explicitly or implicitly referred to in the programming documents⁵⁸. But the selection criteria for projects are gender-sensitive. As a result, one out of 7 projects relates to women in business. Its project title is "Promoting Business Women networking in Vietnam".

(vi) Human Resources Development in Tourism

The only reference to cross-cutting issues in the project's programming documents relates to environment. The objectives of the project indeed reflect the major elements of the integrated national approach adopted by the GoV among which the training of key government tourism officials in essential tourism management skills, including environmental planning. Specifically, the project includes a component dealing with practical aspects of tourism planning including environmental awareness. No other cross-cutting issues are not explicitly or implicitly referred to in the programming documents⁵⁹.

(vii) Small and Medium Enterprises Development Fund - Phase I

TAPs not available. There is no evidence that the programme took any cross-cutting issues into account.

(viii) Small and Medium Enterprises Dev.Fund-Phase II

The project's programming documents do not refer to any of the cross-cutting issues⁶⁰.

(ix) European Business Information Centre EBIC

The project's programming documents do not refer to any of the cross-cutting issues.

9.2.3 Internal monitoring system takes into account CCI

When a project/programme takes a particular cross-cutting issue into account, either explicitly or implicitly, some related (objectively verifiable or achievements) indicators are sometimes included in its logical framework. For instance, ETV 2 indicators include "Legislation drafted according to international standards, international recognition received", while for SPF one has "New legislation/regulations on governance reforms and trade issues approved". For other projects/programmes, cross-cutting issues monitoring indicators are not specified even if the project/programme takes into account some cross-cutting issues. For instance, the Human Resources Development in Tourism programme refers to environment but not related monitoring indicators are suggested in its programming documents. Overall, it

⁵⁷ European Commission (2003), *Vietnam Private Sector Support Programme*, Financing Agreement and Technical and Administrative Provisions.

⁵⁸ European Commission (2002), *Small Projects Facility*, Financing Agreement and Technical and Administrative Provisions.

⁵⁹ European Commission (1997), *Human Resources Development in Tourism*, Financing Agreement and Technical and Administrative Provisions.

⁶⁰ European Commission (2002), *Small and Medium Enterprises Development Fund - Phase II*, Financing Agreement and Technical and Administrative Provisions.

seems that the inclusion of an internal monitoring system related to cross-cutting issues is not the result of a systemic approach which in fact reflects the fact that the inclusion of cross-cutting issues into projects/programmes is itself not a systematic process.

9.2.4 Evidence of the effective implementation of cross-cutting issues

In Vietnam, cross-cutting issues were either addressed by programmes/projects specifically targeted to particular cross-cutting issues (e.g. SPF) or through the implicit inclusion of some of these issues in the programmes/projects' content. Good governance seems to be the issue which received most attention. It is explicitly referred to in the CSP and addressed through programmes like ETV 1, ETV 2 and SPF which target institutional reforms that are likely to improve both the transparency and quality of governance (Cfr. supra). ETV 2 and SPF have just started and it is therefore too early to assess their respective contribution to improve governance. As far as ETV 1 is concerned, the programme effectively supported reforms that contributed to improve governance (such as the draft and passing of the Law on enterprises) but again this appears more like a specific objective of ETV 1 than a deliberate attempt to target a specific cross-cutting issue.

9.3 A CCI is treated through a specific project or programme in the frame of the PSD support in Vietnam rather than as an horizontal issue

9.3.1 Examples of projects or programmes that focus on one of the CCI

The SPF programme is explicitly targeted to good governance. Its overall objective is to support the ongoing reform process of Vietnam's economy and systems of governance, as well as to facilitate Vietnam's integration into the international economy. This is to be achieved *inter alia* through an enhanced involvement of civil society partners and of the private sector. More specifically, the programme intends to improve the mutual understanding and joint visibility of partners by promoting civil society dialogue and facilitating interactions in the areas of governance, administrative reform and decentralization as well as strengthening of civil society and public interest organisations as a contribution to grass-root democracy, better governance, and the respect of the rule of law. No other cross-cutting issues are not explicitly or implicitly referred to in the programming documents. But the selection criteria for projects are gender-sensitive. As a result, one out of seven projects relates to women in business. Its project title is "Promoting Business Women networking in Vietnam".

Annex 7 - Selected PSD Strategies

This annex briefly describes the Commission's strategy in the area of PSD. Those of the ADB and the WB are also described so as to provide some benchmarks.

1. Asian Development Bank (ADB)⁶¹

Given its focus on a region with a predominance of countries in transition from a centrally planned to a market economy, the ADB's PSD strategy is developed around the precept that while governments should shift away from commercial business, they must develop a capacity to create and sustain the legal and market institutions needed to facilitate and regulate private sector activities. Creating the enabling environment for domestic and foreign private investors and shifting the role of government from owner-producer to facilitator-regulator, and the large adjustment costs associated with such a shift, are big challenges for which the Developing Member Countries (DMCs) need ADB's continued and intensified support.

ADB has long been involved with PSD. The institutions draw two lessons from its capitalised experience with private enterprises. First, the right policy environment is vital for the long-term viability of these businesses. While ADB has assisted DMCs in developing an enabling environment for the private sector, the Asian financial crisis has called for more comprehensive DMC efforts with ADB support. Second, ADB assistance, if combined through both the public and private sector windows to address development challenges, can provide synergistic solutions resulting in greater benefits for the host DMC. Such a combination requires public sector assistance to take more systematic account of private sector interests and concerns, and private sector assistance in its turn to promote development impact in its activities.

In the year 2000 ADB issued renewed strategic orientation for its PSD interventions. Traditionally its strategy focused mainly on its direct non-government-guaranteed assistance through Private Sector Organisations (PSO). The "new" strategy goes beyond that and addresses the more complex challenge of how both ADB's public and private sector operations can better promote private sector-led growth. The strategy is built around three main thrusts (Creating Enabling Conditions, Generating Business Opportunities, Catalysing Private Investment) so as to impact on the private sector's contribution to pro-poor growth.

⁶¹ Asian development Bank (2000), Private Sector Development Strategy.

2. World Bank⁶²

The current World Bank Group Private Sector Development (PSD) strategy was released in April 2002. The PSD strategy places particular emphasis on improving the investment climate and enhancing the delivery of basic services, especially to poor people. To this end it argues for policy reforms and commercial disciplines on World Bank Group (WBG) support to the private sector. It also stresses the need to systematically engage stakeholders, in particular the private sector, in the diagnosis of development issues, identification of reform priorities and implementation of programmes and projects.

PSD requires a good balance between the complementary functions of the state and the private sector. It is about judicious refocusing of the role of the state, not about indiscriminate privatisation. Sound government policies that provide room for private initiative, and that set a regulatory framework which channels private initiative in ways that benefit society as a whole, are critical. This in turn requires institution-building and capacity-building. Within this framework, direct public support to private firms may be desirable to enable entrepreneurs to enter markets or open up new ones. Public policy for the private sector and direct support to the private sector need to form part of a comprehensive approach to development and reflect country and sector conditions.

The first pillar of such an approach is enhancing the investment climate which in fact covers the legal and regulatory environment, the quality of the financial sector and a sound macroeconomic environment. Indeed the critical features of a sound investment climate include a rational governance system that allows firms to pursue productive activity without harassment, contracts and property rights to be respected and corruption to be reduced. Equally important is an infrastructure that allows private entrepreneurs and their employees to operate effectively. Competition and, where necessary, regulation are essential to channel private initiative in socially useful directions. A sound financial sector is required to allow firms to enter the market and operate effectively as well as to help restructure failing firms. A stable macro-economic environment and an economy which is open to trade are also elements of a good investment climate. Overall, enhancing the investment climate is about better public policy for the private sector, including the required supporting institutions.

The second pillar complements investment climate improvements and aims at unleashing supply response by providing direct support to formal small and medium firms as well as to entrepreneurs in informal settings. Such support may comprise both finance and advice. Several decades of attempts to provide such support have shed light on the key success factors. First and foremost, successful direct support to firms requires a sound investment climate that provides incentives to use public support well. Second, both financial and advisory support needs to be aligned with market forces. Financial terms of loans and investments should not be subsidized. Any subsidy should be transparently targeted on institution-building and capacity-building objectives which justify subsidy on grounds of externalities, for example some forms of vocational training.

⁶² World Bank (2002), Private Sector Development Strategy – Directions for the World Bank Group, <http://rru.worldbank.org/Documents/PapersLinks/699.pdf>.

3. EU⁶³

The Commission has identified five areas of intervention or instruments on which it will base private and business sector support:

- (i) **Administrative and macroeconomic reforms:** Overall policy dialogue and support, in particular as regards macroeconomic policy, trade policy and good governance, providing the necessary regulatory framework, institution building and advice. The Community's actions in this area will aim at creating a policy framework which supports and fosters competitiveness, a market economy and good governance. This encompasses technical assistance in support of reforms, particularly in the fields of legislation, banking and finance, taxation, public expenditure, customs procedures, trade facilitation measures, institutional building, and general administrative efficiency.
- (ii) **Investment and inter-enterprise co-operation promotion activities:** The purpose of the Community support for the promotion of investment and technology transfer from industrialised to developing countries will be to enhance sustainable and environmentally friendly investment and inter-enterprise cooperation agreements. This is with a view to increasing the efficiency and competitiveness of the economies concerned, and in particular to enhancing export prospects.
- (iii) **Investment financing and development of financial markets:** The overall objective of these instruments and services is to mobilise private savings flows (both domestic and foreign) to finance investments essential for a thriving business sector. When providing financial resources for investment financing, the Community should be sensitive to local market conditions. Nonetheless, where appropriate the Community may also decide, in agreement with partner countries, to provide concessional financing based upon the specific nature of certain operations (as in the case of certain public projects, or of projects with significant impact at social or environmental level, even if private).
- (iv) **Developing services for Small and Medium-Sized Enterprises (non-financial services):** A number of supportive measures will aim to improve the macro- and micro-economic foundations of competitiveness of SMEs and micro-enterprises, whilst other measures will focus more directly on developing an effective market for business development services. This includes initial and on-going guidance for companies and professional associations (usually on a demand-driven basis) or more pro-active strategies paid for, in part, by the beneficiaries (cost-sharing principle); different forms of skills up-grading, to help modernise enterprises and encourage the creation of enterprise networks or cooperatives; assistance with preparing and implementing business plans.
- (v) **Support for micro-enterprises:** These actions should take the form of institutional and capacity building in intermediary institutions which act as the voice of micro-enterprises and providers of public goods; encouraging micro-finance institutions to

⁶³ European Commission (2003), Communication from the Commission to the Council and the European Parliament, *European Community Co-operation with Third Countries: The Commission's approach to future support for the development of the Business sector*, COM(2003) 267 and European Commission (2003), *Guidelines for European Commission Support to Private Sector Development*.

develop new services and financial products which are well adapted to the medium- and long-term needs of small and micro-enterprises; helping integrate micro-finance within local financial systems by disseminating best practices and performance standards, setting up a framework for regulation and appropriate supervision, and supporting institutional development; and improving and monitoring the performance of micro-finance institutions, their governance mechanisms, and their ability to serve micro-enterprises.

It therefore appears that the field of actions considered by the Commission is broader than that of the main other donors involved in PSD. While ADB and WB mainly intervene in the legal and regulatory framework and in support to SMEs, the Commission also supports the strengthening of business networks with a view to assisting the internationalisation of firms by fostering local-EU business cooperation (investment and inter-enterprise co-operation promotion activities) and specific actions geared towards micro-enterprises (support for micro-enterprises).

Annex 8 - Justification for Public Interventions

This annex summarises the main economic arguments justifying public interventions in the private sector.

There are two main factors sustaining the economic rationality of public interventions, and in particular of foreign assistance, in the private sector sphere⁶⁴:

1. Fostering growth through the accumulation of factors of production (physical and human capital), of technology and institutional capacity

PSD is based on the accumulation of factors of production (physical and human capital), of technology and of institutional capacity. Such accumulation takes place along a growth process and is driven by investment that allows the stock of factors of production to increase, and the technology and institutions determining the working of the private sector to improve. Most of the time, investment is resource-consuming and the economy moves in time along a growth path at a pace determined by the availability of resources. In this perspective, foreign assistance is a way of accelerating the process by transferring resources to the beneficiary country. The sustainability of such interventions can be assessed in different ways: (i) the depreciation rate of the transferred resources, which should not be too high in the hope that their impact on the economy's production capacity may be long enough (for instance, training programmes should be designed so that those that are trained today will be able to transmit their newly acquired skills to future generations); (ii) the impact of interventions either on levels or on growth rates in production and consumption, or on both; those positively affecting growth rates are likely to produce higher and more long lasting impacts.

2. Address market failures

A market failure is a mechanism that prevents a market from achieving the optimal allocation of resources in a given economy. Economics has identified the following categories of market failures:

1. Asymmetry of information: markets are not conveying the information necessary for economic agents to take efficient decisions.
2. Externalities: prices do not completely reflect the value or cost of a given good.
3. Public goods: a public good is defined as an economic good which possesses the properties of *non-rivalrousness*, (i.e. its benefits do not exhibit scarcity from an individual

⁶⁴ We do not target the redistributive role of the State which is mainly justified by ethical and equity reasons.

point of view as once it has been produced, each person can benefit from it without diminishing anyone else's enjoyment) and *non-excludability* (i.e. once it has been created, it is impossible to prevent agents from gaining access to the good). In general, a free market is unlikely to produce the optimum amount of any public good owing to the free-rider problem.

4. Uncompetitive market structure: imperfect competition related to individual market power, leading to market distortions.

In such cases, market outcome is likely to be inefficient which justifies the intervention of the public sector in a form appropriate to the type of market failure it intends to address.

PSD sector projects and programmes should be designed after careful identification of the nature of the problem they are tackling (accelerating the accumulation process or coping with market failures, and if such which ones). If this is not the case, a particular intervention is likely to cope with the symptoms without addressing the causes and will generally fail, to the least with respect to its sustainability.

Annex 9 - Some All-Country Programmes implemented in Vietnam

Asia-Invest is an initiative by the European Commission to promote and support business co-operation between the EU and Asia. The Programme provides assistance to intermediary business organisations to facilitate mutually beneficial partnerships between companies, in particular small- and medium-sized enterprises (SMEs), in the EU and South and South-East Asia and China, as well as to strengthen the business environment so that it can increase trade and investment flows between the two regions. The Asia-Invest Programme commenced in 1997 for a five-year term with a possible 5-year extension, and has since entered a second phase of implementation from 2003 to 2007, the Asia-Invest II Programme, with a Commission contribution of €35 million.

The general objectives were defined as to:

- (i) encourage growth in two-way trade and investment flows between the EU and Asia, including assisting companies from the less developed Asian countries to enter into mutually beneficial cooperation with European companies;
- (ii) promote and underpin the development of mutually beneficial trading relationships and investment between European and Asian companies, including small- and medium-size enterprises (SMEs);
- (iii) help raise the profile of the EU in Asia;
- (iv) increase awareness of opportunities in Asia, and facilitate the actions of operators in taking up these opportunities.

Asia-Invest comprises various instruments and activities as summarised below:

- (i) the Business Priming Fund administered by the Secretariat: this supports three types of project: market place monitoring (market opportunities research); language and business culture familiarisation (training of European and Asian groups of companies); and technical assistance (skills upgrading for groups of companies in Asian developing countries);
- (ii) Asia-Enterprise: intended to facilitate sectoral direct contact business matching events;
- (iii) Asia-Partenariat: facilitating large multi-sectoral matchmaking events;
- (iv) Asia-Invest Business Meeting: medium-scale business to business events for 3-4 sectors;
- (v) Asia Investment Facility: funds studies to identify and promote focused market opportunities in Asian and member countries.

Asia-Invest offers a range of networking opportunities, including a Membership scheme which gives access to an electronic Bulletin Board. Information about such opportunities, and calls for activity proposals under the programme, were also disseminated through 'antennae' in Member States (Annex) and EBICs in several Asian countries.

In order to implement the programme the Asia-Invest Secretariat – a *Bureau d'Assistance Technique* (BAT) – was set up to promote and administer the programme on behalf of the Commission. All financial control remains within the Commission, which also retains control over approval of applications. Asia-Invest awards grants under the different heads to the extent of between 50 and 80 per cent of eligible costs – from €60,000 to €200,000.

The **European Business Information Centre** (EBIC): Vietnam was part of a network set up and financed by the Commission all over Asia. EBIC programmes were integrated into European Chambers of Commerce or European Business Councils. Separate offices were located, *inter alia*, in India, Malaysia, Sri Lanka, and Vietnam.

EBIC in Vietnam is an economic co-operation programme, initiated and funded by the Commission, and executed by the European Chamber of Commerce in Vietnam. It is a capacity-building initiative by the European Union to provide Vietnamese SMEs with information and training on the EU single market. Its main objectives are to raise the profile of the European Union single market among the business communities, to increase the capacity of Vietnamese business operators to establish mutually beneficial linkages with European counterparts, to act in a manner complementary to the public and private sector agencies of the EU Member States, and to contribute to the development of Vietnam.

The EBIC in Vietnam operated under the aegis of the European Chamber of Commerce in Vietnam (EUROCHAM Vietnam), and aimed at providing information and training on the EU single market in order (1) to raise the profile of the EU single market among the business communities; (2) to increase the capacity of Vietnamese business operators to establish mutually beneficial linkages with European counterparts; (3) to act in a manner complementary to the public and private sector agencies of the EU Member States; and (4) to contribute to the development of Vietnam.

The vehicles used to pursue the above objectives were: (1) provision of information; (2) provision of training; (3) matchmaking opportunities; and (4) providing access to respective instruments. The EBIC Vietnam was designed to act in a manner complementary to the public and private sector agencies of the EU Member States, and as a so-called Focal Contact Point (FCP) and “antenna” for various EU-Asia economic co-operation and development programmes. In addition, EBIC was designated as a national sale and distribution agent of OPOCE, the official agency for all EU publications in print and electronic format. The Centre was closed in 2003 at the request of the EU Member States on the basis that trade promotion should be the preserve of the Member States themselves and not a Community competence.