



## Project evaluation: summary report

Global Business Exchange Programme, GloBus (former Manager Training Programme)

Project no.:	2012.1004.6
CRS Purpose Code:	25010 Business support services and institutions
Project objective:	Capacities for the business and institutional competitiveness of selected developing countries have been structurally improved and economic relations with Germany have been consolidated.
Project term:	June 2012 to March 2017
Project volume:	EUR 7,110,000
Commissioning party:	Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency:	Ministry of Commerce, Industry and Tourism (MCIT), Colombia, <i>Innovate Perú</i> , part of the National Innovation Programme for Competitiveness and Productivity, Peru
Implementing organisations (in the partner country):	Colombia, Morocco and Peru components: associations of small and medium-sized enterprises (SMEs), education and training providers and local representatives of the German Chambers of Commerce Abroad (Morocco, Colombia and Peru)  SADC component: regional PPP office at SADC level and the national PPP offices in the SADC Region, the Development Finance Resource Centre (DFRC) and the Development Bank of South Africa (DBSA)
Other participating development organisations:	None
Target groups:	First and second level managers and executives from Colombian, Moroccan and Peruvian small and medium-sized enterprises (SMEs) and middle and top executive personnel for the group of managers from public institutions in the PPP sector. Also lecturers of partner training institutions in Colombia, Morocco and Peru

## Programme description

The Global Business Exchange (GloBus) Programme addresses the lack of institutional capacities and resources for building technical and social infrastructure in developing and newly industrialised countries. The programme proposal specifies the following relevant policy, socio-economic and sectoral frameworks and problems: a major obstacle to sustainable economic development is the generally small number of well-trained managers in development-cooperation partner countries. Reasons for this are deficits in training (poor language skills, lack of know-how in international marketing, etc.) and in management quality (little innovative power, product development and marketing, etc.). This primarily affects small and medium-sized enterprises (SMEs) and public institutions tasked with providing infrastructure.

The shortage of competent managers hampers business growth and also prevents businesses from entering the formal sector, which in turn impedes economic development in these countries, as evident from low domestic investments, weak demand for consumer goods, low government tax revenues and a lack of public services, for example in the infrastructure sector.

The availability of management skills does not therefore meet the essential needs and standards and falls short of potential. The primary causes of this problem lie in the generally insufficient education/training strategies in the development-cooperation partner countries and the low capacity development. Training facilities are for the most part inadequate, lack a practical focus and generally fail to meet the needs of companies and institutions as a result. The insufficient quality of manager training and manager competencies in developing countries hampers business growth, the provision of infrastructure, organisational development and the establishment of lasting business relations. The international community has acknowledged the developmental importance of employment for poverty reduction, social cohesion and security as well as conflict prevention, as addressed in numerous publications by relevant development-cooperation institutions, such as the World Bank's World Development Report 2013. In its Sustainable Development Goal 8, the 2030 Agenda adopted in September 2015 also promotes inclusive and sustainable economic growth, full and productive employment and decent work for all.

The programme (module) objective is: Capacities for the business and institutional competitiveness of selected developing countries have been structurally improved and economic relations with Germany have been consolidated. The programme was divided into four components with the regional hubs of Colombia, Morocco, Peru and the countries of the South African Development Community (SADC) region. While the first three components were geared to promoting purely business cooperation projects, the fourth component focused on public-private partnerships (PPPs). In the assessment of the expert appraiser, the programme design is coherent and the module objective appropriate.

The methodology of the programme is closely aligned with the technical and vocational education and training (TVET) field of activity within the German development cooperation priority of sustainable economic development (NaWi), in which the further training of specialist and executive personnel is a strategic priority of BMZ. The strategic approach of the GloBus Programme comprised three lines of intervention: (1) Strengthening the management skills of top executives and personnel from middle management, private-sector institutions and economic administration authorities, (2) Developing capacities of business education and training providers, and (3) Upgrading the competencies of managers in public organisations mandated with providing and operating (social) infrastructure. Along these three lines of intervention, the local partners (education/training institutions in Colombia, Morocco and Peru) were assisted in improving training quality and the management skills of entrepreneurs taking part in further training, with a special focus on developing the management skills of women. Moreover, public institutions in developing countries were enabled to carry out their own public-private partnerships.

The direct target groups of the programme comprise first and second level managers and executives from Colombian, Moroccan and Peruvian SMEs, as well as middle and top executive personnel for the group of managers from public institutions in the PPP sector. The target group also includes lecturers in partner training institutions receiving further training through ToT measures.

The business education and training institutions in the partner countries acted as implementing partners with responsibility for the requisite preparation of participants for their practical training in Germany. Other programme partners were the competent industry and SME associations in the developing countries that primarily assisted in recruiting entrepreneurs via their networks. Additional key partners of the GloBus Programme were the German Chambers of Commerce Abroad (AHK) in the respective countries.

The main collaborating partners for the target group of managers from public institutions in the PPP sector were the regional PPP office at SADC level and the national PPP offices in the SADC Region. The Development Finance Resource Centre (DFRC) and the Development Bank of South Africa (DBSA) acted as implementing partners for preparing programme participants in the region. The implementing agency in Germany was the German PPP unit Öffentlich-Private Partnerschaften (ÖPP) Deutschland AG (Partnerschaften Deutschland), and in Europe, the European PPP Expertise Centre (EPEC) located at the European Investment Bank.

The postulated results chain of the GloBus Programme is as follows: Training-of-trainer (ToT) measures will enhance the capacities of lecturers at training institutions in the partner countries to enable them to improve the business skills of SME managers and prepare them for international business relations. The training institutions will expand their range of courses

and include the topics of International Management and Economic Cooperation with Germany/Europe in their curricula. In this connection, the training institutions will also be expected to harness new potential for cooperation with the private sector, including with private-sector institutions and with executing agencies to discuss requirements for practice-centred training.

The entrepreneurs taking part in these further training courses will be prepared for planning and implementing international cooperation projects and for collaborating with German partners and they will enhance their management skills and acquire more in-depth knowledge and new competencies for corporate, association and administrative governance in the process. They will also gain improved problem-solving abilities for business development. Business representatives from partner countries will then come into contact with German enterprises during their stays in Germany, establish business relations and carry out business cooperation projects.

Associations, economic administration and public administration authorities will help businesses in particular to establish contacts with organisations in Germany, but also to improve service delivery for member companies and business and industry in general. This will also result in greater scope for cooperation.

Improved competitiveness of institutional capacities, more intensive economic cooperation with Germany and a better understanding of the potential and requirements of the German market will raise the demand for human resources in firms and consequently improve employment opportunities for the local population. Improved export opportunities can also be expected to increase investments, in the expansion of enabling infrastructure as well, which should then boost business growth and raise employment (indirect result). Depending on the favourable development of other factors, primarily in the global economy, this will boost poverty-reducing and inclusive growth driven by the private sector, raising income and employment for men and women in the partner countries.

The programme will have an effect on institutions mandated to promote PPP by qualifying them and improving their ability to cooperate with the private sector and organise and carry out PPP projects. These services will be used by participants and intermediaries to apply new approaches in product development, marketing, business planning, management and organisation and also in designing PPP projects.

The results chain model is coherent and plausible for achievement of the objective. The indicators of success (IS) for measuring the extent to which the module objective is achieved were used to assess the criterion of effectiveness. These IS are as follows: IS 1) By the end of the project, at least one further training institution for managers in each partner country has adopted topics of international business cooperation in practice-centred and activity-based modules in its further training courses and other further training institutions are in the process of including these standard modules in their curricula. IS 2) At least 25 participating firms from each of the partner countries have established or expanded contacts with German companies, which they assess favourably and this has given rise to at least 15 specific cooperation projects in each country. The indicators of success are in line with SMART criteria. As they correspond with the fields of activity in the GloBus Programme, they cover the aspects of the defined objective. The programme effectiveness can thus be assessed with these indicators. IS 2 relates to the overall term of the programme and has therefore been adjusted for the Peru component that only started in October 2014, and reworded for evaluation purposes as follows: At least 13 participating firms from the partner country Peru have established or expanded contacts with German companies, which they assess favourably and this has given rise to at least 8 specific cooperation projects in each country.

The following aspects have been taken into account for evaluating the impact: the expansion of bilateral business relations and their contribution to raising the competitiveness of SMEs from the partner countries as well as their effect on promoting employment. The expansion of further training offerings at the partner training institutions that meet the needs of businesses and institutions has also been verified. The evaluation has also examined whether the programme made use of upscaling mechanisms, and if so, which.

The evaluation relates to the overall term of the programme, from June 2012 to March 2017.

Basis for assessment of the OECD-DAC criteria:	Individual and overall rating of the OECD-DAC criteria:
<p>To determine the programme's overall rating, calculate the average of the individual ratings of the five OECD/DAC criteria:</p> <p>14 – 16 points: very successful  12 – 13 points: successful  10 – 11 points: rather successful  8 – 9 points: rather unsatisfactory  6 – 7 points: unsatisfactory  4 – 5 points: very unsatisfactory</p>	<p>Relevance: 16 points - very successful  Effectiveness: 12 points - successful  Impact: 12 points - successful  Efficiency: 12 points - successful  Sustainability: 12 points - successful</p> <p>Overall, the programme is rated as successful with 12.8 out of 16 points.</p>

**Relevance** (Are we doing the right thing?)

As regards its relevance, the GloBus Programme was very closely aligned with the strategic development priorities of the partner countries and the priorities of BMZ (sustainable economic development). For example, it coheres with BMZ's Sector Strategy on Private Sector Development and its related strategies that lay the foundation for sustainable economic development. The partner countries were also selected in accordance with national programmes and GIZ's sustainable economic development priority.

In addition, the GloBus programme is in keeping with the new Sustainability Development Goal 8 for promoting sustained, inclusive and sustainable economic growth. By making a contribution to the occupational qualification of women as part of economic development measures, it was also consistent with the BMZ Development Policy Action Plan on Gender 2009-2012. Promoting gender equality remains a basic principle of German development policy.

By strengthening the skills of SME managers, developing the capabilities of business education and training providers and, with that, liaising cooperation arrangements between German entrepreneurs and counterparts from the partner countries, the GloBus programme has made a relevant contribution to promoting the business and institutional competitiveness of the partner countries (Colombia, Morocco, Peru and the SADC Region).

The relevance of the programme is rated very successful with 16 points.

**Effectiveness** (Will we achieve the programme's objective?)

Objective indicator	Target value according to the offer	Current status according to the programme evaluation
By the end of the programme, at least one further training institution for managers in each partner country has adopted topics of international business cooperation in practice-centred and activity-based modules in its further training courses and other further training institutions are in the process of including such standard modules in their curricula. Baseline value: 0	In each partner country at least 1 practice-centred and activity-based module has been adopted in the curriculum and another module is in preparation.	At the time of evaluation, the actual value still amounted to 0. Even though Indicator 1 could not be met in full, there has been a discernible favourable development here. Both the contents for international business cooperation and intercultural skills as well as participatory methods of adult education continue to be used in the partner training institutions. Specific good economic cooperation practices with Germany are also used in further training. By introducing certain contents and methods in ongoing further training courses, the programme has helped to mainstream topics of international business cooperation in the system of partner training institutions and made an initial, major, practical contribution to competitiveness.

<p>At least 25 participating firms from each of the partner countries have established or expanded contacts with German companies, which they assess favourably and this has given rise to at least 15 specific cooperation projects in each country.</p> <p>Baseline value: 0</p>	<p>Colombia and Morocco components:</p> <p>At least 25 participating firms from each partner country have established or expanded contacts with German companies, which they assess favourably. This has given rise to at least 15 specific cooperation projects in each country.</p> <p>Peru component: At least 13 participating firms from Peru have established or expanded contacts with German companies, which they assess favourably. This has given rise to 8 specific cooperation projects in Peru.</p>	<p>During its term, the programme was able to reach many firms that have carried out cooperation projects. In Colombia and Morocco, for example, Indicator 2 has been met in full and even far surpassed. In Colombia, managers (both top executives and personnel from middle management) from 81 enterprises have received further training as part of the GloBus Programme and 51 of them have established or expanded contacts with German SMEs. By the end of the programme, 26 projects had been completed and an additional 34 are currently in implementation.</p> <p>The Morocco component also far exceeded Indicator 2. In this case, for example, 62 Moroccan SMEs have established or expanded contacts with German SMEs.</p> <p>The Peru programme component has met the (revised) indicator. In two rounds of the programme (local further training followed by a trip to Germany), managers from 73 SMEs received further training. Moreover, 32 SMEs from Peru took part in the trip to Germany and made contacts with German SMEs. So far, 8 cooperation projects have been completed and others are presently in implementation.</p>
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**The evaluation team comes to the conclusion that of the objective indicators, objective indicator 1 will probably be *partly* achieved and objective indicator 2 *fully* achieved by the end of the programme.**

Programme effectiveness is rated as successful with 12 points.

**Overarching development results (Impact)** (Are we contributing to the achievement of overarching development results?)

The application of various formats and elements of human capacity development (HCD) leads to a direct impact. Bilateral business relations between SMEs from the partner countries and from Germany have been expanded. Improving their management skills and facilitating exchange with German SMEs prepared the entrepreneurs from the partner countries for international business cooperation. This has raised the competitiveness of the SMEs participating in the programme.

The expansion of business relations and the higher competitiveness of the firms from the partner countries have had a discernible beneficial effect, such as higher employment. This has been confirmed by several interviewees, for instance from the company Tecnología y Suministros in Colombia.

Synergies have been created between the programme participants from the respective partner countries (Colombia, Peru, Morocco) and in all three countries these have given impetus to new opportunities for developing cooperation. In Colombia, the company Aldea has initiated a project with another GloBus firm that already involves a total of 12 businesses. A biomass power generating plant set up using German technology supplies the underdeveloped rural region of Orinoquía with energy. The project has contributed to regional development and is expected to have beneficial effects on infrastructure and make a contribution to raising employment opportunities in the region.

This evaluation has identified initial beneficial effects in the sustained institutionalisation of further training in international management and business cooperation projects with Germany/Europe in the portfolio of the training institutions of the partner countries. As the partner training institutions and the associations are organisations with a very broad impact, the changes initiated by the programme can have a large effect in the medium term as well.

The GloBus Programme was distinguished by particularly close cooperation with the projects in the portfolio for cooperation with the private sector and chambers, whereas there was no intensive collaboration with the GIZ projects in

the partner countries. One relevant cooperation project was, however, conducted with the Facilidad programme, which was launched in Central America and draws in part on the experience gained in GloBus.

An intensive public relations campaign was also carried out. The best practices of the GloBus Programme were compiled in films and flyers and are accessible on its website ([www.globus.exchange](http://www.globus.exchange)) and Facebook page. These can give further impetus to liaising cooperation. To ensure a long-term impact they should, however, continue to be maintained after the end of the programme term, for example under the responsibility of a partner.

The impact of the programme is rated successful with 12 points.

#### **Efficiency** (Are the objectives being achieved cost-effectively?)

When evaluating efficiency, a distinction must be drawn between the pilot phase (2012-2013) and the subsequent phase of the programme (2014-2017). Various approaches and formats were tried out during the pilot phase, which entailed a large financial and conceptual planning input. As of 2014, fixed formats were established that proved to be very efficient for implementation and achievement of the objective, which is why the programme could be implemented at lower cost and with resultant high efficiency after the initial pilot phase. This was demonstrated especially with the programme's expansion to Peru, which was able to achieve good results in a short time thanks to the prior programme experience gained and above all guidance from the Colombia component.

To analyse the costs of the programme, it was compared with other manager training programmes. In its pilot phase, the GloBus programme made funds available for developing the capacities of the training institutions. This investment enabled them to carry out further training on site themselves. The costs incurred (course fees) were borne by the participants themselves. In this way capacities could be developed at minimum cost – for both the training organisations and the managers. Apart from this initial investment in the partner training institutions, the GloBus programme incurred no additional further-training costs throughout its term. By comparison with programmes that involve further manager training in Germany, this approach is verifiably more cost-effective, efficient and sustainable. The number of cooperation projects carried out by GloBus participants underlines the importance of prior preparation for cooperation with German SMEs.

The business-to-business<sup>1</sup> (B2B) trip (as well as the project development trip) to Germany entailed high costs, for instance for interpreters at B2B meetings between executive personnel from the partner countries with German entrepreneurs, but these were necessary for achieving the results. As further training has already been conducted locally, the stay in Germany is primarily used for liaising contacts to maximise the effect of this phase.

The broad range of further training courses and networking, as well as the systematic combination of conducting its own measures and drawing on external expertise, in connection with appraisal missions too, enabled the programme to make very economical use of the limited resources available.

By combining different HCD approaches (capacity to build capacity), the programme was able to achieve maximum results, for example building capacities through local ToT. By qualifying managers for cooperation with Germany and organising 10-day business-to-business (B2B) and project development trips to Germany, the programme enabled implementation of specific cooperation projects in this phase in particular. Such projects also evolved between GloBus participants from the respective partner countries.

The efficiency of the programme is rated successful with 12 points.

#### **Sustainability** (Are the positive results durable?)

Sustainability at individual level is rated as very good. Entrepreneurs taking part in GloBus have been able to put the skills they acquired to sustained use in their everyday work and in their firms. Thanks to collaboration with key persons, such as top executive personnel, the changes initiated as part of the programme can be firmly established in the long term. This will help improve the competitiveness of the SMEs.

The networks that have evolved between participating entrepreneurs from the respective partner countries and among partner institutions (e.g. education and training providers and SME associations in Colombia) can have additional beneficial impacts. A question here is whether an international GloBus network with entrepreneurs from the partner countries, Colombia, Morocco and Peru, could have achieved further sustainable results. The entrepreneurs, but also the lecturers from the partner countries have explicitly voiced interest in this kind of exchange. In this way they could exchange experience on cooperation with Germany and possibly initiate cooperation themselves.

Through its knowledge management and dissemination activities, the programme assures sustained use of the approaches it has designed. Collaboration with the partner training institutions, the training of their lecturers in ToT measures and application of the knowledge acquired in local further training of SME entrepreneurs have upgraded the abilities of the lecturers as regards both subject and methodology. Extensive use of the capacities of the partner training institutions was

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<sup>1</sup> Business-to-business (B2B) denotes trade between firms. In this context, it refers to the trip to Germany by top executives from the partner countries aimed at liaising initial contacts with German companies.

thus made to generate outputs. After project completion, however, none of the modules developed as part of GloBus are being put to continued full use by the partner training institutions. There has nevertheless been an evident favourable development that will contribute to programme sustainability. The prospects for sustainable application in the partner countries look good.

Furthermore, members of the institutional partners have taken part in GloBus further training courses in Colombia, so that additional key persons have been reached here also who can act as multipliers. The Association GloBus Maroc (AGM) founded in Morocco can continue to relay experience of cooperation and the implementation of cooperation projects with German SMEs. It can play a major role in liaising new business relations between SMEs from both countries.

The GloBus Session network events have facilitated numerous contacts between German and partner-country SMEs. Multipliers from private-sector organisations from Germany and the partner countries also took part in these, making it possible to establish additional contacts and expand existing networks.

The prospects for sustainability in the key areas of the programme are assessed as good. The capacity development measures were designed systematically and generally well tailored to assuring sustainability in the system.

The sustainability of the SADC component could not be assessed during the evaluation, but it can also be assumed to have had a sustainable effect, as all the materials prepared have reportedly been handed over to the SADC 3P Network (PPP network in SADC supported by GIZ and the World Bank), so that these can continue to be used in the SADC region as part of the Strengthening Economic and Trade Policy Capacities and Performance in SADC programme.

As described above, long-term results have been achieved with regard to improved competitiveness and consolidated economic relations with Germany. Via a complex results chain, the programme contributes to the overarching development results, primarily employment promotion and poverty reduction.

Finally, the active support for other projects (e.g. Facilidad) also indicates opportunities for longer-term beneficial impacts of the work of the GloBus Programme. The issue can also be expected to play a growing role in future, as it has now been included for instance in the 2030 Agenda.

The sustainability of the programme is rated successful with 12 points.

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