

# Colombia

Country report for the evaluation of CBI's Export Coaching Programme 2005-2012

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## Content

Summary and conclusions.....	3
Relevance.....	3
Efficiency.....	4
Effectiveness.....	4
1. Evaluation approach .....	6
1.1. Objective.....	6
1.2. Evaluation questions .....	6
1.3. Methodology .....	10
1.3.1. Data sources.....	10
1.3.2. Data collection.....	13
1.3.3. Data analysis.....	13
2. Theory of change .....	15
3. Context analysis .....	22
3.1. Overview of socio-economic performance .....	22
3.2. Overview of policy development during evaluation period.....	25
3.3. Overview of export performance .....	27
4. Evaluation results.....	31
4.1. Relevance.....	31
4.1.1. Relevance for the policy objectives of the Ministry of Foreign Affairs.....	31
4.1.2. Relevance for the national development programme .....	32
4.1.3. Relevance given other stakeholders .....	32
4.1.4. Relevance for Colombian SMEs and CBI participants .....	35
4.2. Efficiency.....	39
4.3. Effectiveness.....	41
4.4. Spill overs and sustainability .....	46
5. Conclusions .....	48
Annex 1. Overview of CBI assisted companies.....	52
Annex 2. Company descriptions.....	54

## Summary and conclusions

This document reports the results of the qualitative evaluation of the export promotion activities by the Centre for Import Promotion (CBI, *Centrum ter Bevordering van Import uit ontwikkelingslanden*) in Colombia. This study is one of three country case studies conducted as part of the broader evaluation of CBI by the Policy and Operations Evaluation Department (*Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie*, IOB) of the Ministry of Foreign Affairs in the Netherlands. For further information on this evaluation, please refer to the terms of references written by IOB.<sup>1</sup>

From the Colombia country case study can be concluded that:

### Relevance

The evaluation raises questions with regard to the relevance of CBI's export coaching programme in Colombia to the pursuit of the ultimate aim of the organisation (i.e. promotion of imports from developing countries).<sup>2</sup> CBI did target some of the barriers to export of Colombian SME exporters, such as information about the European market. However, it is clear that there were much larger barriers to European exports for Colombian companies in the sectors investigated, in particular those that reduce the competitiveness of Colombian products and services in the European market (e.g. transport costs, production costs, reputation).

Moreover, the strength of the local export promotion organisation, Proexport, and the Colombian SMEs themselves, risks diminishing the added value of external assistance such as the ECPs in Colombia. Certainly, Proexport and CBI beneficiaries do consider CBI as complementary, mainly based on its European focus. However, given the limited interest of Colombian SMEs in the European market during the evaluation period, ECP activities that focused on Europe did not seem particularly relevant (though this does not equally apply to all ECP sectors).<sup>3</sup>

During the evaluation period, the ECPs were developed and implemented autonomously, independent of the Colombian government's national development strategy and the country programme of the Dutch Ministry of Foreign Affairs (as implemented by the Embassy). Nevertheless, the national export promotion agency does consider the ECPs to fit the national

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<sup>1</sup> IOB, 30-01-2014, Terms of Reference Evaluation of CBI (2005-2012) and IOB, 18-02-2014, Terms of Reference Evaluation of CBI, Lot 1: case studies & benchmark.

<sup>2</sup> From the interviews conducted for this evaluation with companies, CBI programme managers and consultants, follows that there is a lack of clarity on the ultimate aim of the CBI programme, and divergent viewpoints thereof within CBI (e.g. promotion of exports to Europe or in general and/or business development).

<sup>3</sup> As a result, the industrial sectors that CBI supported during the evaluation period were not included by CBI/Proexport in the new CBI country programme Colombia (2014-2018).

strategy for export promotion. Proexport deems the increased alignment by CBI for the 2014-2018 Colombia programme to be an huge improvement.

### Efficiency

The ECP in Colombia was efficient in terms of deliverance of outputs. Overall, the companies' assessment of the quality of services offered in the ECPs was positive. The sector expertise and company-specific technical assistance was valued most by participants, as being useful even without exporting to Europe.

However, the efficiency of the programme does seem somewhat hindered by the selection process. The ECPs included several companies that did not produce a product suited for export to Europe and some companies were initially involved in the wrong ECP. The official drop-out rate was relatively low compared to some other countries in which CBI operates (4 companies), but it is striking how many firms ended participation after the first trade fair (6). This provides an indication that the companies' costs of participation did not weigh up against the potential benefits (i.e. potential of European market).

### Effectiveness

When considering the intermediary outcomes, about half of the companies interviewed state that participation in an ECP has contributed significantly to their export competencies. However, only for 4 out of the 13 beneficiaries interviewed can be concluded that there has subsequently been a discernible contribution of participation in the ECP to the company's growth (measured by an increase in size or of non-EU exports, mainly regional).<sup>4</sup> None of the companies interviewed currently exports to Europe.

From the interviews follows that CBI contributed through offering valuable technical assistance with which the companies improved their products, (export) marketing and production processes, enabling growth in the domestic or regional markets (rather than the European market). As such the effectiveness of ECPs in Colombia seems to be related more to general business development than to export promotion, even though the indicator for success is solely focused on exports. Moreover, CBI's contribution depends highly on the expertise of the CBI sector experts as well as on the commitment of the company to act upon the technical assistance provided (often facilitated by involvement of higher management and availability of financial resources).

CBI did not make a contribution to the growth of the remaining companies interviewed (9/13), either because the ECP did not fit well with the company (e.g. technical assistance and training

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<sup>4</sup> It is hard enough to make plausible linkages between participation in the ECPs and growth of the companies (e.g. due to other factors such as the economic crisis which happened during the evaluation period). Identification of further effects, such as employment or indirect effects (e.g. spill over in the supply chain), has been impossible due to lack of data (and intended effect on exports).

too general, trade fairs not fitting with company) or because the company did not have a competitive product to export to Europe (and the ECP was thought to be inapplicable to exports elsewhere).

### Sustainability

From the interviews with companies and experts follows that there were no specific measures taken to enhance the sustainability of the ECPs. At company level, there were some incidental spill overs within companies beyond the participant in CBI activities, but hardly any externally. Moreover, only in those cases where CBI beneficiaries made structural changes to the company based on the technical assistance included in the ECPs (4), is there at least potential for benefiting from participation in the future.

However, by working closely with the national export promotion agency, Proexport, CBI did have a lasting effect on export promotion in Colombia beyond the direct beneficiaries and time period in which the ECPs took place. The cooperation included training, which is expected to have a lasting effect on the assistance Proexport provides to Colombian companies.

## 1. Evaluation approach

### 1.1. Objective

With some minor adjustments, the country case study in Colombia has been conducted as prescribed in the terms of reference. Accordingly, the objective of the Colombia study was: *“to assess independently the results of the CBI programme and the extent that it contributes to the realization of the objectives of the Dutch policy on private sector development.”*<sup>5</sup> The evaluation period is set at 2005 to 2012, the focus of the evaluation is on a selection of export coaching programmes (ECP).<sup>6</sup>

### 1.2. Evaluation questions

The evaluation questions to be answered in the country case studies (according to the ToR for the case studies with a few additions) are summarised in the matrix below (see Table 1).

**Relevance** is defined, according to the ToR, as the extent to which the objectives of the programme could have only been achieved through the programme interventions (“input additionality”). Did CBI inputs (financial or otherwise) substitute or complement the input of other actors (such as private export promotion organisations or other donors)? Moreover, the evaluation of relevance will include the assessment of the programme’s alignment with national development goals and priorities, of both government and local companies. This requires mapping comparable interventions by other actors, private and public, and determining the role of CBI within this context.

**Efficiency** will be evaluated mainly by assessing whether and how the planned activities have been implemented. Cost-efficiency of CBI will be assessed through a benchmark exercise rather than at country level.<sup>7</sup>

**Effectiveness** will be measured by assessing whether the intended effects of the ECPs have been achieved (and for whom), and the extent to which the CBI interventions contributed to these effects. Moreover, it is important to assess *how* ECPs contributed to change. The evaluation thereof will be based on the interviews with companies and with the sector experts (and are thus self-reported changes). Information on, among others, exports and employment before and after the CBI interventions should give an indication of the share of exports to the EU/EFTA that would not have occurred without the ECPs (“output additionality”). This also requires a good understanding of the context within which the ECPs operated in order to determine other factors influencing the outcomes.

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<sup>5</sup> IOB, 30-01-2014, Terms of Reference Evaluation of CBI (2005-2012) and IOB, 18-02-2014, Terms of Reference Evaluation of CBI, Lot 1: case studies & benchmark.

<sup>6</sup> During the evaluation period CBI did not implement country programmes, therefore the evaluation actually focused on the results of CBI’s Export Coaching Programme (ECP) for Egyptian companies.

<sup>7</sup> The costs for companies of participating in the ECP (apart from participation fees) has not been assessed as it has proven too difficult to single out CBI-related costs from overall company costs.

**Sustainability** focuses on whether/what structures CBI put in place to promote sustainability of effects (e.g. co-financing, collaborations) and the extent to which participation in the ECPs has had a lasting impact on companies.

Table 1. Overview of evaluation questions

Evaluation Criterion	Evaluation Question	Sub-Questions
<b>Relevance</b>	Does the programme respond to the main barriers to export for companies in Colombia?	What are the key barriers to export for companies in Colombia (in general and for the companies interviewed)? To what extent does CBI address these barriers?
	Could the objectives have been addressed by other means?	How do the CBI activities fit within the context (given all stakeholders in export promotion in Colombia):
		Complements: To what extent did CBI collaborate with other export promoters?
		Substitutes: To what extent do CBI services overlap with other export promoters?
	Does the targeting fit the programme objectives?	To what extent have beneficiaries of the CBI intervention also been assisted by other actors (before, during or after the CBI intervention)?
		How were clients selected?
		What are the profiles of the selected beneficiaries? Does this profile fit the objectives of the CBI programme, of the relevant Dutch policy and of the national <sup>8</sup> development requirements?
<b>Efficiency<sup>9</sup></b>	Were the outputs of the programme delivered as planned (if not, why not)?	Description of executed programme activities compared to programme objectives
		Assessment of the quality of CBI services by clients (if possible compared to other export promoters)

<sup>8</sup> Bearing in mind that during the evaluation period the ECPs were purposely sector-specific (selected on the basis of demand in EU/EFTA) rather than country-specific.

<sup>9</sup> Efficiency will also be addressed through the benchmark study conducted by APE for IOB, in which CBI's cost structure will be compared to other trade promotion organisations.



Evaluation Criterion	Evaluation Question	Sub-Questions
<b>Effectiveness</b>	<i>Exports</i> To what extent did participating enterprises increase exports to EU/EFTA - as a result of the ECPs?	Was this increase in new markets and/or new products (diversification)? How did this increase occur?
	<i>Employment</i> What are the employment effects resulting from the interventions?	Did employment increase/decrease (at what skill level), how and for what reasons?
	<i>Indirect effects</i> What kind of indirect effects can be linked to CBI interventions (e.g. knowledge spill over)?	How might these indirect effects contribute to the programme objectives?
		Were there any unintended negative/positive effects of the programme?
<i>Beneficiaries</i> Which enterprise types did benefit most?	Is this profile in line with the programme objectives?	
<b>Sustainability</b>	To what extent did benefits for participating companies (exports, jobs) continue after CBI's interventions were completed?	What structures are in place to enhance sustainability of the effect of ECPs on participating companies?
		Do the effects (e.g. business contacts) remain in place after completion of the programme?
		If required, are there any spill-over or replication effects (e.g. have parts of the programme been continued/replicated by other actors)?

### 1.3. Methodology

#### 1.3.1. Data sources

This evaluation is primarily based on interviews with Colombian companies that participated in ECPs between 2005 and 2012. These interviews are triangulated with interviews with CBI programme managers and experts, and with the counterpart of CBI in Colombia, Proexport. The evaluation also made use of CBI databases (including the data collected by CBI for this evaluation).

As a first step, all 42 companies that participated in ECPs during the period 2005 and 2012 and ended the programme successfully (“completed” or “delivered” according to CBI) were contacted to be part of this evaluation. The final sample of companies interviewed for this evaluation is therefore slightly biased, consisting of 13 traceable companies, willing and able to be interviewed during the field study.<sup>10</sup> The four companies that dropped out of ECPs did not respond to several requests for an interview.

Unfortunately, it proved to be an even larger challenge to capture companies in Colombia that were not involved with ECPs to be used as a counterfactual group. First of all, it is a challenge to determine whether a company is comparable to the CBI companies, given the variance in the kinds of companies that are selected by CBI (in size, capacity, age, sector...). Secondly, government institutions that register exporting companies, such as Proexport, are by law prohibited to devolve information about their clients. Thirdly, once comparable companies were found (e.g. by asking CBI participants about their competitors or by browsing catalogues of other export promotion organisations such as SIPPO), the willingness to participate in the evaluation was low (understandably perhaps) among this group of companies. As such, only one such ‘counterfactual’ company has been interviewed for this study (sector 1031).

As figure 1 illustrates, the thirteen companies interviewed operated in different sector programmes. During the evaluation period, CBI carried out ECPs in Colombia in the sectors 1028 (Industrial – mobile equipment parts), 1029 (Industrial – Engineering products), 1030 (Industrial – Medical and lab), 1031 (Services ITO), 1036 (Industrial - Subcontracting , casting and forgings), 1037 (Food ingredients), 1038 (Industrial - Personal Protective Equipment), 1039 (Consumer – office and school supplies), 1040 (Home decoration, accessories and gifts). The companies interviewed cover most of these sectors, except for the agriculture and food sector (1037) and the protective equipment (1038).<sup>11</sup>

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<sup>10</sup> An initial attempt to contact only a random sample of companies did not succeed due to difficulties with contacting companies in Colombia and the rapid exhaustion of the random sample as a result.

<sup>11</sup> However, the sample is not large enough to identify differences between the performance of different ECP (per sector). As a result, the conclusions are based on the experience of the companies interviewed rather than being representative for any specific ECP.

Figure 1. Amount of companies in the ECPs (42) and interviews (13)

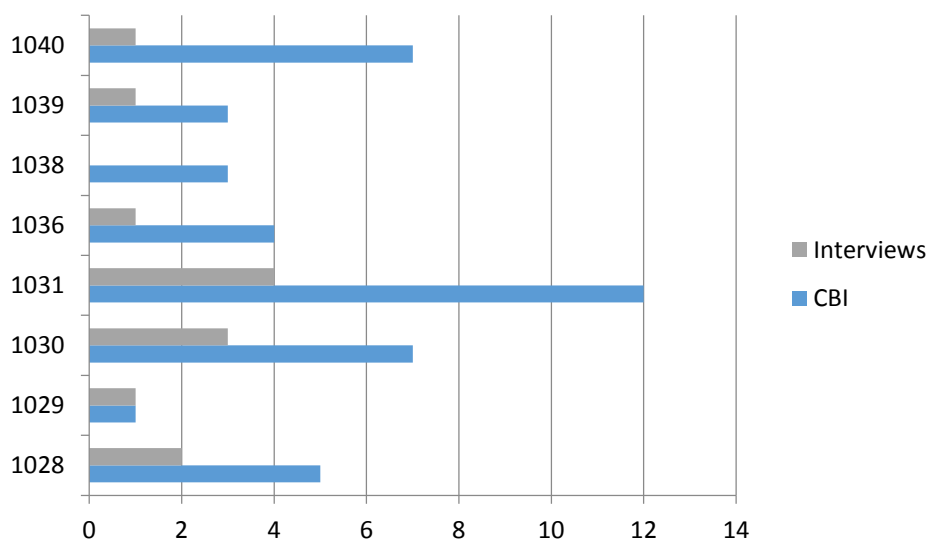


Table 2 lists the companies interviewed.

Table 2. Sample CBI companies<sup>12</sup>

ID nr	Name	Sector	Size
<b>Companies assisted by CBI</b>			
74951	Adhesivos Internacionales-Adhinter S.A.	1030	50-100
74952	Eterna S.A.	1028	400+
75384	Financial Systems Company Ltda	1031	5-25
72827	C4 Control de Contaminacion Ltd	1029	25-50
75380	Asesoftware Ltda.	1031	50-100
74962	Asepsis Products De Colombia Ltda. Proasepsis Ltda	1030	50-100
75064	Dermocell Technologies	1030	50-100
75415	Mecanicos Unidos S.A.	1036	200-400
75370	ILIMITADA S.A	1031	50-100
75554	In Tacto Diseño	1040	5-25
75382	MVM Ingenieria de Software S.A.	1031	100-200
51438	Autopartes De Lidia Ltda.	1028	5-25
78955	Doricolor S.A.	1039	100-200
<b>Comparable company, not assisted by CBI</b>			
	Choucair	1031	100-200

<sup>12</sup> Based on the CBI database.

Compared to the overall group of CBI-assisted companies, those interviewed are similar in size (on average 118 employees at the start of the programme compared to 127 for the full sample) but have a higher reported exports to the EU and the rest of the world (see Annex 2 for the full list of CBI assisted companies during the evaluation period). This difference in the value of exports could cause a bias in the sample. On the one hand, this might indicate that the companies interviewed are more successful (positive bias). On the other hand, it could underestimate the contribution of CBI if the sample consists of companies with significantly more export experience so that there is less scope for CBI to add value.<sup>13</sup>

**Table 3. Comparison of the evaluation sample with the overall group of CBI-assisted companies**

	EU/EFTA Business Contacts	Non-EU/EFTA Business Contacts	EU/EFTA Export reported	Non-EU/EFTA Export reported	Employment registered at start	Employment registered at end
Average group (42)	47	12	60.775	1.879.222	127	132
Average survey (13)	57	16	128.428	2.521.931	118	129

Source: CBI database ("OVI Sheet"), February 2014

In order to better understand the programme and the way in which it has been implemented and influenced by external factor, interviews have been held with the relevant CBI programme managers and country managers (mostly based in the Netherlands). Moreover, several of the sector experts that were used to implement the ECPs in Colombia have been interviewed as well.

**Table 4. Interviews CBI programme managers and experts<sup>14</sup>**

Name	Function
Mr Hans Klunder	Former Director CBI (2008-2014)
Mr Dick de Man	Deputy Managing Director CBI (CBI since 1995)
Ms Henrique Postma-Hazelaar	Programme manager 1040
Ms Melanie Haga	Programme manager 1039/38/34
Mr Cor Dieleman	Programme manager 1028/29/36
Mr Jan Oude Eferink	Expert 1028
Mr Arjan Hock	Expert 1030
Mr Jan Ramakers	Expert 1043

<sup>13</sup> Unfortunately, as will be discussed further below, the export data reported in CBI's monitoring system is not consistent enough to draw such conclusions.

<sup>14</sup> Not officially interviewed but consulted: Jan Willem Oosterbroek, responsible for M&E at CBI.

Furthermore, in order to balance the information collected through the beneficiaries and CBI, and in order to address the relevance question, interviews were conducted with different types of organisations, government and non-governmental, active in the area of export promotion in Colombia.<sup>15</sup>

**Table 5. Stakeholder interviews**

Name	Organisation
Mr Joel Brounen	Senior officer economic affairs and CSR, NL Embassy
Mr Koen Sizoo	Adjunct Chef de Poste and head of the Economic Department, NL Embassy
Mr Catalina Pulido	Manager Programmes State Secretariat for Economic Affairs, SECO, Swiss State Secretariat for Economic Affairs.
Ms Paula Ospina Reyes <sup>16</sup>	Senior manager, Department of Cooperation and Conventions, Proexport
Ms Pilar Lozano (phone)	Manager of the Department of Cooperation of Proexport during the evaluation period, currently consultant working with CBI

### 1.3.2. Data collection

The data collection is based on individual interviews with companies and key stakeholders. The outlines for these semi-structured interviews are included in the annex. The interviews with companies focused on the effectiveness and relevance of the CBI activities and were furthermore intended to validate the outcome indicators as reported by CBI (such as export values). The interviews with key stakeholders concentrated on the relevance (input additionality) of CBI activities in Colombia.

In preparation of the interviews in Colombia, background documents and relevant literature has been reviewed. This included analysis of CBI's own reporting on programmes and companies served in Colombia (e.g. audit plans, reports of technical assistance missions). The desk review also included previous evaluations of CBI, which are of relevance for the evaluation in Colombia.

### 1.3.3. Data analysis

As stated by White and Philips, '*causation is established beyond reasonable doubt*' by collecting evidence to validate or invalidate the reasoning underlying the theory of change<sup>17</sup>

<sup>15</sup> Unfortunately, despite several attempts, it was impossible to conduct an interview with Mr Ovidio Patino (CBI local consultant 1036/38/39) and Ms Pilar Lozano,. However, useful evaluative comments from Mr Patino were found in CBI files.

<sup>16</sup> Email interview

<sup>17</sup> The theory of change sets out the theory behind an intervention: motivation, aims, way of implementing, causal mechanism (outcome given the inputs, activities, outputs and other underlying assumptions), and specific conditions.

and as such providing rigorous evidence for the (missing) links in the actual causal chain.<sup>18</sup> As such, the country study analysed the evidence in Colombia supporting the theory of change, using the methodological steps for carrying out a so-called ‘contribution analysis’.<sup>19</sup> This included:

1. Collecting evidence on the theory of change, and the strength of the evidence in different parts of the results value chain. This includes acknowledging the potential impact of other “pathways” (e.g. other export promotion efforts such as training by local government, donors or non-governmental organisations, as well as private sector companies).
2. Assessing contribution, and challenges thereto. One can conclude that there is a plausible linkage between the interventions by CBI and the results if:
  - a. a well reasoned theory of change can be determined (e.g. assumptions make sense),
  - b. activities of an intervention have been implemented as set out in this theory,
  - c. there is sufficient evidence that the expected results have happened (within a specified timeframe), and
  - d. the relative contribution of other external factors has been recognised (e.g. social, political context, parallel interventions).

Ultimately, the effectiveness of interventions is assessed in terms of plausible magnitude of impact (e.g. no attributable impact to high impact) and relevance (i.e. linking the theory of change to the objectives). This approach has been trialed and tested in different evaluations and is now acknowledged as the current state-of-the-art approach to measure impact when statistical impact evaluation is not possible (White and Phillips, 2012).

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<sup>18</sup> H. White and D. Phillips, 2012, Addressing attribution of cause and effect in small n impact evaluations: towards an integrated framework. Working Paper 15. International Initiative for Impact Evaluation.

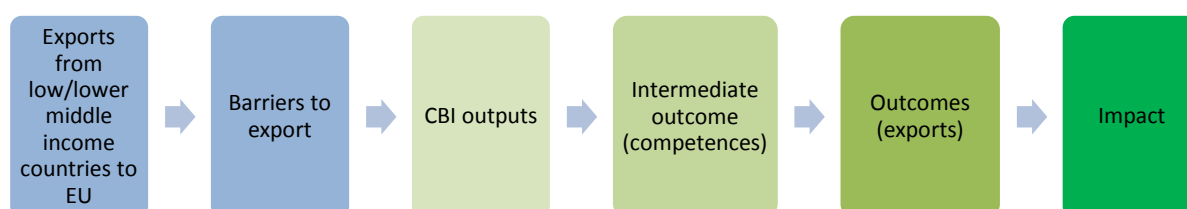
<sup>19</sup> J. Mayne, 2011, Contribution analysis: addressing cause and effect, in K. Forss, M. Marra and R. Schwartz (eds.) Evaluating the Complex. New Brunswick, NJ: Transaction Publishers.

## 2. Theory of change

The terms of reference for this evaluation did not include a theory of change to use as a starting point for the evaluation. Therefore, a theory of change for the evaluation was constructed on the basis of the terms of reference for the overall evaluation of CBI (assumed to be linked to the Ministry's theory of change for supporting CBI) and a description by CBI of the theory of change, written for IOB in response to the initial terms of reference. It is important to note, however, that the ECP is designed as a sector-focused programme, covering different countries, rather than a country programme.

This reconstructed theory of change for the ECP at country level, which is described in more detail here below and illustrated by figure 2 and 3, was used as a starting point for all the country case studies.<sup>20</sup>

Figure 2 Summary of the reconstructed results chain for the evaluation of CBI at country level



### Potential exporters to Europe

CBI aims at developing countries that have the potential to export to the European market (i.e. EU/EFTA). As CBI states *'it is of importance that the production capacity has sufficient (potential) to be competitive to conquer, maintain or expand a market share on the European market'*. The focus of the organisation (and thus the interventions) has traditionally been on Europe, though it appears from interviews with CBI programme managers and experts that in practice this focus is less strong and the implicit aim is to expand exports in general.

In principle, countries with a per capita GNI equal to 'Upper Middle Income' and higher, including China, are to be excluded (as CBI support is considered Official Development Assistance, ODA). At the start of the evaluation period, 2004, Colombia was still a lower middle income country, albeit clearly not for long. And indeed, since 2007 Colombia is an upper middle income country, the fourth largest economy in Latin America and in process of becoming member of the OECD. As an emerging economy, the country is considered a

<sup>20</sup> Unless mentioned otherwise, this description of the theory of change is based on CBI Theory of Change and indicators for IOB evaluation (October 2013) as well as the report of the CBI-IOB brainstorm session on the theory of change (February 2014).

'transition country' by the Dutch government, which implies that development cooperation is to be phased out and replaced by commercial relationships. CBI follows the same approach.<sup>21</sup>

The sectors to be supported in these countries are selected according to the following criteria:

- Import potential on the European markets;
- Willingness among potential buyers in European markets to establish relations with exporters in developing countries;
- Adequate export potential in developing countries;
- No insurmountable trade barriers
- Products have added value (no traditional bulk commodities)
- Contribution to export diversification of developing countries.

As will be discussed below (4.1), several of the companies that participated in the ECPs in Colombia, doubt the willingness among potential buyers in European markets to establish relations with exporters from Colombia. According to the companies interviewed, the reputation of the country, as supposedly 'unsophisticated' and associated with conflict and drugs, hampers the access to Europe (while being less of a problem in the regional market).

Once the sectors and countries have been chosen by CBI, companies in those countries and sectors '*with the capacity (or potential) to export with a focus on the EU*' can apply for assistance from CBI, if they fulfil at least the following publicised selection criteria:<sup>22</sup>

- At least 51% locally owned, or (co-) owners who reside in another developing country (excluding developing countries characterized as upper middle income country or higher);
- 25 to 500 employees;
- Compliance or the willingness to comply with EU market requirements;
- No licensing commitments that prohibit or limit export possibilities of products to the EU, competitive prices and sufficient production capacity;
- A management which is able to communicate in English;
- The willingness and capacity to invest in adaptations of, for instance, product assortment and production processes, if and as required by the European market.

The selection procedure by CBI can be considered part of the programme, the first audit of pre-selected companies, for example, aims to be a valuable product/process even if the company is not selected for further participation in the ECP. Indeed, one of the companies interviewed in Colombia, a starter, did make good use of the first audit to adapt the company's organization (see chapter 4).

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<sup>21</sup> There are specific agreements between CBI and the Dutch Ministry of Foreign Affairs about the selection of countries, including the phasing out of the programme in countries such as Colombia (see policy reconstruction by IOB).

<sup>22</sup> The selection criteria can be found on <http://www.cbi.eu/About%20CBI/CBI%20services/Export%20Coaching%20Programmes/Criteria>



### **Barriers to export**

Even if a sector has the potential to export to the European market and there are ‘no insurmountable trade barriers’, as are the selection criteria for countries, there might still be internal and external constraints that hinder export activities of individual companies (either to start or expand exports).

According to CBI, the main barriers that CBI aims to address are:

1. lack of organisation, inadequate communication;
2. lack of knowledge regarding trends, developments, market requirements, and opportunities on European export markets;
3. lack of networks of potential buyers
4. failure to meet market access requirements and quality standards;
5. inadequate export, production and marketing skills;
6. lack of local adequate trade promotion infrastructure to tap into.

Apart from the sixth barrier, which concerns local trade promotion infrastructure, CBI clearly concentrated on internal, firm-specific barriers to exporting. When assessing the extent to which CBI has contributed to changes in exports of benefiting firms by addressing internal barriers, the importance of other barriers needs to be taken into consideration as well. The barriers can be categorised as follows.

**Table 6. Barriers to export**

<b>1</b>	Market information	Knowledge of opportunities, customer needs and preferences, product standards and market requirements in EU
<b>2</b>	Market entry	Selection of trade channel, network of buyers, promotion of product in EU...
<b>3</b>	Market access	Tariffs and non-tariff barriers, certification, ...
<b>4</b>	Human resources	Lack of e.g. language skills, experience and skills of staff, management...
<b>5</b>	Lack of export strategy	A structured approach exports (e.g. based on an export marketing strategy) – in contrast to ad hoc response
<b>6</b>	Quality of products and production processes	level and consistency, price, standards and requirements, as well as supply of labour, supply and quality of inputs for production, access to finance,...

- 7 Trade environment**      Issues such as the exchange rate and currency convertibility, country reputation, transport costs,...

### **Activities**

CBI has three target groups for its activities:

1. SME exporters in developing countries
2. Business support organizations (BSO) in developing countries
3. Importing trade and industry in EU/EFTA countries.

In order to assist these groups and address the above mentioned trade barriers, CBI offered different products during the evaluation period.<sup>23</sup> The evaluation in Egypt concentrates on the assistance to the first group.

### Sectoral export development ( Export Coaching Programmes –ECP).

This programme takes a phased approach to *'strengthen [companies'] competitive capacity on European markets through improvement of internal conditions of the company to comply to European market requirements and to support them to connect to potential European buyers'*.

An ECP supports (potential) exporters to:

- Adapt the company and products to EU market requirements and standards;
- Become familiar with EU markets and business practice;
- Develop an export marketing strategy;
- Export to the EU market;
- Consolidate their export position in the EU.

To achieve this, the following tools can be employed:

- Technical assistance (visits) by (local) CBI experts (e.g. audits);
- Distant guidance;
- Group trainings on common topics;
- Export Marketing Seminar (EXPRO);
- Guided participation in EU trade fairs;
- Support in negotiations with certification bodies.

Though the focus of the ECPs is on individual SME, the ECPs also contributed to the development of the national, governmental export promotion organisation, Proexport. This happened for example through the close cooperation during the implementation of the ECPs

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<sup>23</sup> Since 2011/2012, CBI works with a more integrated approach. This was, however, not yet introduced in Egypt, Colombia or India during the evaluation period.

and stand-alone training activities offered by CBI in Colombia in which Proexport staff participated (see section 4.4).<sup>24</sup>

### Outputs

Following participation in one or more of ECP activities, CBI expects to have contributed to *'sustainable strengthening of the competitive capacity of SME exporters and producers in developing countries, focusing primarily on European markets'*.

The country case studies concentrate on SME exporters. At that firm level, the strengthening relates to five core competences:

1. Market knowledge
2. Export marketing and management
3. Market entry
4. Product and production process adaptation
5. Quality assurance

After completion of an ECP, which lasts several years, a company is declared 'competent' by the CBI expert if it has improved its capacity in these five areas (as reported in the Export Audits conducted at the start, during and at the end of the programme).<sup>25</sup> There are no strict guidelines on how to determine competence (apart from having participated in activities and the judgement of the experts as expressed in the business audit form). In Colombia, all companies (except those that dropped out) were declared competent.

### Outcome

CBI's ultimate goal (*'mission'*) is *'to contribute to sustainable economic development in developing countries through the expansion of exports from these countries'*. As agreed with the Dutch Ministry of Foreign Affairs, this expansion of exports is measured by the total exports (to Europe) in the period in which companies are involved in CBI activities, or more specifically:<sup>26</sup>

- The total realised export to the EU / EFTA markets, measured from the start of the ECP until one year after completion of the programme. The total value of the realised export should be at least the same or more than the planned export.

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<sup>24</sup> The Business Support Office Developmental Programme, implemented between 2010-2012 by the Institutional Development department of CBI with similar objectives (and thus overlapping), is not part of the evaluation.

<sup>25</sup> The CBI definition of a competent exporter is a company that *'demonstrated to have sufficiently improved on the critical action points identified in the Export Audit, as well as active participation during the programme (i.e. participated in Export Marketing Seminar, Technical assistance visits and participated in an exhibition)'*

<sup>26</sup> The set of indicators was adopted in 2006 along with the introduction of the ex-ante cost price model. Quality and accounting indicators are laid down in: Memorandum from FEZ to 'Toetsingscommissie Verzelfstandigingen' dated August 23, 2005 on quality indicators; Memorandum from FEZ to DGIS dated April 7, 2006 on accounting indicators; Memorandum from CBI to DGIS dated 20 December 2007 supplementing the quality indicators from 2005; Memorandum from CBI to DGIS dated 31 March 2008 on two revised BSOD modules; memorandum from CBI to DGIS on new cost price model dated 17 June, 2010.

- The total realised export to the non- EU / EFTA markets measured one year after completion of the programme.
- The number of additional jobs created within the company measured one year after completion of the programme (expected to increase).

Given the Ministry's interest in achieving sustainable economic development through the support of CBI activities, the following indicators were added for the evaluation:<sup>27</sup>

- Is the increase in exports, due to an increase in volume of exports and/or increase in markets/products (diversification)?
- What is the added value of those exports, i.e. exports corrected for the use of imported inputs in production of the exported products or services?<sup>28</sup>
- What are effects on the environment of the participating companies (e.g. within the value chain, on competitors)?

Unfortunately, in Colombia it was hard enough to gather information on exports and employment during the interviews and follow-up contacts, let alone to receive even more detailed information on diversification, added value and effects in the value chain.

### *Impact*

The CBI programme, and the support of the Ministry of Foreign Affairs thereof, presupposes that export ultimately contributes to sustainable economic development.<sup>29</sup> There is indeed extensive literature on the benefits of trade, (e.g. production surplus, foreign income, competitiveness, productivity), as well as on risks (of trade and/or globalisation, e.g. loss of domestic production), which needs no repeating here. CBI, as well as the Dutch Ministry of Foreign Affairs, focus on the positive impact of export through the labour market (employment creation, and more recently improvement of working conditions), rather than competitiveness or productivity.

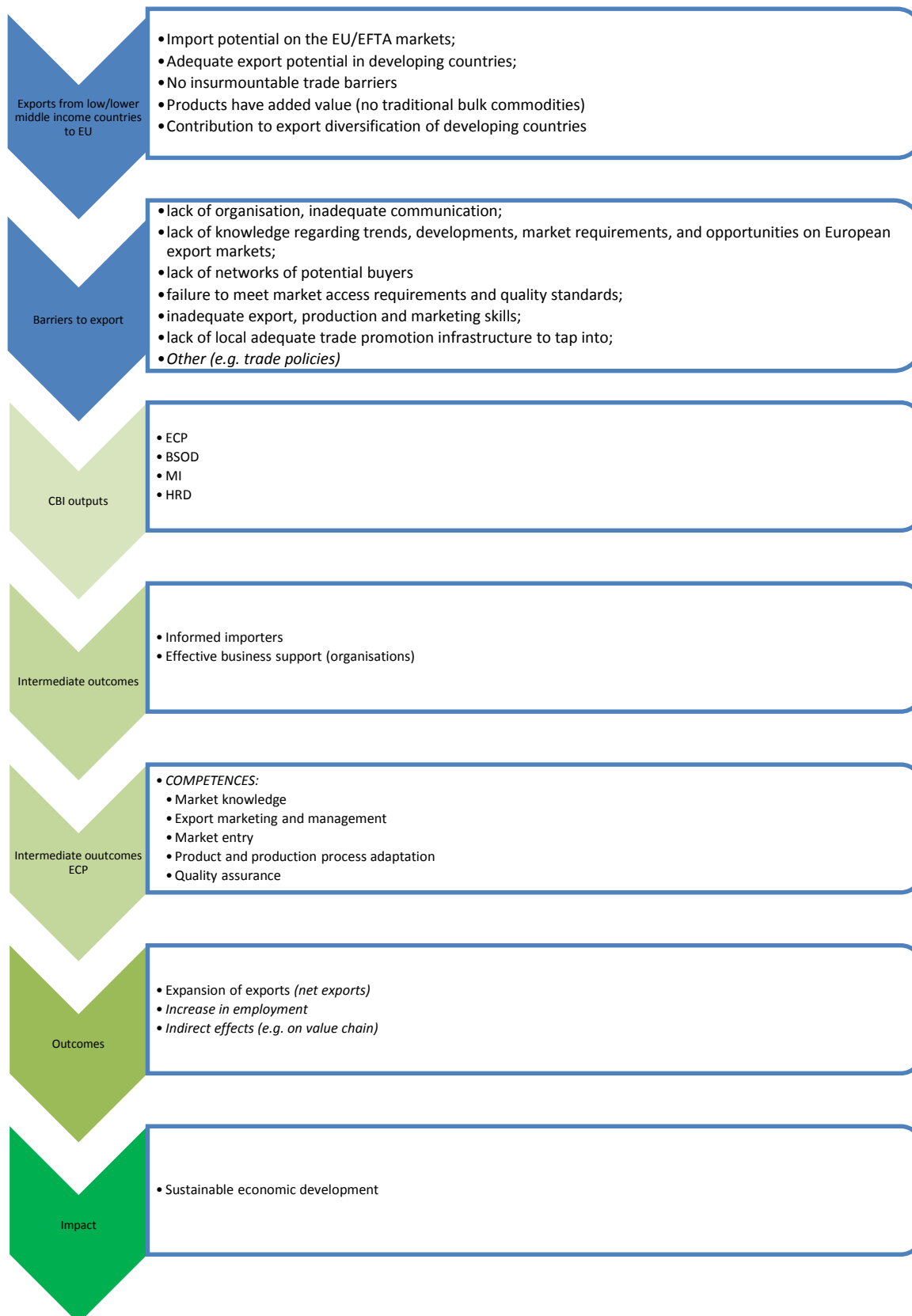
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<sup>27</sup> As per the Terms of Reference by IOB.

<sup>28</sup> Apart from practical problems with data collection, this indicator assumes import contributes less to GDP. However, there are similarly good reasons to use imports (e.g. quality and price of inputs), which enhance export opportunities (e.g. through improved efficiency). Moreover, this approach risks neglecting the way in which current global value chains are interrelated (e.g. imports might originate from different countries).

<sup>29</sup> The policy reconstruction, conducted by IOB, provides more insight into the way in which the Ministry of Foreign Affairs connects programmes such as that of CBI to this ultimate aim.

**Figure 3** Reconstructed theory of Change CBI at country level

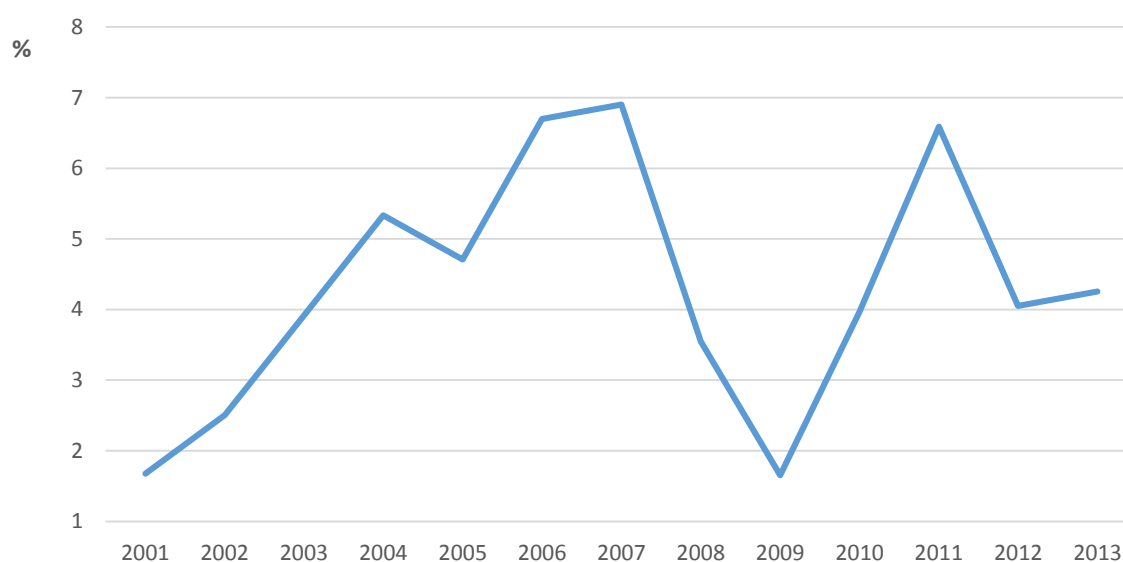


### 3. Context analysis

#### 3.1. Overview of socio-economic performance

The early 2000's were a recovery from the 90's crisis, during which the country registered only moderate growth. Between 2003 and 2007, the gross domestic product (GDP) grew at a solid rhythm that doubled the growth from prior years to reach maximum levels in 2006 and 2007 (6.7% and 6.9%). After that, and because of the international economic crisis, Colombia experienced a strong deceleration reflected in low growth rates in 2008 and 2009 (3.5% and 1.6%). The most dynamic economic sectors that contributed to the GDP growth were the financial sector, transportation, communications, commerce and infrastructure building.<sup>30</sup>

Figure 4. GDP Growth in Colombia



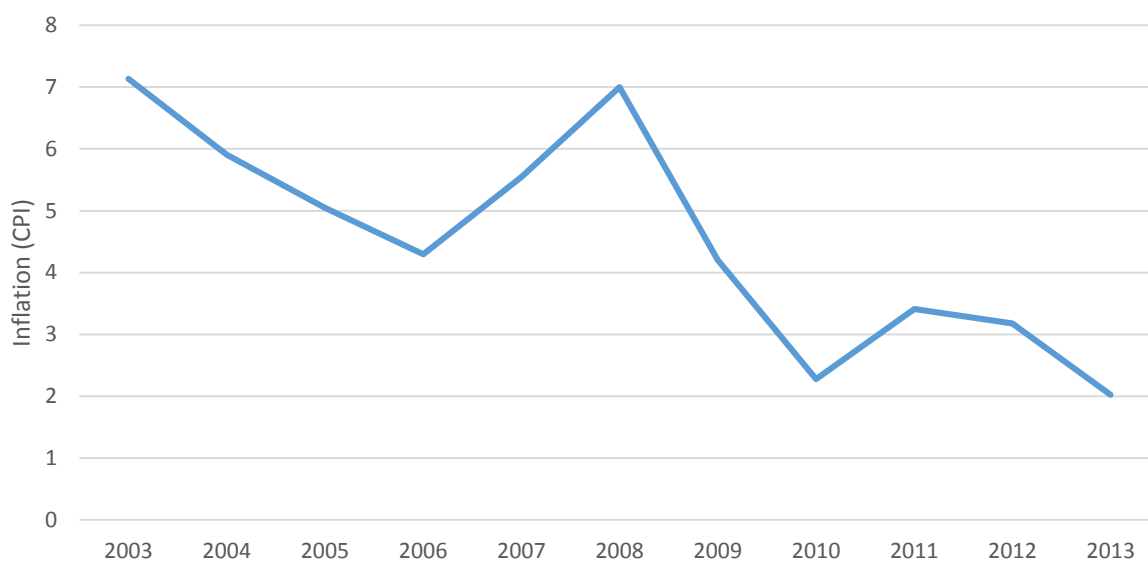
Source: DANE [www.dane.gov.co](http://www.dane.gov.co) and the World Bank data series <http://datos.bancomundial.org/pais/colombia?display=default><sup>31</sup>

During the evaluation period, inflation was reduced drastically from around 7% early 2000s to current levels near 2% (albeit with a sharp increase to 7% between 2006 and 2008). The current low prices have improved Colombia's competitiveness in particular in comparison to countries in the region with high inflation rates such as Venezuela and Argentina.

<sup>30</sup> DANE (Departamento Administrativo Nacional de Estadística) and the World Bank

<sup>31</sup> Annual growth rate percentage of GDP at market prices in local currency, at constant prices.

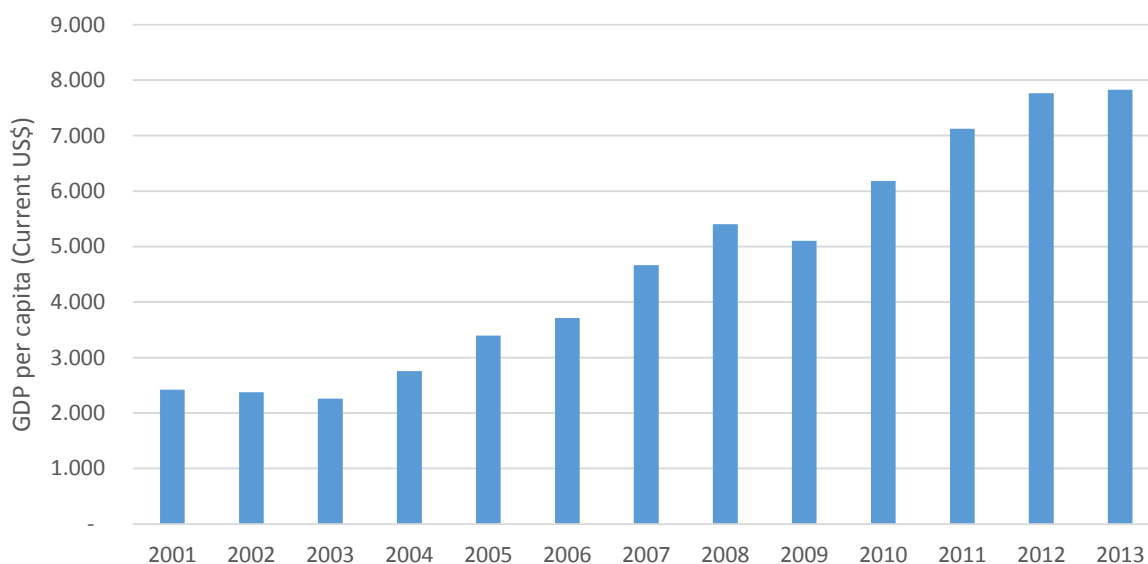
**Figure 5. Improved competitiveness through reduction of inflation**



Source: World Bank <http://datos.bancomundial.org/pais/colombia?display=default>

GDP per capita has shown sustained growth from 2002 to 2012, except for 2009. GDP per capita passed from U\$ 2.376 in 2002 to U\$7.825 in 2013, multiplying by three the initial record. As such, Colombia moved from being a lower middle income country to a higher one around 2007.

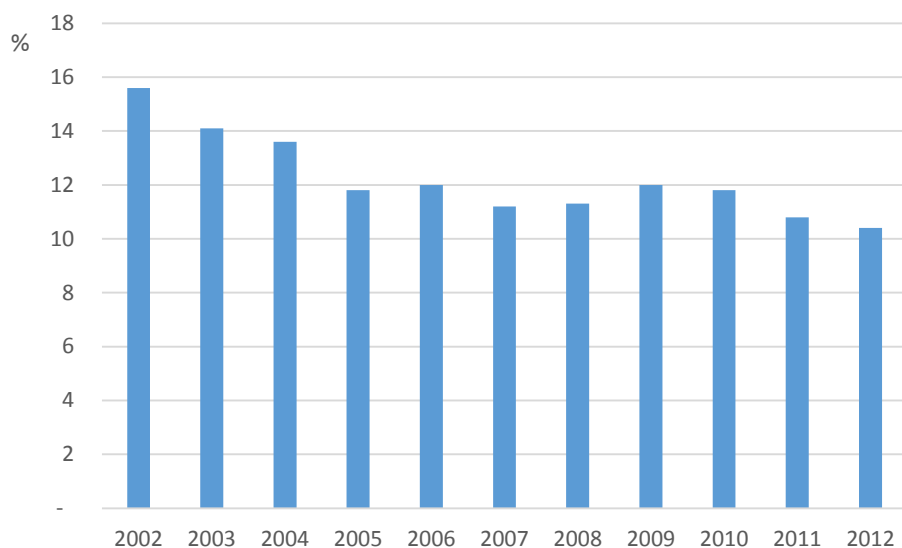
**Figure 6. Increasing income per capita**



Source: World Bank <http://datos.bancomundial.org/pais/colombia?display=default>

The fall in unemployment in the last 10 years from more than 15% to current levels around 10% has contributed to the improvement in living standards.

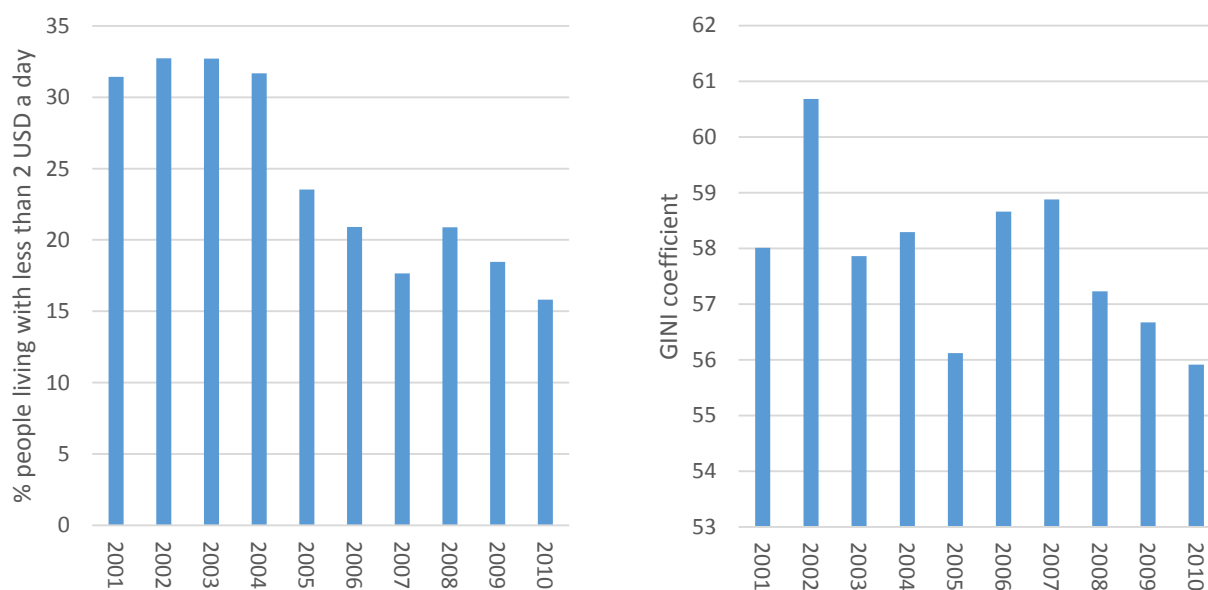
Figure 7. Reduction in unemployment (percentage of working age population)



Source: DANE - [www.dane.gov.co](http://www.dane.gov.co)

As a result, poverty has decreased since 2002, though still presents a challenge for the economic and social development of the country (figure 8). Moreover, the Gini Index shows an unequal income distribution, placing Colombia as one of the most inequitable countries in the Latin American region. Since 2010 inequality has not been reduced much further<sup>32</sup>

Figure 8. Reduction of poverty but still relatively high inequality



<sup>32</sup> <http://www.portafolio.co/economia/pobreza-colombia-el-2013> (different Gini coefficients due to difference in methodology).



Source: World Bank <http://datos.bancomundial.org/pais/colombia?display=default>

### 3.2. Overview of policy development during evaluation period

Colombia used to be a relatively closed economy, exporting petroleum and coffee but restricting imports (in particular for consumption goods). However, by the end of the 1990s - early 2000, the economy was being opened up more decisively. Initially this opening led to an appreciation of the real exchange rate and a deterioration of the current account, with a fall in exports as a proportion of GDP. This is said to have contributed the conditions for the crisis at the end of the 1990s.<sup>33</sup> While Colombia had weathered the Latin American debt crisis relatively well, it entered the 21st century with the strongest recession of the Colombian economic history. In order to avoid a debt crisis, Colombia signed an extended-fund facility arrangement with the International Monetary Fund (IMF) to boost confidence in the economy and prevent the exchange rate from collapsing once it was allowed to float. This agreement, extended twice, guided economic policy making in subsequent years, including continuation of opening of the economy for trade and economic reforms to improve competitiveness and attract foreign investments.

Trade reform also included trade agreements with Mexico, El Salvador, Guatemala and Honduras (combined), Chile, Canada, Chile, USA, Cuba, Nicaragua and Venezuela (Partial agreement). Colombia is part of the regional blocks CAN (Andean Countries Community), CARICOM (Caribbean Countries), and is an associated member of MERCOSUR (Argentina, Brazil, Paraguay, Uruguay, and Venezuela). Moreover, Colombia has a free trade agreement with EU/EFTA, effective since 2013. Most recently, Colombia signed agreements with Korea, Costa Rica, Israel and Panama and became part of the Pacific Alliance (with Mexico, Peru, and Chile). Trade agreements are under negotiation with Japan and Turkey.

In 1998 the Joint Trade Commission was installed as an advisory board to the President on the issues of productivity and competitiveness. This Commission developed the first Export Strategic Plan 1999-2009, with a series of national productivity and competitiveness (PNPC) policies.<sup>34</sup> This also included regional policies for the different departments within the country.<sup>35</sup> Moreover, in 2003, the Ministry of Economic Development and the Ministry of Foreign Trade merged into one Ministry of Trade, Industry and Tourism (MCIT), which

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<sup>33</sup> Villar and Esguerra, 2006, Colombian foreign trade in the twentieth century, Department of Economic Research of the Banco de la República, Colombia.

<sup>34</sup> See different 'Conpes' (*Consejo Nacional de Política Económica y Social*), public policy documents issued by the National Council on Socio Economic Policy (National Planning Department). #3297, #3527, #3439, #3668.

<sup>35</sup> For example, Colombia has a national system of competitiveness, with broad participation from the academia, businesses, workers, regions and public authorities and regional competitiveness commissions in all departments of the country (30). The regional plans are to be included in departmental development plans. Departamento Nacional de Planeación, Conpes (*Consejo Nacional de Política Económica y Social*) Document 3527, June 2008.

supervises competitiveness policy development and implementation. The national export promotion agency, Proexport, falls under MCIT as well.

#### **Box A. Export promotion in Colombia: Proexport**

Proexport is responsible for the promotion of (non-traditional) exports, tourism and foreign investment in Colombia since 1992.<sup>36</sup> It concentrates on non-financial services, while Bancoldex, the Entrepreneurial Development Bank of Colombia, takes care of financial support for Colombian enterprises.<sup>37</sup> Proexport falls under the Ministry of Trade, Industry and Tourism but can be assigned separate responsibilities by the Presidency.

The services offered to assist Colombian enterprises with their internationalization are broadly speaking counselling and training, matchmaking, assistance with trade fair participation and organisation of outward and incoming trade missions. For this work, Proexport uses its network of national offices in the different departments of Colombia and eighteen international offices. Proexport was the first in Latin America to receive an award from the Trade Promotion Organisation (TPO) network, supported by the International Trade Centre (ITC).

Compared to other export promotion offices, Proexport is said to distinguish itself by the:<sup>38</sup>

- Integration of trade, investment and industrial policies at the level of the MCIT;
- Integration of exports, FDI and tourism at the level of Proexport;
- Public ownership with private law regime and aspects of private sector management
- Participatory process for policy development
- Considerable public funding (more than would be expected as per GDP);
- Provision of integrated services to segmented users, with emphasis on SME.

An evaluation of Proexport's services between 2003 and 2006 found that its export promotion services had a significant positive effect on the growth of exports as well as the numbers of countries exported to. Moreover, combining different services was associated with better export performance of Colombian firms, in particular with regard to the number of products and countries exported to, and compared to offering individual services in isolation.<sup>39</sup>

The opening of the economy and the increased attention to competitiveness are said to have improved the climate for investment and, as a consequence, Colombia's position in the ranking of the Doing Business Index of the World Bank.<sup>40</sup>

<sup>36</sup> <http://www.proexport.com.co/en/proexport> It was established as a trust with public resources operating under private law.

<sup>37</sup> <http://www.bancoldex.com/>

<sup>38</sup> De Lombaerde & Lizazaro Rodriguez, Fine-tuning export promotion policies in Colombia, Chapter 7 from Dumont & Rayp (Eds.), 2011, International Business not as usual.

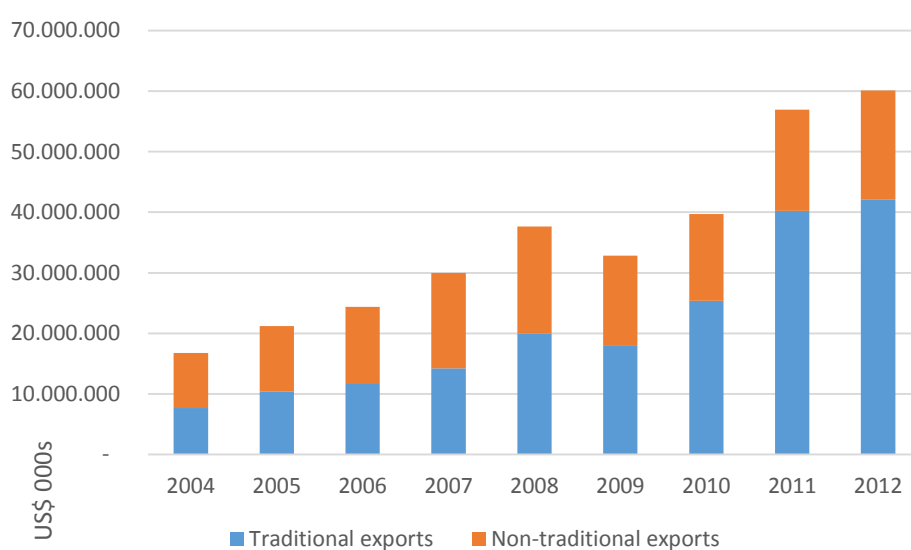
<sup>39</sup> Volpe Martincus & Carballo, 2010, Bundled services work better, World Economy 33,12

<sup>40</sup> Doing Business 2014, Economy Profile Colombia, [www.doingbusiness.org](http://www.doingbusiness.org).

### 3.3. Overview of export performance

For the entire period between 2004 and 2012, the figures show a sustained increase of Colombian exports. In eight years, volumes multiplied 4 times, passing from US\$ 16 billion in 2004 to more than US\$ 60 billion in 2012, except for 2009 and 2010. This growth has clearly been driven by the growth in the so-called traditional exports (mainly petroleum and derivatives thereof, but also including coals, coffee and ferronickel), rather than 'non-traditional' exports, which include agriculture, manufacturing and services.

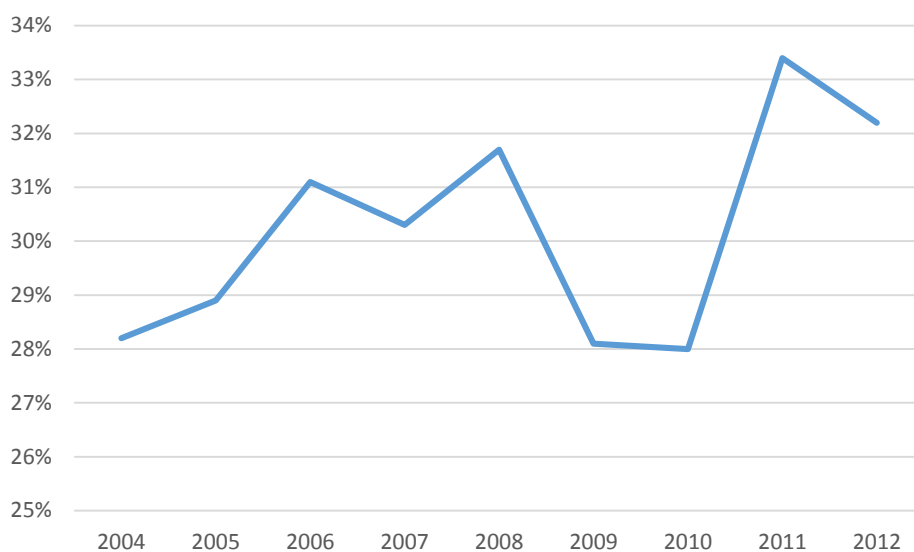
**Figure 9. Increase in exports between 2004-2012**



Source: DANE <https://www.dane.gov.co/index.php/comercio-externo/exportaciones>

The share of (merchandise) exports in GDP (current US\$ prices) has remained relatively stable around 30% (trade in services remained around 4-5% of GDP during the same period).

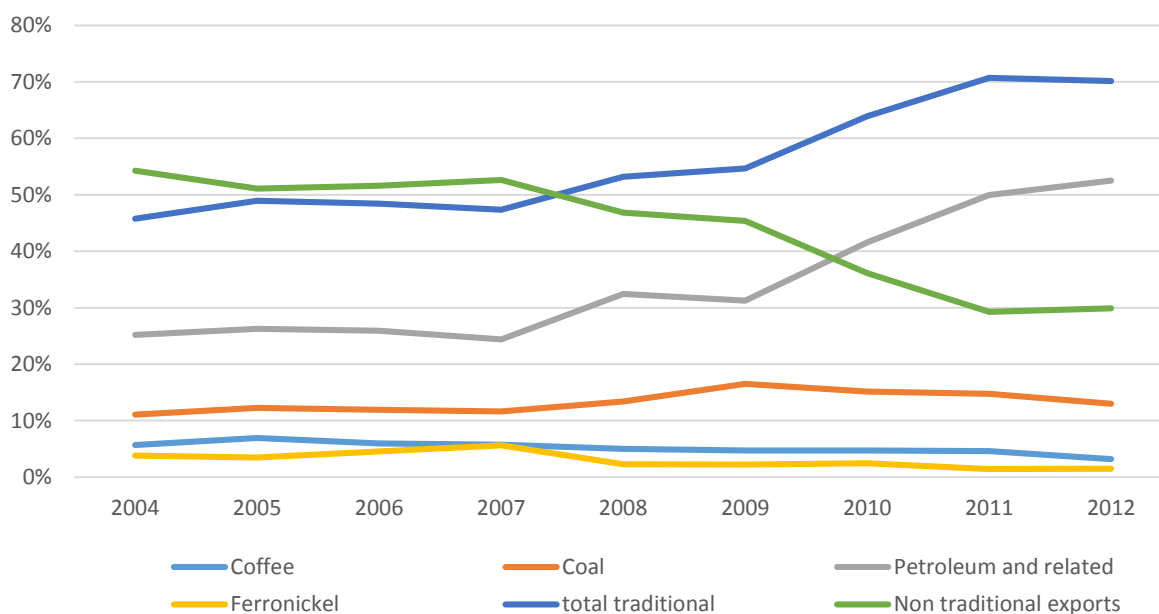
Figure 10. Stable share of exports in GDP



Source: World Bank, 2014, <http://data.worldbank.org/indicator/TG.VAL.TOTL.GD.ZS/countries>

Exports from Colombia are dominated by raw materials. During the evaluation period, the share of traditional, mainly petroleum, exports in total exports increased at the expense of the non-traditional exports – sectors supported by CBI.

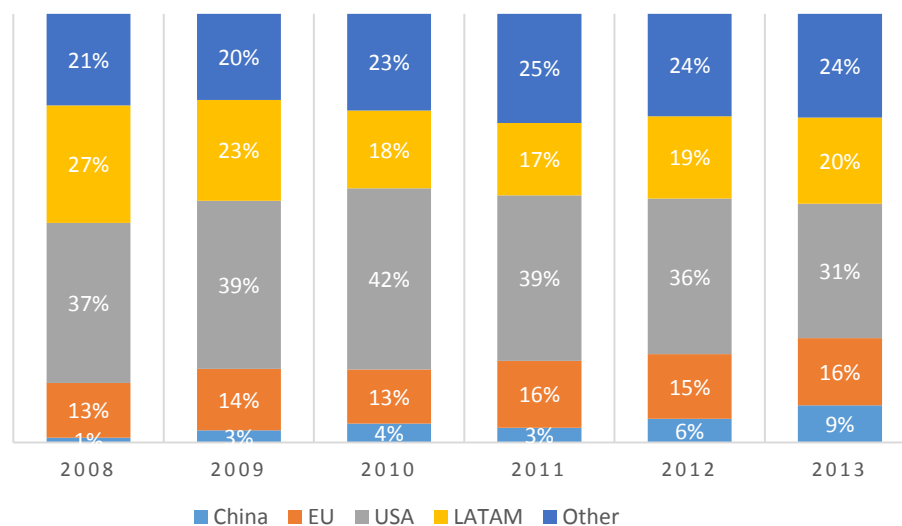
Figure 11. Strong increase in share of petroleum exports at the expense of non-traditional exports



Source: DANE <https://www.dane.gov.co/index.php/comercio-externo/exportaciones>

With regard to the destination of Colombian exports, the share of the USA market has declined somewhat, while the share of exports to China has increased most between 2008 and 2013.<sup>41</sup> The share of exports to the EU have increased slightly from 13% to 16% (mainly primary, mineral, products).

Figure 12. Exports to EU grew slightly during the evaluation period.

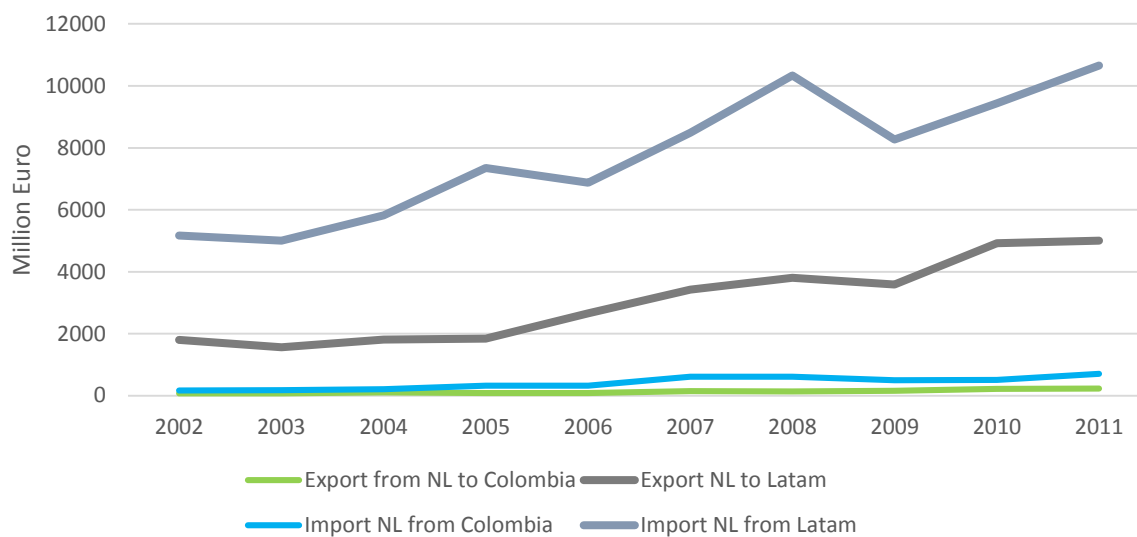


Source: DANE <https://www.dane.gov.co/index.php/comercio-externo/exportaciones>

The Netherlands has a trade deficit with Colombia, mainly due to import of coal (besides ferronickel and fruit & vegetables). Imports to the Netherlands from Colombia increased from € 163 million in 2002 to € 702 million in 2011 (the share of Colombia in Latin American imports increased from 3% to 7%). However, the role of the Netherlands as fourth main export destination for Colombia (after USA, Venezuela and China) is also related to the Port of Rotterdam being the port of entry for Colombian goods to be exported further down into Europe.

<sup>41</sup> No official data found before 2008 disaggregated by destination

Figure 13. Trade relations between Colombia and the Netherlands, compared to Latin America as a whole



Source: CBS, 2012, *Evaluatie Nederlandse handel en investeringen met Latijns-Amerika 2002-2011*

In sum, the figures above suggest that overall Colombian exports have increased steadily and have at least remained relatively steady towards the EU, withstanding the crisis. However, non-traditional exports declined during the international economic crisis (both in absolute and relative terms). It is within this category that the CBI beneficiaries are located, which needs to be taken into account when analyzing the exports of these companies towards the end of the evaluation period.

## 4. Evaluation results

### 4.1. Relevance

*Summary:* The relevance for the overall aim of CBI of the ECPs in Colombia during the evaluation period is questionable. In particular, the strength of the local export promotion organisation and the Colombian SMEs themselves, raises questions about the added value of the ECP in certain sectors. The governmental export promotion agency, Proexport, and companies do see CBI as complementary (4.1.2, 4.1.3). This is mainly because of CBI's focus on Europe. Though CBI addressed barriers to export to Europe that were relevant to Colombian SME, there were other, larger barriers that prevented them from benefiting from the ECPs. Moreover, Europe was not necessarily the focus of Colombian SMEs (4.1.4). Furthermore, there was no link with the country strategy of the Netherlands in the Colombia (4.1.1).

#### 4.1.1. Relevance for the policy objectives of the Ministry of Foreign Affairs

During the evaluation period, the five priorities of the Embassy of the Netherlands in Colombia were:<sup>42</sup>

1. International legal order and human rights
2. Stability, security and good governance
3. Increased prosperity and poverty reduction
4. A protected and improved environment
5. Security of the Netherlands' nationals

Private sector development falls under the third, increased prosperity and poverty reduction. Inclusive business and corporate social responsibility were important components of the intervention strategy for this area. The programme of the Embassy included, among others, support for public-private partnerships in the field of energy, cooperation with the Chambers of Commerce on fast-tracking registration, and a project with the Colombian Association for SMEs (ACOPI) on access to finance. Moreover, combining priorities 3 and 4, the Embassy executed a four-year bio-trade project for SMEs.

There was no explicit mentioning of the need to increase the export capacity of Colombian SMEs in the Embassy's country plans and strategies. However, the Embassy was involved in the promotion of Dutch trade and investments towards Colombia, in particular in the agriculture, maritime and ports sectors. These are sectors in which the Netherlands is expected to have a comparative advantage in Colombia. CBI, however, focuses on different sectors, based on the demand in Europe rather than Colombia. Moreover, the selection of

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<sup>42</sup> Annual plan 2006, Annual plan 2007, Multiannual Strategic Plan (MJSP) 2008-2011

companies is different: the SMEs that the Ministry supports, e.g. through the so-called Transition Fund, have an explicit link with the Netherlands, which is no requirement for CBI.<sup>43</sup>

The interview with the Dutch Embassy confirms the evidence from the document review that CBI operated (and still does) relatively independently of the country programme of the Dutch Ministry of Foreign Affairs in Colombia. The Embassy did not actively seek to engage with the programme either: CBI was mentioned only once in the Embassy's plan as one of the private sector instruments (together with PUM) to be used as part of the bio-trade project (2007), however, without concrete plans for cooperation or alignment.

#### 4.1.2. Relevance for the national development programme

During the evaluation period, the ECPs were not officially linked to the national development programme or Colombia's export strategy. However, CBI's attention to both export promotion and business development fitted well with the national strategy that combines competitiveness and trade. Moreover, the Colombian government saw cooperation with CBI as part of its preparation for the Free Trade Agreement with Europe. Moreover, just as the Colombian government, CBI focused on exporting SME. Stakeholders note that both CBI and the Colombian government focus on companies that are fairly ready to export, and have some export experience (if not, companies should be assisted by the Ministry of Trade, Industry and Tourism, MCIT).

#### 4.1.3. Relevance given other stakeholders

The government of Colombia is very active in the field of export promotion, mainly through Proexport. As discussed above in Box A, Proexport is an effective organisation with an extensive portfolio of services that go beyond what CBI offers.

**Table 7. Comparing Proexport and CBI (during the evaluation period)**

Proexport	CBI
Short training courses and workshops (e.g. on trade fair preparations, certification) for Colombian companies	Long-term, sector specific and company-specific technical assistance ('hand-holding'), offered to individual companies or groups of companies in Colombia and other countries (low and middle income)
Matchmaking through inward and outward trade missions	No matchmaking
Representation abroad / Global focus	Focus on Europe

<sup>43</sup> The same goes for the companies that are involved in programmes of EVD, the Dutch government's institution for business development (Agency NL and now RVO).



According to those interviewed, longer-term technical assistance does not necessarily have to be organised by an organisation from a foreign country and might be delivered by Proexport. CBI's added value is thought to be based on its European focus and expertise. However, the interest of Colombian SMEs in Europe varies (see also 4.1.4). Among the companies interviewed in the industrial ECP sector, for example, this interest was limited, even after having increased their knowledge of the market.<sup>44</sup>

Nevertheless, as described in the following box on Proexport, this organisation considers CBI to be complementary.

#### **BOX B. CBI and Proexport<sup>45</sup>**

CBI has for several years cooperated with Proexport for the implementation of the ECPs in Colombia. Since the country programme Colombia 2014-2018, Memoranda of Understanding are jointly drafted for each ECP sector. The consultation in preparation of the 2014-2018 strategy and the use of sector-specific comités with representation of CBI, Proexport and other stakeholders are considered important improvements in the CBI programme.

Proexport considers CBI to have complemented Proexport (and still does so). CBI offered, among other things, long-term, 1-on-1 technical assistance to Colombian SMEs through the CBI experts in order to prepare the companies for the European market. According to Proexport, this allows Colombian SMEs to benefit from high quality consultancy services which they would normally be too expensive for them to access (or for Proexport to offer). Moreover, CBI provided valuable market information for companies required to enter the European markets. Proexport offered a portfolio of (shorter) services to assist the companies with their internationalisation (e.g. local representation to assist with matchmaking).

The fact that CBI drew on Proexport to implement the ECPs (e.g. organising workshops, notifying potential participants, providing sector expertise) is not considered to have substituted Proexport or have drawn away resources. On the contrary, the close cooperation is seen as part of the institutional strengthening of Proexport (besides the official capacity building through the BSOD programme that ran between 2010-2012).

Moreover, there are other international organisations that promote exports from Colombia. The EU and USAID work on business competitiveness in general, and the EU and the Swiss development cooperation (SECO) have programmes to improve the business environment in Colombia, e.g. by strengthening the government's systems for quality control or export

<sup>44</sup> The limited interest in Europe during the evaluation period, which includes the economic crisis and its impact on markets, might also explain the relatively large amount of companies that decided not to attend a trade fair after having followed the preparatory CBI training modules.

<sup>45</sup> Extract from email questionnaire filled in by Proexport management (June 2014)

registrations. Countries as Korea (KOTRA), Germany (German Chamber of Commerce) and Japan (JETRO) focus on imports of specific products intended for their countries, but Switzerland, with SIPPO, has a programme similar to CBI. As CBI and SIPPO could potentially overlap, and both had a programme for home accessories during the evaluation period (1040 for CBI), there is now an agreement to divide sectors among the organisations.

Companies interviewed in Colombia rarely report export promotion activities by business associations or sectoral organisations. Only companies in sector 1031, IT services, mentioned the national business association Fedesoft, which works closely with Proexport to apply its work for the software companies. Furthermore, companies in this sector have also participated in activities organised at the local level, as witnessed in Medellin (e.g. training organised by the local business association Intersoftware, or inward trade missions organised by the city of Medellin). Private consultants, who would have to be international to be comparable to CBI services, are thought to be too expensive for most of the CBI companies (though they have been used by SMEs interviewed for market information and advisory services).

Table 8 provides an overview of the different domestic actors in export promotion in Colombia (at country level and for different sectors).<sup>46</sup> The main risks for overlap with the ECPs are with Proexport and SIPPO. Other actors would rather be partners of CBI, e.g. by offering components of its programme or being a stakeholder (e.g. for the identification of participants, for additional funding).

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<sup>46</sup> Excluding export promotion by local governments (for departments and municipalities) and numerous business associations (e.g. Fedesoft).

Table 8. Stakeholder map (2014)

Organisation	Market info	Market entry	Market access	HR	Export strategy	Product quality	Production capacity	Trade environment	Other	Potential overlap
Ministry of Trade, Industry and Tourism										
Proexport										
Bancóldex									Finance	
SIPPO										
Fiducoldex									Finance	
Chambers of Commerce										
Artesanias de Colombia										
Superintendencia de Industria y Comercio										
Superintendencia de Sociedades										
Junta Central de Contadores										
Fondo Nacional de Garantias									Finance	
Consejo Profesional de Administracion de Empresas									Research	

#### 4.1.4. Relevance for Colombian SMEs and CBI participants

##### Exporting SME

SMEs in Colombia, as in most countries, play an important role in the economy. About 97% of all companies are considered SME. At the start of the evaluation period, they accounted for more than 70% of the workforce in all sectors, particularly in commerce and services.<sup>47</sup>

<sup>47</sup> Montoya et. al., 2010, Situación de la competitividad de las Pyme en Colombia: elementos actuales y retos, *Agronomía Colombiana* 28(1), 107-117. Periodic data on SME characteristics and development is not readily available for Colombia and estimations of the size of this group of companies vary due to differences in definitions (e.g. size versus assets) and difficulties including the informal sector (about 40% of GDP) and unregistered firms. Stephanou and Rodriguez (2008). Bank Financing to Small and Medium Sized Enterprises (SMEs) in Colombia, World Bank Policy Research Working Paper 4481.

However, the contribution of SMEs to Colombian exports has always been relatively modest, in particular when compared to OECD averages.<sup>48</sup> Moreover, Colombian SMEs concentrate on the regional rather than the European market. Neighbouring markets seem to be the start for expansion to other Latin American countries, and Europe remains an unlikely destination for new entrants.<sup>49</sup> This was equally the case for the companies interviewed.<sup>50</sup>

### Barriers to export

According to a survey among SMEs held in 2003, thus at the start of the evaluation period, the main obstacles to SME development were:<sup>51</sup>

- Economic situation of the country
- Access to finance
- Tax system
- Market access (including e.g. smuggling, unfair competition)

In another survey in 2003, SMEs mentioned the following barriers with regard to exports:<sup>52</sup>

- Exchange rate
- Price competition
- Excessive customs clearance procedures in Colombia and at destination
- Administrative costs associated with exports
- Non-tariff barriers
- Limited production capacity for large volumes
- Difficulties with export promotion
- Lack of finance (high interest rates)

Since then, however, a lot has changed in Colombia. In the World Bank's Doing Business annual report of 2014, Colombia occupies position 43 of 183 economies and the first place in Latin America with regard to the ease of doing business. The country has registered a sharp increase

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<sup>48</sup> Brooks, E. (2006). Why don't firms export more?: Product quality and Colombian plants. *Journal of Development Economics*, 80, 160-178; Ferro, L. M., et. Al, (2007). Factors influencing export potential of a developing country's SMEs: A study of Colombian firms. In *Management Galleys 10*. Bogotá: Facultad de Administración, Universidad de los Andes; Puyana Silva (2000) *La Problemática De Las Pymes en Colombia: Internacionalizarse o Morir*. Centro de Investigaciones Escuela De Finanzas y Comercio Exterior. Universidad Sergio Arboleda.

<sup>49</sup> González, J. (2009), *Assessing Exporting Culture in Colombian SMEs: A Look at the Export Promotion Program (EPP)*, Cuad. Adm. Bogotá (Colombia), 22 (39): 99-134. Koenig, Rodriguez, Yoguel and Granados Urrea, 2006, *Perfil de la PYME exportadora exitosa. El caso Colombiano*. Report FUNDES [www.fundes.org](http://www.fundes.org)

<sup>50</sup> As a result, the industrial sectors that CBI supported during the evaluation period were not included by CBI/Proexport in the new CBI country programme Colombia (2014-2018). Other sectors (e.g. agro-based sectors and to a lesser extent 'services' and 'consumer' products) were considered to be more competitive on the European market and include Colombian SMEs with more interest in the European market.

<sup>51</sup> Astrid Genoveva Rodríguez, 2003, "La realidad de la PYME colombiana desafío para el desarrollo". FUNDES report. [www.fundes.org](http://www.fundes.org)

<sup>52</sup> Koenig, Rodriguez, Yoguel and Granados Urrea, 2006, *Perfil de la PYME exportadora exitosa. El caso Colombiano*. Report FUNDES [www.fundes.org](http://www.fundes.org)

that has allowed climbing 39 positions in the past five years. This has been the result of major reforms that simplified the processes of opening of businesses, property registration and payment of taxes.<sup>53</sup> Moreover, protection for investors has improved and rigidities in the labor market have been removed. Furthermore, big steps have been taken in the improvement of Colombian infrastructure with projects worth up to US\$ 100 million.<sup>54</sup> With regard to trading across borders, Colombia performs well compared to the region on bureaucracy and time required, though the costs associated with export procedures are relatively high.<sup>55</sup> This includes the costs of inland transportation, a barrier to exports that was mentioned in several interviews.

The companies interviewed for this evaluation were asked about what they considered to have been the most important barriers to exporting their products to Europe, and how these developed from the start till the end of the evaluation period. There is no significant difference depending on the sector in which the companies operate, and the stakeholder interviews confirm the existence of these barriers.

The main trade barriers identified by CBI companies are the following, which include several of those mentioned in the nation-wide surveys of 2003.<sup>56</sup>

- **Market access** (e.g. tariff and non-tariff barriers), was mentioned by all but one company and mainly because of difficulties and costs of acquiring the necessary certification for exporting to Europe;
- **Europe Market information**(e.g. client requirements, differences in trends, regional differences in Europe, appreciation of competition) was also mentioned by almost all CBI firms (11/13) as a barrier, and several firms invested themselves in the acquisition of market information (e.g. through fieldtrips, consultancies).
- **Trade environment**, in particular the negative image of Colombia in Europe (drugs, conflict and limited capacity) and the high internal transportation costs, were mentioned by the majority of the interviewed firms (11/13),<sup>57</sup>
- **Market entry** (e.g. contact with buyers or distributors, selection of trade channels, promotion of product in EU), was also mentioned as a barrier by the majority of firms (9/13), including difficulties with attending trade fairs (financial, logistical).
- **Company specific issues**, such as skills to export (human resources) and product and production standards were mentioned by less than half of the interviewed companies (5-6 out of 13 for each).

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<sup>53</sup> Doing Business 2014, Economy Profile Colombia, [www.doingbusiness.org](http://www.doingbusiness.org).

<sup>54</sup> <http://www.portafolio.co/economia/plan-vial-4g>

<sup>55</sup> Doing Business 2014, Economy Profile Colombia, [www.doingbusiness.org](http://www.doingbusiness.org).

<sup>56</sup> The one company interviewed that did not participate in an ECP (nr 14) confirmed several of the trade barriers mentioned by CBI companies in the same sector (except for market access, human resources and export strategy).

<sup>57</sup> Other barriers in the trade environment were: different time zone, lack of a trade agreement with Europe until 2007, export policy being focused on goods and commodities rather than services and customs procedures (related to drugs policy).

- Language skills were mentioned by several companies as a barrier, which some had reduced by offering staff language training, but overall companies seemed to have had the required human resources to export at the start of the ECPs (confirmed by the business audits conducted by CBI).
- An export marketing strategy for Europe was not considered a very large barrier, probably because most firms did not plan to export to Europe before nor after the ECPs.
- With regard to the products and production capacity, the main concern (9/13) was the limited competitiveness of Colombian products compared to Asia (price) and Europe (quality).

**Table 9. Overview of export barriers (interviews)**

Firms	Sector	Market Information	Market Entry	Market Access	Human Resources	Export Strategy	Product and Production standards	Trade Environment
1	1028							
2	1028							
3	1029							
4	1030							
5	1030							
6	1030							
7	1031							
8	1031							
9	1031							
10	1031							
11	1036							
12	1039							
13	1040							
14 <sup>58</sup>	1030							

In principle, CBI's ECP did address several barriers to export that Colombian firms experience (in particular market information, market entry and market access). Moreover, with regard to the outcomes of the above mentioned surveys, CBI could potentially address difficulties with export marketing and to some extent price competition (e.g. through improvements in products and production processes).

However, from the interviews with companies in Colombia and the surveys mentioned above follows that there are much higher barriers to export for Colombian firms than the company-specific barriers that CBI addressed during the evaluation period. Several of these barriers are

<sup>58</sup> Comparable company that was not a CBI beneficiary.

out of control of an agency as CBI, such as the economic crisis that started at the end of the ECPs under evaluation. Others require interventions at a macro-economic and governmental level, which could nevertheless benefit from external assistance (e.g. national quality control system as supported by SECO or improvements in infrastructure as targeted by the Dutch embassy in Colombia).

### Selection

For the ECPs to be successful and companies to benefit, the selected companies should have had the ability to independently overcome the export barriers that ECPs do not address (obviously leaving rather unpredictable events such as the economic crisis aside). However, document review and interviews give the impression that there was too little attention to such other impediments (e.g. managerial or financial capacity, production costs) to export in the company's selection process (e.g. business audits).

Moreover, from the interviews conducted for this evaluation follows that a lack of clarity on the ultimate aim of the selection of companies in each ECP, and divergent viewpoints thereof within CBI, left the selection open for different interpretations. It does make a difference whether the aim is to, for example:<sup>59</sup>

- maximize the export results per company, per country or per ECP? Exports to EU or worldwide?
- include only companies that are ready to export or include in the ECPs a mix of companies, across countries and/or even within each country, both with a lot and with less potential to export?
- improving company performance in general?

While it is for sure impossible to predict the outcome of the ECP on any particular firm, the lack of clear guidance in this area did make the selection highly dependent on the CBI experts that conducted the initial audits and provided the input with which the CBI managers in the Hague made the selection. There is, for example, evidence of diverging opinions of different CBI experts on whether a company was sufficiently export-ready for participation in the ECP. It might also lead to a mismatch between the companies selected and the content of the programme (e.g. applicability of the training courses given varying capacity of companies).

### 4.2. Efficiency

*Summary:* The ECPs were efficient in terms of deliverance of outputs. However, the efficiency of the programme does seem somewhat hindered by the selection process, through which several companies were included that did not actually have a product to export to Europe (3/13) or were included in the wrong ECP (3/13). The drop-out rate in Colombia during the evaluation period was relatively low (only 4 companies), but it is striking how many

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<sup>59</sup> Responses from interviews on the aim of the selection and ECP.

participating firms ended participation after the first trade fair (6/13) . The financial efficiency has not been evaluated.<sup>60</sup>

Overall, the main outputs of the programme were delivered as planned. All companies interviewed were audited, attended training in the Netherlands and participated in at least one trade fair. Of the total sample of CBI participants in Colombia, only four dropped out before trade fair participation. However, 6 out of 13 companies interviewed only attended one trade fair and did not attend those for which their own financial contribution would have increased. This was mainly because companies did not consider further investments in entering the European market cost-effective or enough of a priority.<sup>61</sup>

**Table 10. CBI activities per company interviewed<sup>62</sup>**

Firm	Sector	Technical assistance mission 1	Technical assistance mission 2	Expro Training in NL	Trade fair 1	Trade fair 2	Trade fair 3
1	1028	2006		2006	2008		
2	1028	2006		2006	2008		
3	1029	2003-2006		2006			
4	1030	2005		2006			+1
5	1030	2005		2006	2008		
6	1030	2005		2006			+1
7	1031	2006		2006	2007		
8	1031	2006		2006	2007	2008	
9	1031	1998 + 1999		2006	2000		
10	1031	2006		2006	2007	2008	
11	1036	2006	additional TA	2007	2008	2009	
12	1039	2007		2009	2010	2011	2012
13	1040	2007	additional TA	2007	2009		

For five companies, the standard ECP was adapted to better fit the companies' needs (e.g. change of ECP sector, extension of the programme, additional technical assistance). Some of these changes could however have been avoided by better selection at the start of the ECP as three companies were initially included in the wrong ECP. While it might be good for a company to discover at a trade fair that their product is not appropriate (yet) for the European market, such 'discoveries' surely do not enhance the cost-efficiency of the ECP. On the other hand, the close cooperation with Proexport might have improved the efficiency of the ECPs.

<sup>60</sup> The financial efficiency is investigated in the benchmark exercise of APE for IOB.

<sup>61</sup> The costs incurred by participants has not been assessed.

<sup>62</sup> This gives an indication of the activities per firm interviewed, reconstructed on the basis of interviews, company files and CBI database



**Table 11. Misfits and adaptations to the standard ECP set up**

<b>Firm</b>	<b>Sector</b>	
2	1028	Product not suitable for EU market (standards)
3	1029	Change of ECP
4	1030	Extra fourth trade fair with CBI
6	1030	Products not compatible with ECP sector
11	1036	Additional technical assistance
12	1039	Change of ECP
12	1039	Additional technical assistance
13	1040	Additional technical assistance

Overall, the companies' assessment of the quality of services offered in the ECPs was positive. The sector expertise and company-specific technical assistance was valued most by participants, as being useful even without exporting to Europe. However, two companies were of the opinion that this technical assistance was mere monitoring (two different sectors, with two different CBI experts).

### 4.3. Effectiveness

*Summary:* When considering the intermediary outcomes, several companies interviewed state that participation in the ECP has contributed significantly to their export competencies (7/13). However, only in 4 cases has there been a discernible contribution to the company's growth (e.g. by size or accessing the regional Latin American market with 'more strength'). None of the companies exports to Europe.

Most companies (12/13) state that CBI has contributed to their companies' competencies. As the bright green marks indicate, 7 out of 13 interviewed companies consider CBI's contribution to have been crucial for change with regard to the barriers (in 4 different sectors). The areas in which this has happened vary but include:

1. **Improving access to Market Information** (9, of which 3 significant), even though none of the companies subsequently used the information to access the European market.
  - If CBI did not make a contribution, the information of CBI was considered too general or not applicable to the company's product (2).
2. **Facilitating Market Entry**, e.g. through trade fairs (4, of which 2 significant), even though the majority of companies did not continue their attendance at the trade fairs.
  - Not all companies benefited because in several cases the trade fairs did not fit the product or market of interest of the company (5)
3. **Enhancing Market Access**, mainly through information on certification (5, of which 1 significant), though often the investments in certification were considered too high compared to the benefits (i.e. exports to Europe).

4. **Improving Human Resources**, 1 company, where participation in the ECP inspired the CEO to train all staff in English language.
  - However, for most companies in Colombia human resources was not an export barrier that CBI could address, as it concerned the supply of skilled labour rather than the skills of those within the company (which are relatively high, as can be expected in an higher middle income country).
  
5. **Export Marketing Strategy** (2 companies, of which 1 significant), where one company stated it actively used the export marketing plan to access other markets than Europe.
  - Three companies for which this was a barrier did not benefit, mainly because the ECP did not fit well with their products and/or was considered too ambitious and unrealistic.<sup>63</sup>
  - For the majority of Colombian companies, however, this was not considered an important barrier to exports, among others because they had such plans operational before the ECP.
  
6. **Improvements in products and production processes** (4, of which 3 significant)
  - Not all companies with this barrier benefited from technical assistance offered by CBI in this area (3) e.g. because their product was different from others in the ECP or required too radical changes.
  
7. **Trade environment** (2 companies): Two companies in the industrial sectors appreciated the role CBI played in overcoming the reputation of Colombia abroad. Attendance at trade fairs with CBI enabled them to avoid negative connotations with Colombia.
  - However, another company did remark that this is only a temporary solution as ultimately Colombia needs to promote itself at trade fairs and build up a more positive reputation.

Table 12 here below provides an overview of the companies' perspectives on the barriers to trade (before the ECP) combined with their rating of the contribution of CBI to the reduction of those barriers, as:

	No contribution
	Useful but no contribution (other factors much more important)
	Some contribution (one of the factors contributing)
	Significant contribution (CBI crucial for change)

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<sup>63</sup> According to evaluative documents in the CBI files for the industrial sectors there have also been some issues with poor feedback on the export marketing plans developed by companies.

Table 12. Overview of trade barriers and CBI contribution

Firm	Sector	MI	CBI contribution MI	ME	CBI contribution ME	MA	CBI contribution MA	HR	CBI contribution HRM	EMS	CBI contribution EMS	PP	CBI contribution PP	TE	CBI contribution TE
1	1028		++		+		--		--		-		-		-
2	1028		++		++		--		--		-		-		-
3	1029		+		+		--								+
4	1030		--		++		+								--
5	1030		++				--				++				
6	1030		-		--		++		--		-		--		--
7	1031		+		--		+		+						
8	1031				--		--								--
9	1031		+		--		+		--				++		--
10	1031				--		--				+				-
11	1036		+										++		+
12	1039		+				+						++		--
13	1040		+				--						+		--

The next question is whether these increased competencies led to increased export activity. Unfortunately, it has proven to be impossible to verify after so many years the exact value exported before and after the ECP during an interview with the companies (or through follow-up contact). Nor has it been possible to discern any employment effects, related to exports.

Several companies mentioned that the ECP “opened their eyes” to the possibility of exporting to Europe, which is apparently not a matter of course in Colombia. Companies stated that they did not consider Europe as a serious option before joining the ECP, focusing on the Latin American and US market. This shift might also have been influenced by the signing of the free trade agreement between Colombia and Europe in 2008 (during the ECPs under evaluation). Nevertheless, after joining the ECP, most of the interviewed companies still did not make

serious attempts to access the European market (and only three spoke of opportunities to be realised in the near future).<sup>64</sup> As such, while for some companies participation in CBI's ECPs created hopes for a better future, others found it a rather disappointing experience (e.g. at least three companies considered the programme overly ambitious and unrealistic). The fact that the economic crisis in Europe affected its potential as an export market will obviously also have contributed to this effect.

As table 13 illustrates, none of the 13 companies interviewed has successfully entered the European market. Of the six companies that CBI registered as exporting to Europe, none currently does so and if they did export during the ECPs, these were mainly once-off sales during trade fairs.<sup>65</sup> Only one company did have a significant contract with a Swiss firm during the ECP (and was therefore considered a showcase for CBI in Colombia), but these exports were actually unrelated to the ECP (contacts and negotiations predate ECP) and the contract has ended by now.<sup>66</sup> One other industrial firm has some very small, incidental exports to Ukraine and the Netherlands at this moment.

As the reason for this limited success, companies name either that their products are not competitive or suitable for the European market (main reason for companies in the industrial sectors) or the lack of demand in Europe during the international economic crisis (main reason for companies in the IT sector). While CBI has influence on the first (e.g. at point of selection and during the ECP), the second reason is obviously beyond control.

**Table 13. Exports during the ECP (as registered in 'OVI sheets')**

Firm	Sector	EU/EFTA Exports, as registered by CBI	Verification through interviews
1	1028	-	-
2	1028	-	-
3	1029	-	Small amount to NL and Ukraine
4	1030	587.439	-
5	1030	14.274	-
6	1030	822.686	-
7	1031	190.170	Significant contract Switzerland (ended)
8	1031	5.000	-
9	1031	-	-
10	1031	-	-
11	1036	50.000	-
12	1039	-	-
13	1040	-	-

<sup>64</sup> E.g. one of the companies closed its European department.

<sup>65</sup> CBI records the exports during the ECP (rather than additional exports).

<sup>66</sup> None of the other companies had European export experience before CBI (apart from some careful attempts to explore the market), though all of them did export within the region.

However, even though the ECPs focused on exports to Europe, the export competencies build during the ECP might have an effect on the companies' overall performances, including exports to other regions. Therefore table 14 illustrates how since participating in the ECPs, 6 of the companies interviewed grew in size (employment) or in the amount of countries exported to within the Latin American region.<sup>67</sup> Others remained stable with regard to exports and size (4) or reduced their production and size (3).

**Table 14. Growth of CBI participants either in non-European exports or size**

	Sector	Non-EU/EFTA export according to CBI	Verification of non EU/EFTA exports	Employment at start of programme	Verification of change in size
1	1028	-	constant at 11 countries in LATAM	22	
2	1028	-	growth to 13 countries in LATAM	477	
3	1029	-	constant at 18 countries in LATAM	40	
4	1030	7.292.561	growth to 17 countries in LATAM	114	increase
5	1030	137.926	growth in LATAM	94	
6	1030	3.958.564	?	100	decrease
7	1031	4.731.663	?	48	
8	1031	5.221.243	reduced exports to focus on domestic market	64	
9	1031	7.665.761	?	76	increase
10	1031	3.558.784	constant in LATAM	24	
11	1036	-	growth in LATAM (about euro 6 million)	286	increase
12	1039	162.014	growth in LATAM (about euro 1 million)	165	
13	1040	56.584	company no longer producing	26	decrease

It is safe to state that for two of the companies that grew since participating in an ECP, CBI did not contribute to growth (4, 9). One of the companies was sufficiently strong by itself and hardly considered an SME.<sup>68</sup> The other company could not benefit from the ECP because its products were unsuitable for the European export market, and the programme was not considered useful for their operations in other markets.

However, from the interviews with the other four companies that grew in exports or size can be concluded that CBI might well have contributed to their growth. This contribution was made through technical assistance with which the companies improved their products, (export) marketing and production processes in order to grow in the domestic or regional markets rather than the European market:<sup>69</sup>

<sup>67</sup> All companies that exported to the region after the ECP did so before, though they might have expanded the amount of countries in the region exported to or the volume of these exports

<sup>68</sup> While it is true that one other company did meet a Mexican distributor at a trade fair with CBI, it is certain that this contact would have been established without CBI.

<sup>69</sup> Identification of further effects, such as employment or indirect effects (e.g. spill over in the supply chain), has been impossible.

- CBI provided valuable advice on packaging and product placement for a company producing consumer goods, which was applied to the domestic rather than the European market.
- The training in a more structured approach to exports provided by CBI was applied to the regional market
- The business audit was used to improve the company's overall organisation and strategy (after initial rejection for the programme, resulting in acceptance two years later).
- CBI provided additional technical assistance to a group of industrial companies on their production process, which was considered useful even without exporting.

As such the effectiveness of ECPs in Colombia seems to be related more to general business development than to export promotion. Moreover, it depends highly on the expertise of the CBI sector experts as well as the commitment of the company to act upon the technical assistance provided (often facilitated by involvement of higher management and availability of financial resources).

#### 4.4. Spill overs and sustainability

*Summary:* There were no specific measures taken to enhance the sustainability of the ECPs. Nevertheless, by working closely with the national export promotion agency, Proexport, CBI did have an impact beyond its own programmes. There were some spill overs within companies, but hardly any externally.

During the evaluation period, CBI had no formal systems in place to enhance the sustainability of its support to individual companies. Only as long as the people who participated in the ECPs are still part of the company, is there a chance of the programme resonating after it officially ends. Some companies took care themselves to transfer the knowledge acquired through the ECP (e.g. from father to son or through internal memo's). One of the CEO is currently providing consultancy services on export strategies to other companies, using CBI training. However, this depends solely on the companies themselves rather than being part of the ECP.

Nevertheless, as described here below, though capacity building of Colombia's governmental export promotion agency, Proexport, CBI did manage to have an impact beyond its direct beneficiaries.

**BOX B. Fruitful cooperation with Proexport: BSOD and spillover<sup>70</sup>**

According to Proexport, there are two components in their '*alianza*' (alliance) with CBI:

1. Strengthening of Colombian companies that work with Proexport in their process of internationalization (through the ECP),
2. Strengthening of Proexport directly.

Besides the capacity transfer that happens through the close cooperation in ECP, CBI has contributed to institutional strengthening of Proexport through training of Proexport staff, as part of the BSOD programme or stand-alone training activities (some of which were connected to the ECPs). The training happened both in Colombia and Europe and concentrated on specific issues such as assessment of companies and promotion of tourism, and on the European market and ECP sectors in general (e.g. market information, requirements for exporting). According to Proexport, further expansion of training of Proexport staff (e.g. through training in Holland and during the coaching by sector experts) would allow it to reach even more companies with quality services.

Proexport also benefited from the market information that CBI collects and disseminates. Moreover, the cooperation with CBI is said to have acted as a quality seal (*carta de presentación*), which allowed Proexport to approach other international actors for cooperation (e.g. SIPPO, ICT). According to Proexport officials the longstanding cooperation with CBI demonstrated to others the potential of cooperating with Proexport.

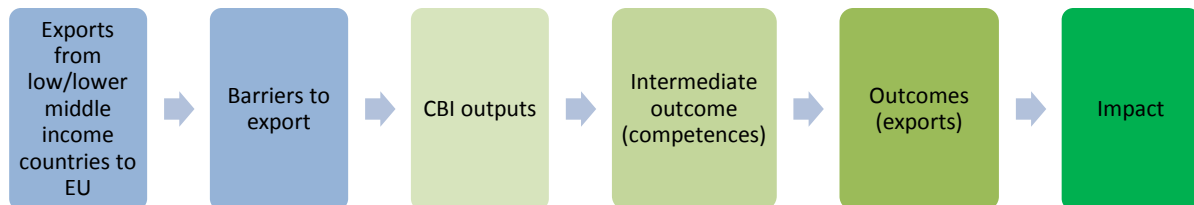
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<sup>70</sup> Extract from email questionnaire filled in by Proexport management (June 2014)

## 5. Conclusions

Following the results chain step by step leads to the following conclusions. Tables 15 and 16 provide an overview of the conclusions per company interviewed.

Figure 14. Reconstructed theory of change for CBI ECP at country level



Firstly, Colombia is not an obvious choice for CBI. Colombia is a higher middle income country and was so for a large part of the evaluation period. The private sector is relatively sophisticated compared to other countries in the region or in the middle income group. Moreover, the national export promotion agency is very capable and able to offer services beyond what CBI can provide (e.g. matchmaking and local representation). As a result, the ECPs in Colombia seemed to be less relevant to the pursuit of the ultimate aim of the organisation.<sup>71</sup> Moreover, given the limited interest in the European market of Colombian SMEs (for several of the sectors included in this evaluation), ECP activities that focused on Europe were not always that relevant.

Secondly, CBI did target some of the barriers to export of Colombian SME exporters, such as information about the European market. However, it is clear that there are much larger barriers to European exports for Colombian companies, in particular those that reduce the competitiveness of Colombian products and services in the European market (e.g. transport costs, production costs, reputation). In this context companies have limited opportunity to benefit from CBI services, targeted at the EU, as offered during the evaluation period.

Thirdly, most companies appreciated the services offered by CBI. Official drop-out was relatively low, however, many firms ended participation after the first trade fair, as soon as they had to increase their own contribution. The costs of participation did not weigh up against the potential benefits (i.e. potential of European market). Moreover, several firms were included that did not have a product suitable for exports or for which there was a mismatch with the ECP sector.

<sup>71</sup> From the interviews conducted for this evaluation follows that there is a lack of clarity on the ultimate aim of the ECP, and divergent viewpoints thereof within CBI, which left the selection of companies open for different interpretations.



Fourthly, half of the companies interviewed stated that CBI made a crucial contribution to their export competencies. However, for only four companies did this subsequently result in growth in number of employees or in regional exports. In all these cases CBI's contribution happened through technical assistance on products, production processes and marketing, which is business development rather than export promotion. CBI's effectiveness at country level thus depends highly on the expertise of the CBI sector experts as well as the commitment of the company to act upon the technical assistance provided (often facilitated by involvement of higher management and availability of financial resources).

Finally, on sustainability, by working through the national export promotion organisation Proexport, CBI has had a lasting effect on export promotion in Colombia beyond the direct beneficiaries and time period in which the ECPs take place. At company level, there is limited sustainability of the CBI interventions as the effect on exports or company performance is limited. However, in those cases where CBI beneficiaries have received valuable technical assistance with which they have made structural changes to the company, there is at least more potential for benefiting from participation in the future.

Table 15. Overview of export performance of CBI beneficiaries interviewed

CBI ID nr	Sector	Employment at start of ECP according to CBI	EUEFTA export according to CBI	EU_export checked (2014)	Non-EUEFTA export according to CBI	Growth in non-EU exports and/or size	Contribution CBI to growth
51438	1028	22	-	0	-	constant at 11 LATAM countries	No
74952	1028	477	-	0	-	growth to 13 LATAM countries	No
72827	1029	40	-	>0 (Ukraine, NL)	-	constant at 18 LATAM countries	No
74951	1030	114	587.439	0	7.292.561	growth to 17 LATAM countries	No
74962	1030	94	14.274	0	137.926	growth in LATAM	Yes
75064	1030	100	822.686	?	3.958.564	reduced in size	No
75370	1031	48	190.170	0	4.731.663	?	No
75380	1031	64	5.000	0	5.221.243	reduced exports	No
75382	1031	76	-	0	7.665.761	growth	Yes
75384	1031	24	-	0	3.558.784	LATAM	No
75415	1036	286	50.000	0	-	growth in LATAM	Yes
78955	1039	165	-	0	162.014	growth in LATAM	Yes

Table 16. Overview of CBI contribution to the export barriers experience by CBI beneficiaries interviewed

CBI ID nr	Sector	Contribution CBI to growth	MI	CBI contribution MI	ME	CBI contribution ME	MA	CBI contribution MA	HR	CBI contribution HRM	EMS	CBI contribution EMS	PP	CBI contribution PP	TE	CBI contribution TE	Reason why no export/ or no contribution by CBI
51438	1028	No	1	++	1	+	1	--	1	--	1	-	1	-	1	-	product not competitive
74952	1028	No	1	++	1	++	1	--	1	--	1	-	1	-	1	-	product not suitable/competitive
72827	1029	No	1	+	1	+	1	--	0		0		0		1	+	lack of funding for exporting
74951	1030	No	1	--	1	++	1	+	0		0		0		1	--	Top 100 company, so limited added value CBI
74962	1030	Yes	1	++	0		1	--	0		1	++	0		0		Though products not registered for European market, applied EMS training to Latin American market
75064	1030	No	1	-	1	--	1	++	1	--	1	-	1	--	1	--	products not competitive and at odd with ECP.
75370	1031	No	1	+	1	--	1	+	1	+	0		0		0		not active on European market (and programme did not add value for regional exports or domestic market)
75380	1031	No	0		1	--	1	--	0		0		0		1	--	Focus on local market rather than exports
75382	1031	Yes	1	+	1	--	1	+	1	--	0		0	++	1	--	business audit was crucial for company development (but no impact on exports)
75384	1031	No	0		1	--	1	--	0		1	+	0		1	-	not active on European market (and programme did not add value for regional exports or domestic market)
75415	1036	Yes	1	+	0		0		0		0		1	++	1	+	crucial technical assistance on product/process contributed to growth (but no impact on exports)
78955	1039	Yes	1	+	0		1	+	0		0		1	++	1	--	crucial technical assistance on marketing contributed somewhat to (regional export) growth (but no EU exports)
75554	1040	No	1	+	0		1	--	0		0		1	+	1	--	company now semi-bankrupt

## Annex 1. Overview of CBI assisted companies

<b>CBI ID nr</b>	<b>Name</b>	<b>Sector</b>	<b>Employment registered at the start of the ECP</b>	<b>Contact for evaluation<sup>72</sup></b>
51438	Autopartes De Lidia Ltda.	1028	22	Interviewed
74952	Eterna S.A.	1028	477	Interviewed
74980	Manufacturas Victor Gaskets de Colombia S.A./ VDC	1028	170	
75026	Espumlatex	1028	316	No response
75035	MB Brakes - Metalbogota S.A.	1028	252	Unwilling to participate
72827	C4 Control de Contaminacion Ltd	1029	40	Interviewed
32516	Laboratorios Rymco S.A.	1030	358	No response
74935	Proequip E.U.	1030	15	No response
74951	Adhesivos Internacionales-Adhinter S.A.	1030	114	Interviewed
74961	R & V Electrónica Ltda.	1030	8	
74962	Asepsis Products De Colombia Ltda. Proasepsis Ltda	1030	94	Interviewed
75062	Sherleg Laboratories S.A.	1030	77	No response
75064	Dermocell Technologies	1030	100	Interviewed
75370	ILIMITADA S.A	1031	48	Interviewed
75371	Red Colombia S.A.	1031	350	No response
75376	Axesnet S.A.	1031	35	No response
75377	GestionTek S.A.	1031	43	No response
75378	Ubiquando Ltda.	1031	30	No response
75380	Asesoftware Ltda.	1031	64	Interviewed
75381	Heinsohn Software House	1031	350	Unwilling to participate
75382	MVM Ingenieria de Software S.A.	1031	76	Interviewed
75383	AVANSOFT	1031	90	No response
75384	FINANCIAL SYSTEMS COMPANY LTDA	1031	24	Interviewed
75385	Netsac S.A. (Software, Analisis and Consulting)	1031	40	No response
75386	SAR S.A.	1031	30	No response
75184	Colrejillas	1036	68	No response
75413	Fundicom S.A.	1036	248	Unwilling to participate
75415	Mecanicos Unidos S.A.	1036	286	Interviewed
75521	Forjas Industriales FORJIN	1036	309	Outside scope
77544	Calzado Alpaca	1038	150	Outside scope
77545	Prost Soportes Ortopedicos E.U.	1038	22	Outside scope
77570	Manufacturas Delmyp	1038	500	No response
52698	Carbotintas S.A.S.	1039	38	No response

<sup>72</sup> 'Outside scope' means that the company is not located in Bogota, Cali or Medellin where interviews were held.

<b>75630</b>	Gem Leather Ltda. C.I.	1039	13	No response
<b>78955</b>	Doricolor S.A.	1039	165	Interviewed
<b>75361</b>	Antakarana	1040	36	Outside scope
<b>75430</b>	Artefama	1040	25	No response
<b>75457</b>	Chimi (Chiminigagua)	1040	32	No response
<b>75482</b>	Latex de Colombia S.A.	1040	127	Outside scope
<b>75554</b>	In Tacto Diseño	1040	26	Interviewed
<b>75555</b>	Dekomadera Objetos	1040	20	No response
<b>75557</b>	Fiqueli Artesanias	1040	26	No response
<b>Dropped/rejected</b>				
<b>75030</b>	Terminales Automotrices S.A.	1028	90	No response
<b>75411</b>	Avizor S.A. (rejected)	1028	-	No response
<b>74888</b>	Ropim Ltda.	1029	80	No response
<b>79186</b>	Vasquez Quimicas LTDA	1039	25	No response

## Annex 2. Company descriptions

<b>Company ID</b>	1	<b>ECP:</b>	1028																		
<p><u>Initial situation:</u> This company produces rubber parts for automobiles. Before the ECP, they exported to south, central and North America, but not to the EU.</p> <p><u>Development of export turnover:</u> Exports have remained stable (11 countries in Americas), no exports to Europe.</p> <p><u>Activities CBI:</u> Audit (2006), Expro (2006), Automechanica 2008</p> <p><u>Contribution analysis:</u> The company appreciated the training by CBI on the European market and trade fair participation. However, the company has not been able to benefit from this training as their product was not suitable for the European market (lack of certification) and moreover not competitive compared to Asian producers. The company itself was of the opinion that CBI was overly ambitious given their capacity.</p>																					
<b>Export development</b>		<b>Contributions</b>																			
No exports to Europe Stable exports to LATAM		<table border="1"> <thead> <tr> <th>MI</th> <th>ME</th> <th>MA</th> </tr> </thead> <tbody> <tr> <td>Red</td> <td>Green</td> <td>Red</td> </tr> <tr> <th>HR</th> <th>EMS</th> <th>PP</th> </tr> <tr> <td>Red</td> <td>Blue</td> <td>Red</td> </tr> <tr> <th>TE</th> <td></td> <td></td> </tr> <tr> <td>Red</td> <td>Blue</td> <td></td> </tr> </tbody> </table>		MI	ME	MA	Red	Green	Red	HR	EMS	PP	Red	Blue	Red	TE			Red	Blue	
MI	ME	MA																			
Red	Green	Red																			
HR	EMS	PP																			
Red	Blue	Red																			
TE																					
Red	Blue																				
<b>CBI reported</b>		<b>Contribution score</b>	Some contribution																		
<b>Export EU</b>	<b>Export Non-EU</b>																				
-	-																				

<b>Company ID</b>	2	<b>ECP:</b>	1028
<p><u>Initial situation:</u> This company produces parts for automobiles. Before the ECP they exported to Latin America only.</p> <p><u>Development of export turnover:</u> The company did not export to Europe during the evaluation period. Their products are not competitive and do not comply with the market requirements (measures, accessories, standards). The exports within the LATAM region expanded from 9 to 13 countries.</p> <p><u>Activities CBI:</u> Audit (2006), Expro (2006), Trade fair (Automechanika 2008), technical assistance was limited.</p> <p><u>Contribution analysis:</u> The company appreciated the CBI training on the EU market as well as the trade fair participation. However, the company is not able to benefit from this training as their product is not suitable for the European market and they cannot afford the costs to fulfil market requirements (such as certification, adaptation of products). According to the company, this could have been clear from the audit.</p>			

<b>Export development</b>		<b>Contributions</b>																			
No exports to Europe Export to LATAM grew from 9 to 13 countries		<table border="1"> <tr> <td><b>MI</b></td> <td><b>ME</b></td> <td><b>MA</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>HR</b></td> <td><b>EMS</b></td> <td><b>PP</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>TE</b></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>		<b>MI</b>	<b>ME</b>	<b>MA</b>				<b>HR</b>	<b>EMS</b>	<b>PP</b>				<b>TE</b>					
<b>MI</b>	<b>ME</b>	<b>MA</b>																			
<b>HR</b>	<b>EMS</b>	<b>PP</b>																			
<b>TE</b>																					
<b>CBI reported</b>		<b>Contribution score</b>	No contribution																		
<b>Export EU</b>	<b>Export Non-EU</b>																				
-	-																				

<b>Company ID</b>	3	<b>ECP:</b>	1029																		
<i>Initial situation:</i> The company produces industrial products. It took CBI a few years (and several audits) before the right sector was identified for this company (Industrial instead of medical or security). However, that is still not a perfect match as the sector programme is mostly about parts rather than the specific equipment or machines that this company produces. The company had export experience in Latin America.																					
<i>Development of export turnover:</i> They have not accessed the European market because it is considered too expensive for the company at the moment. They only made once-off sales during trade fairs (Holland and Spain), but this did not result in sustainable relations. They do export to 18 countries in Latin America. The company has not expanded during the evaluation period but is now exploring the Chinese market.																					
<i>Activities CBI:</i> Audit (several for different ECP between 2003 and 2006), Expro (2006), TAM (several from different consultants), Trade fair (3x since 2006)																					
<i>Contribution analysis</i> There has been no contribution to the exports of this company. The company is not able to make the large investments required to access the EU market (standards, certification and local representation). According to the owner, CBI is useful because it increases 'knowledge & promotion'. CBI made clear that they could potentially export to Europe, that there was a market for their products, but nevertheless unattainable for this company. They are currently re-writing the export strategy for China (and to be less 'futuristic'). Attendance at trade fairs with CBI is seen as a useful way to overcome the bad reputation of Colombia in the market.																					
<b>Export development</b>		<b>Contributions</b>																			
No EU exports  Exports to LATAM (18)		<table border="1"> <tr> <td><b>MI</b></td> <td><b>ME</b></td> <td><b>MA</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>HR</b></td> <td><b>EMS</b></td> <td><b>PP</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>TE</b></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>		<b>MI</b>	<b>ME</b>	<b>MA</b>				<b>HR</b>	<b>EMS</b>	<b>PP</b>				<b>TE</b>					
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<b>HR</b>	<b>EMS</b>	<b>PP</b>																			
<b>TE</b>																					
<b>CBI reported</b>		<b>Contribution score</b>	No contribution																		
<b>Export EU</b>	<b>Export Non-EU</b>																				
0	0																				

<b>Company ID</b>	4	<b>ECP:</b>	1029																																				
<p><u>Initial situation:</u> The company produces medical supplies for consumer and health care market. It belongs to one of Colombia's Top 100 companies. Before CBI, it exported to USA, Canada and Latin America.</p> <p><u>Development of export turnover:</u> No exports to Europe. Growth in exports to Latin America.</p> <p><u>Activities CBI:</u> Audit (2005), Expro (2006), TAM (2005, 2007, 2008), Trade fair (4x up to 2014)</p> <p><u>Contribution analysis</u> This company does not export to Europe because of certification and insufficient competitiveness of their product. The company appreciated the trade fair participation organised by CBI as they claim they would not get a place by themselves and during one of those trade fairs they met their current distributor for Mexico. However, they do acknowledge that there are other ways of attending trade fairs (e.g. Proexport). Moreover, as part of one of Colombia's Top 100 companies, they certainly have the means to do so themselves (just as they acquire their own, more specialised market information and already have elaborate marketing strategies).</p>																																							
<b>Export development</b>		<b>Contributions</b>																																					
No EU exports		<table border="1"> <tr> <td colspan="2"><b>MI</b></td> <td colspan="2"><b>ME</b></td> <td colspan="2"><b>MA</b></td> </tr> <tr> <td style="background-color: red;"></td> <td style="background-color: lightblue;"></td> <td style="background-color: red;"></td> <td style="background-color: lightgreen;"></td> <td style="background-color: red;"></td> <td style="background-color: lightgreen;"></td> </tr> <tr> <td colspan="2"><b>HR</b></td> <td colspan="2"><b>EMS</b></td> <td colspan="2"><b>PP</b></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="2"><b>TE</b></td> <td colspan="4"></td> </tr> <tr> <td style="background-color: red;"></td> <td style="background-color: lightblue;"></td> <td colspan="4"></td> </tr> </table>		<b>MI</b>		<b>ME</b>		<b>MA</b>								<b>HR</b>		<b>EMS</b>		<b>PP</b>								<b>TE</b>											
<b>MI</b>		<b>ME</b>		<b>MA</b>																																			
<b>HR</b>		<b>EMS</b>		<b>PP</b>																																			
<b>TE</b>																																							
<b>Export development</b>		Stable exports to LATAM of about € 3-4 million (17 countries)																																					
<b>CBI reported</b>		<b>Contribution score</b>																																					
<b>Export EU</b>	<b>Export Non-EU</b>	No contribution																																					
587.439	7.292.561																																						

<b>Company ID</b>	5	<b>ECP:</b>	1030
<p><u>Initial situation:</u> This company produces primarily cleaning and disinfectant products for both the consumer and health care market and is expanding into medical devices. Before entering the ECP (via Propexport), they focused on the domestic and regional market only.</p> <p><u>Development of export turnover:</u> They have not been able to enter the European market because of lack of registered products to export. Therefore, the focus is on the domestic market and some exports in the region (which increased somewhat during the evaluation period).</p> <p><u>Activities CBI:</u> Audit (2005), Expro (2006), TAM (2006, 2007, 2008), Trade fair (2008, did not get a place in the next one and decided not to attend the third as they did not have a product to offer)</p> <p><u>Contribution analysis</u> There is no contribution to the company's exports to Europe. During the ECP and thereafter the company has not attained the required registration for its exportable products (allegedly due to financial constraints). However, according to the company, participation in the ECP allowed them to enter the Latin American market with 'mas fuerza' (mainly due to improved export marketing).</p>			



Moreover, the information on the European market for their products, and its potential for a small firm as theirs, was considered an eye-opener ('Cambia el chip').

<b>Export development</b>		<b>Contributions</b>					
No EU exports		<b>MI</b>		<b>ME</b>		<b>MA</b>	
Exports to LATAM (4)		[Red][Green]		[White][White]		[Red][LightBlue]	
		<b>HR</b>		<b>EMS</b>		<b>PP</b>	
		[White][White]		[Red][Green]		[White][White]	
		<b>TE</b>					
		[White][White]					
<b>CBI reported</b>		<b>Contribution score</b>				Some contribution	
<b>Export EU</b>	<b>Export Non-EU</b>						
14.274	137.926						

<b>Company ID</b>	6	<b>ECP:</b>	1030				
<u>Initial situation:</u> This is a family business that produces semi-medical devices for consumer usage (beauty industry).							
<u>Development of export turnover:</u> The exports have decreased. They had some incidental sales in Europe (Belgium, Luxemburg, Turkey, Spain) but no sustained export relations (and they fired their local distributor). The company is challenged by competition from China, also in the Latin American market.							
<u>Activities CBI:</u> Audit (2005), Expro (2006), TAM (2005, 2007, 2008), Trade fair (4x up to 2014)							
<u>Contribution analysis</u> There has been no contribution from the ECP. CBI urged them to acquire certification in order to be able to export to Europe, which was considered crucial for market access. However, this also made them realise it is too costly for them to export to Europe if every product needs certification. CBI's contribution to market information and entry was limited as the company's export products did not fit well within the ECP (and thus Expro and trade fairs were considered irrelevant). The company did appreciate the international experience and contacts with other CBI participants.							
<b>Export development</b>		<b>Contributions</b>					
No EU exports		<b>MI</b>		<b>ME</b>		<b>MA</b>	
Reduction of exports in LATAM		[Red][LightBlue]		[Red][LightBlue]		[Red][Green]	
		<b>HR</b>		<b>EMS</b>		<b>PP</b>	
		[White][White]		[White][White]		[White][White]	
		<b>TE</b>					
		[White][White]					
<b>CBI reported</b>		<b>Contribution score</b>				No contribution	
<b>Export EU</b>	<b>Export Non-EU</b>						
822.686	3.958.564						

<b>Company ID</b>	7	<b>ECP:</b>	1031
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<p><b><u>Initial situation:</u></b> The company develops software and produces communication platforms are used by renown European companies. Before the ECP, the company was active in Latin America and Switzerland (with local representation ad a Swiss employee in Colombia).</p> <p><b><u>Development of export turnover:</u></b> The company has grown and expanded exports to LATAM. However, as soon as they lost a large Swiss customer at the onset of the European crisis, they dismantled their EU export department.</p> <p><b><u>Activities CBI:</u></b> Audit (2006), Expro (2006), TA and training (2006, 2007), Trade fair (only once, 2007)</p> <p><b><u>Contribution analysis</u></b> Even though this company has been used as a show case for CBI, the conclusion is that the participation in the programme did not contribute to the company's export performance. The large Swiss contract signed at the beginning of the ECP might have benefited somewhat from newly acquired skills during Expro ('polished') but would have certainly happened in any case. Moreover, this relationship has not been maintained and the company has moved away from the European market since then. The participation was considered a useful experience for the CEO, and did lead to the company offering all staff English language classes (even though not for the EU market).</p>																				
<p><b>Export development</b></p> <p>Exports to one European country at the onset of the CBI programme, but not sustained thereafter.</p> <p>Exports to LATAM</p>	<p><b>Contributions</b></p> <table border="1"> <tr> <td><b>MI</b></td> <td><b>ME</b></td> <td><b>MA</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>HR</b></td> <td><b>EMS</b></td> <td><b>PP</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>TE</b></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>		<b>MI</b>	<b>ME</b>	<b>MA</b>				<b>HR</b>	<b>EMS</b>	<b>PP</b>				<b>TE</b>					
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<p><b>CBI reported</b></p> <table border="1"> <tr> <td><b>Export EU</b></td> <td><b>Export Non-EU</b></td> <td rowspan="2"> <p><b>Contribution score</b></p> <p>No contribution</p> </td> </tr> <tr> <td>190.170</td> <td>4.731.663</td> </tr> </table>	<b>Export EU</b>	<b>Export Non-EU</b>	<p><b>Contribution score</b></p> <p>No contribution</p>	190.170	4.731.663															
<b>Export EU</b>	<b>Export Non-EU</b>	<p><b>Contribution score</b></p> <p>No contribution</p>																		
190.170	4.731.663																			

<b>Company ID</b>	8	<b>ECP:</b>	1031
<p><b><u>Initial situation:</u></b> The company works on software development, training and support, using leading technology platforms. Before the ECP, this company had some (limited) exports to Latin America and USA. They had a local representation in Spain, but to no avail.</p> <p><b><u>Development of export turnover:</u></b> Since the ECP, the company has shifted its focus back to the domestic market. There have been no substantial exports to Europe and the next step would be re-entering the regional market first. During the ECP, they cooperated with a Spanish firm but according to CBI documentation this was not related to the ECP.</p> <p><b><u>Activities CBI:</u></b> Audit (2006), Expro (2006), TA and training (2006,2007), Trade fair (2007 with CBI, 2008, 2009 with Proexport)</p> <p><b><u>Contribution analysis</u></b> There has been no contribution of the ECP on this company's exports. The company's services are not competitive in the (European) market. Moreover, according to the company Colombia is not perceived as sophisticated enough for offering quality IT services. Participation in the ECP was considered useful</p>			

as an introduction to the market in Europe and for general advise on marketing, which is applicable to their business in Colombia (e.g. contact forms). However, the export competencies that the company's management might have acquired are currently not being used.		
<b>Export development</b>	<b>Contributions</b>	
	<b>MI</b>	<b>ME</b>
	<b>HR</b>	<b>EMS</b>
	<b>TE</b>	
No EU exports		
Reduced exports in LATAM to focus on domestic market		
<b>CBI reported</b>	<b>Contribution score</b>	
<b>Export EU</b>	<b>Export Non-EU</b>	No contribution
5000	5.221.243	

<b>Company ID</b>	9	<b>ECP:</b>	1031
<i>Initial situation:</i>			
This company, just started, was initially rejected for participation in the ECP and worked hard to address the main issues raised in the audit so that it was accepted the year thereafter. They attended one trade fair but decided it was not the right moment for them to export. They re-entered the programme six years later. In the meanwhile, the company has grown substantially in size.			
<i>Development of export turnover:</i>			
No exports to Europe, but expansion of exports in the region (about 4 Latin American countries and USA).			
<i>Activities CBI:</i> Audit (1998, 1999), Expro (2006), TA and training (2006, 2007, 2008), Trade fair (2000, no further participation with CBI as not interested in CeBIT and insufficient funds to co-finance other options)			
<i>Contribution analysis</i>			
Rather than directly contributing to the company's regional exports through development of export competencies, the ECP contributed to the growth of this company through the first audit, which led to some significant changes in the company's organisation and strategy. So though this is business development rather than export promotion (CBI 'planted a seed' in this area), according to the CEO of the company participation in the ECP has thus had effect. The European market is considered 'closed' for Colombian firms in this sector due to the reputation of the country and limited competitiveness on prices.			
<b>Export development</b>	<b>Contributions</b>		
	<b>MI</b>	<b>ME</b>	<b>MA</b>
	<b>HR</b>	<b>EMS</b>	<b>PP</b>
	<b>TE</b>		
No EU exports			
Growth in export in LATAM and USA			
<b>CBI reported</b>	<b>Contribution score</b>		Some contribution

<b>Export EU</b>	<b>Export Non-EU</b>		
0	7.665.761		

<b>Company ID</b>	10	<b>ECP:</b>	1031																		
<p><u>Initial situation:</u> This company produces software for billing by banks and businesses. The main clients are in Colombia and elsewhere in Latin America (with local offices). The company had some experience with Europe: it is partly British (&lt;50%), through which the European market knowledge can be accessed.</p> <p><u>Development of export turnover:</u> The company did not export to Europe during the evaluation period. The company does not consider its services to be competitive in that market.</p> <p><u>Activities CBI:</u> Audit (2007), Expro (2006), Technical assistance and training (additional TA received), Trade fair (2007, 2008, 2009)</p> <p><u>Contribution analysis:</u> Though the company appreciated the training provided by CBI and the opportunity to collect information on the European market, there was no contribution to the existing competencies of the firm or to their exports given the focus on Europe while their product was not suitable for that market. They did adapt their marketing following the CBI training but the effect thereof is not discernible.</p>																					
<b>Export development</b>		<b>Contributions</b>																			
No EU exports Export to Latin America stable		<table border="1"> <tr> <td><b>MI</b></td> <td><b>ME</b></td> <td><b>MA</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>HR</b></td> <td><b>EMS</b></td> <td><b>PP</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>TE</b></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>		<b>MI</b>	<b>ME</b>	<b>MA</b>				<b>HR</b>	<b>EMS</b>	<b>PP</b>				<b>TE</b>					
<b>MI</b>	<b>ME</b>	<b>MA</b>																			
<b>HR</b>	<b>EMS</b>	<b>PP</b>																			
<b>TE</b>																					
<b>CBI reported</b>																					
<b>Export EU</b>	<b>Export Non-EU</b>	<b>Contribution score</b>	No contribution																		
	3.558.784																				

<b>Company ID</b>	11	<b>ECP:</b>	1036
<p><u>Initial situation:</u> This company, well established in Colombia, has exported since the seventies to Latin America, USA and Africa. They participated in international trade fairs and undertake extensive product benchmarking exercises throughout the world. They had contact with CBI in 1978. The audit for the ECP under evaluation mentions the potential for increased exports conditional on improvements in the production process (through TA).</p> <p><u>Development of export turnover:</u> When interviewed, they were about to start producing for a European firm (that exports in Europe and to USA). The process towards this contract was initiated while visiting Europe for the CBI training. Export to the rest of the world has grown during the evaluation period (from 19 to 25 countries).</p> <p><u>Activities CBI:</u> Audit (2006), Expro (2007), Technical assistance and training (additional TA received), Trade fair (2008, 2009)</p>			

<p><u>Contribution analysis</u></p> <p>According to the company, CBI has been the 'trigger' to enter the European market by offering market information, training and trade fair participation (cheaper, better location, better reputation). But above all, this firm benefited from the technical assistance (additional to what is normally offered by CBI) on improvements in products and production processes required to compete internationally and in Europe.</p>																				
<p><b>Export development</b></p> <p>No EU exports (yet)</p> <p>About €8 million to rest of the world (LATAM, Africa...)</p>	<p><b>Contributions</b></p> <table border="1"> <tr> <td><b>MI</b></td> <td><b>ME</b></td> <td><b>MA</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>HR</b></td> <td><b>EMS</b></td> <td><b>PP</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>TE</b></td> <td colspan="2"></td> </tr> <tr> <td></td> <td colspan="2"></td> </tr> </table>		<b>MI</b>	<b>ME</b>	<b>MA</b>				<b>HR</b>	<b>EMS</b>	<b>PP</b>				<b>TE</b>					
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<p><b>CBI reported</b></p> <table border="1"> <tr> <td><b>Export EU</b></td> <td><b>Export Non-EU</b></td> <td rowspan="2"> <p><b>Contribution score</b></p> <p>Some contribution</p> </td> </tr> <tr> <td>50.000</td> <td>-</td> </tr> </table>	<b>Export EU</b>	<b>Export Non-EU</b>	<p><b>Contribution score</b></p> <p>Some contribution</p>	50.000	-															
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50.000	-																			

<b>Company ID</b>	12	<b>ECP:</b>	1039																		
<p><u>Initial situation:</u></p> <p>This company started off in the wrong ECP (Paintings &amp; coatings rather than Office and School supplies where they obviously belong). Only at the Expro, after the audit, did they realise the mistake and changed of ECP (no new audit, new Expro).</p> <p><u>Development of export turnover:</u></p> <p>Since the ECP, the company has grown in size and the amount of countries exported to in the region. No exports to Europe though currently in discussion with potential German importer (unrelated to CBI).</p> <p><u>Activities CBI:</u> Audit (2007), Expro (2009), Technical assistance and training (additional TA received), Trade fair (2010, 2011, 2012)</p> <p><u>Contribution analysis</u></p> <p>According to the company, CBI has contributed to their growth by offering technical assistance with regard to their products and marketing. This has been useful for the domestic market and within the LATAM region. The focus on Europe was useful to 'open their eyes' and to realise the importance of certification, though they have not exported to Europe (nor do they have the required certification due to the costs and limited possibilities to test within Colombia).</p>																					
<p><b>Export development</b></p> <p>No EU exports</p> <p>About €1 million to LATAM (3 countries from 1 before CBI), but currently most growth from the local market</p>	<p><b>Contributions</b></p> <table border="1"> <tr> <td><b>MI</b></td> <td><b>ME</b></td> <td><b>MA</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>HR</b></td> <td><b>EMS</b></td> <td><b>PP</b></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>TE</b></td> <td colspan="2"></td> </tr> <tr> <td></td> <td colspan="2"></td> </tr> </table>			<b>MI</b>	<b>ME</b>	<b>MA</b>				<b>HR</b>	<b>EMS</b>	<b>PP</b>				<b>TE</b>					
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<b>Contribution score</b>	Some contribution																				

<b>Export EU</b>	<b>Export EU</b>	<b>Non-EU</b>	
0	162.014		

<b>Company ID</b>	13	<b>ECP:</b>	1040
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Initial situation:

This small, handicrafts company did well in Colombia (tourist market) and had some experience with exports (Italy, Spain, USA, including attendance to trade fairs in Spain).

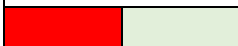
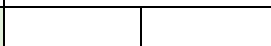

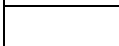

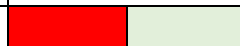

Development of export turnover:

According to the company, the international economic crisis hit them hard both locally and international (e.g. traders and distributors from Colombia out of business and demand for high end handicrafts in Europe dropped). At the moment, the company is dormant.

Activities CBI: Audit (2007), Expro (2007), Technical assistance and training (additional TA received), Trade fair (2009)

Contribution analysis

Unfortunately, this company went practically bankrupt due to limited competitiveness. During the evaluation period they realised occasional sales abroad but no sustained exports to Europe or elsewhere. They had insufficient funding to attend more than one trade fair during the ECP. The owners of the company did find participation in the ECP a useful experience as it taught them to professionalise their company and exports. Moreover, they received additional technical assistance for product development (which was however not followed up).

<b>Export development</b>	<b>Contributions</b>		
No exports, practically bankrupt	<b>MI</b>	<b>ME</b>	<b>MA</b>
			
	<b>HR</b>	<b>EMS</b>	<b>PP</b>
			
	<b>TE</b>		
			
<b>CBI reported</b>	<b>Contribution score</b>		No contribution
<b>Export EU</b>	<b>Export EU</b>	<b>Non-EU</b>	
	56.584		