



**International
Finance Corporation**
World Bank Group

Value Chain Analysis, Monitoring Results and Benchmarking – Experience of SEDF/Bangladesh

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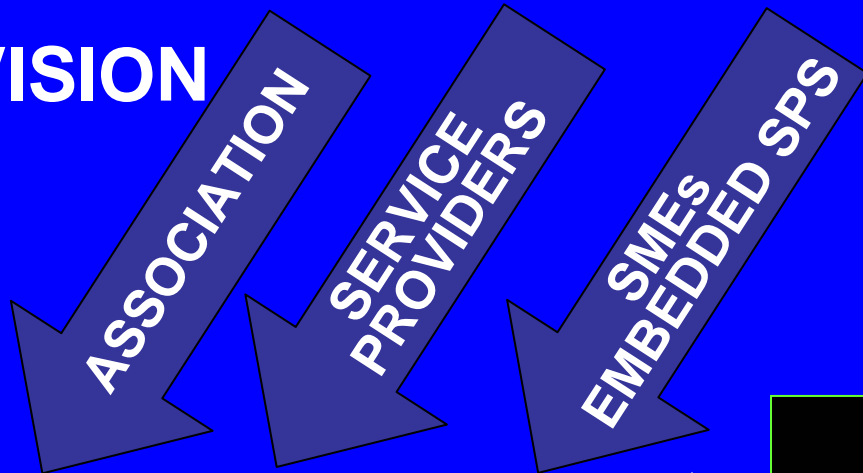
Chiangmai, Thailand, September 18 – 22, 2006



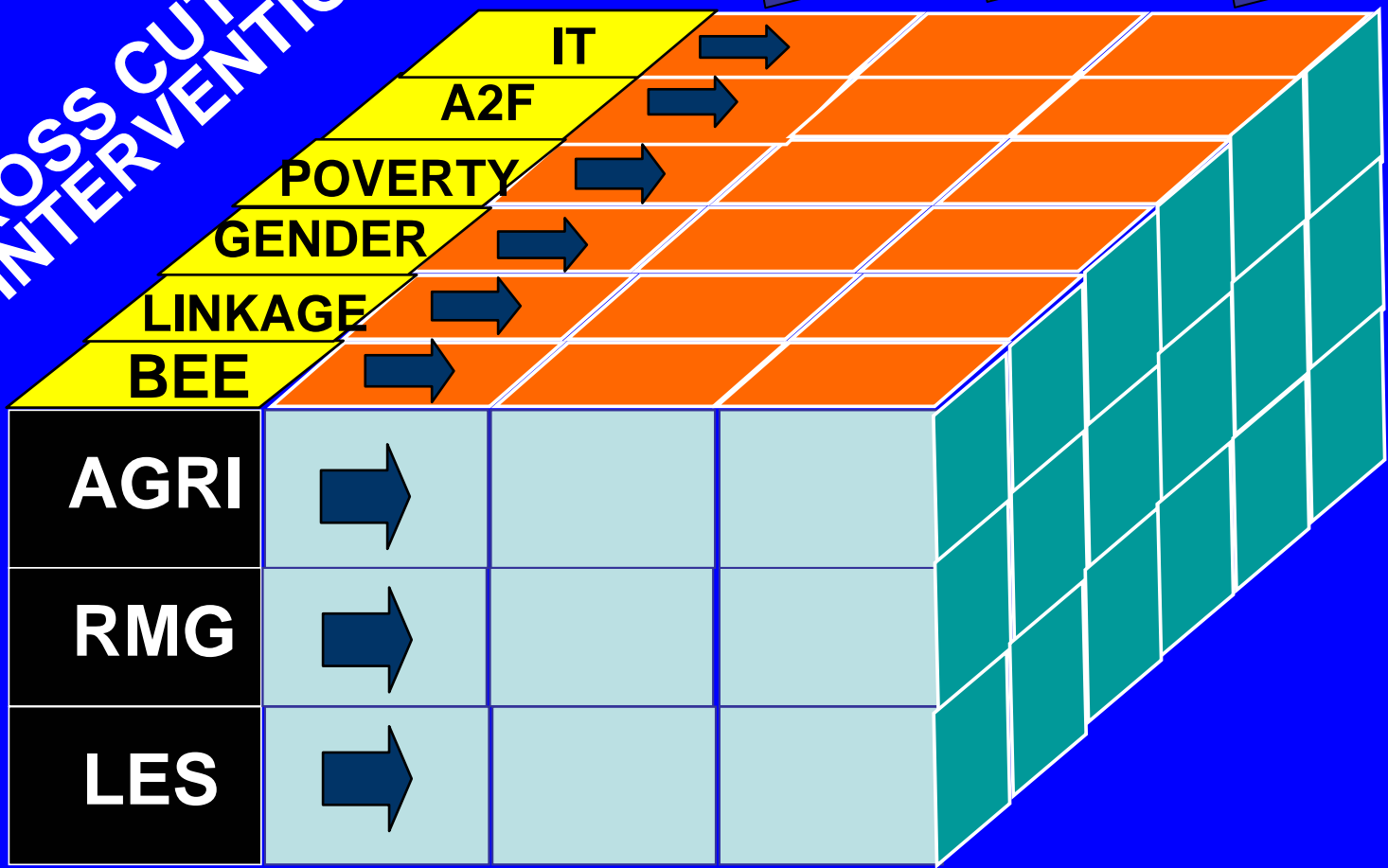
SEDF/International Finance Corporation

SERVICE PROVISION

CROSS CUTTING INTERVENTION



SECTORS INTERVENTION



MARKET DEVELOPMENT

Sector Performance

	Particular	Baseline (2003)	Monitoring (2005)	Change in %
Providers	Total PROVIDERS	93	167	67
	No. of Intervention	83	265	219
Sector Impact	Female Staff (no.)	67,630	78,202	16
	Domestic Sales ('000)	43,107	48,131	12
	Export ('000 US\$)	821,008	930,796	13
	Assets ('000 US\$)	501,641	537,090	7
	Profit ('000 US\$)	35,136	40,769	16
Cost Inputs	PROG. DIRECT COST (US\$)	4,786,470	Leverage Value	1:24
	PROG. TOTAL COST (US\$)	6,080,000		1:19

Major Issues in Impact Monitoring

- Working with multiple donors in VC means different M&E expectations
- M&E considered a “back office” support, run by statistical acrobats – not enough resources allocated
- Too many un-coordinated surveys leading to client fatigue
- Too much focus on “Attribution” and “Control Group” – missing the big picture – **INDUSTRY COMPETITIVENESS!!**

M & E (Traditional)

M& E in its own orbit

**Program
M&E**

**Global
Benchmarks**

**National
Benchmarks**

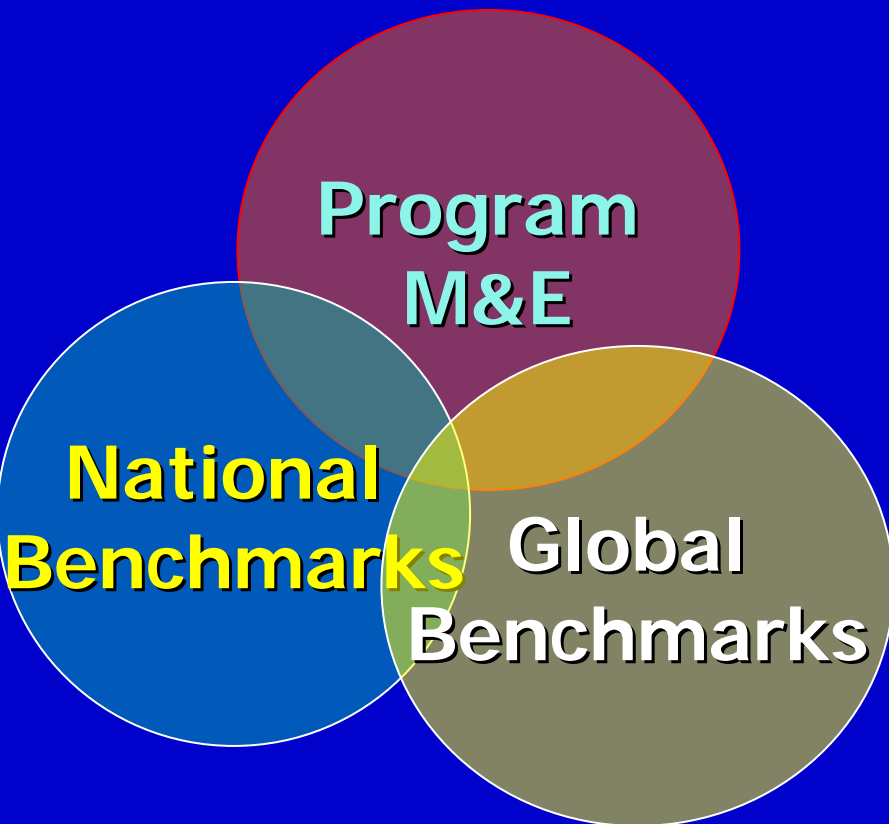
Problems

- M & E systems not attuned to industry's measuring vocabulary and standards.
- Difficult to attribute changes to program interventions.
- Does not provide insights into better business practices that:
 - *drive the industry forward*

M & E (A Way Ahead?)

Anchored M & E and benchmarks

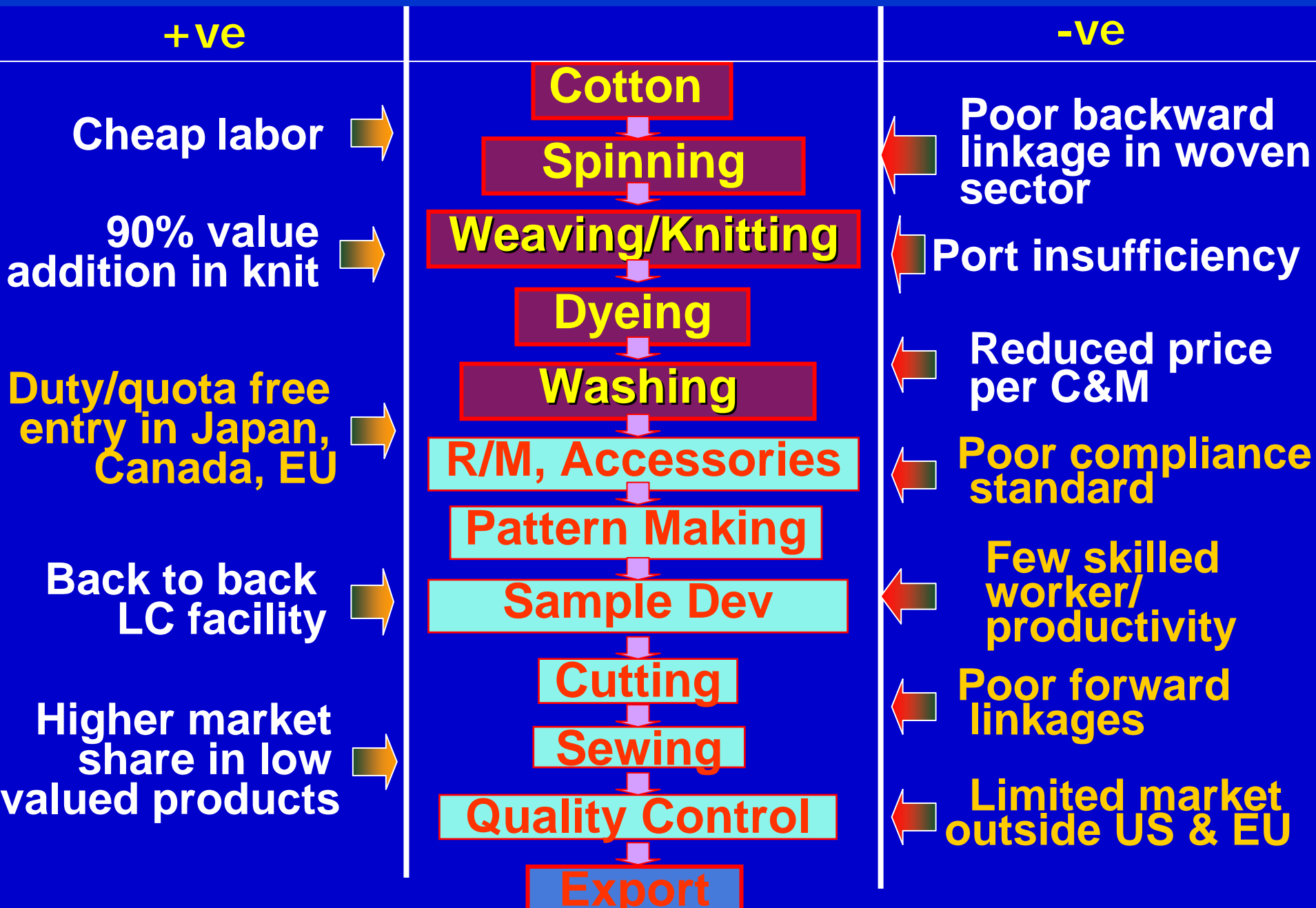
Problems addressed



Benchmark linked M&E:

- Gives a sense to make the industry more competitive.
- Changes attributed to intervention with higher degree of certainty.
- Gender, poverty, environmental and public-goods can still be linked.

FORCE FIELD ANALYSIS ON VALUE CHAIN



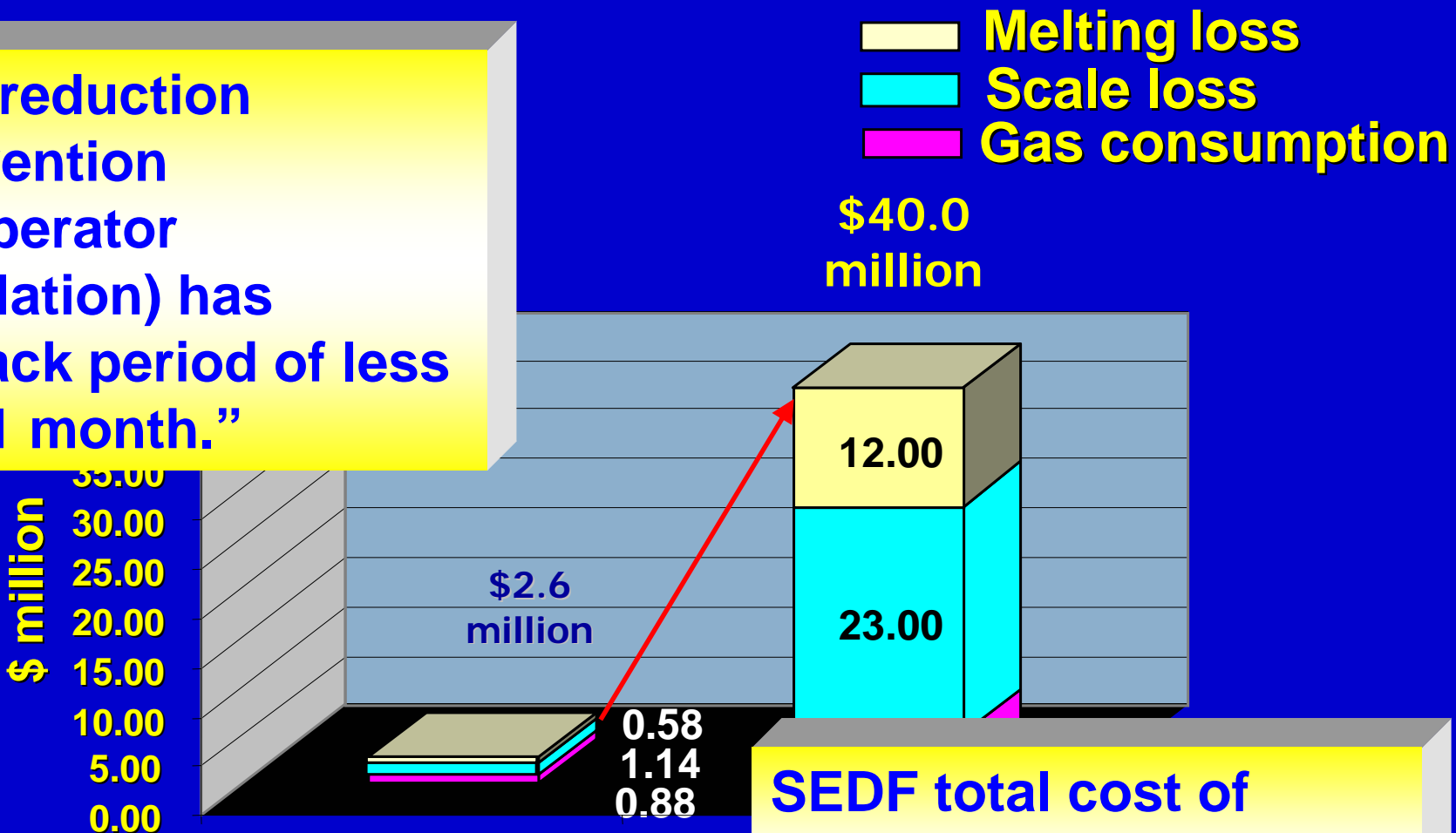
Readymade Garments: Benchmarks

	SEDF Assisted	B'desh Baseline	'Reference' Country Benchmark			Global B'mark	
			Sri Lanka	China	Vietn	Camb	
<u>Process Benchmarks</u>							
Labor Turnover/ Year (%)	11	15	6-8	6	7	7	5-6
Rejection Rate	8	10	3	0.5	3	5	1
Plant Efficiency (Produced Min./Spent Min) (%)	44	30	65	80	70	60	75
<u>Financial Benchmarks</u>							
Labor Cost (US\$/ Operator Hour)	0.37	0.30	0.46	0.50	0.30	0.40	-
<u>Sector Performance Benchmarks</u>							
Return on Invested Capital (Knit) (%)	18	15	18	25	20	18	-
<u>Social/Environmental Benchmarks</u>							
Women in Supervisor Positions (%)	+1	0.5	40	70	60	65	40

Re-rolling Mills Bangladesh

Cost Savings/ Year (US\$)

“Gas reduction intervention (recuperator installation) has payback period of less than 1 month.”



For 6 mills assisted by SEDF
50,000 Ton/ year

SEDF total cost of US\$51,000 to realize cost saving of US\$2.6 million

LOGIC OF LOGIC MODEL

**SETTING UP MONITORING AND
EVALUATION SYSTEM**

**Industry
Standard
Setting**

**Rapid sector and value chain
analysis**

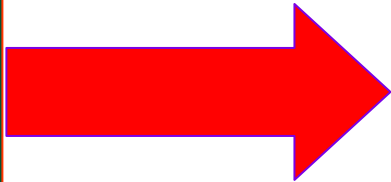
**Key global, regional, national
sectoral benchmarks**

**Work with few lead companies
through industry experts**

**Design industry level
interventions**

**Leverage/link A2F and BEE to
the value chain**

**Measure outcome and impact
variables**



Different Sectors – Different Focus!

Difficult to have common impact denominators for sector interventions

Textiles and Apparels

Focus on Gender, Compliance and Factor Productivity

Agribusiness

Supply chain, Poverty nodes

Information Technology

Profit and Export Growth, No social, employment or gender dimension

Engineering

Cost Reduction, Import substitution