Inception Report

POLICY REVIEW, PRIVATE SECTOR DEVELOPMENT

Country studies
THE MISSION OF TRIODOS FACET IS TO CONTRIBUTE TO SUSTAINABLE ENTERPRISE DEVELOPMENT
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1 Introduction

This report is the inception report prepared for Lot 1 of the evaluation private sector development policies 2005 – 2011 as requested by the IOB and for which Triodos Facet has been contracted. The report aims to describe in detail how the evaluation assignment will be undertaken.

The report is structured as follows:

- In chapter 2, we demarcate the subject of the research by discussing the (amended) research questions to be used in the exercise, defining a number of key concepts, describe the selected instruments for evaluation, as well as the exact review period, and which countries are taken into account. The limitations of the research are described here as well.

- In chapter 3, we operationalize the research questions, and add a detailed research matrix for each of the research questions, and the related sub-questions, mentioned in the ToR (incl. the changes proposed in chapter 2).

- In chapter 4, we describe how the research will be conducted in practice, including interview guidelines for the types of interviewees we plan to speak to during the country missions.

- In chapter 5, we present the tentative contents of the synthesis report and the four country studies.

- In chapter 6, we add work plan, including the dates for the country missions;

- The Annexes describe the preliminary list of evaluations to be used; the instruments that will be reviewed, interview guidelines, and the log frame for Dutch PSD policy we will use for analysis and presentation in the report.
2 Demarcation of the review

The country studies that are described in this inception report is being conducted as a part of the wider PSD Policy review IOB is conducting. The principal aim of the country studies is to examine the PSD interventions that have taken in place in the four selected countries, and use these to describe the PSD Policy the Ministry of Foreign Affairs is conducting.

This chapter describes
(a) what the research questions are,
(b) what key terms are used to describe the research object,
(c) which instruments are part of the review (and why),
(d) which countries the research takes place and why,
(e) what the research period is, and
(f) what limitations the review has.

2.1 Research Questions

The terms of reference (ToR), contain three central research questions and 11 sub-questions. Following desk research and exchange with IOB in the inception phase, we propose a number of changes to the central questions and sub-questions proposed in the ToR.

The central questions have been defined as follows:

1. What is the global picture of the Dutch PSD policy, its instruments and expenditures?
2. Is the PSD policy applied in the way the PSD Policy intended?
3. Is there a link between the PSD instruments used, is there synergy?
4. Are the instruments and PSD programmes driven by demand of the actors in the countries?
5. What is known about the effects (outcomes and impacts) of the PSD Policy in the four researched countries?

The sub-questions are:

<table>
<thead>
<tr>
<th>#</th>
<th>Main questions</th>
<th>Sub-questions</th>
</tr>
</thead>
</table>
| 1  | What is the Dutch PSD policy, what are its objectives, instruments and expenditures? | 1.1 What is the Dutch PSD policy, what was its rationale?  
1.2 What instruments are used, and which problems do these instruments seek to solve? |
| 2  | Is the PSD policy applied in the way the PSD Policy intended?                | 2.1 Are the instruments in line with the Policy?  
2.2 How is Dutch PSD Policy applied in country X? |
| 3  | Is there a link between the PSD instruments used, is there synergy?         | 3.1 What kind of relationships exist between the PSD instruments in country X?  
3.2 Is there synergy between the PSD instruments in country X? |
| 4  | Are the instruments and PSD programmes driven by demand of the actors in the countries? | 4.1 What are the methods used to determine demand drivenness and how is compliance assured by Dutch PSD instruments?  
4.2 To what extent has the PSD approach, resulting programme and have the projects undertaken been driven by demand of actors in country X?  
How is demand-drivenness assured in specific country circumstances? |
| 5  | What is known about the effects (outcomes and impacts) of the PSD Policy in the four researched countries? | 5.1 Which evaluations are available that describe effects (outcome, and/or impacts) at enterprise level?  
5.2 What other sources are available that describe effects on enterprise level?  
5.3 What is known about effects beyond enterprise level (sector and systemic level) in evaluations, and other sources? |

The way in which these questions are addressed is described in the section on Methodology, below.
2.1.1 Changes to the Terms of Reference

In the table below we list the questions as stated in the original ToR, next to the changes made, and the reasoning behind the proposed change.

Table 1: Central research questions, proposed changes

<table>
<thead>
<tr>
<th>Original central question</th>
<th>Changes</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent was the Dutch PSD policy aligned with (1) the national policy of country X and (2) internally coherent?</td>
<td>Reformulated; alignment with national PSD policy has been dropped as a research question, and the question whether PSD policy in country X is internally coherent has been replaced with (a) Is there a link between the PSD instruments used, is there synergy? And (b) Is the PSD policy applied in the way the PSD Policy intended?</td>
<td>The reference group and IOB considered that alignment with national policy is not crucial to this review (there is typically no “Dutch PSD policy to align with) At the same time the question of linkage and synergy is considered important, while the term “coherent” is not considered suitable in the context of this review (is associated with coherence between ministries).</td>
</tr>
<tr>
<td>To what extent has the Dutch PSD programme in Country X been driven by the demand from actors in country X?</td>
<td>No changes</td>
<td>-</td>
</tr>
<tr>
<td>What (possible) effects of the Dutch PSD programme can be established at enterprise level and if possible, beyond this level?</td>
<td>No changes</td>
<td>-</td>
</tr>
</tbody>
</table>

The table below shows changes to the sub-questions asked; here we list substantive changes, i.e. changes to the content of the sub-questions. Some of the sub-questions have been reformulated, without changing the content.

Table 2: ToR Sub-questions, proposed changes

<table>
<thead>
<tr>
<th>Original sub-question</th>
<th>Changes</th>
<th>Reason for changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What has been the PSD policy in country X and for what problem were these policies presented as a solution?</td>
<td>Changed to sub question 2.2: How is Dutch PSD Policy applied in country X?</td>
<td>There is typically no “PSD policy” as such in any of the countries researched, as central instruments and de-central interventions are not developing a policy as such for a particular country. Instead there is an “approach” on how the instruments are applied in a country, which will be analysed. See chapter XXX for more explanations.</td>
</tr>
<tr>
<td>2. What has been the PSD policy of the Netherlands in country X and for what problem were these policies presented as a solution?</td>
<td>As above; has become part of sub-question 2.2.</td>
<td>Reference group and IOB consider that the assessment of other Dutch government agencies will expand the country studies beyond a feasible scope.</td>
</tr>
<tr>
<td>3. Which ministries and other relevant agencies in the Netherlands have been involved in the Dutch PSD policymaking in country X and what have been their respective roles?</td>
<td>Dropped.</td>
<td>Reference group and IOB consider that the assessment of other Dutch government agencies will expand the country studies beyond a feasible scope.</td>
</tr>
<tr>
<td>4. What instruments (at central and de-central level) have been used to realize the Dutch PSD policy, what was the budget and what has been the rationale for the choices made?</td>
<td>Changed to 1.2 and 2.1</td>
<td>Operationalised, content is the same.</td>
</tr>
<tr>
<td>5. To what extent does a fit exist between the PSD policy of country X and the Dutch PSD policy?</td>
<td>Dropped</td>
<td>The alignment question has been dropped, and therefore this sub-question has no relevance.</td>
</tr>
<tr>
<td>6. How and to what extent is the Dutch PSD programme adapted to the specific country needs?</td>
<td>Changed, and addressed in sub-question 2.2</td>
<td>While to context in the country plays a major role, the question is how the PSD approach has reflected these,</td>
</tr>
</tbody>
</table>
7. What are the main methods used to determine demand drivenness and how is compliance to these methods guaranteed in the Dutch PSD instruments?  

8. To what extent can it be established if proposals of the applicants or actors in country X for the use of the Dutch PSD instruments were demand driven?  

9. Are there evaluations available to determine effects (output/outcome and if possible impact) at enterprise level (Donor Committee on Enterprise Development – DCED- indicators) of the Dutch PSD program in country X? If yes, assess the quality of the evaluation and present a summary of the findings.  

10. If the answer to question 9 is negative or insufficient resources of good quality are available, come to a description of the effect of the Dutch PSD program in country X at enterprise level by collecting data on the indicators below.  

11. Are there any other evaluations available about the effects of the Dutch PSD program in country X, other than at enterprise level? If yes, please assess the quality of these resources and present a summary of the findings.  

### 2.2 Definitions of Key Concepts

In order to address the central questions and the sub-questions, which are to be answered for each of the four countries covered by the study, it is important to define a number of key concepts. These definitions will guide the development of indicators and evaluation criteria. In this respect, for the purposes of the study, Triodos Facet uses the following definitions:

- **Private sector**: A basic organizing principle for economic activity where private ownership is an important factor, where markets and competition drive production and where private initiative and risk-taking set activities in motion.\(^1\)

- **Private sector development (PSD)**: The strategy for promoting economic growth and reducing poverty in developing countries by incorporating private industry and competitive markets into a country’s overall development framework.\(^2\)

- **The Dutch PSD policy of country X**: Following discussions in the inception phase, we understand that there is no specific Dutch PSD policy in a country X. There is, however, a country-specific approach chosen by Dutch instruments to deploy instruments. In the report, we call the Dutch PSD policy in country X the **PSD Approach** instead, defined as “the approach chosen by Dutch instruments to address the constraints identified in a country”

- **(Dutch) PSD Programme**: A Dutch PSD programme is the entirety of all interventions funded by Dutch PSD instruments (central, de-central) as defined in this report, with the aim to enhance private sector development, whether or not these interventions were planned or implemented as a programme, or separately.

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\(^1\) Source: OECD (1995)  
\(^2\) Source: DDE (2007)
- **PSD instrument**: An instrument which is deployed in order to realize (part of) the objectives of a PSD Policy or are part of PSD Programme. This can be:
  - A central instrument: operating in many countries, (co-) funded by DDE/DGIS, implementing PSD programmes and PSD projects
  - A de-central instrument: the PSD programmes and PSD projects of the EKN in a country, (co-) funded by EKN or DDE/DGIS

- **(PSD) Interventions**: (PSD) projects, programmes and policies by government, multilateral, international and national non-governmental organisations.

- **Links (between PSD instruments)**: A link refers to a way in which PSD instruments interact with each other; a link can either mean exchange of information with the purpose to explore the possibility of cooperation, or mean actual cooperation between PSD instruments.

- **Overlap**: Two (or more) different instruments do not seek to achieve the same objective.

- **Efficiency**: Efficiency measures how economically resources (inputs) and the way they are applied are converted to direct results. The concept therefore illustrates the relationship between input and output and refers to a level of results that the implementer can check.

- **Effectiveness**: Effectiveness relates to the extent to which the direct results of interventions (output) contribute to the sustainable achievement of policy objectives (outcome).

- **Relevance**: Relevance refers to the extent to which the effects of interventions make a sustainable contribution to achieving the ultimate objective (the impact).

- **Sustainability**: Sustainability is an aspect of effectiveness; the sustainability of interventions is linked to seven factors, which can be used to analyse interventions. Which factors or combinations of factors are useful for assessing sustainability will depend on the nature of the intervention. IOB considers the following factors as important to assure that the intervention is sustainable: The involvement of the recipient; the financial and institutional capacities of the recipient and the degree to which the conditions for maintenance and renewal are guaranteed; the effects on the environment in the short or long term; social and cultural factors, institutional and capacity development; the degree to which measures have been taken to guarantee that activities can continue and completed works can be maintained in the future; changes in circumstances.

- **Additionality**: Additionality is a determination of whether a proposed activity will produce some "extra good" in the future, relative to a reference scenario. Additionality is the process of determining whether a proposed activity is better than a specified reference scenario.

- **Synergy**: The extent to which the simultaneous deployment of one or more PSD instruments produces an effect which each of these instruments could not obtain independently.

- **Demand-drivenness**: The degree to which the intended beneficiaries of a PSD instrument (i) can influence the type and timing of the support, (ii) are aware of the instrument, (iii) have the ability to access the support, and (iv) are willing to contribute to the cost of the intervention.

- **Effects**: In the context of this report we consider “effects” to be outcomes and impacts of the different instruments, per country researched. The source of information for these effects will be primarily evaluations approved by IOB. Where these are not available, data on reported or planned outcomes and

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3 Adapted from IOB guidelines (2009)
4 There is no internationally accepted definition of additionality; in recent time, more discussion has taken place to address this matter in the context of carbon credits, and other climate focussed programmes. We adapt the definition proposed in M. Gillenwater *What is Additionality? Part 1: A long standing problem* Discussion Paper No. 001, GHG Management Institute, 2012.
impacts will be described, clearly distinguishing between established effects (based on approved evaluations) and reported effects (unconfirmed data based on plans, or reporting). See chapter on effects below for more detail.

- **Implementing organisation**: the organisation implementing a PSD instrument, project or programme, such as CBI, Agency NL, FMO, ICCO, or a multi-donor fund.

## 2.3 Period under review

The period of the review is 2005 up to, and including 2011. Therefore, we include all expenditures made in these years. In some cases, changes in instruments have led to new and different expenditures and patterns in the year 2010, or 2011. In these cases, we only look at interventions where actual expenditures have already occurred in the research period. If these are insignificant, we do not take the intervention into account for this policy review.

The policy review will focus on policy documents and guidelines that were valid during 2005-2011. The effects, however, of policy changes done shortly before 2012 are not possible to include in this review.

## 2.4 Instruments under review

### Central instruments

The basis of what is an instrument is what the Ministry itself considers to be an instrument\(^5\). This forms the basis for a **long list** of PSD instruments, from which we have chosen those that meet the following criteria:

1. Either financed from budget article (*operationele doelstelling, OD*) 4.3 or, if not, have a clear PSD objective;
2. Excluding instruments that aim for improvement of social infrastructure, such as education, TVET and the like. Also, instruments that use private sector tools to ultimately achieve a different impact (such as climate change) than poverty alleviation are not considered as a PSD instrument.
3. Having been in use for a sufficiently long period to allow for an estimation of (possible) effects. That is, PSD instruments which have not yet resulted in completed projects per December 2011 are not considered.

Some PSD instruments are “multilateral”, i.e. an international, multi-donor funded instrument, partly funded by the Ministry. The criteria for inclusion are:

1. The Dutch contribution is at least 30% of the total budget;
   or
2. The Dutch contribution is more than €0.5 million per year.

Analysis in the inception phase revealed that a significant amount of the PSD expenditure (app. 480 million EUR) is spent by civil society organisations, who are funded through TMF and MFS 1 programmes of DGIS. For Civil Society PSD programmes we have applied the following criteria:

1. Funded under the MFS1 and TMF system. MFOs funded under MFS 2 have not been included, since MFS 2 started in 2011, and there are no completed projects yet (as in criteria 3. above).
2. NGO have been selected that have a significant PSD component/programme, or are PSD-oriented.
3. A total PSD budget of over 5 million EUR in total in the years 2005-2011.

For the **country studies** only those instruments were included that have (had) projects/programmes in the four countries (Burundi, Bangladesh, Ethiopia and Vietnam) for this review. A list of the included instruments,

\(^5\) *Van hulp naar investeren. Een overzicht van instrumenten voor een beter ondernemingsklimaat en internationaal ondernemen in ontwikkelingslanden. BuZa/ELI, october 2011*
with detailed explanation how the criteria were applied, and in which country what instrument is reviewed, can be found in Annex 2.

For the synthesis report, which aims at providing an overview of the Dutch PSD policy, all instruments indentified above are used.

De-central instruments
The de-central instruments are the Embassies in the countries, who have a budget and mandate to implement PSD programmes. A PSD programme consists of PSD projects and interventions that can be either funded by the EKN, DDE directly (in some cases), or be multilateral, i.e. be a project in a country which is funded by several donors. The source for information on these projects is primarily the Piramide database of the Ministry, which details what the expenditures have been by EKN, and what other expenditures (of DDE) have been done in a country.

In principle, as the aim of the country studies is to provide an integral picture of the PSD policy in a country X, all de-central PSD projects are take into account, based on the classification in the Piramide database. Where projects are funder from OD 4.3, but have no apparent PSD character, these will be excluded, and mentioned in the country study.

The criteria for including multi-lateral projects in a country are the same as for the multi-lateral instruments (either 30% share, or at least 0.5 million EUR expenditure p.a.).

2.5 Research Countries
In selecting partner countries, IOB considered that in six partner countries (Rwanda, Ethiopia, Burundi, Sudan, Bangladesh and Kenya) there has been extensive highly varied use of Dutch programmes in the private sector for many years. To choose between those, the following criteria were set by the reference group:

- One country each country group to which bilateral policy has applied since 2006.
- Preference was given to countries where interventions are the most significance in scope, given the size of the local private sector.
- Strive for as much difference as possible between the selected countries in terms of the balance between central and de-central programmes.

The Reference group selected Ethiopia, Bangladesh and Burundi, to ensure a wide range of contextual and geographical factors. In addition, a country in transition was included as well. Although not relevant to DDE in terms of future policy it serves as an interesting example of a middle-income country. Vietnam was chosen due to the relatively high PSD expenditure.

2.6 Research Limitations
The limitations of the review as presented in the methodology chapter are in large part the consequence of the scale of the research subject: PSD expenditures in the research period are in excess of 3.5 billion EUR, more than 30 instruments can be distinguished, and a large amount of individual projects have been funded by both EKN and DDE. In the four research countries alone, the PSD expenditures exceed 500 million EUR.

Generalisation
The country choice is not representative for all countries in PSD instruments have been applied; therefore, the conclusions are strictly on the country level, and do not necessarily imply a conclusion on the whole PSD Policy. In other words, whether or not the Dutch PSD Policy was “good” or not cannot be answered.

Completeness
We notice that the quality and completeness of information about interventions decease rapidly with the age of the intervention: the older the intervention, the lesser information is available, and staff at Embassies, instruments and projects at the time of the interviews are typically less informed. Also, interviews to

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6 To be sure, the expenditure of 0.5 million refers to an average expenditure from the first year till the last year of the multi-lateral project, or the end of the research period, end of 2011.
triangulate findings are limited by availability of respondents of beneficiaries at the time of the mission. This limits the detail with which facts can be established.

**Effectiveness**

The number of available evaluations on the effects that both meet the (minimum) quality criteria of IOB and that are relevant in one of the research countries is extremely low; only 1-3 evaluations per country have been identified so far. This implies that the country studies cannot make a statement on the effectiveness of the entire PSD Policy in a country. This also limits the possibilities to make statements on the policy approach, and its realisation – without knowing the effects, many approaches (and ways to realise these) can be justified, few can be falsified.

The research methodology, and indeed the research questions formulated take account of these limitations: the effects of PSD policy will be descriptive rather than evaluative; the research questions regarding the PSD policy are addressing more general quality factors (synergy and demand drivenness) and assess whether the instruments are in line with policy, all questions for which a sufficient factual basis can be built.
3 Methodology

To describe in detail the methodology of this review, we start with an overview of what the essence of the research is; followed by a delimitation of the research, before we discuss (a) how the facts are collected, and (b) how answers to the questions are provided.

3.1 Overview

Based on the (modified) research questions, we can define the aim of the review as in the simplified diagram below; it distinguishes four result levels (objectives, inputs, outputs and effects of the PSD Policy); describes what the facts are that (broadly) describe each of the result levels, and finally describes which relationships between the result levels the research questions generally address, and based on which facts the answers are derived.

<table>
<thead>
<tr>
<th>Result Level</th>
<th>Facts</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective of the Policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• PSD Policy</td>
<td>Instruments in line with Policy?</td>
</tr>
<tr>
<td></td>
<td>• Policy rationale</td>
<td>Instruments demand driven?</td>
</tr>
<tr>
<td></td>
<td>• Policy Changes</td>
<td>Links and synergy between instruments?</td>
</tr>
<tr>
<td>Inputs of the Policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• PSD Instruments, central (DDE) and decentral (EKN)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Budgets, expenditures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• DDE &amp; EKN human resources</td>
<td></td>
</tr>
<tr>
<td>Outputs of the Policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• PSD approach in country X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• PSD programme in country X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• PSD projects in country X</td>
<td></td>
</tr>
<tr>
<td>Effects of the Policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Outcomes: on enterprise-, sector- and systemic level</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Impacts (DCED): on enterprises, income, employment, investments, production and attitudinal changes</td>
<td>Effective?</td>
</tr>
</tbody>
</table>

The “central level” denotes that these are results achieved in the Netherlands, namely the Policy and the resulting set of instruments, as well as the input from the Ministry. The answers, as well as the research for answers to the questions will therefore be in the Netherlands. This includes – as is attempted to show in the graph – parts of the answers on demand-drivenness (the processes applied are defined here), and links and synergy (to a lesser extent, but the role of central instruments for links and synergy is important).

The “country level” result level is the output of the policy, namely the approach chosen, and resulting PSD programmes and –projects, as well as the effects achieved. The question of demand-drivenness is tested in the country (with the recipients) and links and synergy is taking place in countries.

The “central level” also indicates the areas that will be analysed in the synthesis report, while the country report will address the facts and questions on “country level”. Naturally, the synthesis report will use the conclusions of the country studies to illustrate and answer the research questions.
3.2 Policy Objectives

In order to provide an integral picture of the Dutch PSD policy, its instruments and expenditures, we analyse what has been the problem that gave rise to the Policy;

This part of the research will be conducted by means a desk study, complemented by interviews, of the Dutch Policy documents available. The policy nota (In Business against Poverty) of 2001 has been largely valid in the period under research, and will be used as the basis for describing the policy environment prevailing in the research period.

Changes in the PSD policy will be analysed by assessing the policy documents (Policy notes Zaak van iedereen, and Aan elkaar verplicht, as well as related Letters to Parliament) that describe which changes have been made during the research period to the policy. The research will be descriptive and reveal:

- which objectives the policy has had;

This will yield the five clusters (in effect, outcome areas) in which the Dutch PSD policy is seeking to gain positive changes that lead to the desired impact, namely economic growth, with more employment, investment as described in the PSD log frame used during the research period by the Ministry (see Annex 4, for the complete log frame). We will use this framework as a tool in this review in order to group instruments and expenditures.

In documents listed below, we will attempt to describe as accurately as possible what the exact objectives are, beyond the general aims of the PSD policy.

- what rationale lays behind the proposed solutions of the policy

For each of the outcome areas, the policy documents will be screened to investigate the motivation for the policy, by describing what global binding constraints the policy seeks to address.

The work will be done by means of a desk research that summarises the key elements of the policy, its objectives, and describes the changes that have occurred in the research period. Interviews with DDE staff will complement the study, to assure that the motivations and background of the policy (changes) are well interpreted.

Documents used:
- Policy note In Business against Poverty, 2001
- Policy Note Aan elkaar verplicht, 2003
- Policy Note Een Zaak van iedereen, 2007
- Explanatory Notes (Memories van toelichting), 2005-2011
- Letters to Parliament (kamerbrieven), where relevant for PSD policy
- Annual plans of DDE (for more background and detail)

This part of the policy review will be done in close collaboration with IOB, in order to avoid overlaps with the general report IOB is writing.

3.3 Policy Inputs

The PSD Policy inputs are the instruments, the associated expenditures, and the (human) resources of DDE and the EKNs. We describe in the following what facts we intend to collect on the Policy inputs. The policy input are described on two levels:

- Central level: that is, for all PSD inputs (and part of the synthesis report)
- Country level: inputs in country X (the de-central, central, multilateral and civil society inputs)

3.3.1 PSD instruments
To describe the policy instruments that constitute the PSD Policy inputs, the instruments will be described in terms of:

- What type (central, de-central, multilateral, Civil Society)
- What objective do the instruments have
- Which constraint (of the five PSD clusters, Annex 4) is addressed
- What expenditures per year has each instrument

For the central instruments, as well as Civil Society instruments, the selection is as described in Annex 2.

The information on (expenditures and cluster) of de-central instruments will be extracted from the Piramide database at the Ministry. IOB has developed a data set that will be used as the basis.

3.3.2 Changes in PSD instruments

Based on the expenditures per instrument, per cluster, the changes in expenditures in the period of 2005-2011 will be extracted from the database, and grouped as follows:

- Changes in expenditures (of existing instruments)
- New instruments (and associated expenditures)
- Terminated instruments (and associated expenditures)

This reflects the changes in the central instruments and will be gathered from the instruments (Annual Reports), and/or Piramide data.

For de-central expenditures, trends in the allocation of PSD funds will be analysed; for the four research countries, interviews in the field (and documentation, such as the MASPs) will be used to detect trends and changes in the expenditure in more detail.

3.3.3 DDE and Embassies

DDE’s staff, and the staff at the Embassies are on input for the execution of the PSD Policy; their roles, and efforts to shape and design PSD instruments, and programmes will be described, to a large extent based on the findings in the four research countries. This Policy input will be described along the following lines:

- Mandate of DDE
- Process to manage instruments by DDE
- Process to approve budgets and plans of instruments
- Process to design new instruments
- Capacity of DDE in terms of human resources
- DDE’s role as helpdesk, knowledge facilitator
- Methods to promote links and synergy between instruments (PSD platform, and actions undertaken in the four research countries)

The role of the Embassy will be described on the basis of the interviews conducted in the research countries, addressing:

- Mandate of EKN in the countries
- Process to define a PSD approach
- Process to design projects
- Capacity of EKN in terms of human resources
- Support received from DDE’s as helpdesk, knowledge facilitator
- Methods to promote links and synergy between projects and instruments

Sources for information will be largely the interviews conducted, the MASPs, DDE Annual Plans, and other internal documentation. Also, the central instruments, as a part of the questions put to them, will be asked about their role vis-à-vis DDE and EKN.

Table below summarises how the facts will be collected and analysed.
<table>
<thead>
<tr>
<th>Question</th>
<th>Approach</th>
<th>Facts</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the Dutch PSD policy, what was its rationale?</td>
<td>• What is the problem for which the policy is a solution?</td>
<td>• Policy rationale</td>
<td>• Policy Notes</td>
</tr>
<tr>
<td></td>
<td>• What were the key objectives of the PSD Policy?</td>
<td>• Policy goals</td>
<td>• Explanatory Letters</td>
</tr>
<tr>
<td></td>
<td>• What were the key changes in PSD Policy in 2005-2011?</td>
<td>• Policy changes, and rationale thereof</td>
<td>• Letters to Parliament</td>
</tr>
<tr>
<td>What instruments are used, and which problems do these instruments seek to solve?</td>
<td>• How does the landscape of PSD instruments look like?</td>
<td>• Description of the instruments</td>
<td>• DDE Annual Plans</td>
</tr>
<tr>
<td></td>
<td>• Which instruments address what goal of the PSD Policy?</td>
<td>• Clustering of instruments, by expenditure</td>
<td>• Data from instruments, Piramide data</td>
</tr>
<tr>
<td></td>
<td>• What are the expenditures of these instruments in 2005-2001?</td>
<td>• Expenditures 2005-2011, per instrument, per cluster</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Expenditures per type of instrument</td>
<td></td>
</tr>
</tbody>
</table>

### 3.4 Policy Outputs

The Policy outputs describe what the inputs (instruments and expenditures, and DDE/EKN staff) have directly resulted in; namely, a PSD approach to apply in a specific country setting, and the resulting programme of PSD interventions by de-central, central and civil society instruments.

#### 3.4.1 Application of Dutch PSD Policy in country X

The application of the PSD instruments in a specific country context is the main part of the research during the country missions.

**Binding constraints:** in each countries the country report will assess what the binding constraint in each of the five clusters of the PSD Policy, in the following way:

- According to *international literature*: Publications from reputable international development bodies, such as World Bank, IFC and others will be used to identify what – globally speaking – the key binding constraints are in each of the five clusters the PSD policy is aimed for. This will describe the situation in 2005, and the changes and situation in end of 2011.
- According to *private sector representatives*: a considerable effort will be done in the countries to capture the view of the private sector on what the constraints are, and how significant these are seen, as well as what the effect of observed changes is for the private sector. To this end, bother enterprises (Dutch investors, local firms) will be interviewed in each country mission. Next to that BMOs that represent the private sector in a country will be used as informants to verify the views collected.
- According to *Dutch instruments*: EKN and central instruments’ analysis and views on the binding constraints they seek to (contribute to) remove will be established during the field missions.

**Dutch approach to develop a PSD programme** in the four research countries is analysed through interviews with EKN staff and consulting MASPs to capture the motivations and rational behind the PSD approach chosen. This will yield a description of

- the approach chosen and actions taken
- the rationale behind the approach to develop a PSD programme
- the Role of the Embassy, rationale for choices made
- the Role of DDE
- the Role of the instruments, rationale for choices made
The application of PSD policy will be addressed in the individual country studies; the synthesis report will seek to summarise the approaches and discuss the (rationales behind) the observed differences.

<table>
<thead>
<tr>
<th>Question</th>
<th>Approach</th>
<th>Facts</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>How is Dutch PSD Policy applied in country X?</td>
<td>• What are the binding constraints in PSD in country X?</td>
<td>• Binding constraints in 4 countries</td>
<td>• International publication on PSD constraints in country X (WB, IFC, etc)</td>
</tr>
<tr>
<td></td>
<td>• What has been the Dutch approach to develop a PSD programme in country X?</td>
<td>• Factors describing the choices for (new) instruments</td>
<td>• MASPs of EKN in country X</td>
</tr>
<tr>
<td></td>
<td>• What has the (resulting) PSD programme been in country X?</td>
<td>• Description of approach by EKN, and rationale in 4 countries</td>
<td>• Interviews with EKN staff in country X</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• PSD programme in 4 countries</td>
<td>• Interviews with PS organisations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Views of the private sector in country X</td>
<td>• Information on expenditures from instruments</td>
</tr>
</tbody>
</table>

3.4.2 PSD Programmes

The final PSD Output is the PSD programme in a country itself; this is based on the data collected from the instruments that are active in the four research countries. These data are:
- Central instruments: objectives, description, expenditures
- De-central PSD interventions: objectives, description, expenditures
- Civil Society PSD interventions: objectives, description, expenditures

3.5 Policy Effects

In the section 3.6.4 below the approach to collect data on effects is described in detail, and is not repeated here. In brief, the following facts will be gathered:

- Source: Evaluations that describe effects (outcome, and/or impacts) at enterprise sector and systemic level
  - Established effects, of instruments/projects
  - Effects described on the 6 DCED standard impact indicators
- Source: Other sources that describe effects on enterprise, sector and systemic level
  - Reported effects, of instruments/projects
  - Effects described on the 6 DCED standard impact indicators

3.6 Research questions

In this section we explain how the review plans to provide answers to the research questions; what is the approach to answer the question, what criteria are chosen, and which indicators are used to arrive at an assessment.

3.6.1 Are the instruments in line with the policy?

To arrive at an assessment, we have narrowed down the question to two criteria:

1) Is the set of instruments able to achieve the objectives of the PSD Policy?
2) Are the choices made for instruments, and budgets thereof, in line with the (changes in) PSD Policy?

The indicators for the first question are the goals of the PSD Policy (essentially the five clusters the Ministry uses for reporting), and the goals of the instruments. The instruments reviewed are those mentioned in Annex 2, where the column indicates “Included in Overall PSD review”. Based on the instruments’ objectives, which can be found in the documentation of the PSD programmes that these instruments have developed, we can match these with the Policy objectives found in the Policy notes, and the relevant Explanatory notes.
To dig deeper, we will review which instruments have been:

- terminated in 2005-2011
- newly developed in 2005-2011
- receiving more, or less, budgets in 2005-2011

The next step here is to interview instrument managers, as well as DDE staff, and consult documentation (such as annual plans of DDE) what factors explain the above noticed changes in the instruments. Changes of instruments can have several causes, changing Policy is only one of the possible explanations. The review will retrieve changes where these are found, and categorise these. These categories are expected to include:

- Absorption capacity (the extent that the instrument is able to disburse budgets, given the nature of its interventions; e.g. PUM cannot spend as much as ORIO)
- Institutional capability (the organizational capacity an instrument to effectively disburse budgets; e.g. is the instrument mature enough to spend more)
- Effects (success or failure of an instrument)
- Policy (change is policy driven)
- Others (not known, or specific reasons)

The level of importance of each factor will be

(a) main driver for change
(b) one of the drivers
(c) minor driver, or no relation

Establishing these factors and ratings enable a general distinction of the factors that can explain changes (expressed as percentage of the total changes in budgets observed), and to what extent PSD Policy (changes) thus explain the changes in the instruments.

- Goals of the instruments
- Goals of the Policy
- New instruments
- Terminated instruments
- Changes in expenditures of instruments
- Factors other than Policy explaining the changes in instruments and budget allocation

<table>
<thead>
<tr>
<th>Question</th>
<th>Criteria</th>
<th>Indicators</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are the instruments in line with the Policy?</td>
<td>• Goals of the Policy are the same as the goals of the instruments</td>
<td>• Goals of the Policy</td>
<td>• Policy documents</td>
</tr>
<tr>
<td></td>
<td>• Degree to which policy factors have influenced expenditures</td>
<td>• Goals of the instruments</td>
<td>• Instruments’ goals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Changes in Expenditures per instrument</td>
<td>• BeMos</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Factors other than Policy explaining expenditure changes</td>
<td>• Interviews with DDE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Interviews with instruments</td>
</tr>
</tbody>
</table>

**Limitation**

Note that this analysis only establishes whether or not observed changes in the instruments are the result of Policy, or mostly the result of other factors. Whether or not these changes are *sufficiently* reflecting the Policy is an opinion, which we will reflect on, but cannot make a definitive statement.
3.6.2  Is the set of PSD instruments linked, is there synergy?

In the ToR, and in subsequent discussions during the inception phase the question is asked to what extent the PSD instruments, programmes and projects are integrated, in the sense of having some form linkage, or even synergy between them (or, overlap). The review will address this by formulating the following definition of links and synergy:

We distinguish four levels of integration of PSD instruments:

1) **Overlap**: There is evidence that two (or more) instruments have invested into achieving the same objective. The effects (per saldo) of two or more instruments addressing the same objective are lower than if only one instrument addressed the same objective.

2) **No interaction**: There is no evidence of any form of interaction between instruments. This implies that instruments may have been aware of each other or not, but have taken action to exchange information, or explore possibilities, or make use of possibilities to cooperate. The effects of each instrument are potentially lower than possible, as opportunities for cooperation have not been explored.

3) **Information Exchange or cooperation**: There is evidence of some type of a (relevant) exchange of information, and/or some degree of cooperation. This implies that instruments have taken steps to exchange information, or explore possibilities, or have made use of possibilities to cooperate. The effects of each instrument are potentially higher than possible in isolation, as opportunities for cooperation have been explored (and used).

4) **Synergy**: as a consequence of exchange, or a conceptual design, an intervention has had an effect on another intervention; together a common (higher) outcome is achieved that each intervention could not have achieved independently. This implies that instruments have created an extra effect by undertaking a joint intervention.

The indicators are No. of interventions and the percentage of total PSD expenditures in country X that either have no link, a link, or display synergy. This allows producing an overview for each of the researched countries, where this information is largely obtained. In other words, we can see (a) which instruments are most interactive, and (b) which instruments tend to cooperate with each other.

<table>
<thead>
<tr>
<th>Question</th>
<th>Criteria</th>
<th>Indicators</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are the instruments linked, is there synergy?</td>
<td>- Overlap</td>
<td>- No. of Interventions/% of total PSD expenditures in country X that overlap with other projects</td>
<td>- Interviews with EKN</td>
</tr>
<tr>
<td></td>
<td>- No interaction</td>
<td>- No. of Interventions/% of total PSD expenditures in country X that do not interact with other projects</td>
<td>- Interviews with projects in country X</td>
</tr>
<tr>
<td></td>
<td>- Information exchange or cooperation</td>
<td>- No. of Interventions/% of total PSD expenditures in country X that are exchanging information or cooperate</td>
<td>- Interviews with instruments in country X, and in NL</td>
</tr>
<tr>
<td></td>
<td>- Joint interventions</td>
<td>- No. of Interventions/% of total PSD expenditures in country X that have joint interventions</td>
<td>- Documents (evaluations, and project reports)</td>
</tr>
</tbody>
</table>
With the question answered whether or not, or to what extent there are links and synergy, the review will research what the main reasons are for what has been found. This will be taking place on two levels, namely on the level of the instruments (central and de-central) and on the level of policy.

On the level of the instruments, follow-up telephone interviews will ask (inter alia) what policy the instruments have in place to achieve links and synergy, or why these are not in place. During the country visits, the EKN will also be asked the same set of questions.

Together with the description of how the country-specific PSD approach, the collection of answers from different countries will be used to describe how PSD instruments are developing PSD programmes, and how they collaborate.

Limitations
In many cases there will likely be two answers: (1) “unknown”; there is no information available to confirm the existence of any of these effects, and (2) “no apparent reason”: the first represents a limitation to the validity of the conclusions: for unrelated reasons, in some countries more answers can be obtained than in others, limiting the possibility to draw cross-country conclusions. However, the country choice is insufficient to draw conclusions across the whole PSD portfolio, and information from countries is used as illustration (or case study) of the prevalence of links and synergy. The second point reflects that interventions do not see a reason to collaborate, which is in itself a finding, underlining that this methodology merely can answer whether there is, or is not, a link or synergy, but not whether there could have been more, or should have been more.

3.6.3 Are the instruments demand driven?

Demand drivenness of the Dutch PSD policy, programmes, and instruments in country X are by nature difficult to assess; since there is no “market” for PSD, demand cannot be seen and measured. Following discussions with the client, and assessment of literature on demand drivenness in aid, we propose the following methodology to assess the demand drivenness of PSD policy (instruments):

An instrument is demand driven, if:
1) The intended recipient can exert influence on the type (and timing) of the support: the recipient has a way to communicate its preferences, and the instrument has a system in place to assess and react to the requests.
2) The intended recipient is aware of the existence and conditions for accessing the instrument: information is disseminated by the instruments and recipients have absorbed the information (and there is no bias in the access to information)
3) The intended recipient is generally able to access the instrument: the conditions guarantee equal access of equally qualified recipients (there is no bias in the applications and grants)
4) The intended recipient demonstrates demand by contributing to the cost of the intervention: depending on the ability to pay of the recipient, there is a contribution in cash or kind.

NB: In this review, the “recipient” is defined as the organisation (or individual) that receives the assistance, and not the ultimate target group, like “the poor”. Therefore, the “intended beneficiary” refers to the group that directly receives the instruments’ support. In how far the recipient itself is driven by the demands of the ultimate target group will be described in the assessment, but not taken as a basis for the assessment (as this is impossible to assess objectively).

<table>
<thead>
<tr>
<th>Question</th>
<th>Criteria</th>
<th>Indicators</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are the instruments demand-driven?</td>
<td>Awareness</td>
<td>• No. and expenditures (relative to budget) of awareness campaigns;</td>
<td>• Annual reports instruments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Applications come from a representative sample of the</td>
<td>• Interviews with instruments</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Database of applicants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Data from WB data bases</td>
</tr>
</tbody>
</table>
The researchers will rate the demand drivenness based on these four indicators (though not all indicators may be applicable in all cases); based on the evidence found, the conclusion for either indicator will “high” or “low”. If all scores are “high” and instrument is considered “demand driven” if one, or two indicators are low, the score is “demand driven to a limited extent”, and if three or more are “low”, the instrument is considered “not demand driven”.

Low demand-drivenness implies that the instrument is less relevant: the resources spent and outcomes achieved are not those of the intended recipient of the Policy, but of somebody else.

**Limitations**

Collecting these data is possible by interviews in countries, but some instruments are more accessible for the researchers than others. Therefore, it will be difficult to assure that in all four countries the same level of detail can be achieved. However, the aim of the study is not to provide a definitive answer for all instruments, and evidence from the four country studies are used as anecdotal evidence for the synthesis report. Another aspect is that – as with all ratings - there is some degree of subjectivity involved. To limit this, an explanation for the rating will be presented for each score.

<table>
<thead>
<tr>
<th>Accessibility</th>
<th>Influence</th>
<th>Willingness to contribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extend to which the group that files applications or receives grants is representative for the total intended group of recipients</td>
<td>Consultative mechanisms in place that enable recipient preferences to be expressed</td>
<td>Type of contribution (cash, in kind)</td>
</tr>
<tr>
<td>Geographical, sectoral, or institutional hindrances for access</td>
<td>Evidence that changes in the application of the instrument, or intervention has been inspired by requests from the recipient</td>
<td>Extent (%) of contribution</td>
</tr>
<tr>
<td>Extent/No. of multiple applications, grants for single applicants</td>
<td>Documents: Application process</td>
<td>Marginal cost to the recipient of the contribution (%)</td>
</tr>
<tr>
<td></td>
<td>(Project) documents: Changes in design of instrument, or intervention</td>
<td>Application process documentation</td>
</tr>
<tr>
<td></td>
<td>Field interviews with beneficiaries/recipients</td>
<td>Project documentation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Evaluations</td>
</tr>
</tbody>
</table>

| | | Field interviews with beneficiaries/recipients |

| Interviews with instruments | Database of applicants/recipient | Data from WB data bases | Locally available data from e.g. Chambers of Commerce, national statistics, etc. |
3.6.4 What are the effects in country X?

The Tor requests to describe the effects of the PSD programmes in the four countries under review; as per ToR, the effects we report will be approximated to the following categories, following the DCED standard:

1) Number and type of enterprises targeted (definition of target enterprises to be found in the program documents or to be defined) who realize a financial benefit as a result of the programme activities;
2) Net income; net additional income (additional sales minus additional costs) accrued to target enterprises as a result of the program per year and cumulatively. In addition, the program must explain why this income is likely to be sustainable;
3) Net additional jobs created: Net additional, full time equivalent jobs created in target enterprises as a result of the program, per year and cumulatively. Additional means created jobs minus jobs lost. The program must explain why these jobs are likely to be sustainable. Jobs saved or sustained may be reported separately. In addition, data should be collected about (decent) wages and labor conditions of the jobs created.
4) Investments (size, by type, source of financing, ICOR ratio, multipliers with own finance);
5) Change in production and trade (input use, output volumes/value, marketing outlets, linkages towards other industries;
6) Attitudinal effects (e.g. risk behaviour, trust, loyalty, etc.).

In line with the DCED standard, the team will review will seek to report changes in key indicators, and particularly in impact indicators, that are disaggregated by women and men. Where figures are not disaggregated, justification is provided as to why this was not possible or appropriate. This applies to 3) net jobs created, and 6) Attitudinal effects. In some cases, this also applies to 1) Number of enterprises (who are women-owned), and 2) for net income effects for women-owned enterprises.

The effects are to be taken from a list of evaluations that meet the IOB quality standards, a list of which is presented in Annex 1. Additional evaluations may be added if these meet the criteria of the IOB.

During the inception phase the review team have examined the available material with IOB, and came to the following finding: As mentioned in the chapter “Limitations” above, collecting evaluated data on effects of the PSD interventions on country level is severely limited by the data that is available:

1) There are only very few evaluations available that meet IOB criteria, and cover one of the four countries, so that country level effects can be extracted.
2) Some evaluations (if they are not a project-specific evaluations) use case studies in a country as a means to extrapolate the conclusions over the full (multi-country) portfolio, but have no information on indicators for the country as such.
3) None of the evaluations examined have measured the impacts in DCED indicators (the standard only emerged after 2008), and often does not address several of the categories used by the DCED standard.
4) Collecting primary data (i.e. conducting supplementary evaluations of not evaluated projects and programmes) is not feasible given the two weeks available in-country, and the sheer size of the not evaluated portfolio of projects.

Apart from the above, the majority of project documentation retrieved so far does not contain information that can be translated into DCED standard indicators. In many cases, no quantified planned or reported effects are available to include.

Therefore, we conclude that making statements on the “effectiveness of PSD instruments in country X” are not possible to make.

Proposed approach
First, a summary of the findings of the approved and relevant evaluations will be provided in the relevant sections on effects in the country report. Where possible, the findings will be presented in the categories of the DCED standard (see below on the method to do this).
Subject to approval by IOB, we propose to continue as follows:

- We identify approved evaluations of a whole programme or instrument, irrespective of the country they have taken place.
- Where the evaluation has established that the programme or instrument is effective (and relevant, which covers the set of DCED indicators) we assume that the reported effects in country X are true, and extrapolate this conclusion to the available country data (if these can be retrieved from the instruments). In other words, we take the reported effects as established effects. Here too, the data are translated into DCED standard indicators, so far possible.
- Where effectiveness (and relevance) has not been established, or only to a limited extent, we consider the reported effects in the countries as “not established” and do not include these in the report.
- As a next step we establish whether the effects have been intended to be on
  - “enterprise” level (an effect that primarily affecting the enterprise alone, including possible second-round effects on its suppliers and consumers)
  - “sector” level (i.e. having effects beyond the enterprise level on a value chain, or a sector describing a logical combination of value chains)
  - “systemic” level (i.e. affecting all sectors, enabling environment on a national level)

and summarise these in a table “established effects”.

Table 3: (Example table) Established effects

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Level of Effect</th>
<th>Description of established effect</th>
<th>DCED indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXX</td>
<td>Enterprise Level</td>
<td>Increase in employment by 300 employees</td>
<td>1) No. of enterprises: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2) Net income: not known</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3) Net increase of employment 300 employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4) Investments: not known</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5) Changes: 90 people trained</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6) Att. changes: not known</td>
</tr>
<tr>
<td>YYY</td>
<td>Sector Level</td>
<td>Sector Association has developed a Sector Export Marketing Plan, affecting 230 member enterprises</td>
<td>230 enterprises</td>
</tr>
<tr>
<td>ZZZ</td>
<td>Systemic Level</td>
<td>Improvement of the business registration process</td>
<td>Unknown number of enterprises affected</td>
</tr>
</tbody>
</table>

With regard to the interventions in a country that are not covered by any evaluation we propose to try to generate a picture of what these intended effects are. This is done with the aim of the ToR in mind, namely to describe an integral picture of PSD policy in a country. Again, subject to IOB’s agreement, we would follow the following steps to describe the intended effects:

- If instruments, and interventions are not covered by evaluations, project reports, and available documentation is screened for effects on outcome and impact level, so far they relate to the DCED set of indicators.
- A description of the effects is entered into a separate table on intended effects.
- Where the indicators are quantified and generally in line with DCED definition these will be mentioned.
- As a next step we establish whether the effects have been intended to be on
  - “enterprise” level (an effect that primarily affecting the enterprise alone, including possible second-round effects on its suppliers and consumers)
  - “sector” level (i.e. having effects beyond the enterprise level on a value chain, or a sector describing a logical combination of value chains)
  - “systemic” level (i.e. affecting all sectors, enabling environment on a national level)
and summarise these in a table “intended effects”.

### Table 4: (Example table ) Intended Effects

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Level of Effect</th>
<th>Description of reported effect</th>
<th>DCED indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXX</td>
<td>Enterprise Level</td>
<td>Increase in employment by 300 employees</td>
<td>Net increase of employment unknown</td>
</tr>
<tr>
<td>YYY</td>
<td>Sector Level</td>
<td>Improved collaboration of farmers in dairy sector</td>
<td>unknown</td>
</tr>
<tr>
<td>ZZZ</td>
<td>Systemic Level</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Planned effects of projects still ongoing will not be reported.

#### Approximation of evaluated/reported effects

The evaluations known so far have not used the DCED standard, and have reported effects at least somewhat different from those of the DCED. The researchers will approximate the findings in these evaluation reports, and add a methodological note on each of these conversions, to ensure transparency and consistency in the reporting.

<table>
<thead>
<tr>
<th>DECD indicator</th>
<th>Methodological challenges/solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number and type of enterprises targeted (definition of target enterprises to be found in the program documents or to be defined) who realize a financial benefit as a result of the programme activities;</td>
<td>No challenge, unless not mentioned in the evaluation.</td>
</tr>
<tr>
<td>Net income; net additional income (additional sales minus additional costs) accrued to target enterprises as a result of the program per year and cumulatively. In addition, the program must explain why this income is likely to be sustainable;</td>
<td>Typically evaluation mention the increase of sales (turnover), but not net income (profit) which is often too sensitive to ask, and difficult to measure (“profit is an opinion, not a fact”). An approximation in these cases can be use the increase in sales (turnover) as a proxy for increase net income, as it can be assumed that the profit percentage is likely to remain the same in a successful case. This however would not yield an indicator that can be aggregated.</td>
</tr>
<tr>
<td>Net additional jobs created: Net additional, full time equivalent jobs created in target enterprises as a result of the program, per year and cumulatively. Additional means created jobs minus jobs lost. The program must explain why these jobs are likely to be sustainable. Jobs saved or sustained may be</td>
<td>(Net) Employment increases are usually reported in evaluations as indicators. The DCED standard only requires to account for jobs lost within an enterprise, and not in a sector. Information on sustainability needs to be extracted.</td>
</tr>
</tbody>
</table>
reported separately. In addition, data should be collected about (decent) wages and labor conditions of the jobs created. from the evaluation, if approved by IOB such information should be available. Decent work conditions are not always explicitly taken into account; information from the text in the evaluation should however allow for a statement whether or not the working conditions have likely been improved or worsened. Gender aggregated data will be collected, unless explained as not being applicable in the context.

| Investments (size, by type, source of financing, ICOR ratio, multipliers with own finance); | Unlikely to be found in evaluations; only the full investment (grant plus own capital can typically be found). Where information is available will be added; where not the size and source of finance can be mentioned) |
| Change in production and trade (input use, output volumes/value, marketing outlets, linkages towards other industries; | Descriptive information should be available, and can be mentioned (DCED does not use quantified indicators here) |
| Attitudinal effects (e.g. risk behaviour, trust, loyalty, etc.). | Descriptive information should be available, and can be mentioned (DCED does not use quantified indicators here). Gender aggregated data will be collected, unless explained as not being applicable in the context |

Together, for the PSD portfolio in a country, this will yield a summary table as follows:

<table>
<thead>
<tr>
<th>PSD Cluster</th>
<th>Progr., project name</th>
<th>Budget, EUR</th>
<th>Evaluated, reported</th>
<th>No. of enterprises</th>
<th>Net income changes</th>
<th>Net job creation</th>
<th>Investments</th>
<th>Changes in production and trade</th>
<th>Attitudinal changes</th>
</tr>
</thead>
</table>

Coverage
Each country report will describe what percentage of expenditures has been covered with (eligible) evaluations.

<table>
<thead>
<tr>
<th>PSD Cluster</th>
<th>Budgets spent total, 2005-2011 (EUR)</th>
<th>Total number of evaluations carried out (IOB approved), No.</th>
<th>Total budget covered by eligible evaluations (% of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSD Cluster 1</td>
<td>XXX EUR</td>
<td>X</td>
<td>X%</td>
</tr>
</tbody>
</table>

Limitations
It is clear that the summary tables cannot be interpreted as representative for all PSD programmes, as the sample size is too small (4 countries), the percentage of evaluated budgets is (probably) very small, and the budgets spent per instrument cannot be representative for either one of the PSD instruments. However, they can provide an indication of how effective the PSD programmes have been in country X.
### 3.7 Summary research matrix

<table>
<thead>
<tr>
<th>Main questions</th>
<th>Sub-questions</th>
<th>Approach</th>
<th>Facts obtained</th>
<th>Sources of Information</th>
<th>Research Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the Dutch PSD policy, what are its objectives, instruments and expenditures?</td>
<td>1.1 What is the Dutch PSD policy, what was its rationale?</td>
<td>-  What is the problem for which the policy is a solution?</td>
<td>Policy rationale</td>
<td>Policy Notes</td>
<td>Desk study</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-  What were the key objectives of the PSD Policy?</td>
<td>Policy goals</td>
<td>Explanatory Letters</td>
<td>Interviews with selected informants at DDE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-  What were the key changes in PSD Policy in 2005-2011?</td>
<td>Policy changes, and rationale thereof</td>
<td>Letters to Parliament</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-  How does the landscape of PSD instruments look like?</td>
<td>Description of the instruments</td>
<td>DDE Annual Plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-  Which instruments address what goal of the PSD Policy?</td>
<td>Clustering of instruments, by expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.2 What instruments are used, and which problems do these instruments seek to solve?</td>
<td></td>
<td>Expenditures 2005-2011, per instrument, per cluster</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Expenditures per type of instrument</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the PSD policy applied in the way the PSD Policy intended?</td>
<td>2.1 Are the instruments in line with the Policy?</td>
<td>-  Are the goals of the instruments the same as the goals of the policy?</td>
<td>List of instruments, and their objective, matched with one of the five PSD clusters</td>
<td>Documentation of instruments</td>
<td>Desk study</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-  Have the changes in PSD policy influenced instruments?</td>
<td>Factors describing the choices for (new) instruments</td>
<td>Interviews with staff at DDE, and instruments</td>
<td>Interviews with selected informants at DDE, EKN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-  What are the binding constraints in PSD in country X?</td>
<td>Binding constraints in 4 countries</td>
<td>International publication on SPD constraints in country X (WB, IFC, etc)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-  What has been the Dutch approach to develop a PSD programme in country X?</td>
<td>Description of approach by EKN, and rationale in 4 countries</td>
<td>MASPs of EKN in country X</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-  What has the (resulting) PSD programme been in country X?</td>
<td>PSD programme in 4 countries</td>
<td>Interviews with EKN staff in country X</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.2 How is Dutch PSD Policy applied in country X?</td>
<td></td>
<td></td>
<td>Information on expenditures from instruments</td>
<td></td>
</tr>
<tr>
<td>Is there a link between the PSD exist between the PSD</td>
<td>3.1 What kind of relationships exist between the PSD in the 4 countries</td>
<td>-  Are there links between instruments in the 4 countries</td>
<td>Evidence that PSD instruments exchange</td>
<td>Project documentation,</td>
<td>Desk study of project</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TRIODOS FACET POLICY REVIEW, PRIVATE SECTOR DEVELOPMENT COUNTRY STUDIES
### 3.2 Is there synergy between the PSD instruments in country X?

- Are there cases in which PSD instruments have reinforced each other?
- Are there instruments to promote synergy?
- What incentives do instruments have to collaborate?

### 4.1 What are the methods used to determine demand drivenness and how is compliance assured by Dutch PSD instruments?

- What are the processes used to determine the demands of the recipients of PSD instruments?
- What influence do recipients have, who has the initiative in the definition of projects and programmes?
- How aware are recipients of the PSD instruments?
- How accessible are the instruments?
- What do recipients contribute?

### 4.2 To what extent has the PSD approach, resulting programme and have the projects undertaken been driven by demand of actors in country X? How is demand-drivenness assured in specific country circumstances?

- Processes applied by instruments to make expenditures on interventions
- Consultation process EKN, evidence of influence
- Awareness expenditures per instrument
- Need for support to apply for grants
- Multiple applicants, recipients
- Information on diversity of applicants across sector and geographies

### 5.1 Which evaluations are available that describe effects (outcome, and/or impacts) at enterprise level?

- Assessment of existing evaluations along IOB criteria
- Summary of outcomes and impacts
- Adaptation to DCED standard indicators, so far possible

### 5.2 What other sources are available that describe effects on enterprise level?

### 5.3 What is known about effects beyond enterprise level (sector and systemic level) in evaluations, and other

### For outcomes:

- Effects on enterprise level
- Effects on sector level
- Effects on systemic level

### For impacts (DCED):

- Number and type of enterprises targeted
- Net income accrued to target enterprises
- Net additional jobs

---

**Documented in:**

- Interviews with staff of DDE, instruments and project staff
- Desk study (telephone) interviews with instruments
- Interviews in country X
sources?  

- Investments
- Change in production and trade
- Attitudinal effects
4 DATA COLLECTION METHODS

For the purpose of the study Triodos Facet will collect data by means of:

- Desk-study
- Face-to-face interviews
- Telephone interviews

4.1 Desk study

The team will conduct a desk review of relevant documents in order to collect data regarding desk study on the following subjects (as per research matrix):

- Literature and policy documents available on PSD in country X (policy documents, MASP's, Annual plans DDE, underlying research reports, instruments, BeMos);
- Business environment data and reports;
- Literature on binding constraints for each of the five clusters, in country X;
- Data collection from instruments, projects and multilateral programmes;
- Amendments made to instrument contracts; reports of meetings PSD platform;
- Documentation of PSD instruments objectives and rationale for instrument design;
- Policy documentation, DDE policy papers;
- Objectives and mandates of instruments;
- Objectives of interventions (de-central, multilateral);
- Documentation on exchanges between instruments (PSD platform);
- Documentation on exchanges between Embassy and instruments;
- Documentation on application and appraisal processes;
- Data on recipients;
- Estimate of intended target recipients, and attributes;
- Annual reports, project documentation (incl. technical proposals/plans) and data of instruments or interventions available;
- Evaluation reports; IOB list and other available evaluations;
- Other evaluation reports available to the consultants through DDE, instruments or other donors;
- Data extraction from evaluation reports and other reports for effects.

4.2 Face-to-face interviews

The review team intends to conduct interviews with a range of relevant stakeholder in both the Netherlands and in each of the four selected countries.

4.2.1 Interviews in the Netherlands

The interviews in the Netherlands serve to add insights to the data obtained from the desk study. The interviews will primarily be about the process of PSD-policy formation (i.e. policy choices made and the rationale behind them) as well as to inform the team on the functioning of the larger PSD instruments. To this end, interviews are foreseen with:

- DDE, FEZ and former Embassy staff
- Regional Departments at MoFA
- PSD instruments (central), management and/or country managers
- Resource persons on each country visited
- Recipients, where applicable

For the interviews, a semi-structured interview guideline has been prepared. These interview guidelines are attached to this report as Annex 3.
4.2.2 Interviews in the field

In each of the four target countries, the review team will conduct interviews with stakeholders who can provide information which is necessary to answer the research questions. In particular, in each country, interviews will be undertaken with the following groups of stakeholders: Embassy and instruments representatives, national PSD policy making representatives, and recipients and other representatives of the private sector. For each group the interviews will focus on a different central research question, as shown in table below:

Table 5: Interview topics, per group

<table>
<thead>
<tr>
<th>Organization</th>
<th>Topics to be covered</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Embassy &amp; instruments representatives</strong></td>
<td></td>
</tr>
<tr>
<td>Royal Dutch Embassy</td>
<td>Overview of the Dutch PSD approach in country X; Chosen approach to develop a PSD programme in country X Depth and extent of 'Problem definition' process; Identification of binding constraints; Changes in Dutch PSD program in years 2005-2011; Reasons for changes in policy Consultations with PSD instruments Views on synergy Views on linkages Projects and programmes funded Effects achieved Lessons learned from PSD programme making</td>
</tr>
<tr>
<td>Central PSD instruments (if in-country)</td>
<td>Programme, projects in country Content of programme, addressed constraints Views on synergy and linkages Collaboration with other PSD instruments Demand orientation Processes for applications, cost contributions Awareness activities Effects</td>
</tr>
<tr>
<td>Multilateral PSD instruments (if any)</td>
<td>Content of programme, addressed constraints Reason for Dutch involvement (view of multi lateral organisation) Programme, projects in country Demand orientation Processes for applications, cost contributions Awareness activities Collaboration with other PSD instruments Effects</td>
</tr>
<tr>
<td>Other key PSD donor agencies (e.g. EU, DFID, GIZ, others)</td>
<td>PSD approach, Views on constraints Collaboration with Dutch PSD programme; Views on PSD in country X</td>
</tr>
<tr>
<td><strong>Recipients</strong></td>
<td></td>
</tr>
<tr>
<td>Relevant business associations / platforms</td>
<td>Insight in policy making processes central level and in country X; Overviews of different roles of actors. Views on total intended group of recipients, representativeness Geographical, sectoral, or institutional hindrances for access</td>
</tr>
<tr>
<td>ORIO/ORET beneficiary organisations</td>
<td>Overview of actors influencing the policy making process; Views on constraints</td>
</tr>
<tr>
<td>BSOs supported by CBI</td>
<td></td>
</tr>
<tr>
<td>Counterpart banks/investees of FMO</td>
<td></td>
</tr>
<tr>
<td>PUM representative[s]</td>
<td></td>
</tr>
<tr>
<td>Dutch NGOs, recipients of NGOs</td>
<td>Type of contribution (cash, in kind) No. of multiple applications, grants Extent (%) of contribution Marginal cost to the recipient of the contribution (%) Consultative mechanisms in place that enable recipient preferences to be expressed</td>
</tr>
</tbody>
</table>

The interviews will be contextualised for each country mission and further refined for specific interviewees. A generic guideline for interviews is presented in Annex 3.
5 **Final report contents**

As per the ToR, the team will deliver four country studies and a synthesis report. Below, a draft table of content for the two reports is presented.

### 5.1 Contents Synthesis Report

1. **Introduction**
   1.1. Background of the IOB study
   1.2. Specific brief for the country studies
2. **Research Methodology**
   2.1. Key elements of the methodology
   2.2. Definitions and demarcation of research subject
      - Policy
      - Instruments
      - Key terms
   2.3. Research questions
   2.4. Research matrix
   2.5. Research limitations
3. **Policy Objectives: The Dutch PSD Policy**
   3.1. Content and rationale of the PSD Policy
      - Policy Notes (contents, key aspects of the policy)
      - Other key policy documents (policy notes, letters to parliament, etc)
   3.2. PSD Policy changes 2005-2011
      - Policy changes and modifications, description
      - Rationale of the policy changes
4. **Policy inputs: instruments and expenditures**
   4.1. Overview of PSD instruments
      - De-central (Embassy): addressed constraint, objectives, expenditure, overall
      - Central, incl. civil society: addressed constraint, objectives, expenditure, overall
      - Multilateral: addressed constraint, objectives, expenditure, overall
   4.2. Expenditures, changes in expenditure, cause of changes
      - Allocation of budgets over countries and instruments, relation with policy (-changes)
      - Expenditures over time, per instrument (type)
      - New, terminated, changed PSD instruments
5. **Analysis**
   5.1. Goals of instruments and goals of PSD Policy
   5.2. Factors explaining changes in PSD expenditures
   5.3. Factors explaining changes in PSD instruments
   5.4. Assessment: Are the PSD instruments in line with the PSD Policy?
6. **Policy Outputs: Country PSD programmes**
   6.1. Description of the PSD programmes developed in Vietnam, Ethiopia, Bangladesh and Burundi
      - How are country PSD programmes developed, illustrated by examples from the country studies
      - Process of project identification, per instrument
   6.2. Differences in approach, explanations
   6.3. Overview of the four PSD programmes in Vietnam, Ethiopia, Bangladesh and Burundi
      - Objectives
      - Expenditures, instruments applied
7. **Links and Synergy in country PSD programmes**
   7.1. Observed links between instruments, overview of the results of the country studies
      - central – de-central
      - central/de-central/multilateral
   7.2. Assessment: Are the PSD programmes linked, is there synergy?
8. **Demand-drivenness of instruments in country PSD programmes**
8.1. Demand-drivenness of instruments, overview of the results of the country studies
8.2. Demand-drivenness of PSD programmes, overview of the results of the country studies
8.3. Assessment; Are the PSD instruments demand-driven?

9. Effectiveness of PSD country programmes

9.1. Overview of eligible evaluations (by instrument), coverage, quality
9.2. Effects established and observed, summary
9.3. Effects reported, summary
9.4. Assessment: Are the PSD programmes effective?

10. Summary and conclusions
5.2 Country backgrounds

5.2.1 Vietnam

Country context
Vietnam is one of the most dynamic developing countries in the PSD review country list. The pace of Vietnam’s economic development increased tremendously in the last years. The annual economic growth from 2002 till 2007 was 8% on average, lifting the GDP per head from 480 US$ in 2002 to 820 US$ in 2007. The global economic crisis left some negative impacts on Vietnam in both 2009 and 2010, despite the considerable success of the Government’s intervention.

The growth in wealth has been combined with a relatively fair income distribution (Gini coefficient 0.36%), although recent figures show that income disparities and inflation are rising faster than foreseen. The main MDG challenges are related to HIV/AIDS, rural sanitation and ensuring environmental sustainability.

A growing part of the production in Vietnam is produced in the industry. Currently this sector accounts for 40 percent of the economy. The agriculture sector is declining and produces currently 20 percent of the GNP, and the service sector produces 40 percent of the GNP.7

The table below provides an overview of the development of the main Doing Business indicators over the years 2005-2010.

| Table 6: Main economic Indicators of Vietnam in the period 2005-2010 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Indicator                        | 2005          | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           |
| GDP per capita PPP (current int. USD) | 2161,3        | 2388,5         | 2638           | 2835,2         | 3008,7         | 3205,1         |
| GDP growth (annual %)            | 8,4           | 8,2            | 8,5            | 6,3            | 5,3            | 6,8            |
| Foreign direct investment, net inflows (% of GDP) | 3,7           | 3,9            | 9,4            | 10,5           | 7,8            | 7,5            |
| Inflation, consumer prices (annual %) | 8,3           | 7,4            | 8,3            | 23,1           | 7,1            | 8,9            |
| Import of goods and services (% of GDP) | 73,5          | 78,2           | 92,7           | 93,1           | 78,7           | 87,8           |
| Export of goods and services (% of GDP) | 69,4          | 73,6           | 76,9           | 77,9           | 68,3           | 77,5           |
| Net ODA received per capita (current US$) | 23,2          | 22,1           | 29,8           | 30             | 43,4           | 33,9           |
| Ease of doing Business (total number of countries in 2010: 183) | -             | 98             | 104            | 87             | 91             | 88             |

Source: summary of World Bank and IFC’s Doing Business reports, prepared by IOB8

PSD policy of the RNE in Vietnam in the period 2005-2011
In a general sense, the Dutch ODA relationship with Vietnam in the period 2005-2011 experiences can be split in two periods. Below, the main views of the Embassy on PSD during these two periods are summarized.

Period 1: 2005 – 2007; donor harmonization
In the first period, roughly ranging from 2005 – 2008, the Netherlands – Vietnam ODA relationship can be described as “classic”. During this period, the Embassy, as a relatively small donor with annual expenditures of €40 million in 2006, and €30 million in 2007, focuses on sustainable forestry, water management, water and sanitation, and healthcare and HIV as priority areas. The annual plans of these years pay due attention to donor harmonisation and sectorial budget support, in line with the Paris Declaration.

The annual plans do not specifically make mention of the need for a specific “PSD policy”. However, the annual plans and reports do contain brief overviews of the uptake of existing, mostly central instruments. The annual report 2005, for instance, makes mention of a “successful” PSOM program, and promising prospects for PUM and PESP. It is also mentioned that the uptake of the ORET programme is low since ORET-projects requires 65% co-financing whilst other donors do not require co-financing.

The available annual reports and plans do not provide an overview for the choices made by the Embassy with regard to Dutch PSD policy. However, the annual report 2006/annual plan 2007, makes mention of increased interest for the strengthening of trade relations and private sector development between the Netherlands and Vietnam, following Vietnam’s accession to the World Trade Organisation (WTO).

The annual plans and report also show that during this period, the economic section of the Embassy dedicated time and attention to private sector development for the so-called “Holland promotion”. This mainly concerns a series of events with the aim to support Dutch companies wanting to do or doing business in Vietnam. The central PSD instruments are part of the portfolio of the economic counsellor at the embassy, as part of the Embassy’s Holland Promotion activities.

Years 2008 – 2011; A changing ODA landscape, moving towards economic cooperation
Following Vietnam’s continued success in economic performance and poverty reduction, making it a “profile 3” country, the ODA-landscape changed with less ODA support and an increased role of local authorities. To illustrate, according to the MJSP 2008-2012, “not the Netherlands, but the Government of Vietnam sets the development agenda”. Following this view, the Royal Netherlands Embassy re-focused its relationship with Vietnam as it decides to “allocate less ODA budget over a larger number of projects”.

The ambition of the Netherlands in this period is to “broaden” the relationships with Vietnam. The MASP states that “growth and distribution” and “water and climate change” will be the major priorities. Also, acknowledging the private sector’s importance for economic development, the MASP contains a results chain for PSD activities in Vietnam with the strategic goal of “enhanced participation of the private sector in the socio economic development of Vietnam with emphasis on Dutch business interests”.

There is a keen interest from other Dutch ministries to strengthen their ties with Vietnam, reflected in the increasing number of official visits and trade missions. The central PSD instruments are perceived as an appropriate tools for this, as made explicit in the 2010 annual plan of the RNE: “Financial instruments such as PSI, VRF and also FMO, CBI, DECP and PUM continue to be needed as they provide good inroads for Holland promotion, while at the same time contributing to the local business environment and to CSR.” The annual plan of 2010 also explicitly mentions that the embassy “will try to create more synergies between existing instruments (NICHE, NFP, FMO, ORIO, PSI, VRF, G2G, WSSD PPPs, NMTP, CBI, PUM, VRF/volet B, Water Mondial (PvW-III)) by clustering them in a small number of key strategic areas (…)”.

5.2.2 Ethiopia

Country context
Ethiopia is a country in transition—from a unitary to a federal state, from a totalitarian to a pluralist and decentralised system, and from a command economy to a free market economy. In the period 2005-2011, economic growth figures have been on average around 9%, and the GDP per capita more than doubled. Significant investments have been made to support economic growth and improve the standard or living, both by government the international community. Official Development Aid (ODA) for Ethiopia rose from US $370 million in 2000 to US $3,5 billion in 2010 (12% of the Gross National Income).

Ethiopia’s economy is based on agriculture, which accounts for more than 45% of GDP, 80% of exports, and 80% of total employment. Most Ethiopians are employed in agriculture at very low productivity levels, (value

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9 This result chain is included elsewhere in this chapter.
10 Ethiopia GDP in 2010 was 29,7 billion dollars –World Bank DevData Ethiopia
added <$150 / capita). Next, almost 40 percent of the GNP is based on services and the remaining 15% is on the industry sector.

Ethiopia’s main export product is coffee, although the export has begun to diversify in the last years. One example of this diversification is the growth in floriculture and horticulture exports. Other export products are leathers, pulses, oilseeds, khat, sugar and gold. The main import product is petroleum. Import and export are highly regulated by the national government.

The table below provides an overview of the development of the main economic indicators for Ethiopia over the years 2005-2010.

**Table 7: Main economic Indicators of Ethiopia in the period 2005-2010**

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (current US$)</td>
<td>166</td>
<td>200</td>
<td>252</td>
<td>335</td>
<td>394</td>
<td>358</td>
<td>374</td>
</tr>
<tr>
<td>GDP per capita, PPP (current int'l $)</td>
<td>636</td>
<td>711</td>
<td>798</td>
<td>883</td>
<td>951</td>
<td>1035</td>
<td>1116</td>
</tr>
<tr>
<td>GDP growth (annual %)</td>
<td>12%</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
<td>9%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>GINI index</td>
<td>29.83</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inflation, consumer prices (annual %)</td>
<td></td>
<td>12%</td>
<td>12%</td>
<td>17%</td>
<td>44%</td>
<td>8%</td>
<td>33%</td>
</tr>
<tr>
<td>Population, total (millions of peo.)</td>
<td>74</td>
<td>76</td>
<td>78</td>
<td>79</td>
<td>81</td>
<td>83</td>
<td>85</td>
</tr>
<tr>
<td>Unemployment, total (% of total labor force)</td>
<td>5%</td>
<td>17%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Foreign direct investment, net inflows (% of GDP)</td>
<td>2%</td>
<td>4%</td>
<td>1%</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Imports of goods and services (% of GDP)</td>
<td>35%</td>
<td>37%</td>
<td>32%</td>
<td>31%</td>
<td>29%</td>
<td>33%</td>
<td>29%</td>
</tr>
<tr>
<td>Exports of goods and services (% of GDP)</td>
<td>15%</td>
<td>14%</td>
<td>13%</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Net ODA received per capita (current US$)</td>
<td>26%</td>
<td>27%</td>
<td>33%</td>
<td>42%</td>
<td>47%</td>
<td>47%</td>
<td>47%</td>
</tr>
<tr>
<td>Net ODA received (% of GNI)</td>
<td>16%</td>
<td>13%</td>
<td>13%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Ease of doing Business (total number of countries in 2010: 183)</td>
<td>-</td>
<td>-</td>
<td>101</td>
<td>97</td>
<td>102</td>
<td>116</td>
<td></td>
</tr>
</tbody>
</table>


**PSD policy of the RNE in Ethiopia in the period 2005-2011**

The Netherlands has an embassy in Ethiopia since 1950 and maintains development relations with this country since that time. For the current Dutch development policies, Ethiopia is a ‘profile 1’ country in which the achievement of the MDGs is central.

Since 2004, one of the focus points for this area is the promotion of pro poor economic development, of which PSD is part. Main policy instruments for this part of development are promotion of investments by Dutch businesses, public-private partnerships and trade missions, combined with the ‘common’ instruments for businesses (PSOM/PSI, PUM etc.). The Embassy also aims to address bottlenecks in the enabling environment in policy dialogue. The RNE in Addis has also funded a significant number of projects related to rural economic development and food security as part of its private sector development budget.

**5.2.3 Burundi**

**Country context**

The political situation during the period 1993-2006 was considered highly unstable due to politically motivated internal power struggles. After the signing of the Arusha comprehensive peace and reconciliation agreement, a new multi-ethnic government was formed in 2005, with Pierre Nkuranziza as president.

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11 Results of Ethiopia Investment Climate Survey, World Bank 2007
12 Ethiopia at a glance – World Bank
13 idem
14 http://www.state.gov/r/pa/ei/bgn/2859.htm
15 http://www.minbuza.nl/reizen-en-landen/betrekkingen/e/ethiopie
16 Hoorn van Afrika Notitie, p. 11.
Nowadays Burundi is considered relatively stable, though insecurity and politically motivated violence are looming and the democracy is fragile. Despite an average economic growth of 4% in the period 2005-2011, Burundi’s economy remains characterized by insufficient production and low incomes. With over 81% of the Burundian population living below the poverty line - earning less than 1.25 dollar a day in 2006 – the country is considered to be one of the poorest in the world. The Burundian economy mostly depends on the agricultural sector, accounting for 46% of GDP and 90% of employment. The secondary sector accounted for 17% of GDP in 2011 (mainly manufacturing and construction) and the tertiary sector – which includes services, transport, and commerce - for 37% of GDP. Coffee and tea are Burundi’s primary exports and account for 90% of foreign exchange earnings.

The table below provides an overview of the development of the main economic indicators for the country in the years 2005-2010.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (current US$)</td>
<td>$109.76</td>
<td>$122.93</td>
<td>$127.12</td>
<td>$147.15</td>
<td>$162.87</td>
<td>$192.12</td>
</tr>
<tr>
<td>GDP per capita growth (annual %)</td>
<td>-2.05%</td>
<td>1.99%</td>
<td>0.46%</td>
<td>1.40%</td>
<td>0.62%</td>
<td>1.27%</td>
</tr>
<tr>
<td>Foreign direct investment, net inflows (% of GDP)</td>
<td>0.07%</td>
<td>0.00%</td>
<td>0.05%</td>
<td>0.33%</td>
<td>0.03%</td>
<td>0.05%</td>
</tr>
<tr>
<td>Inflation, consumer prices (annual %)</td>
<td>13.52%</td>
<td>2.81%</td>
<td>8.34%</td>
<td>24.11%</td>
<td>10.98%</td>
<td>6.40%</td>
</tr>
<tr>
<td>Import of goods and services (% of GDP)</td>
<td>40.58%</td>
<td>48.64%</td>
<td>44.19%</td>
<td>50.84%</td>
<td>39.05%</td>
<td>37.67%</td>
</tr>
<tr>
<td>Export of goods and services (% of GDP)</td>
<td>12.01%</td>
<td>10.14%</td>
<td>9.15%</td>
<td>13.09%</td>
<td>8.71%</td>
<td>11.22%</td>
</tr>
<tr>
<td>Net ODA received per capita (current US$)</td>
<td>$50.19</td>
<td>$57.64</td>
<td>$61.67</td>
<td>$66.20</td>
<td>$68.86</td>
<td>unknown</td>
</tr>
<tr>
<td>Ease of doing Business (total number of countries: 183)</td>
<td>unknown</td>
<td>143</td>
<td>166</td>
<td>174</td>
<td>177</td>
<td>176</td>
</tr>
</tbody>
</table>

As can be derived from the above table, Burundi is heavily dependent on aid for its public expenditures (in 2009, ODA accounted for 41% of the total public expenditures). Active multilateral donors include theInternational Monetary Fund, the World Bank, the United Nations and the European Commission. The most significant bilateral donors in the period 2005-2011 (in terms of budget) include the US, Switzerland, France, Belgium and the Netherlands.

With the signing of the peace treaty in 2005, Dutch Minister for Development Cooperation Agnes van Ardenne opened the development relationship between the Netherlands and Burundi, adding the partner country as a ‘profile two country’, and a ‘fragile state’. Economic development is seen as an important factor.
that could contribute to Burundi’s peace process. However, focus of the relationship is initially focussed on reforming of the military and the police and supporting and strengthening institutions and rule of law. In the period 2005-2007, the Burundi portfolio is overseen from the RNE in Kigali, as the situation in the country is perceived as unstable. In 2008, the RNE in Bujumbura opens its doors.

During the period 2005-2010, the Dutch government spent a total of €101 million (central programs and NGO’s excluded) in Burundi of which €69 million was spent through the multilateral canal, and a total sum of €9.7 million (less than 10% of total expenditures) was dedicated to PSD.

The priority of the Dutch embassy office based in Bujumbura, which opened its doors in 2008, has been to contribute to the reconstruction of post-war Burundi. Despite the fact that the importance of PSD was acknowledged in the MJSP 2008-2011, the embassy office stated that because of capacity constraints, the embassy has not developed a specific policy or approach towards private sector development.

Still, a total amount of €13.2 million was spent on private sector development by the RNE in Kigali/ Bujumbura in the period 2005-2011. Three projects received support, namely the microfinance BDI project (FORCE) project, the USAID ‘Business Incubator’, and a project focused on land rights, which was implemented by the Swiss Agency for Development and Cooperation (SDC).

The embassy office also highlighted the potential of strengthened Dutch-Burundi trade and investment relations as a means for strengthening the Burundian private sector in the MASP.

5.2.4 Bangladesh

Country context
In the period 2005-2011, the Bangladesh economy has continued to grown with an average 5-6% per year, despite political instability, poor infrastructure, corruption, insufficient power supplies, and slow implementation of economic reforms. More than half of the production in Bangladesh is in the service sector. Almost thirty percent is produced by industry and a declining part of almost twenty percent of the GDP is produced by the agriculture sector. ‘Ready-made garments and remittances have emerged as the twin drivers of the economy.’

In 2006, civil unrest led to the need for a transitional government government to restore peace and democracy. The caretaker government held elections in December 2008 that were deemed free and fair by international observers and resulted in a peaceful transfer of power. It is remarkable that the economic growth is not hampered by e.g. the political instability, although many times ‘hartals’ (strikes) damage the economy. Bangladesh's growth was also resilient during the 2008-09 global financial crisis and recession.

The table below provides an overview of the development of the main economic indicators for the country in over the years 2005-2010.

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita PPP (current US$)</td>
<td>18989,8</td>
<td>19997,6</td>
<td>21046,0</td>
<td>22115,1</td>
<td>23137,9</td>
<td>24267,9</td>
<td></td>
</tr>
<tr>
<td>GDP per capita growth (annual %)</td>
<td>4,5</td>
<td>5,3</td>
<td>5,2</td>
<td>5,1</td>
<td>4,6</td>
<td>4,9</td>
<td></td>
</tr>
<tr>
<td>Foreign direct investment, net inflows (% of GDP)</td>
<td>1,3</td>
<td>1,1</td>
<td>1,0</td>
<td>1,3</td>
<td>0,8</td>
<td>1,0</td>
<td></td>
</tr>
<tr>
<td>Inflation, consumer prices (annual %)</td>
<td>7,0</td>
<td>6,8</td>
<td>9,1</td>
<td>8,9</td>
<td>5,4</td>
<td>8,1</td>
<td></td>
</tr>
<tr>
<td>Import of goods and services (% of GDP)</td>
<td>23,0</td>
<td>25,2</td>
<td>26,7</td>
<td>28,8</td>
<td>26,6</td>
<td>25,0</td>
<td></td>
</tr>
</tbody>
</table>


Export of goods and services (% of GDP) 16.6 19.0 19.8 20.3 19.4 18.4
Net ODA received per capita [current US$] 9.4 8.6 10.5 14.2 8.3 9.4
Ease of doing Business (total number of countries in 2010: 183) Unknown 81 88 107 115 119


**PSD policy of the RNE in Bangladesh in the period 2005-2011**

Since 1973, Bangladesh is a partner country of the Netherlands for ODA. Bangladesh is a profile 3 country, which means that the economic growth is considered to be healthy and that ODA will be limited to four sectors or priorities. The bilateral aid for Bangladesh will be mainly in the four priorities of the Dutch policy, i.e. safety and law, water, food security and sexual and reproductive health and rights. Within these themes the focus is more on economic development instead of social development compared to the past.28

According to budget information gathered in Pyramid, the Ministry of Foreign Affairs spent almost EUR 400 million in Bangladesh over the period 2005-2011 (excluding central programs and NGOs), of which 5%, or 18.5 million on PSD (business environment and food security improvement)

The MASP 2008-2011 emphasises that more attention will be paid to a better enabling environment for the private sector, and makes a special reference to Female entrepreneurs; Improved economic diversification; Competitiveness of SMEs and Dissemination of best practices and experiences on corporate governance and corporate social responsibility.

The intervention strategy is mainly based on political and policy dialogue on private sector development. Financial support is also provided, to a relatively small number of strategic projects such as Katalyst (developing service markets for the poor), Bangladesh Women Chamber of Commerce and Industries (BWCCI) and roll-out of market development approach to Water Management Organizations (WMOs).29

A renewed MASP is made for 2010-2011,30 following Minister Koenders and Secretary of State Huizinga of Transport and Water management visit to Bangladesh on 4 and 5 July 2009, during which the Minister expressed the intention of an intensified cooperation on water management between both countries. Koenders mentioned that it is important that the business environment improves in order to attract investors, both local and international.31 In response to this, the Embassy adjusts its strategic objectives to: ‘stimulating Private Sector Development through policy dialogue and increased use of Dutch private sector development and economic instruments.’32

The intervention strategy changes in the direction of more direct measures, e.g. network and information activities are lined up.33

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28 Knapen, ‘Focusbrief’ TK 23605 2010-2011 nr. 2
29 EKN, ‘MASP 2008-2011’, p.18,19
30 EKN, ‘MASP 2010-2011’, p.8
32 EKN, ‘MASP 2010-2011’, p.3
33 EKN, ‘MASP 2010-2011’, p.11,12
5.3 Contents Country Report

1. INTRODUCTION
   1.1 Evaluation objectives and research questions
   1.2 Research methodology
   1.3 Structure of the report

2 PRIVATE SECTOR DEVELOPMENT IN COUNTRY X
   2.1 Economic development in country X
   2.2 PSD policies in country X
   2.3 Binding constraints in the private sector
      2.3.1 Binding constraints in the financial sector
      2.3.2 Infrastructure
      2.3.3 Access to skills and knowledge
      2.3.4 Legal and regulatory framework
      2.3.5 Market access and development

3 Dutch PSD Policy in country X 2005-2011
   3.1 The view of the Royal Netherlands Embassy
   3.2 The view of the (central) instruments
   3.3 View and role of the private sector
   3.4 Role of the Ministry/DDE
   3.5 Summary: outline of the approach to develop a PSD programme in country X

4 The Dutch PSD programme in country X
   4.1 Overview
   4.2 Financial sector
      4.2.1 Binding constraints and the portfolio of instruments
      4.2.2 Effects
   4.3 Infrastructure
      4.3.1 Binding constraints and the portfolio of instruments
      4.3.2 Effects
   4.4 Cluster skills and knowledge
      4.4.1 Binding constraints and the portfolio of instruments
      4.4.2 Effects
   4.5 Legal and regulatory framework
      4.5.1 Binding constraints and the portfolio of instruments
      4.5.2 Effects
   4.6 Cluster market access
      4.6.1 Binding constraints and the portfolio of instruments
      4.6.1 Effects

5 Assessments
   5.1 Effects of PSD in country X
   5.2 Relationship between instruments and synergy effects
   5.3 Demand drivenness

6 Summary and Conclusions

7 References
6 Planning

Overleaf, a detailed work plan till the end of the assignment is presented; as shown we expect that a final version of both country reports and synthesis report is ready by the end of January, beginning of February 2013.

6.1 Country missions and reports

The country missions have been planned as indicated below. The schedule needs to be confirmed with the Embassies (except Vietnam) after IOB approval of this report.

<table>
<thead>
<tr>
<th>Country</th>
<th>Time</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnam</td>
<td>7 to 17 October 2012</td>
<td>SB, JV, Max Timmerman, LC</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>12 to 22 November 2012</td>
<td>SB, NS, LC</td>
</tr>
<tr>
<td>Burundi</td>
<td>3 to 13 December 2012</td>
<td>SP, LC</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>7 to 17 January 2013</td>
<td>SB, JG, LC</td>
</tr>
</tbody>
</table>

Ten days before the mission to each country IOB will receive a pre-mission draft of the country report, for review and comments, and after approval the mission can commence.

During the missions, a draft country report will be prepared, and the results presented to the Embassy at the last day of the mission.

Before and while the missions are ongoing the team will continue with desk study research and collect and digest information for both country and synthesis report.

Following the missions, interviews with the instrument managers and MoFA staff in the Netherlands will be conducted. Questions from all missions will be consolidated in order not to repeat visits.

The draft final country reports will be delivered at once, end of January 2013, two weeks after the last mission. Where possible this will be done earlier. IOB will be reviewing the draft country reports, and return the comments to the researchers, who in turn will send an amended final version within two weeks of receipt.

For the purpose of the country missions, TF has recruited four local consultants, which we believe to be able to work effectively on these assignments. The CVs are attached to this report in Annex 5.

6.2 Synthesis report

The synthesis report will be written once the draft final country reports have been sent to IOB for review; however, writing will start during the mission to Bangladesh. The writing of the synthesis report will require 4-5 week throughput time, and should be finished end of January 2013. Depending on the workload for the finalisation of country studies after IOB comments have been received, the draft final version of the synthesis report could be submitted earliest in January 2013, and final version, after comments and final editing beginning of February 2013.
<table>
<thead>
<tr>
<th>ITEM</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work in NL</td>
<td>3 to 10</td>
<td>10 to 17</td>
<td>17 to 24</td>
<td>24 to 1</td>
<td>1 to 8</td>
</tr>
<tr>
<td>IOB reviewing time</td>
<td></td>
<td>8 to 15</td>
<td>15 to 22</td>
<td>22 to 29</td>
<td>29 to 5</td>
</tr>
<tr>
<td>Country mission</td>
<td></td>
<td>5 to 12</td>
<td>12 to 19</td>
<td>19 to 26</td>
<td>26 to 3</td>
</tr>
<tr>
<td>Agreement on final research setup</td>
<td></td>
<td>3 to 10</td>
<td>10 to 17</td>
<td>17 to 24</td>
<td>24 to 31</td>
</tr>
<tr>
<td>Finalisation of Inception Report</td>
<td></td>
<td>7 to 14</td>
<td>14 to 21</td>
<td>21 to 28</td>
<td>28 to 4</td>
</tr>
<tr>
<td>Accepted Inception report (excl. Country Studies)</td>
<td></td>
<td>4 to 11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instrument research</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. VIETNAM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country Report Vietnam (pre mission draft)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draft to IOB for review</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mission Vietnam</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Country Report Vietnam</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>B. EHTIOPIA</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Country Report Ethiopia (pre mission draft)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draft to IOB for review</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mission to Ethiopia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final Country Report Ethiopia</td>
<td></td>
<td></td>
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<td>X</td>
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</tr>
<tr>
<td>Country Study</td>
<td>Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>--------------</td>
<td>--------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burundi</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. BURUNDI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country Report Burundi (pre mission draft)</td>
<td>Draft to IOB for review</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mission Burundi</td>
<td>Final Country Report Burundi</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Bangladesh</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. BANGLADESH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country Report Bangladesh (pre mission draft)</td>
<td>Draft to IOB for review</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mission Bangladesh</td>
<td>Final Country Report Bangladesh</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. SYNTHESIS REPORT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of concept report</td>
<td>Research and interviews (if any)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drafting final report</td>
<td>IOB review</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comments and editing</td>
<td>Final report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Gray: Draft
- Red: Reviewed
- Green: Approved
**Annex 1: List of eligible PSD evaluations**

NB: This list is tentative, during the research in-country more evaluations may become available, provided these meet the standards of IOB.

*Eligible PSD programme and instrument evaluations:*

<table>
<thead>
<tr>
<th>Programme, Instrument</th>
<th>Title evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. FMO</td>
<td>Investing in Infrastructure – Evaluation of the LDC infrastructure funds</td>
<td>Bangladesh</td>
</tr>
<tr>
<td>15. Partos</td>
<td>Programme evaluation of the contribution of the CFA’s to the microfinance sector, 2003-2007</td>
<td>Ethiopia</td>
</tr>
<tr>
<td>45. AITIC</td>
<td>Evaluation of AITIC’s activity for the period 2004-2007</td>
<td>Report does not contain detailed info on the 4 target countries</td>
</tr>
<tr>
<td>103. FMO</td>
<td>FMO Capacity development 2006-2010</td>
<td>Report does not contain detailed info on the 4 target countries</td>
</tr>
<tr>
<td>104. PSOM/PSI</td>
<td>EVALUATION PSOM/PSI 1999-2009 AND MMF</td>
<td>Vietnam &amp; Ethiopia</td>
</tr>
<tr>
<td>FIRST</td>
<td>FIRST monitoring and evaluation report FIRST Evaluation Phase II External evaluation First initiative</td>
<td>Report to be retrieved</td>
</tr>
<tr>
<td>118. Cordaid</td>
<td>Biologische fruitteelt Latijns Amerika</td>
<td>Latin America only</td>
</tr>
<tr>
<td>119. en 120. ICCO</td>
<td>International Markets program Local market development program</td>
<td>Ethiopia</td>
</tr>
<tr>
<td>122. Solidaridad</td>
<td>The impact of fair trade</td>
<td>Not in target countries</td>
</tr>
<tr>
<td>125. Vakbondsmedefinanciering</td>
<td>Het vakbondsmedefinancieringsprogramma</td>
<td>Not in target countries</td>
</tr>
</tbody>
</table>
Annex 2: List of instruments

Below table shows the chosen list of instruments for the review.

Basis of the list of possible PSD instruments has been the publication of the Ministry of Foreign Affairs *Van hulp naar investeren. Een overzicht van instrumenten voor een beter ondernemingsklimaat en internationaal ondernemen in onwikkelperslanden.* October 2011

The criteria applied were as follows:

1. An instrument funded from OD 4.3, and a clear PSD objective
   or
2. From another budget source of DGIS, but with a clear PSD objective
   or,
3. A contribution to a multi-donor instrument, if the Dutch share is >30%, or the contribution is over 0.5 Million EUR p.a.

Excluded were: Partners for Water (environmental/for Dutch business), Young expert programme (for Dutch beneficiaries), AECF (implementation, no funding), AIM (no direct PSD objective).

Table 10: Central Instruments

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Included in overall PSD review?</th>
<th>Included in country studies?</th>
<th>Reason for inclusion/exclusion</th>
<th>Bangladesh</th>
<th>Burundi</th>
<th>Ethiopia</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBI</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>CFC</td>
<td>Yes</td>
<td>Yes</td>
<td>Multi-donor fund, &lt; 30%, but &gt; 0.5 mEUR p.a.</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>MMF</td>
<td>Yes</td>
<td>No</td>
<td>Works in NL, no in-country operations.</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>FMO (MASSIF, IDF, AEF, A-fund, CD)</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>PSI/PSOM</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>PUM</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>ORET</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Organization</td>
<td>Developing your business</td>
<td>IDH</td>
<td>Global Producers Unit</td>
<td>ICF</td>
<td>ICTSD</td>
<td>Agri-ProFocus</td>
<td>Agriterra&amp;POP</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------------------</td>
<td>--------------</td>
<td>-----------------------</td>
<td>-------</td>
<td>---------------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
<td>ORIO</td>
<td>Yes</td>
<td>Yes</td>
<td>Only where significant expenditures have taken place so far (only the case in Vietnam)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing your business</td>
<td>Yes</td>
<td>No</td>
<td>Database only, based in NL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDH</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Producers Unit</td>
<td>Yes</td>
<td>No</td>
<td>No projects in countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICF</td>
<td>Yes</td>
<td>Yes</td>
<td>Multi-donor fund, &lt; 30%, but &gt;0.5 mEUR p.a.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICTSD</td>
<td>Yes</td>
<td>No</td>
<td>No projects in countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agri-ProFocus</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriterra&amp;POP</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3 and TMF</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First</td>
<td>Yes</td>
<td>Yes</td>
<td>Multi-donor fund, &lt; 30%, but &gt;0.5 mEUR p.a.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARMT</td>
<td>No</td>
<td>No</td>
<td>Indirect through WB funding NL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regeling Sociaal Ethische Projecten</td>
<td>No</td>
<td>No</td>
<td>Fiscal measure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HIF</td>
<td>Yes</td>
<td>No</td>
<td>Only in Nigeria so far</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DECP</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CNV Internationaal</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FNV Mondiaal</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRC</td>
<td>Yes</td>
<td>No</td>
<td>No projects in countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BID Network</td>
<td>Yes</td>
<td>No</td>
<td>No significant expenditures in Burundi, other countries no activities (directly)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bop Inc.</td>
<td>Yes</td>
<td>Yes</td>
<td>OD 4.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DCED</td>
<td>No</td>
<td>No</td>
<td>NL contribution &lt;0.5 mEUR p.a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World Customs Organisation</td>
<td>No</td>
<td>No</td>
<td>NL contribution &lt;0.5 mEUR p.a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TMEA</td>
<td>Yes</td>
<td>No</td>
<td>Multi donor, since 2011, no projects with NL funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PIDG (DevCo TAF, EAIF, InfrCo)</td>
<td>Yes</td>
<td>Yes</td>
<td>Multi-donor fund, &lt; 30%, but &gt;0.5 mEUR p.a.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The PSD programme of DGIS does also include significant PSD-related expenditures under the MFS funding scheme for Civil Society Organisations. To extract the MFOs that are relevant to this study we have selected MFOs that were beneficiaries of the MFS1 or TMF programme based on two criteria:

1. The organisation has/had a PSD objective, or has (had) a programme with a PSD objective.
2. The total amount spent on PSD programmes is more than 5 million EUR over the research period.

This yields the following table:

Table 11: NGO expenditure for PSD, 2005-2011, selected NGOs

<table>
<thead>
<tr>
<th>MFOs</th>
<th>Total income 2007-2010</th>
<th>DGIS income 2007-2010</th>
<th>DGIS % '07-'10</th>
<th>2006 (TMF only)</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>total PSD exp. 2007-2010</th>
<th>PSD exp. from MFS1/TMF 2006-2010</th>
<th>% DGIS money spent on PSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>OXFAM</td>
<td>758,480,000</td>
<td>509,000,000</td>
<td>67</td>
<td>58,000,000</td>
<td>57,200,000</td>
<td>60,300,000</td>
<td>56,800,000</td>
<td>232,300,000</td>
<td>155,891,652</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>CORDAID</td>
<td>712,566,000</td>
<td>437,059,720</td>
<td>61</td>
<td>27,468,000</td>
<td>24,686,000</td>
<td>21,685,000</td>
<td>15,592,000</td>
<td>89,431,000</td>
<td>54,853,428</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Hivos</td>
<td>399,262,000</td>
<td>260,890,000</td>
<td>65</td>
<td>35,913,000</td>
<td>34,125,000</td>
<td>24,792,000</td>
<td>60,682,000</td>
<td>155,512,000</td>
<td>101,616,296</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>Woord en Daad*</td>
<td>x</td>
<td>20,748,000</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>7,106,761</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Solidaridad</td>
<td>59,779,076</td>
<td>20,130,000</td>
<td>34</td>
<td>12,661,152</td>
<td>11,033,387</td>
<td>13,666,664</td>
<td>17,601,223</td>
<td>54,962,426</td>
<td>18,508,042</td>
<td>92</td>
<td></td>
</tr>
<tr>
<td>SPARK</td>
<td>17,748,974</td>
<td>9,858,408</td>
<td>56</td>
<td>2,457,392</td>
<td>3,037,951</td>
<td>6,036,106</td>
<td>4,938,956</td>
<td>16,470,405</td>
<td>9,148,246</td>
<td>93</td>
<td></td>
</tr>
<tr>
<td>FTO</td>
<td>11,077,359</td>
<td>6,498,051</td>
<td>59</td>
<td>2,584,873</td>
<td>2,569,394</td>
<td>2,906,670</td>
<td>2,278,556</td>
<td>10,339,493</td>
<td>6,065,214</td>
<td>93</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,458,252,940</strong></td>
<td><strong>1,802,740,236</strong></td>
<td><strong>73</strong></td>
<td><strong>73</strong></td>
<td><strong>73</strong></td>
<td><strong>73</strong></td>
<td><strong>73</strong></td>
<td><strong>73</strong></td>
<td><strong>688,891,584</strong></td>
<td><strong>482,633,326</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

*) the exact breakdown of the Woord en Daad MFS1 budget for its “Enterprise Development” programme is not yet known, but above 5 mEUR
For the country studies, only MFOs with projects in the four research countries are taken into account:

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Total expenditures PSD in four countries</th>
<th>Bangladesh</th>
<th>Burundi</th>
<th>Ethiopia</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICCO</td>
<td>13,169,349</td>
<td>√</td>
<td>√</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oxfam Novib</td>
<td>484,500</td>
<td>√</td>
<td>√</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CORDAID</td>
<td>16,878,088</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woord en Daad</td>
<td>1,682,415</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solidaridad*</td>
<td>n/a</td>
<td>n/a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTO</td>
<td>563,791</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*) figures about country activities are still outstanding from Solidaridad

Note that expenditures include credits and equity investments made in (M)FIs.

**Table 12: Civil Society Organisations with PSD programmes**

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Included in overall PSU review?</th>
<th>Included in country studies?</th>
<th>Reason for inclusion/exclusion</th>
<th>Bangladesh</th>
<th>Burundi</th>
<th>Ethiopia</th>
<th>Vietnam</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICCO</td>
<td>Yes</td>
<td>Yes</td>
<td>PSD budget &gt; 5mEUR, active in countries</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oxfam Novib</td>
<td>Yes</td>
<td>Yes</td>
<td>PSD budget &gt; 5mEUR, active in countries</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>CORDAID</td>
<td>Yes</td>
<td>Yes</td>
<td>PSD budget &gt; 5mEUR, active in countries</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hivos</td>
<td>Yes</td>
<td>No</td>
<td>No PSD activities in countries</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriterra&amp;POP</td>
<td>Yes</td>
<td>Yes</td>
<td>PSD budget &gt; 5mEUR, active in countries</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woord en Daad</td>
<td>Yes</td>
<td>Yes</td>
<td>PSD budget &gt; 5mEUR, active in countries</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solidaridad</td>
<td>Yes</td>
<td>Yes</td>
<td>PSD budget &gt; 5mEUR, active in countries</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Spark</td>
<td>Yes</td>
<td>No</td>
<td>No activities in countries (Burundi only, but MFS2)</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTO</td>
<td>Yes</td>
<td>Yes</td>
<td>PSD budget &gt; 5mEUR, active in countries</td>
<td>√</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
MFOs expenditures on PSD were derived from annual accounts and reports published on the websites of these organizations. Expenditures on PSD were calculated on programmes and projects that clearly have a PSD character linked to one or more of the five clusters of DDE’s PSD Policy. This excludes expenditures on general lobby, advocacy and capacity building programmes. Since MFS1 and TMF subsidies are not the only source of income of the organizations we have calculated the total income in proportion to the income from DGIS and have this way arrived at the proportion of MFS1/TMF PSD expenditures.

Below lists the programme that have been taken into account as programmes with a PSD objective.

<table>
<thead>
<tr>
<th>MFO</th>
<th>PSD expenditures taken into account</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICCO Alliantie</td>
<td>Expenditures on Fair and Economic Development Programme (FED), annual reports ICCO alliantie. Total income 2007 and 2010 based on figures of ICCO alliance (2009 and 2008) and organisation ICCO (2010 and 2007), because for the latter alliance figures were not available.</td>
</tr>
<tr>
<td>Oxfam Novib</td>
<td>Expenditures on 'Recht op duurzame middelen van bestaan' annual accounts &amp; reports</td>
</tr>
<tr>
<td>CORDAID</td>
<td>Expenditures on theme 'entrepreneurship', figures 2007 from AA 2010, p. 153</td>
</tr>
<tr>
<td>Hivos</td>
<td>Expenditures on 'duurzame productie en financiele dienstverlening (annual accounts 2010 and 2008)</td>
</tr>
<tr>
<td>Woord en Daad</td>
<td>Expenditures on programmes 'Agribusiness and entrepreneurship development' and 'TVET and JBS' Annual Account 2011.</td>
</tr>
<tr>
<td>Solidaridad</td>
<td>Expenditures 'spent on objectives', annual accounts 2007-2010</td>
</tr>
<tr>
<td>FTO</td>
<td>Expenditures that were made from other sources of income than product sale (Excl. fair trade assistance: small amounts), annual accounts</td>
</tr>
</tbody>
</table>
Annex 3: Interview guidelines

Interview guidelines Embassy
We would like to obtain your views on the evolvement of the Dutch PSD-programme in country X, its major successes and challenges, as well as its alignment with Vietnam’s national development agenda and the activities of other development partners with PSD-programmes. We would also be interested in obtaining your views on the effects of the Dutch PSD-programme in country X.

PSD policy and programme
- What is the Embassy approach to PSD?
- How has this PSD-policy or approach come about?
- What background research or discussions are documented that show the analysis of key constraints in PSD?
- What kind of PSD programme has been implemented in the research period? (present existing overview of projects and programmes funded for check)
- What are the key PSD instruments that the Netherlands are implementing in country x?
- How did the Embassy decide on using these specific instruments / what has been the role of the Embassy?
- Over the 2005 – 2011 period, what changes have been made in the choice of PSD instruments? What were the reasons for these changes or the lack thereof? Who has initiated these changes?
- What kind of consultations have taken place related to PSD instruments?
- To what extent is the PSD programme of the Embassy influenced / informed by:
  - The PSD policy of the Dutch Ministry of Foreign Affairs
  - An in-depth analysis of the economic situation in the country
  - The PSD policy of the national government
  - Other PSD donors in country X.

Links and Synergy
- Are Dutch PSD objectives such that they are systematically working towards a common goal?
- Which instruments collaborate, which don’t, and why?
- Have there been synergetic effects between some of the instruments? Has there been an active effort to achieve synergy? If not, why? Do you have specific examples of projects in which various PSD instruments have proven to (i) create synergies, and/or (ii) have conflicting goals or approaches?

Demand-drivenness
- How do you determine the PSD needs in country X?
- How do you ensure / how do you know that the Dutch PSD instruments are demand-driven?
- What is the process to grant applications?
- What is done to make recipients aware of the instrument?
- Can the intended recipient access the instrument without help?
- What contribution is required by the recipient, in cash, in kind?

Effects
- What are the most important effects of the Dutch PSD instruments in country X?

Future
- Lessons learned from PSD programme making
- What could be improved in the Embassy’s strategy towards PSD in country X?
- What could be improved in the overall PSD policy of the Dutch Ministry of Foreign Affairs?
**Interview guidelines public sector bodies**

We would like to learn more about your familiarity with the Dutch programme and your view on the matching of development partners’ PSD-initiatives with the government’s development agenda and the needs of both the public and the private sector.

- How would you describe the PSD-policy of the national government of country X?
- What are the key challenges for PSD in country X?
- What are the most important donor-funded PSD instruments in country x you are aware of?
- What are the strengths and weaknesses of these instruments?
- Could you think of PSD instruments which in your view are counter-effective?
- Are you aware of any of the Dutch PSD instruments? If yes, elaborate.
- Do you have personal experience with any of the Dutch PSD instruments?
- If yes: how do you perceive the instrument?
- How do you perceive donors’ alignment with the national development agenda?
- What could be improved in donors’ strategies towards PSD in country X?

**Interview guidelines private sector bodies**

We would like to learn more about your familiarity with the Dutch programme and your view on the matching of development partners’ PSD-initiatives with the government’s development agenda and the needs of the private sector.

- What are the key challenges for PSD in country X?
- What is the role of your own organization in PSD?
- What are the most important donor-funded PSD instruments in country x you are aware of?
- What are the strengths and weaknesses of these instruments?
- Could you think of PSD instruments which in your view are counter-effective?
- Are you aware of any of the Dutch PSD instruments? If yes, elaborate.
- Do you have personal experience with any of the Dutch PSD instruments?
- If yes: how do you perceive the instrument?
- Would you consider the Dutch PSD instruments “demand-driven”?
- What could be improved in donors’ strategies towards PSD in country X?
- What could be the role of the Netherlands in this regard?

**Interview guidelines other donors**

We would like to learn more about the PSD-activities of your organisation, your familiarity with the Dutch programme, and your view on the matching of development partners’ PSD-initiatives with the government’s development agenda and the needs of the private sector.

- What are the key PSD instruments that your organization is implementing in country x?
- How did your organization decide on using these specific instruments?
- How do you ensure that your instruments are demand-driven?
- How does your PSD approach differ from the PSD approach of other development partners?
- How does your PSD approach differ from the PSD approach of the Netherlands?
- How familiar are you with the Dutch PSD approach? What are its strong and weak points?
- How would you characterize the PSD-policy of the national government of country X?
- What are the key challenges for PSD in country X?
- How does your institution align its PSD-policies with (i) the national development strategy, (ii) the PSD instruments of other donors?
- What could be improved in donors’ strategies towards PSD in country X?

**Interview guidelines recipients**
We are especially interested to learn how you got involved in the project and to what extent you benefited from the programme in terms of company performance (e.g. jobs generated, profits, investments) or any other beneficial aspects (e.g. knowledge and skills acquired).

**Project description:**
- What is your company about?
- When was the company founded and how did it develop over time?
- What are your company’s key challenges?
- What specific support did you obtain through the … [Dutch PSD instrument]?
- Or: what do you use the funds for? (if applicable)
- What percentage of the investment did you finance yourself? (if applicable)
- What key challenges (or opportunity) does the [Dutch PSD instrument] address?

**Demand-drivenness:**
- How did you get to know about the … [Dutch PSD instrument]?
- Who took the initiative for the project?
- What was the driver for your participation in the project?
- To what extent are your competitors also aware of this possibility?

**Additionality / attribution / process**
- How would your company look today in the absence of the PSD instrument?
- Would you recommend others to make use of the same instrument?
- Is there anything that should change in the instruments’ procedures (application process etc?)
### Annex 4: Dutch PSD Logframe

#### IMPACT
- **Poverty reduction**

#### Enterprise growth
- 1) Number and type of enterprises targeted;
- 2) Net additional income;
- 3) Net additional jobs created
- 4) Investments
- 5) Change in production and trade;
- 6) Attitudinal effects), and beyond enterprise level

#### Outcome
- **Increase in use of financial services**
- **Increased use of government services by enterprises**
- **Increased use of quality infrastructure by entrepreneurs**
- **Improved value chains and product quality**
- **Increased PS efficiency**
- **Improved services and lobby BMO**
- **Improved services and production methods and product quality**

#### Output
- **Financial sector development**
- **Legal and regulatory framework**
- **Infrastructure**
- **Market access and market development**
- **Access to skills and knowledge**

<table>
<thead>
<tr>
<th>Output</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bilateral channel</td>
<td>Increase in use of financial services</td>
</tr>
<tr>
<td>Civil society channel</td>
<td>Increased use of government services by enterprises</td>
</tr>
<tr>
<td>Multilateral channel</td>
<td>Increased use of quality infrastructure by entrepreneurs</td>
</tr>
</tbody>
</table>

#### INPUTS
- **Actors**
  - National governments, civil society organisations, private sector and Dutch government

- **Financial and non-financial resources**