

Evaluation of ORET 2007-2012

Terms of Reference

This document contains the terms of reference for the whole evaluation of ORET, combining the foreseen work of both IOB as evaluator and the consultants' team that will be recruited. Together they form the evaluation team of this exercise. The terms of reference specify a division of labour between the members of the evaluation team and what is expected from each member (see chapter 4 - 7). The tentative budget in chapter 7 will not be part of the external terms of reference that will be tendered under the framework agreement for impact assessments of the Ministry of Foreign Affairs of The Netherlands.

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1 Rationale of the Evaluation and Description of ORET

1.1 Rationale and Objective of the Evaluation

The Development-Related Export Transactions program (ORET, the Dutch acronym of *Ontwikkelingsrelevante Export Transacties*) is a facility funded by the Ministry of Foreign Affairs that has existed in various configurations since 1983. During its existence it has been evaluated several times, lastly in 2005-2006. The previous evaluation¹ of ORET was conducted in 2006 and covered the period 1999-2004. Almost parallel in time, a joint evaluation² was undertaken by the Chinese Centre for Science and Technology Evaluation and the Policy and Operations Evaluation Department (IOB) of all ORET-transactions completed between 1991 and 2003. The 2006 Order of Periodic Evaluations of the Netherlands prescribes that all government policies are evaluated periodically and at least once every seven years³. Therefore an evaluation has been planned as part of the multi-annual evaluation programming of the IOB.

This ORET evaluation intends to assess independently the achieved results of the ORET-program in the period 2007-2012 and to what extent the program has reached its stated objectives. In addition, the evaluation aims to assess the effects of the changes introduced in the 2006 ORET Regulation and the learning effect of earlier evaluations and whether the introduction of the successor program ORIO in 2009 had any effect on the implementation of ORET. Although the current ORET-program has been closed for new applications since 1 August 2007 and is expected to be completely phased out by 2017, an independent evaluation is warranted to evaluate the substantial resources used and the results achieved. The evaluation may generate lessons for the remainder of the implementation of ORET which is expected to be closed around 2017, the successor program ORIO and other policies in the area of public infrastructure investments and private sector development in developing countries such as the Dutch Good Growth Fund.

1.2 What is ORET?

According to the 2006 ORET Regulation its objectives are "to promote sustainable economic development and to improve the business climate in developing countries by facilitating investments in their economic and social infrastructure"⁴. ORET supported investments in public infrastructure in developing countries, by co-financing 35 to 50% of the eligible investment costs. ORET co-financed commercially non-viable transactions up to a ceiling of €45 million of eligible costs. In practice, commercially non-viable meant that eligible transactions and investments have a payback period of longer than ten years and cannot be financed on commercial terms.

Transactions in ORET may form part of a larger development project in a developing country.

¹ Berenschot, SEOR, Ecolas (2006), *ORET Evaluation 1999-2004*, <http://www.minbuza.nl/bijlagen/producten-en-diensten/evaluatie/afgeronde-onderzoeken/2006/11/oret-miliev-programmabreed-1999-2004/oret-miliev-evaluation-1999-2004.html>

² Country-led Joint Evaluation of the ORET/MILIEV Program in China, the Chinese Centre for Science and Technology Evaluation (NCSTE) and IOB, Aksant, Amsterdam, 2006.

³ http://wetten.overheid.nl/BWBR0031959/geldigheidsdatum_06-03-2013

⁴ http://www.oret.nl/docs/ORET_brochure_eng.pdf, p. 4. The current ORET-program was published on 18 May 2006 (Netherlands Government Gazette number 97).

In most cases the transaction and the project were identical in ORET but not always⁵. The transaction relates to the part of the project to which the applicant is bound because of a contract with the end user in a developing country. Typical examples of ORET-transactions are hospital construction, delivery of medical equipment, rehabilitating power plants, wet infrastructure and dry infrastructure works. ORET-transactions are also implemented in areas such as education and traffic management systems.

An ORET-transaction usually involved the delivery of capital goods, services or construction works or a combination thereof. Such transactions were eligible for ORET grant financing but could also include technical assistance, the supply of spare parts or ongoing training once the transaction was up and running. This additional element was introduced to enhance sustainability and impact of ORET transactions. The transaction amount is the price of the transaction agreed in the contract between the supplier and the end user. This amount excludes preparatory costs (feasibility studies) and acquisition costs incurred to secure the contract. Co-financing of the transaction by the Netherlands government took place in the form of a grant to the national authorities of a developing country for purchasing the awarded capital goods, services or works. The supplier was, however, treated as applicant of the grant under the Dutch General Administrative Law Act.

1.3 Policy Changes in ORET since 1992

During its long-term existence the ORET-program has seen its emphasis change from promotion of development-related Dutch exports of capital goods to strengthening sustainable economic development in developing countries⁶. It was launched as a combination of programs administered jointly by the Netherlands Ministry of Economic Affairs and the Ministry of Foreign Affairs (Directorate General for International Cooperation, DGIS). The MILIEV (Environment) program was set up in 1993 with the aim of promoting transactions that would have a specific positive environmental impact. MILIEV financing had a larger grant element but had otherwise identical characteristics as ORET financing. In 1998, the two programs were merged to form the ORET/MILIEV program.

Policy changes adopted in the period 1999⁷ - 2006⁸ have led to several adjustments in the program objectives, rules and procedures of ORET. For instance, the program objectives changed its emphasis from the promotion of Dutch exports towards strengthening sustainable economic development and the private sector enabling environment in developing countries. At the start, the ORET program was a fully tied-aid program. Following the 2001 OECD DAC Recommendation on Untying ODA to the Least Developed Countries

⁵ The OECD definition of a transaction is: "the smallest and technologically fully integrated productive entity that benefits from the intended investment and reaps the benefits attributable to the investment" (see ORET Regulations 2006). (http://www.oret.nl/docs/ORET_brochure_eng.pdf, pp. 14-15).

⁶ See Annex 1 for an overview of the relevant regulations and changes since 1992 (ORET Controle Protocol, 14-12-2007).

⁷ Vaststelling beleidsregels ORET/MILIEV, Staatscourant 23 juli, 1999 (ORET/MILIEV Policy Rules, published in the Netherlands Government Gazette).

⁸ Vaststelling beleidsregels ORET, Staatscourant 18 mei, 2006

(LDCs)⁹, the tied ORET-program was closed for LDCs in October 2001. In the following period, at the suggestion of the then administrating authority FMO/NIO for ORET, an alternative was established in the form of an untied LDC Infrastructure Fund¹⁰ (MOL Fonds) to co-finance infrastructural investments in LDCs, with loans or equity instruments. This facility is administered by FMO, for which it received a subsidy of €182 million to set up a revolving fund. In May 2006, however, the ORET-program was re-opened for LDCs but it became formally untied¹¹. This was done by including in the ORET-regulations the OECD/DAC prescribed tendering procedures in the case of aid to the LDCs, such as mandatory international competitive bidding and ex ante notification of applications to the OECD.

Parallel to the political decision making process in 2007-2008 on its successor program ORIO, the ORET-program was closed for new applications on 1 August 2007. In 2009, ORIO (the Dutch acronym of Ontwikkelingsrelevante Infrastructuur Ontwikkeling) became operational. This fund is also a grant facility aimed at financing public infrastructure investments in developing countries (both LDCs and non-LDCs). Taking account of lessons learned from earlier ORET evaluations, ORIO intended to strengthen ownership and development relevance by designating the government of the developing country as both the applicant and recipient of the grant and by fully untying the program (not only for LDCs). ORIO also tries to strengthen its development relevance by offering the option of financial and technical support throughout the lifetime of the transaction. Further, ORIO sharpened its focus by limiting the number of eligible countries and sectors while at the same time attempting to enhance the linkages with bilateral country programs of the Netherlands.

1.4 Administration of the Program

Several organisations have administered the ORET-program during its existence. Initially, ORET was implemented by the Ministry of Foreign Affairs itself, in cooperation with the Ministry of Economic Affairs and the Ministry of Finance. In 2002, the Netherlands Investment Bank for Developing Countries – the NIO Bank, a subsidiary of the FMO (the Netherlands Development Finance Company of the Netherlands) - was mandated to manage the program. Since 1 January 2007 after a tendering process, ORET is being administered by a consortium of Price Waterhouse Coopers and Ecorys under the name Oret.nl. The consortium received a mandate from the Ministry of Foreign Affairs to take all decisions on the allowance of grants based on the regulations of the ORET program. After an initial period of 2 years Oret.nl was awarded the management of ORET in 2 other tendering procedures for subsequent periods.

⁹ The category of Least Developed Countries is defined by the UN, is based on various development criteria and consists of 48 countries <http://unctad.org/en/Pages/ALDC/Least%20Developed%20Countries/UN-list-of-Least-Developed-Countries.aspx>)

¹⁰ Investing in Infrastructure, Evaluation of the LDC Infrastructure Funds, IOB evaluation no. 324, July 2009, Ministry of Foreign Affairs.

¹¹ Kamerstukken 83437, 29 234, nr. 33, 17 januari 2005.

1.5 Screening Criteria of ORET-Transactions

The Dutch authorities and Oret.nl did not play a part in the development of transactions or the choice of suppliers. Recipient countries have set their own priorities as to which transactions they submit and which tendering procedures and suppliers (in the case of LDCs international competitive bidding is prescribed) they choose. Oret.nl did determine independently whether a transaction qualified for a grant. In order to be eligible, applications had to meet the screening criteria listed in table 1 below.

Table 1: Screening Criteria for ORET Grants

- All ORET-transactions must meet the OECD *Arrangement on Officially Supported Export Credits*, the OECD *Agreement on Untied ODA Credits Transparency* and be in line with the OECD *DAC Recommendation on Untying Official Development Assistance to the Least Developed Countries*.
- Transactions must be commercially non-viable, i.e. if financing on market conditions is not feasible.* A transaction is regarded commercially non-viable if, under realistic assumptions about market prices, it would fail to generate sufficient income within 10 years to cover the initial capital investment as well as the operating and financing costs**. It is also deemed commercially non-viable if it is financially viable but cannot obtain financing on commercial terms.
- The transaction must have a development impact.
- Investments should stimulate sustainable economic, ecological and social development in developing countries.
- The end user must be sufficiently capable, in all respects, of ensuring (long-term) sustainable management of the transaction.
- The applicant (and possible partners) has to be sufficiently capable, in all respects, of delivering the transaction successfully.
- Depending on the country classification, the transaction must have a specific element of Dutch content, in line with OECD agreements.
- The price-quality relation of the transaction must be in accordance to market conformity.
- Depending on the country classification, the type of procurement process is determined. This process must meet the requirements of the recipient country. Furthermore, in case of international procurement, they must meet the OECD *Good Procurement Practices for Official Development Assistance*.
- Proposals will be assessed on the results they are expected to have regarding financial-economic effects (economic, financial, institutional, and technical sustainability), environmental effects, and social effects.

Sources: Vaststelling beleidsregels ORET, Staatscourant 18 mei, 2006, and http://www.oret.nl/docs/ORET_brochure_eng.pdf.

Notes: * According to the OECD Guidelines tied aid is only allowed for those transactions for which financing on market (= commercial) conditions is not viable; ** Method of calculation: cash flow analysis, calculating the accumulated cash flow in year 10, using a commercial interest reference rate (CIRR) settled by the OECD. The calculation is made for the transaction as a whole and not applied to a transaction from which specific activities have been omitted.

The management of Oret.nl was advised in its appraisal of applications by an independent Advisory Committee composed of external experts. Development relevance of proposed transactions was to be demonstrated, among others, by requiring that the authorities of the

recipient country indicate how the transaction will fit into the country's or region's long-term strategy. Authorities would also have to indicate how the transaction or project would be financed, taking into account possible other donor contributions, its own budgetary commitments and commercial funding. Since ORET-grants aimed to facilitate infrastructure investments which should contribute to sustainable economic development and a sound business climate, transactions were also assessed on (i) financial and economic impact; (ii) technical sustainability; (iii) environmental impact; (iv) social impact.

The 2006 Regulation for ORET did not specify specific appraisal criteria or indicators on how to meet the objectives of sustainable economic development and a sound business climate. The earlier requirement of no harm to the position of the poor and women was abolished in the 2006 Regulation. It was replaced by an indication how the project fits into ILO and World Bank frameworks on social impact. The format prescribed for the feasibility study of a project's application requests information on its expected contribution to the creation of sustainable employment in the developing country and the impact on poverty and the status of women. The condition on environmental impact that on balance a proposed project may not be harmful to the environment was maintained. An adequate environmental impact assessment was required in the case of major infrastructure projects and projects in environmentally sensitive areas. During the appraisal of transaction proposals a price-quality check of the goods and works was carried out routinely.

1.6 Monitoring and Evaluation

Oret.nl monitors project implementation of ORET-transactions actively. Depending on the transaction, Oret.nl performs 3 types of monitoring activities that increase in intensity:

- i. Reactive monitoring which is based on bi-annual reporting by applicants. An applicant, i.e. the supplier, is obliged to provide narrative and financial reports to Oret.nl on the progress of the transaction every six months;
- ii. Active monitoring where, in addition to the reporting by the applicant, Oret.nl actively monitors implementation itself including through field missions;
- iii. Pro-active monitoring with intensive contacts with the exporter, the end-user and authorities, usually to address implementation problems.

Oret.nl does desk research on the outputs and effects of selected transactions for internal learning purposes. No later than six months after completion of the transaction an applicant of an ORET grant, i.e. the supplier is obliged to submit a request for determination of the definitive amount of the grant. Oret.nl then assesses the request, determines the definitive amount of the subsidy and issues a formal decision on the definitive grant amount after which the final installment (5% of the transaction amount) is paid.

1.7 Parties Involved in ORET-transactions

Normally, there were four parties involved in a standard ORET-transaction:

- (i) The national authorities of the developing country;
- (ii) The end user of the goods, services or works;
- (iii) The supplier of the goods, services or works, i.e. the applicant;

(iv) The financing authority of the recipient country.

The ORET-program awarded grants by the Dutch government to the authorities in developing countries. ORET comprised both tied aid for non-LDCs and untied aid for LDCs. Eligible transactions in LDCs could qualify for a grant of 50% of the value of the transaction. Since 2006, in the light of the untying of ORET for LDCs, non-Dutch companies were able to also apply for ORET-grants and compete in the international tendering procedure in the case of LDCs. Non-Dutch companies as applicants or winning the international competitive bidding has happened only in a limited number of cases in the period 2007-2012.

In the case of non-LDCs, transactions could qualify for tied-aid in the form of a grant up to 35% of the transaction value. ORET-transactions in the area of drinking water and sanitation were eligible for a grant of up to 50% of the transaction's value in all ORET countries (both LDCs and non-LDCs) under the special Water Facility¹² introduced in 2005. The maximum grant awarded to one single company per year was limited to 20% of the annual budget available to ORET. The same ceiling limit also applied to the total of grants awarded to one single country in a year. ORET co-financed transactions up to a transaction value of up to €45 million of eligible costs. If supplementary transactions were involved in a transaction, the ceiling limit of €45 million related to all elements involved in the transactions. Authorities of a developing country that accept an ORET-grant and the attached conditions were obliged to use the funds for purchasing capital goods, services or works from the suppliers specified in the grant agreements.

Under the new 2006 ORET regulation a recipient country could, in addition and under certain conditions, receive additional grant funds to cover up to 75% of the cost of longer term technical assistance. For example, this could be done in the case of longer term management support and strengthening the end user's organizational capacity. This new facility was only available if capital goods, works or services were supplied at the same time. Regular technical assistance that failed to meet these substantive conditions was considered to form a regular component of the transaction and was consequently subject to the regular ORET conditions and financial thresholds for LDCs (50%) and non-LDCs (35%). Increasingly, the completion of an ORET-transaction has been extended as a consequence of the delivery of additional technical assistance for capacity building.

ORET-transactions were usually financed by a combination of an ORET grant and other means of finance referred to as non-grant financing. When the latter came from export credits supplied by Dutch commercial banks, it usually also involved Dutch export credit insurance from Atradius and sometimes re-insurance of the political risk by the Netherlands' Ministry of Finance. Certain financing costs related to the export transaction such as the credit risk insurance premium charged by Atradius or letter of credit and loan fees could also be compensated up to 75% from the ORET-grant, provided that these costs were part of the transaction price. Usually the majority of these costs were borne by the export credit risk insurance premium for the non-grant finance. Grant payments by Oret.nl to the applicant

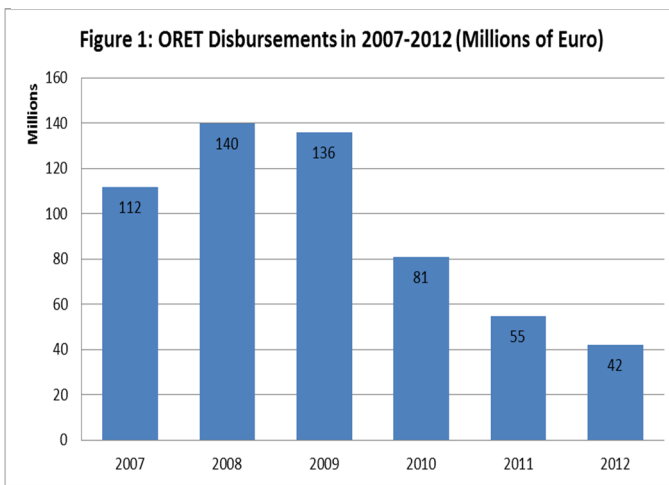
¹² <https://zoek.officielebekendmakingen.nl/kst-29234-33-b1.pdf>

were made in accordance with the provisions agreed in the contract between the supplier and the end-user and in the grant agreement. These payments were, however, successively disbursed in time pro rata to the provision of the non-grant financing. Oret.nl would in principle not make a payment to a supplier if the non-grant payment had not been made.

1.8 The Total ORET Transaction Portfolio and Disbursements in 2007-2012

The maximum budget available for the implementation of ORET-transactions was publicized annually in the Netherlands Government Gazette. In 2007, for the first time in its history, a budget ceiling for new commitments was set to € 119 million. This was partly done in relation to the creation of ORIO. It effectively closed ORET for new applications after 1 August 2007

Figure 1: ORET Disbursements in 2007-2012



since new applications could only be processed and approved if sufficient grant funding was available. ORET receives an annual budget allocation from the Ministry of Foreign Affairs based on the liquidity needs of approved ORET-transactions that are being implemented. Annual grant disbursements under ORET averaged nearly € 94 million since 2007, peaking at € 140 million in 2008 and gradually declining afterwards (see figure 1). In total, Oret.nl disbursed € 566 million in

the period 2007- 2012 to approved ORET-transactions. The total number of administered transactions in the portfolio of Oret.nl peaked at 191 at the beginning of 2008, following the surge in applications before the de facto closure of the ORET facility for new applications in August 2007. The workload determined the management fee for Oret.nl.

Over time, the 'frozen' portfolio has declined in size, primarily due to the completion of implemented transactions but also due to rejections of various applications because of lack of funds or not meeting the substantive criteria and closure in a limited number of approved transactions that did not fulfil the agreed grant conditions. In the evaluation period 2007-2012, 86 ORET-transactions were completed (see paragraph 1.9 and annex 2). At the beginning of 2013, there are still 54 approved transactions active in 20 countries covering 11 sectors (see paragraph 1.10 and annex 3). The delay in the implementation of those ORET-transactions is due to various reasons, such as delays in the approval process for certain transactions with the last grant contract only signed in 2011, lengthy international competitive tendering procedures in the case of some transactions in LDCs and additional time needed for follow-up technical assistance thereby extending the life of the transactions involved. Completion of the last ORET-transactions is expected by 2017.

1.9 The ORET Portfolio of 86 Completed Transactions

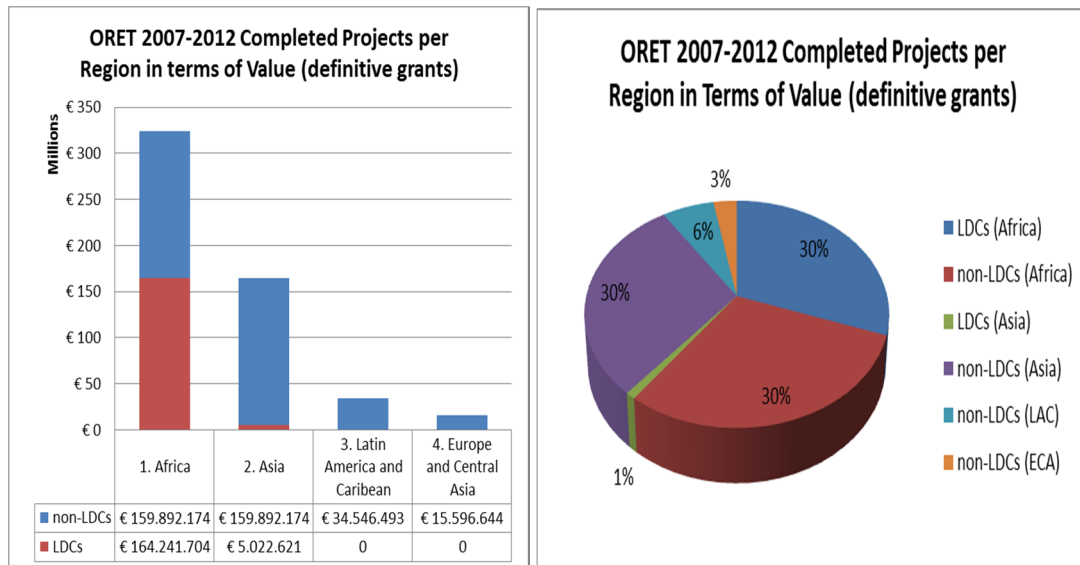
An analysis has been done to classify the 86 completed ORET-transactions in the period 2007-2012 (see annex 2). This is also the starting point to make a representative selection of case-studies for field visits. Together, the 86 completed ORET-transactions in the period 2007-2012 covered 26 countries (10 LDCs and 16 non-LDCs), had a combined transaction value of €1.207 million, received a total grant amount of € 528 million in this period and were implemented by 35 companies (of which 4 non-Dutch companies that were not incorporated in the Netherlands).

1.9.1 Regional and Country Distribution

Within ORET there is a heavy concentration on Africa and Asia (see figure 2 below). Africa received the major share of the ORET-portfolio of completed transactions in 2007-2012, i.e. 60% of the total value of definitive grant disbursements (almost evenly divided among LDCs and non-LDCs) for 41 transactions and 48% of the total number of transactions (21% for LDCs and 28% in non-LDCs). Asia follows with 31% of the total value of definitive grants which is primarily focused on non-LDCs with 35 transactions and a share of 30% of the total grant value and 2 transactions in one LDC with a share of 1% of the total value.

Within the regions ORET is heavily focused on a few countries which receive the bulk of the ORET-grants. Among the 26 recipient countries, 6 countries have received more than € 20 million over the period 2007-2012: Ghana, Tanzania, China, Indonesia, Ethiopia and Sri Lanka (see figure 3). Together these 6 countries were responsible for 61 transactions that added up to €440 million in grants received and a share of 63% of the total portfolio.

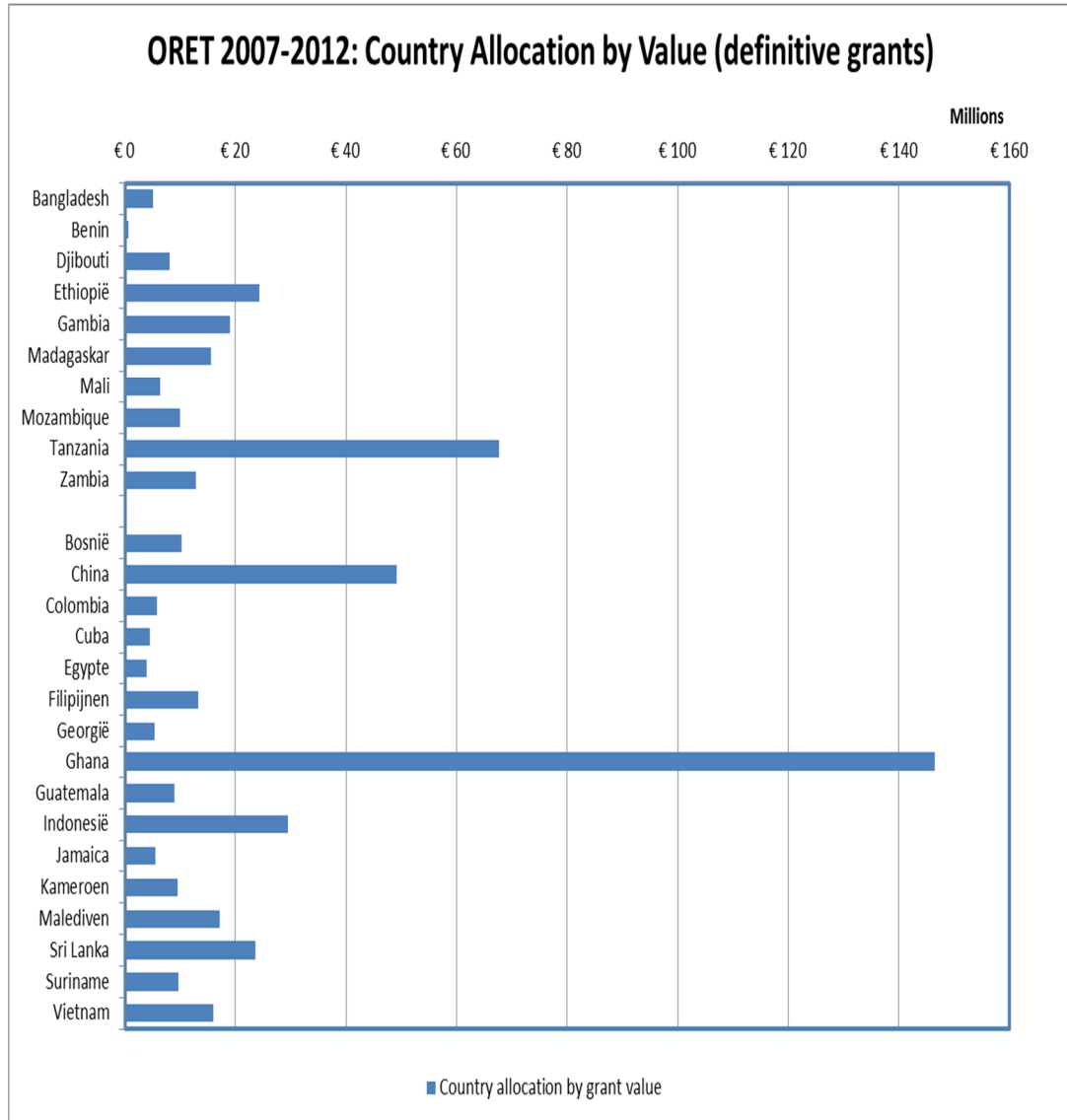
Figure 2: Regional Distribution of Completed Transactions in LDCs and non-LDCs



Ghana absorbed the lion share within Africa, among the non-LDCs and within the ORET-program, with 20 transactions receiving € 146 million in grants or almost 27% of the whole portfolio in terms of the value of definitive grants. Other major users among the non-LDCs were China with 21 transactions receiving € 49 million adding up to a share of 9.4%,

Indonesia with 5 transactions receiving € 29.5 million and a share of 5.4%, and Sri Lanka with 3 transactions receiving € 23.5 million and a share of 4.3% of the portfolio of completed transactions. Major users among the LDCs were Tanzania with 7 transactions receiving almost € 168 million and a share of 12.4% and Ethiopia with 2 transactions receiving € 24 million and a share of 4.5% of the portfolio of completed transactions.

Figure 3: Country Distribution of ORET in 2007-2012



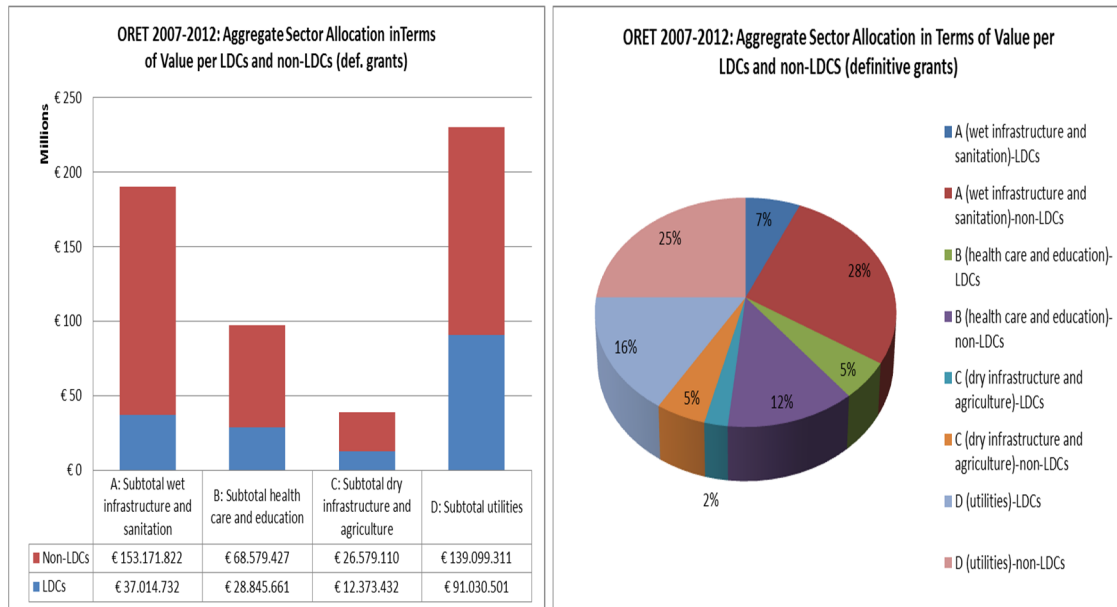
1.9.2 Sector Distribution of the Completed Portfolio

Figure 4 shows the sector allocation of ORET-grants in the portfolio of completed transactions across LDCs and non-LDCs. The 4 aggregate sectors are made up of related subsectors and contain:

- Sector A: (1) Drinking Water; (3) Wet Infrastructure; (8) Water Sanitation;

- Sector B: (2) Health; (6) Education;
- Sector C: (4) Agriculture & Fisheries; (7) Dry Infrastructure
- Sector D: (5) Transport; (9) Environment; (10) Energy; (11) Telecom; and (12) Other

Figure 4: Allocation of the ORET-Portfolio over Sectors and LDCs and non-LDCs



The major aggregate sectors in the ORET-portfolio of completed transactions in the period 2007-2012 in terms of the value of disbursed grants and the number of transactions are:

- Wet infrastructure and sanitation, responsible for € 190 million or 35% of the total value of definitive grants, and covering 25 transactions (4 in LDCs and 21 in non-LDCs);
- Utilities, responsible for € 230 million in grants or 41% of the total value of definitive grants, and covering 36 transactions (11 in LDCs and 25 in non-LDCs).

1.10 The Active Portfolio of 54 On-going ORET-Transactions

Though the evaluation focuses on the portfolio of completed transactions in the period 2007-2012, it will also review the active portfolio of on-going transactions in a portfolio analysis. Together, the 54 ORET-transactions in the active portfolio cover 27 countries (15 LDCs and 12 non-LDCs) and represent a combined transaction amount of € 941 million. These transactions are expected to receive a total amount of € 434 million, assuming that the determined amounts at the approval stage will be the same as the definitive amounts at completion. These transactions are being implemented by 29 companies (of which 11 non-Dutch companies were not incorporated in The Netherlands). Figures 5-6 below reflect the distribution of the 54 on-going transactions in the active portfolio across recipient countries, regions and aggregate sectors and by the distinction of LDCs versus non-LDCs.

1.10.1 Regional and Country Distribution within the Active Portfolio

Africa managed to receive an even higher share in the active ORET-portfolio of on-going transactions, i.e. 66% of the total value of grant disbursements (with the highest share of 40% going to African LDCs) for 32 transactions and 59% of the total number of transactions (39% for LDCs and 20% in non-LDCs). The share of Asia has decreased to 23% while the share of Europe and Central Asia increased to 6% and the share of Latin America remained stable (see figure 5 below).

Figure 5: Regional Distribution of the Active Transactions in LDCs and non-LDCs

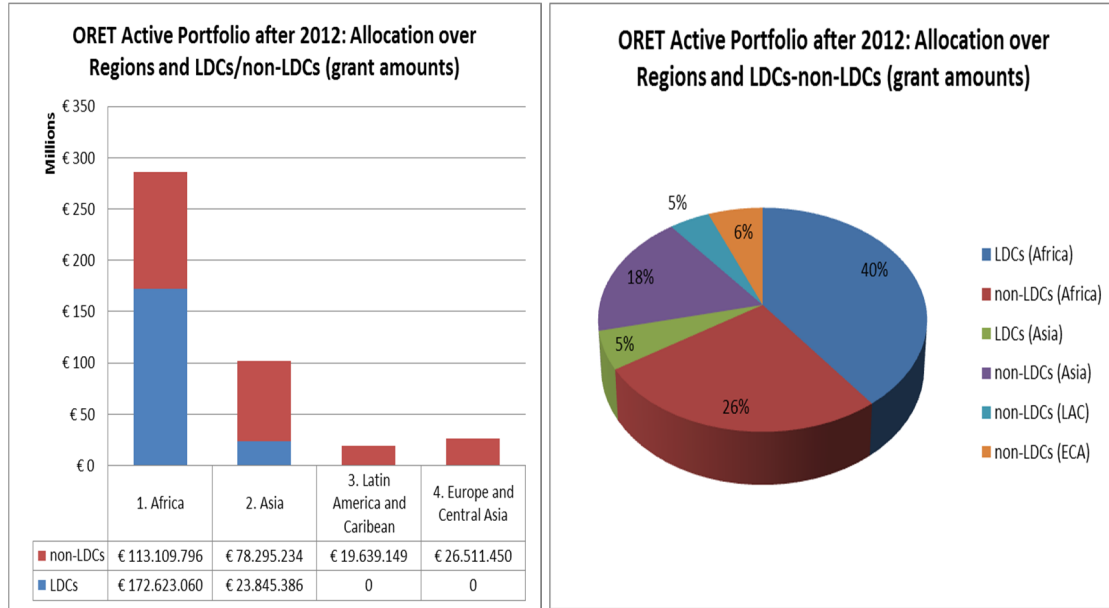
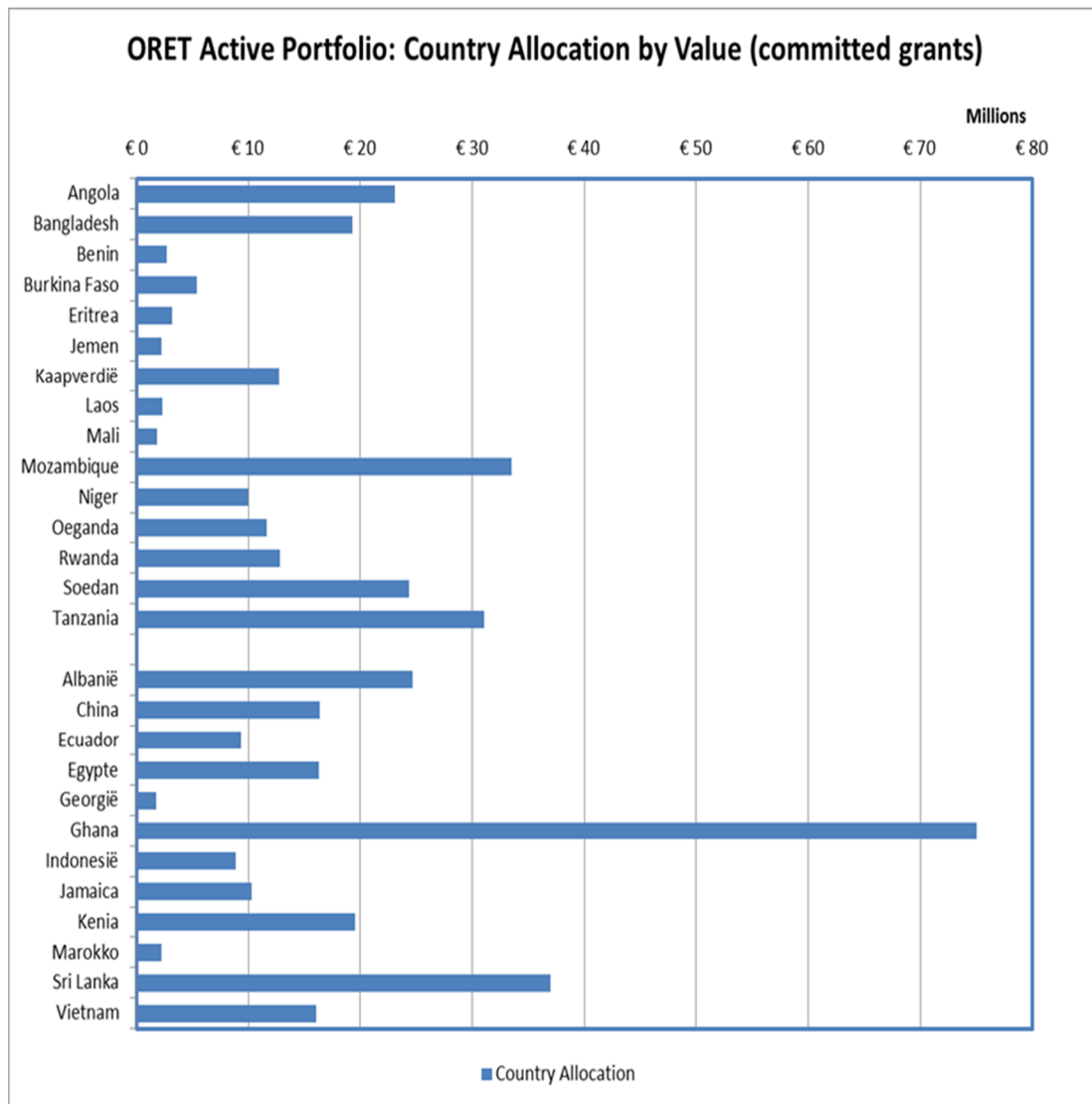


Figure 6 below shows the country distribution in the active portfolio: 7 countries receive more than € 20 million: Ghana, Sri Lanka, Mozambique, Tanzania, Albania, Sudan and Angola. Ghana is again the most important user of ORET with 7 transactions that together represent a committed grant amount of € 75 million and have a share in the active portfolio of 17.3%. The role of China has decreased considerably; it may now receive € 16.4 million for 7 transactions that add up to a share of 3.8%. Among non-LDCs, Sri Lanka and Albania score significantly with 3 transactions each that may receive € 40 million respectively € 24.7 million and that have shares of 8.5% respectively 5.7%.

Remarkable is the rising share of African LDCs with large transactions. Angola and Mozambique have become major recipients. Angola may receive for 1 large transaction of 4 fishery research vessels a grant amount of € 23.5 million representing a share of 5.3% while Mozambique may receive for 3 transactions a grant amount of € 33.5 million representing a share of 7.7% in the active portfolio. Tanzania remains a steady recipient of ORET with 3 large transactions that may receive a total amount of € 31 million representing a share of 7.2% in the active portfolio.

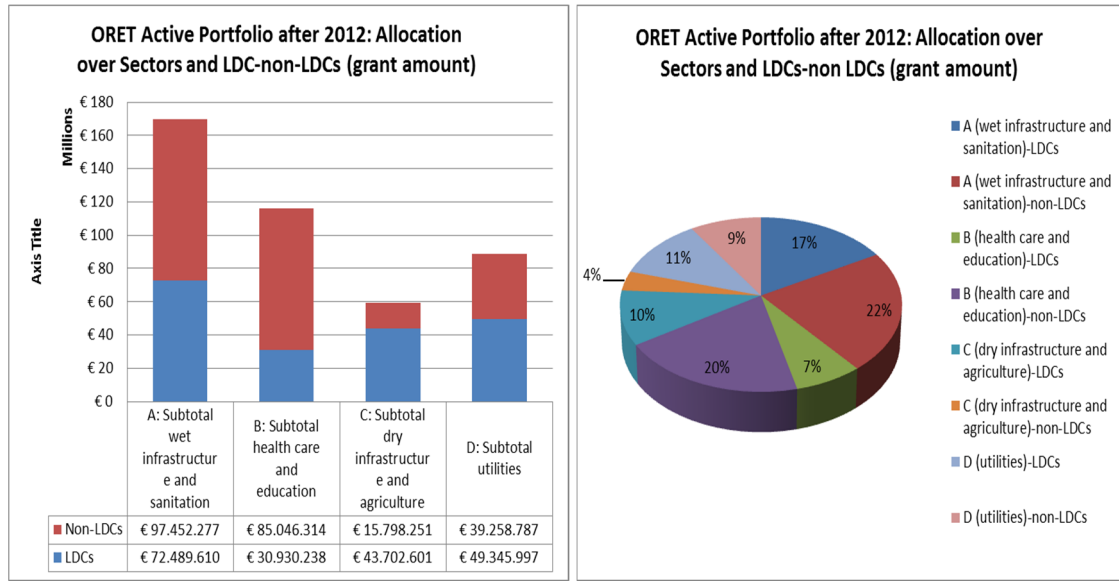
Figure 6: Country Allocation within the Active ORET Portfolio



1.10.2 Sector Distribution of the Active Portfolio

Figure 7 below shows the sector allocation of ORET-grants in the portfolio of active transactions divided between LDCs and non-LDCs. The sector wet infrastructure and sanitation has become the largest sector within the active portfolio with a share of 39% of the total value of grant amounts (divided between 17% for LDCs and 22% for non-LDCs). The sector health care has taken second place with a share of 27% (divided between 7% for LDCs and 20% for non-LDCs). The share of the sector utilities has decreased considerably to 20% (divided between 11% for LDCs and 9% for non-LDCs).

Figure 7: Allocation of the ORET-Portfolio over Sectors and LDCs and non-LDCs



1.10.3 Changes in the Portfolio Composition

Compared to the portfolio of 86 completed transactions in the period 2007-2012, the portfolio of the 54 active transactions (still on-going after 2012) shows significant shifts towards:

- A higher share of transactions in the portfolio for LDCs (from 23% to 45% in terms of number of transactions and from 31% to 45% in terms of the value of disbursed grants);
- A much higher share for the sector health care and education (from 17% to 27%);
- A much lower share for the aggregate sector utilities (from 41% to 20%);
- More international companies which are not incorporated in the Netherlands are winning the tendering procedures in the case of ORET-transactions in LDCs.

The total cumulative amount of ORET-grants from 2007 until final completion of the program around 2015 is expected to be around € 962 million for 140 transactions implemented by 52 companies.

1.11 The Applicants

As explained above, the supplying company acted as the applicant of an ORET-grant. Combining all transactions from the portfolio of completed transactions in the period 2007-2012 and the active portfolio in one overview, annex 4 lists all 52 supplying companies that have made or are making use of ORET since 2007. Some companies are major (re-)users of the ORET-program in terms of either the number of transactions, sometimes in the same country (particularly in Ghana, China and Tanzania) or the value of the transactions. Annex 4 also shows that since 2007 within the group of 23 multiple users of ORET 7 companies received more than € 50 million to finance their combined ORET-transactions. Of the total of

52 companies acting as applicant and user of ORET, 11 were of non-Dutch origin, with an emphasis on the active portfolio. Most of the re-users of ORET are large Dutch multinational companies that were already active in many export markets including those of developing countries.

The sectors where the main re-users are concentrated are: (drinking) water supply and sanitation, shipbuilding, dry and wet infrastructure works, medical equipment, and power generation. The classification of the applicants will be further elaborated during the evaluation in order to answer the questions about the relevance of ORET to facilitate entry of Dutch exporters into new markets.

2 Purpose, Scope and Design of the Evaluation

2.1 Purpose

The objective of this evaluation is to generate findings and conclusions that fulfil the accountability and learning purpose of the evaluation. The twofold purpose is to:

1. Account for both the functioning of the ORET-program in the period 2007-2012 and the (financial) resources used for the implementation of the program;
2. Learn from the assessment of the functioning and effects of the ORET program and the use of resources, in order to generate relevant information for the improvement of policy (implementation) for the remainder of ORET, the successor program ORIO and other policies in the area of public infrastructure investments and private sector development in developing countries such as the Dutch Good Growth Fund.

2.2 Scope of the Evaluation

The evaluation will focus on the period 2007-2012 and address key issues at two levels:

- At program level: the development relevance and effectiveness of the ORET-program to the policies, needs and priorities of the recipient countries and of the Netherlands, including the efficiency of the program's management and procedures.
- At transaction/project level: the effectiveness of ORET-transactions in meeting their own formulated objectives and their outcomes, in order to be able to draw conclusions about whether the program as a whole has been meeting its objectives and conditions.

The evaluation will undertake:

- A policy reconstruction of the ORET program;
 - A desk analysis of the whole portfolio (completed and active) based on the transaction dossiers;
 - An outcome evaluation of 21 completed transactions that have been selected in the sample from the portfolio of 88 completed transactions. The 21 transactions are combined in 11 case studies in 7 recipient countries which are distributed over 8 subsectors.
 - An impact evaluation in 4 of the 11 selected case studies through additional surveys
- Answers to the research questions at transaction level (see annex 5) are to be regarded as building blocks of the evaluation and will hopefully enable the evaluator to draw well-founded conclusions about the ORET-program as a whole.

2.3 An Evaluation Framework for ORET

Starting point for the evaluation framework is the (re)construction of a result chain to structure the expected ORET processes and their achieved results in a logical framework. This includes the elaboration of the theory of change that connects the various components of the result chain, including the underlying key assumptions and contextual factors. A standard result chain for ORET identifies the specific relations between its components – inputs, activities, outputs, outcomes and impact - where:

- The inputs of ORET are the financial, material and human resources employed to produce the intended outputs;
- The outputs are the deliverables of the undertaken activities and the direct results of the completed ORET-transaction or the larger project if the transaction formed a part of that, which were under the direct control of the implementing agencies and the supplier;
- The outcomes of the transactions are the short-term and intermediate effects that the outputs have had on the intended end-users and beneficiaries, e.g. in terms of increased use of the realized public infrastructure and services or changes in their behaviour;
- The impact refers to the longer-term effects as a result of the changes in behaviour due to the intervention such as increases in employment, economic growth, enhanced health and less poverty in recipient countries.

In view of the large number of completed ORET-transactions, assessing the development contribution of the ORET-program will have to be based on a selection of cases studies which are mostly composed of related transactions in recipient countries (see paragraph 3.5). While recognizing the limitations of sampling, such sample should be as representative as possible of the whole portfolio so that meaningful conclusions could be drawn for the program. Table 2 below describes such a standard result chain for ORET.

Table 2: A Standard Result Chain for ORET Transactions

Inputs	Activities	Outputs	Outcomes	Impact	Sustainable economic growth, less poverty, enhanced health and higher life expectancy
<i>Sustainable economic development and enhanced enabling environment for private sector development</i>					
<ul style="list-style-type: none"> • ORET grants • Human resources of Oret.nl 	<ul style="list-style-type: none"> • Co-financing of (public) investments in economic and social infrastructure • Delivery of (Dutch) capital goods, technology and infrastructure works • Technical assistance for maintenance training, spare-parts delivery and institution building 	Roads, bridges, harbours, dredging, power plants, airports, water supply and water treatment plants, hospitals and medical equipment, transport vehicles, patrol and research vessels, education systems, engineering services, etc.	<ul style="list-style-type: none"> • Increased use of the realized infrastructure, supplied capital goods and enhanced public services by intended beneficiaries (companies, end-users, patients, students, traders or consumers) • Enhanced mobility due to more logistical possibilities • Increase in economic and entrepreneurial activity • Increase in productive investments (local, FDI and joint ventures) • Quality improvements in existing production processes and public services 	<ul style="list-style-type: none"> • Stronger and more sustainable public services • Increase in (formal) employment (men/women) • Lower transaction cost for local companies and end-users • Increase in commercially viable companies • Innovation • Increase in exports • Durable trading relations including participation in global value chains 	

In developing the evaluation design matrix for the selected case studies, the evaluation will have to tailor the various components to the specific circumstances of each case study, identify performance indicators at the various levels (inputs, outputs, outcomes and possibly impact) and elaborate and validate the underlying theory of change. Various performance indicators can be utilized in the design matrix.

An example of an **output** indicator could be the delivery of the capital good or the actual realization of the intended public infrastructure investment and whether the investment is performing as planned. Examples of **outcome** indicators could be the improved use of the public investment by the intended beneficiaries, actual changes in their behaviour or follow-up activity in the region as a result of the intervention. In the case of an investment in a public hospital one could think of the increased use of the enhanced hospital services by patients which may result in better public health. In the case of road, bridge or port construction, increased use of the new road, bridge or port could lead to more mobility, time savings and trigger economic and entrepreneurial activity and trade. A final example, constructing or rehabilitating a power plant that generates more electricity and a power grid that delivers a more reliable electricity supply to end-users could result in more economic activity and productive investments.

Establishing outcome effects will require an investigation into the underlying problem analysis of the transactions in the sample, whether the project design and choice of beneficiaries and activities have properly reflected and addressed the beneficiaries' or users' needs, what the effects have been of the investment in terms of changes in (economic) behaviour or use of the provided service, how does the actual use after some years compare to the intended results as planned, and what other factors and assumptions have influenced the transaction?

Key **impact** indicators of longer-term effects of an ORET-transaction could be the number of new jobs created, the additional profit or income accrued to enterprises and households, the effects of more mobility or a more reliable electricity supply on productive activities or home use of electricity, and other multiplier effects in the geographical area of the transaction such as an increase of employment or economic activity which yielded additional local income.

2.4 Limitations of the Evaluation

Limited availability of outcomes information in the transaction dossiers implies that the evaluation will also be limited in its ability to measure effectiveness and impact of the ORET transactions. Most transaction dossiers focus on inputs and outputs. The data situation of the ORET-program is likely to pose serious limitations for a rigorous impact evaluation of most case studies in the sample. Such type of evaluation would require the presence of base line data and a comparison group or at least the possibility of constructing a comparison group ex post to determine in a reliable manner which effects can be attributed to the transaction or project. Rarely, however, has tailored survey data about intended beneficiaries been collected in the ORET-transactions for the purpose of establishing an ex ante baseline or an ex post end line situation.

Feasibility studies carried out for proposed transactions are available but focus on financial data while monitoring information has been collected on the progress of transactions in the portfolio¹³ by the suppliers. Transaction performance has been documented in half-yearly progress reports, mission reports (in about 50% of the transactions) and completion reports,

¹³ Oret.nl limits itself in principle to the monitoring of the transaction and not of the project as a whole in cases where the transaction forms a part of the project. Oret.nl does have some relevant information on completed projects since 2007.

based on monitoring information provided by suppliers and some field visits of Oret.nl to certain transactions (usually in case of perceived problems). Oret.nl also produces mid-year and annual overview reports of the ORET-program for the Department of Sustainable Development at the Ministry of Foreign Affairs which are not public information. The monitoring information, supplemented with information obtained by means of interviews with relevant stakeholders, has been the basis for internal desk evaluations carried out by Oret.nl of a selection of transactions completed in 2010 or 2011¹⁴. Oret.nl has also done a customer satisfaction survey under its applicants, i.e. the exporting companies.

A major challenge for the evaluation will therefore be how to conclude with confidence whether it was the ORET transaction that caused or at least contributed to the established outcomes and impact. To deepen our understanding about outcome effects and impact and try to establish attribution or at least contribution, an in-depth survey among users and beneficiaries is foreseen for 4 of the 11 selected case studies in the sample. In those 4 case studies it should be attempted to estimate through the use of a counterfactual what might have happened without the transaction. Similarly, would the ORET-transaction or project have taken place in the absence of the ORET-grant? The goal of the surveys is to collect rich background information on the success and failure factors and the underlying key assumptions and contextual factors related to the transactions in these case studies. Paragraphs 2.5.3 and 2.5.6 lists several cause-and-effect questions under the headings of effectiveness and additionality for those case studies.

For the purpose of the additional surveys the following case studies in the sample have been selected (see annex 6 for an overview and transactions fiches of the case studies that summarize the most relevant information):

- i. the Umdurman water supply transaction in Sudan;
- ii. the 2 related water supply transactions in Ghana;
- iii. the 2 transactions related to the Champérico fishery port in Guatemala;
- iv. the 3 transactions related to the delivery of in total 500 city buses in Ghana.

Beyond these surveys it should be recognized that extensive new data collection is beyond the scope of this evaluation. Where relevant and present, the evaluation team should make use of available secondary information in the selected case studies in the sample. In all case studies the evaluation should triangulate its findings on the basis of different information sources and methods.

2.5 Main Evaluation Questions

The evaluation will make an independent assessment of the ORET-program and shall apply the following evaluation criteria:

- Efficiency
- Effectiveness
- Impact

¹⁴ Oret.nl (2013:9-12). The results of similar desk evaluations of projects completed before 2010 have been reported in previous Annual Reports, see Oret.nl (2009), *Jaarrapportage 2008*, pp. 25-26 and Oret.nl (2011), *Jaarrapportage 2010*, pp. 13-15.

- Relevance
- Sustainability
- Additionality
- Coherence

The central research questions of the evaluation at program level are:

1. Has the ORET-program been relevant and effective in enhancing sustainable economic development and the enabling environment for the private sector in recipient countries? Can key success or failure factors for the program as a whole be identified and which factors have played an important role in enhancing the sustainability of the investments?
2. Has ORET fulfilled a catalytic role in mobilizing additional finance for socio-economic infrastructure investments and has it complemented other instruments of Dutch development cooperation or foreign economic policy?
3. How important has ORET been for Dutch companies involved in ORET-transactions in terms of facilitating their access to the markets of recipient developing countries and in promoting durable trade and/or direct investment relations in recipient countries, even though this was no longer an explicit objective of the 2006 ORET regulation?
4. How efficiently has the ORET-program been managed at program level and how have accepted recommendations of earlier evaluations been translated in the ORET program and what was the effect of this in practice (learning effect)?

These main questions can be broken down into the following list of sub-questions that will be classified under the headings of policy reconstruction and the abovementioned evaluation criteria which will be combined where relevant. Specific research questions at the level of individual ORET-transactions are contained in annex 5. These questions should be answered for the 21 transactions in the 11 case studies in the sample in accordance with the approach and methodology described in paragraphs 3.1 - 3.3.

2.5.1 Policy Reconstruction

The policy reconstruction will cover separate but related subjects: the relationship between the Ministry of Foreign Affairs and Oret.nl, ORET's working approach and some institutional/procedural aspects of ORET.

Questions:

- 1.a. What were the main components of the administration arrangement between the Ministry of Foreign Affairs and Oret.nl? What were the administration costs of the program over time, in absolute terms and as shares of the total grant payments and the size of managed portfolio?
- 1.b. How has the management of the ORET-program been monitored and guided by the Department of Sustainable Development of the Ministry of Foreign Affairs?
- 1.c. To which extent have accepted recommendations of earlier ORET-evaluations been translated in the 2006 ORET regulation and followed up in practice?

- 1.d. Does the M&E framework produce useful and reliable monitoring and evaluation information on the ORET-transactions and projects?
- 1.e. How does ORET operate and what is ORET's position in the recipient countries? What role have the various stakeholders played in the implementation of the program, such as the government officials of recipient governments, Dutch embassies, the implementing companies, the end-users, beneficiaries, etcetera?
- 1.f. What was the effect of the OECD/DAC ex ante notification rules on contracting procedures (international competitive bidding in LDCs and notification in non-LDCs) on applications? Has there been more subcontracting of local suppliers in LDCs in ORET transactions since 2007?
- 1.g. In general, where were the goods, services and works of ORET-transactions sourced in practice? Did the ORET sourcing conditions on the foreign component and the mandatory purchasing in the Netherlands in the case of non-LDCs have an effect on prices in the transactions? To which extent did the routine price/quality check during the appraisal stage have an effect on contract prices? How was the actual price-quality ratio of supplied goods, services and works valued by the end-user in practice?

2.5.2 Efficiency

Efficiency concerns the *outputs* of an intervention, i.e. the direct results of the intervention achieved by means of the *inputs*. It measures the extent to which the achieved outputs have been realized by the inputs as agreed, at both the program and the individual transaction level (efficiency of the process of implementation), and whether the achieved outcomes could have been delivered more cheaply (cost effectiveness).

Questions:

- 2.a. Have the 86 transactions completed in the period 2007-2012 achieved their expected outputs on schedule and within budget? Did the transactions or the larger transactions of which they formed a part experience delays during appraisal, tendering and implementation? If so, what were the main causes of these delays? If agreed outputs have not been realized in some transactions, what were the reasons for underperformance in general?
- 2.b. How efficiently has the program been administered by Oret.nl? How efficient is ORET in terms of its output/input ratio? How do ORET-procedures compare to those of similar infrastructure programs of the Netherlands?
- 2.c. Are the ORET-procedures for transaction application, appraisal and approval and for monitoring and evaluation considered to be reasonable and efficient by the end-users, the suppliers and the financing authorities in recipient countries?
- 2.d. Have the financing modalities of ORET been pragmatic and flexible enough for both end-users and recipient governments on the one hand and for applicants on the other hand and how do they compare to similar programs of other donors?

2.5.3 Effectiveness including Impact

Effectiveness is the extent to which the outputs have contributed to the achievement of the transaction's/project's expected results or objectives at outcome level, i.e. the short-term or intermediate effects on the beneficiaries, the recipient country's economy or Dutch companies. In 4 of the 11 case studies impact will also be evaluated under the heading of effectiveness, in accordance with the OECD/DAC definition: long-term effects that can be attributed to the intervention or to which the intervention has contributed.

Questions:

- 3.a. Did the ORET-program result in the desired effects of stimulating the social and physical infrastructure and enhance the enabling environment for the private sector and sustainable development in recipient countries? Can the evaluation identify key success or failure factors for ORET-transactions in recipient countries?
- 3.b. How was the criterion of development relevance of the ORET-program in terms of contributing to sustainable economic development and strengthening the enabling environment generally implemented in practice? Did it go beyond a 'no harm to the poor, women and the environment' test? And did ORET, as a minimum, manage to avoid harm to the poor and women?
- 3.c. Did the ORET-transactions increase local employment, directly and possibly indirectly, in recipient countries?
- 3.d. Were ORET-grants crucial for the Dutch companies involved to gain access to the markets of developing countries? Did ORET enhance follow-up trade and direct investments by Dutch companies and durable partnerships between Dutch suppliers and end-users in recipient countries?

2.5.4 Sustainability

Sustainability is also considered to be an aspect of effectiveness since an intervention cannot be considered to be effective if its effects are not longer-lasting. Along the lines of the previous ORET-evaluation, sustainability will be defined as the "extent to which the transaction activities can be continued independently after completion of the contract between the supplier and the client". This aspect will be assessed along the three dimensions used in the regular project appraisal by ORET: technical, financial and institutional sustainability¹⁵.

Questions:

- 4.a. How sustainable have ORET-transactions been in technical, financial and institutional terms? Based on the sample, how do the ex-ante technical, financial and institutional sustainability established at the appraisal stage compare to these aspects in practice after completion of the transaction or project?

¹⁵ Berenschot, SEOR, Ecolas (2006:44).

- 4.b. To which extent were the environmental and safety standards set by the World Bank/IFC applied in practice and did the ORET-transactions avoid harm to the environment?
- 4.c. Where relevant, did the technical assistance component in transactions with an additional grant amount contribute to the realization of the achieved outcomes and the sustainability of the ORET-transactions?
- 4.d. Did the financial conditions of ORET affect the sustainability of ORET-transactions in any way, either positively or negatively?

2.5.5 Relevance

In line with the IOB evaluation guidelines¹⁶, **relevance** will be defined as “the extent to which the effects of interventions make a sustainable contribution to achieving the ultimate objective (the impact).”

Questions:

- 5.a. To what extent have ORET-transactions complemented the recipient country's policies in the area of sustainable economic development and the enabling environment for the private sector? Did the availability of ORET-grant financing lead to a higher development priority of the proposed transaction in the recipient country?
- 5.b. Why has the share of ORET-transactions executed in LDCs enlarged over time? Has ORET become more relevant for LDCs? Did changes in procedures, eligibility, higher thresholds for technical assistance or the financing conditions in the 2006 ORET Regulation contribute to this or not?

2.5.6 Additionality

Additionality is also closely related to effectiveness. The evaluation will try to establish whether ORET in general has fulfilled a catalytic role in mobilizing additional finance for social and economic infrastructure investments in recipient countries that would otherwise not have taken place and whether ORET triggered other funding sources for the larger projects of which ORET transactions may have been a part. The evaluation will assess – at least in the 4 in-depth case studies - whether ORET sourcing conditions may have led to displacement of other entrepreneurs or distortions of domestic markets. The evaluation should try to compare what would have happened without the program with what actually happened, where possible with the help of a counterfactual, and whether unintended consequences of the transaction arose.

¹⁶ <http://www.iob-evaluatie.nl/sites/iob-evaluatie.nl/files/000%20Evaluation%20Policy%20and%20Guidelines%202009.pdf>

Questions:

- 6.a. Would the ORET-transactions or -projects have taken place in the absence of the ORET-grants, in other words was the ORET grant financing additional and was there no other funding available to fund the projects?
- 6.b. Did the ORET-grants in general have a catalytic effect by enabling other investors in the larger ORET-projects and/or a multiplier effect by stimulating follow-up investments in other sectors or within the geographic region (spatial effects) or did ORET sourcing conditions lead to displacement (local companies could have done the transaction as well) or (unforeseen) distortions of the local market?
- 6.c. What were the main sources of non-grant financing in ORET-transactions in general? Did any problems arise with regard to the disbursements and the debt servicing of the commercial loans and did this affect the implementation of ORET-transactions or projects?

2.5.7 Policy Coherence

Finally, the evaluation will address the issue of **policy coherence**, i.e. assess the extent to which the ORET-program and -transactions have complemented or contradicted other instruments of Dutch development cooperation and foreign (economic) policy.

Questions:

- 7.a. In the case of Dutch partner countries for development cooperation, to what extent have ORET-transactions complemented or been integrated into the bilateral Netherlands aid program? In the case of Dutch priority countries for foreign trade, to what extent have ORET-transactions complemented Dutch economic diplomacy efforts towards recipient countries?
- 7.b. What was the role of other Dutch export promotion instruments, such as the availability of commercial loans, the depth of coverage of export credit insurance of export credit loans by Atridius and the subsidy facilities of the Ministry of Economic Affairs to co-finance preparatory costs of developing transaction proposals by applicants?
- 7.c. To what extent has the worldwide, multi-sector character of the ORET-program and the lack of country allocations affected possibilities for its strategic use in building sustainable trade and investment relationships with developing countries or clients?

3 Methodology and Approach

3.1 Methodology

The evaluation aims to establish the relevance and effectiveness of the ORET-program based on an assessment of the outcomes of individual ORET transactions.

The evaluator must use a mixed-method approach and triangulate all available data sources to reach well founded conclusions and findings. Such evaluation methodology may include but is not limited to the following:

- Desk review of transaction documents and other relevant materials including a content analysis of ORET monitoring and evaluation documents done by Oret.nl;
- Data analysis of the whole portfolio;
- Semi-structured face-to-face interviews and/or telephone interviews with staff officers of relevant agencies, suppliers, end-users and recipient authorities;
- Semi-structured face-to-face interviews and/or telephone interviews with direct beneficiaries and other relevant stakeholders;
- In addition, surveys of transaction users and beneficiaries to gather detailed data at outcome and impact level in the 4 in-depth case studies;
- Secondary data collection from international sources and within the recipient countries in the case studies of the sample;
- Field visits of the selected transactions in the 11 case studies in 7 recipient countries to validate transactions results;
- Policy reconstruction of the ORET program and an assessment of the translation of accepted recommendations from earlier evaluations.

3.2 The Portfolio Analysis

For the evaluation period, the portfolio analysis will cover all approved applications that have received grant disbursements since 2007. The evaluation will focus on the 86 ORET-transactions that were completed in the period 2007–2012 when Oret.nl was responsible for administering the program (see the Excel file in annex 2). In order to assess the overall efficiency and relevance of ORET at program level, the portfolio analysis will also include a brief desk review of the 54 approved ORET-transactions that are still on-going after 2012 (6 transactions have been completed in the first half of 2013; see annex 3).

A sample from the 12 transactions that were prematurely terminated because of non-fulfilment of agreed conditions and the 49 rejected applications because they did not meet the ORET requirements or due to a lack of funds, will also be subjected to a desk review. Especially applications that met the substance criteria of ORET but that were rejected because of the lack of funds due to the imposed ceiling in August 2007 will be reviewed since they may serve as benchmarks. This sample will have at least the same coverage as the sample of the completed transactions portfolio.

3.3 The Outcome Evaluation

Within the group of 86 completed transactions in the period 2007-2012, the evaluation will go into more detail, try to validate intended objectives and assumptions in the feasibility studies and assess outcomes for a representative sample of 11 case studies. The 11 case studies are composed of 21 (mostly related) transactions and will be undertaken in 7 beneficiary countries (see annex 6 for the selected transactions and paragraph 3.5 for a justification of the chosen transactions in the sample).

In 4 of the 11 case studies (see paragraph 2.4) the evaluation will go deeper and also attempt to establish for the transactions in the sample through surveys whether the outcomes and impact can be attributed to the ORET-transaction or what the ORET-transaction contributed to this. The evaluation questions outlined in paragraph 2.5 may have to be further refined (or limited depending on available information or what can be gathered) during the design of the evaluation matrix in preparation of the field visits of the selected transactions. This will be decided after the inception phase.

3.4 Approach and phasing

Candidate contractors are invited to propose an appropriate approach and methodology for a mixed-methods evaluation of the outcomes of the ORET-transactions towards enhancing sustainable economic development in recipient countries in the sample and on how to assess ORET's importance for the involved Dutch exporters. The contractor should take into consideration the primary information that is readily available in the transaction dossiers and/or the data that can be reasonably easy collected, e.g. through secondary sources, and impact data that can be gathered via the foreseen surveys in the 4 in-depth cases (see paragraphs 2.4 and 3.3).

When describing their evaluation methodology, the proposal of candidate contractors should argue the choices made and pay attention to aspects of internal validity of the evaluation results, i.e. the design should be able to rule out other explanations for the observed results. The proposal should explain how the methodology will deal with the data limitations, the potential bias in assessing the effects and in the sample, and how the issue of attribution of the outcomes and impact to the intervention will be addressed. Contractors should focus their methodology on the 11 case studies of the 21 selected transactions in 7 countries including the 4 in-depth case studies.

The evaluation will follow a staged approach, starting with an inventory and analysis of the total portfolio, a meta-evaluation of internal Oret.nl transaction evaluations, detailed desk study of the selected transactions in the sample and consultation of stakeholders in the Netherlands. This will be followed by field work in 7 country visits including the additional surveys among users and beneficiaries in 4 case studies. For those 4 case studies the evaluation should, if possible, adopt a before/after approach.

The evaluation will be phased in 3 parts: i. an inception phase; ii. an interim-phase; iii. the final phase, with a go/no decision after the inception phase for the case studies and surveys

(see paragraph 5.2). The adopted methodologies, foreseen activities and deliverables will have to be aligned with the needs and possibilities in the various phases of the evaluation. Paragraphs 5.2.1 and 5.2.2 describe in detail what is expected of the evaluation team as a whole, the consultants including the consultants' team leader and IOB.

3.5 Selection of the 11 Case Studies

Annex 6 contains a sample of 21 transactions in 7 countries (3 LDCs and 4 non-LDCs) divided over the 4 aggregate sectors and 8 subsectors. This sample has been composed by selecting 21 transactions from the portfolio of 86 completed ORET-transactions and by adding 2 transactions from the active portfolio that were completed in early 2013.

Taking into account the pragmatic consideration of organizing the field visits efficiently, the following selection or exclusion criteria were used:

- Exclusion of the 21 ORET-transactions in China¹⁷ in view of the earlier joint evaluation and the current emphasis of completed transactions in one subsector (health);
- A slight preference for a sector perspective in view of the world-wide nature of ORET and therefore a desire to get a representative cross-section of the 4 aggregate sectors and subsectors rather than a geographical balance among the regions;
- A balanced coverage among LDCs and non-LDCs reflecting the allocation of grants to these groups, the different modalities of ORET for these groups, and the priority for LDCs among the partner countries of the Netherlands from a development perspective;
- A focus on transactions with a large transaction amount and (definitive) grant amount, in order to enhance the accountability purpose of the sample.
- Inclusion of countries who have a concentration of ORET-transactions, in particular Ghana, which would allow to evaluate more transactions (of the same supplier, end-user or in same subsector) in one country visit.
- Addition of 2 transactions in the active portfolio that were completed in 2013: one drinking water transaction in Sudan where the larger project received earlier ODA-financing from the Least Developed Infrastructure Fund of the Netherlands and one airport rehabilitation transaction in Tanzania that was related to earlier similar transactions in the same airport.

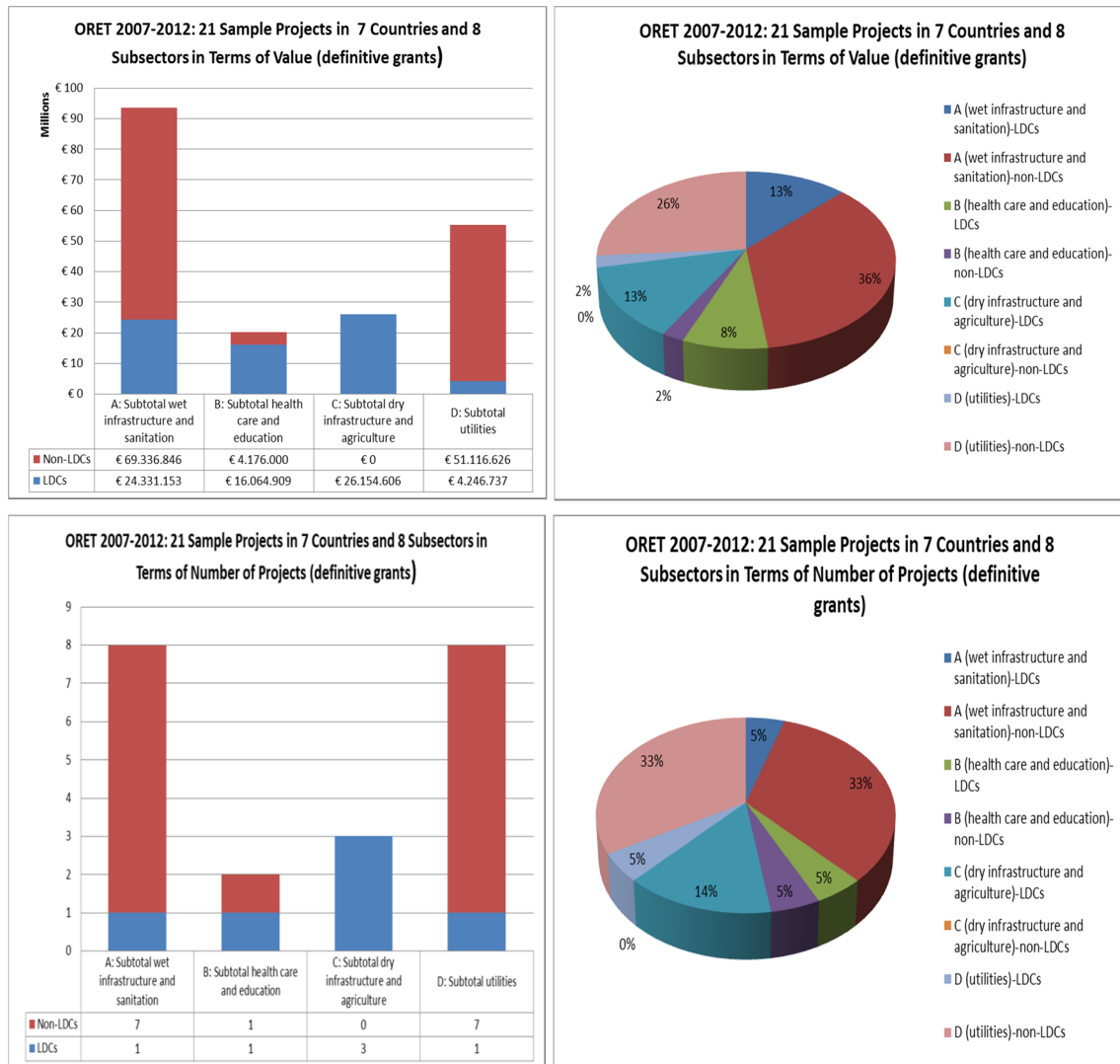
Application of these selection criteria leads to the sample illustrated in figure 8:

- It contains 21 transactions (a share of 24% of the total number of 88 transactions in the portfolio) divided between 6 transactions in 3 LDCs and 15 transactions in 4 non-LDCs. In practice, however, it concerns 11 case studies in view of the 5 related ORET-transactions in Ghana in the area of water supply, 2 transactions for the construction of one fishery port in Guatemala, 3 related transactions for airport rehabilitation in Tanzania, 3 related transactions in Ghana for the delivery of 500 city buses in total and 2 related transactions in Indonesia for the rehabilitation of 2 power plants;

¹⁷ The transaction overview of the 86 completed ORET-transactions in the period 2007-2012 covered 21 transactions in China with a total transaction value of € 93 million which received € 49 million (5.1% of total definitive grants; see further annex 2). In the active ORET-portfolio (after 2012), 7 transactions figure in China, especially in the health sector, to which an amount of € 16.4 million has been allocated (< 4% of the total grant amount committed; see annex 3).

- It covers 7 countries:
 - 3 LDCs: Bangladesh (1), Sudan (1) and Tanzania (4);
 - 4 non-LDCs: Ghana (8), Guatemala (2), Indonesia (3) and Sri Lanka (2);
- It covers all 4 aggregate sectors and 8 subsectors, i.e. subsector 1 drinking water (6 transactions), subsector health (1 transaction), subsector 3 wet infrastructure (2 transactions), subsector 5 transport (5 transactions), subsector 6 education (1 transaction), subsector 7 dry infrastructure (3 transactions), subsector 10 energy (2 transactions) and subsector telecommunication (1 transaction);

Figure 8: Allocation of the Sample over Sectors and LDCs and non-LDCs



- It covers 3 regions: Africa (with 5 transactions in LDCs and 8 in non-LDCs); Asia (with 1 transaction in 1 LDC and 5 transactions in 2 non-LDCs) and Latin America and the Caribbean (with 2 transactions in 1 non-LDC). The region Europe and Central Asia has been excluded in view of the small number (2) in the portfolio of completed transactions.

- It represents a combined transaction amount of € 429 million and a share of 33% in the total transaction amount for the portfolio of 88 transactions in the evaluation period;
- It received € 195 million in grants and represents a share of 34% of the total value of definitive grants disbursed to 88 transactions.

If the 21 ORET-transactions in China which covered € 49 million in disbursed grants are not included in the base total when calculating the respective shares of the sample, the coverage of the sample increases its share in the total number of transactions from 24 to 31% and from 34 to 41% for its share of the total value of disbursed grants.

To get a better idea about the coverage of the sample, table 3 and figure 9 below show the coverage of the sample over the 4 aggregate sectors and LDCs versus non-LDCs and compare the sample to the whole population in terms of transaction numbers. The share of Asian non-LDCs is lower in the sample than in the population at large due to the exclusion of transactions in China in the sample. Therefore a comparison is also made between the sample and the population without the 21 transactions in China in table 4 and figure 9. The definitive selection of transactions for the case studies, field visits and surveys will be made in consultation with the reference group after the inception phase.

Table 3: Coverage of the Sample (complete population)

Region/Sector		Africa		Asia		Latin America		ECA		Total
		LDCs	non-LDCs	LDCs	non-LDCs	LDCs	non-LDCs	LDCs	non-LDCs	
Wet infrastructure	N	5	15	0	3	0	2	0	1	26
	n	1	5	0	0	0	2	0	-	8
Health care education	N	2	1	0	13	0	0	0	1	17
	n	1	0	0	1	0	0	0	-	2
Dry infrastructure	N	3	1	1	3	0	1	0	0	9
	n	3	0	0	0	0	0	0		3
Utilities	N	10	6	1	16	0	3	0	0	36
	n	0	3	1	4	0	0	0		8
Subtotal	N	20	23	2	35	0	6	0	2	88
	n	5	8	1	5	0	2	0	0	21

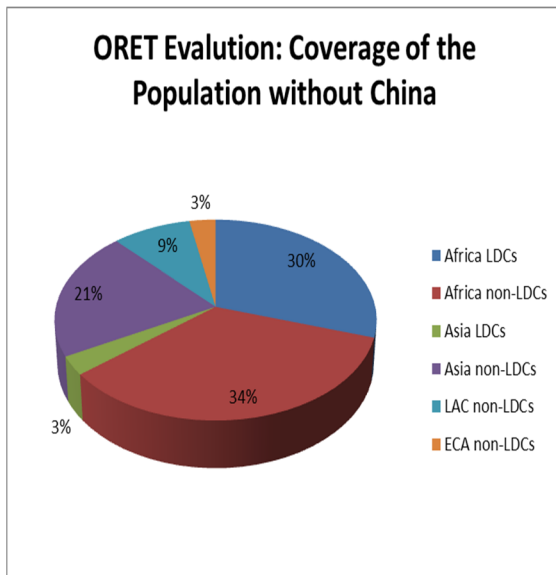
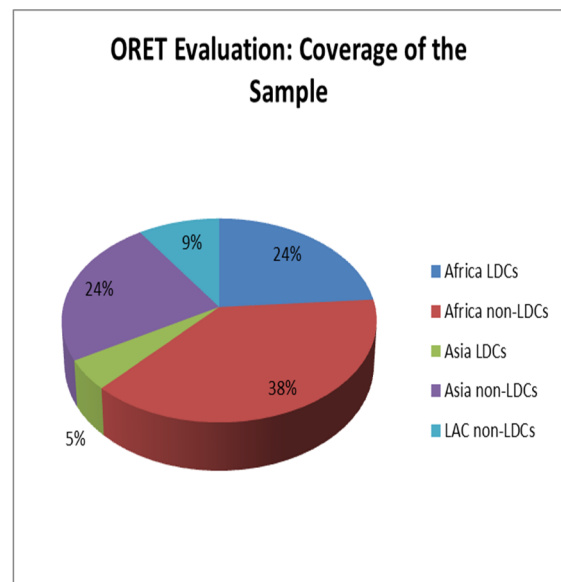
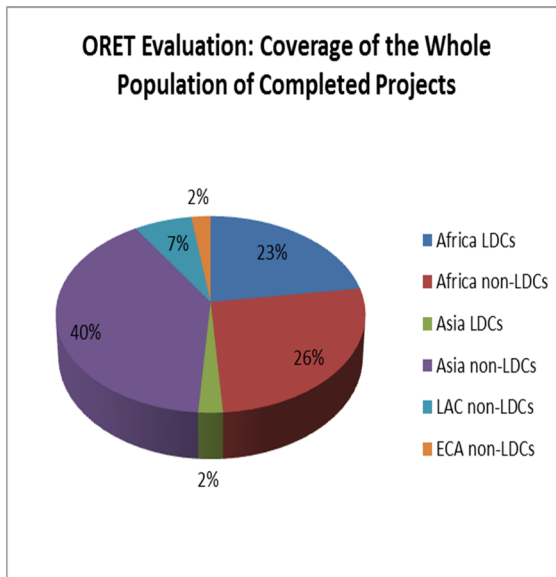
Table 4: Coverage of the Sample (population without China)

Region/Sector (without China)		Africa		Asia		Latin America		ECA		Total
		LDCs	non-LDCs	LDCs	non-LDCs	LDCs	non-LDCs	LDCs	non-LDCs	
Wet infrastructure	N	5	15	0	2	0	2	0	1	25
	n	1	5	0	0	0	2	0	-	8
Health care education	N	2	1	0	2	0	0	0	1	6

	n	1	0	0	1	0	0	0	-	2
Dry infrastructure	N	3	1	1	1	0	1	0	0	7
	n	3	0	0	0	0	0	0		3
Utilities	N	10	6	1	9	0	3	0	0	29
	n	0	3	1	4	0	0	0		8
Subtotal	N	20	23	2	14	0	6	0	2	67
	n	5	8	1	5	0	2	0	0	21

N: total population n: sample

Figure 9: Coverage of the Sample



4 Structure and Organization

4.1 Structure of the Evaluation

The ORET evaluation will be implemented under the responsibility of IOB and will be led by Otto Genee as evaluator who will be supported by IOB research assistant Bart van Rijsbergen. Both IOB officers will play an active role in the various phases of the evaluation process. Antonie de Kemp and Peter-Henk Eshuis from IOB will comment and give advice as internal peer reviewers on the terms of reference and (draft) reports before these are sent to the reference group. A reference group will be set up to ensure the quality of the evaluation. To support IOB, an external Contractor will be recruited to compose a consultants' team (CT) to undertake specific tasks within this evaluation. Together IOB and the consultants' team form the evaluation team (ET) for this evaluation. The division of labour between the consultants and IOB may be fine-tuned during the course of the evaluation.

4.2 The Tasks and Responsibilities of the Reference Group

The main task of the reference group will be to provide advice to the director of IOB and the evaluation team regarding the quality and relevance of the terms of reference, the inception report, the case study reports and in-depth surveys, the interim-report and the draft evaluation report. The reference group will also give advice to IOB on taking its go/no go decision after the inception phase. The reference group will be chaired by the Director of IOB and meet when required.

The reference group will be composed as follows:

The Policy and Operations Evaluation Department (IOB)

- Prof. Dr. Ruerd Ruben Director of IOB/chair of the Reference Group

Department of Sustainable Development (DDE) of the Ministry of Foreign Affairs

- Andri van Mens MA Senior policy officer DDE/BM

The representative of Oret.nl

- Drs. Lennart Konijnenberg Program manager Oret.nl

Directorate-General Foreign Economic Relations (DG-BEB) of the Ministry of Foreign Affairs

- Drs. Warner ten Kate Division Economic Diplomacy and Transition

Division Financial and Economic Matters of the Ministry of Foreign Affairs

- Drs. Bert Vermaat (observer) Senior officer FEZ/FM for public tendering

External experts

- Prof. Jan-Willem Gunning Professor of development economics and board member of the Amsterdam Institute International Development (AIID), Free University Amsterdam
- Dr. Paul Tang Associé Boer & Croon

5 Deliverables and Phasing of the Evaluation

5.1 Deliverables

The evaluation is expected to produce the following outputs (in English):

- An inception report
- Field visit reports
- A draft final report based on the field visits, the portfolio analysis and policy reconstruction
- A presentation of main findings and conclusions
- A final report

5.2 Phasing

The evaluation will contain the following phases:

- An inception phase
- An interim phase
- A final phase

5.2.1 Inception Phase

In the **inception** phase, the consultants' team is expected to produce an inception report no later than 4 weeks after the start of the assignment. This inception report should elaborate the methodology and approach for the 11 case studies of the 21 selected ORET-transactions in 7 countries. The consultants' team will develop - in more detail - an evaluation design matrix and (simplified) results chains, a proposal for the 11 case studies in the field of the 21 transactions in the definitive sample to be undertaken, a proposal for the 4 case studies that will be selected for an additional survey among users and beneficiaries and a tentative schedule of work.

The inception report should also include the following:

- A short description of the 21 selected transactions including:
 - A brief description of the transactions' inputs (financial and other resources), approach and organization, key stakeholders, etc., outputs and outcomes
 - An analysis of the intervention theory for the transactions (objectives, inputs, outputs, outcome, impact, etc.) in the various subsectors
- Evaluation methods (a mixed method approach) taking into account that the chosen research methods should be able to generate the required information within the limitations of the available resources (budget and time)
- A standardized scoring method to assess the selected transactions in the sample that can also to be used for the portfolio analysis
- Limitations of the proposed research approach and methodology

At the end of the inception phase a meeting will be held with the Reference Group. Thereafter IOB shall take a go/no go decision on the field work of the 11 case studies foreseen in this evaluation.

5.2.2 Interim Phase

Assuming a positive decision to proceed with the proposed approach of the case studies and field visits after the go/no go moment, the **interim phase** will commence with the 11 case studies including the 4 surveys in those case studies selected for that purpose. Parallel the portfolio analysis and the policy reconstruction will be pursued. In the preparation the evaluation team will take into account the experience of previous ORET-evaluations and policy reactions (in the policy reconstruction).

Activities of the evaluation team in the interim phase comprise at least:

- Desk study during which the consultants' team will collect and compile transaction documents and relevant data related to the transactions in the sample
- Making the necessary survey questionnaires including a procedure for semi-structured interviews that will be applied throughout the field studies and the consultations of stakeholders in the Netherlands by the consultants' team
- Policy reconstruction by IOB
- Portfolio analysis of the portfolio of completed and active ORET transactions including a survey among the applicants by IOB supported by a consultant.
- Consultation of the relevant stakeholders in the Netherlands by IOB supported by a consultant
- Visiting the selected 21 transactions and consulting with the end-users and relevant stakeholders in the recipient countries, by the consultants' team where IOB will join in a few countries
- Field research in the 11 case studies to check the validity and reliability of available transaction data and to collect other primary or secondary data on outcomes and impact that may be critical for drawing conclusions by the evaluation team
- Undertaking a survey among users and beneficiaries in the 4 selected in-depth case studies by the consultants' team to gather more information on outcomes and impact.
- Drafting field visit reports by the consultants' team
- Drafting a draft final report consisting of a synthesis of the reports of the field visits, the portfolio analysis and the policy reconstruction by the team leader and IOB

In preparation of the field studies, the consultants' team will produce:

- A specification of the main evaluation questions for each case study and an evaluation matrix specifying for the main questions:
 - Relevant performance indicators
 - Data sources and methods of collection
 - Limitations of the proposed research approach and methodology
- A list of key persons with the end-users and stakeholders for each transaction
- A survey method for the 4 selected in-depth case studies and possible subcontractors to do the surveys
- A detailed work plan (including planning and human resources) for the 7 country visits.
- A further specification of the budgets for the case-studies and surveys on a country basis.

At the end of the interim-phase, the evaluation team will produce a draft final report. A meeting will be held with the Reference Group to discuss this report.

5.2.3 Final Phase

In the **final** phase, the evaluator will redraft the draft final report to take account of the comments of the reference group. The evaluator should also produce main findings and conclusions which should respond to the evaluation research questions. The evaluator will then present its main findings and conclusions in a meeting with the reference group.

The members of the reference group will put their advice regarding the quality of the draft evaluation report in writing after which the director of IOB will take a final decision. If there are dissenting views regarding the content of the evaluation report, they will be explained in the report. After receiving feedback from the reference group, the evaluator will finalize the evaluation report.

The draft final report must contain an executive summary (not exceeding 5 pages), a main report of approximately 60 pages, and relevant annexes including summary tables of the field visit reports and surveys, relevant statistical information, the portfolio analysis and the policy reconstruction, etcetera. The final evaluation report will also contain a summary in the Dutch language.

The evaluation report, together with a response from the Minister for Foreign Trade and Development Cooperation, will be sent to Parliament.

6 Requirements for the Consultants' Team

The proposed consultants' team has to be able to address the evaluation questions in a methodologically sound and timely manner, in accordance with the foreseen planning and research questions. The candidate contractor has to describe the composition of his proposed team and the roles of the team members in the execution of the evaluation study and the field studies. The contractor is encouraged to involve local experts in the case studies where possible.

The main assignment for the consultants concerns the 11 case studies of the 21 transactions (which include 4 case studies with additional surveys) in order to assess the effects and impact of the ORET transactions and program. The responsibility for this assignment and the field studies including the 4 surveys rests with the team leader, in collaboration with the consultants who are specialist in the respective subsectors. This responsibility includes the development of a research approach and associated methodology, ensuring a proper conduct of the evaluation process, and producing accurate evaluation reports that meet IOB standards and answer the evaluation questions.

The main tasks of the team leader include:

- Designing the evaluation approach and methodology

- Identifying and contracting specialist consultants as required for the 11 case studies of ORET transactions in 7 countries
- Submitting the draft inception report that includes the evaluation methodology and elaborates an evaluation matrix and (simplified) results chains and theory of change
- Planning, coordinating and performing quality control of the 11 case studies and the 4 surveys
- Submitting separate evaluation reports of the case studies
- Writing the draft final report in cooperation with IOB.

The team leader should have extensive experience in conducting mixed-method evaluations (quantitative and qualitative), multi-stakeholder evaluations, management of multi-disciplinary evaluation teams and avail of a network of experienced evaluators, where possible also from the 7 countries selected for a field visit, and/or with expertise in the sub-sectors concerned.

To ensure that the case studies are conducted at a high standard, it is important that the consultants' team meets the following qualifications:

- Extensive experience of the team leader in leading and conducting impact evaluations
- Evaluation expertise (qualitative and quantitative research designs)
- Sector/country expertise
- Financial and cost-benefit analysis expertise, especially with economic and social infrastructure
- Expertise in international competitive bidding procedures
- Capacity development and training expertise

IOB will contract the contractor in compliance with the general framework agreement for tendering impact evaluations. The team leader proposed by the contractor will, in his turn, contract the consultants. The team leader and consultants must not have been involved in any way in the design or implementation of the ORET-program in the sectors that are the focus of the evaluation nor may they have commercial interests that compete with ORET interests.

7 Planning

No later than 4 weeks after signing the contract, the contractor will submit an **inception report**. The inception report will be discussed in a meeting with the Reference Group which will provide written feedback on the report. Thereafter, IOB will take a go/no go decision on the case studies and surveys.

Preparation of the field visits and the actual visits themselves are expected to take place in the period between beginning of March 2014 and end of May 2014. Two weeks after the completion of the field visits, the consultants' team will present a synthesis of the field visits and separate **field visit reports** of a maximum of 5 pages per case study. The evaluation

team will present a first draft final report consisting of a synthesis of the reports of the field visits and the portfolio analysis and the policy reconstruction. The entire evaluation process, from inception to the submission of the final report, is to be completed no later than one year after the contract with the main contractor has been signed. Table 5 below contains a tentative schedule for the evaluation.

Table 5: Planning of the ORET Evaluation

Date / Period	Activity
20 November 2013	Finalisation of the Terms of Reference in consultation with the reference group and
8 December 2013	Deadline for submission of expression of interest (EoI) by framework contractors
22 December 2013	Deadline for submission of concept note (in case >3 interested framework contractors)
17 January 2014	Deadline for submission of full (technical and financial) proposals (for the three candidates with the best concept notes)
18–20 January 2014	Appraisal full proposals
22 January 2014	Contract signing with selected Contractor
23 January 2014	Start of inception phase
21 February 2014	Submission of the inception report
28 February 2014	Discussion of the inception report with the reference group
4 March 2014	Go/no go decision of IOB
5 March 2014 – 30 May 2014	<ul style="list-style-type: none"> In-depth case studies including fieldwork and surveys Portfolio analysis Policy reconstruction
30 June 2014	Submission of the first draft final report
10 July 2014	Discussion of the draft final report with the reference group
29 August 2014	Submission of the draft final report including the findings and conclusions
10 September 2014	Presentation findings and conclusions and discussion of final report with reference group
30 September 2014	Submission of the final report

Table 6 below provides a planning of the activities of IOB starting in September 2013.

Table 6: Planning of IOB Activities

Planning IOB activities	2013				2014											
	September	October	November	December	January	February	March	April	May	June	July	August	September	October		
Composition of the reference Group and Approval Terms of Reference	X	X														
Tendering under framework agreement			X	X	X											
Contracting team leader					X											
Policy reconstruction	X				X	X	X									
Inception report appraisal						X										
Go/no-go on inception report							X									
Joining in case studies and								X	X	X						

Planning IOB activities	2013	2014		
surveys with CT				
Portfolio analysis support CT		X	X	X
Co-writing first draft final report (IOB + CT)			X	X
Discussion with Reference group and comments				X
Evaluation report approved (IOB)				X
Preparing publication of final report (IOB)				X

8 Tentative Budget

A tentative budget has been drawn up (see annex 7).

Annex 7 is not part of the external Terms of Reference for the tendering process and will be used by IOB as a reference point to assess budget proposals of candidate contractors. The description p.m. in the tentative budget implies that the work will be done by IOB staff. Travel cost and per diem for IOB staff will be borne by the general IOB budget. The budget will be finalized after the tendering procedure has been completed.

Some start-up costs are expected to be made in 2013 but the majority of the cost will be borne in 2014.

Annex 1: Policy Changes in ORET since 1999

Table 7: Policy Changes in ORET since 1999

Changes in ORET Regulations	Publication in the Official Gazette
ORET/MILIEV Regulation 1992	MILIEV Program d.d. November 1992 Amendments/additions: <ul style="list-style-type: none"> • NIO Bank d.d. March 1993 • MFA d.d. 1 April 1004 • MFA d.d. 11 May 1994 (memorandum BL-459/94)
ORET/MILIEV Regulation 1999	Gazette 09-07-1999 (nr. 139)
ORET/MILIEV Regulation 2000	Gazette 08-002-2000 (nr. 27) Amendments/additions: <ul style="list-style-type: none"> • MFA d.d. 18 July 2001
ORET/MILIEV Regulation 2002	Gazette 22-03-2002 (nr. 58)
ORET/MILIEV Regulation 2005	Gazette 03-02-2005 (nr. 24)
ORET Regulation 2006	Gazette 18-05-2006 (retro-actively applied per 01-01-2006) Amendments/additions: <ul style="list-style-type: none"> • 09-10-2006 (nr. 196) • 08-01-2007 (nr. 5) • 10-04-2007 (nr. 69) •

Annex 2: Overview ORET-transactions Completed in 2007-2012

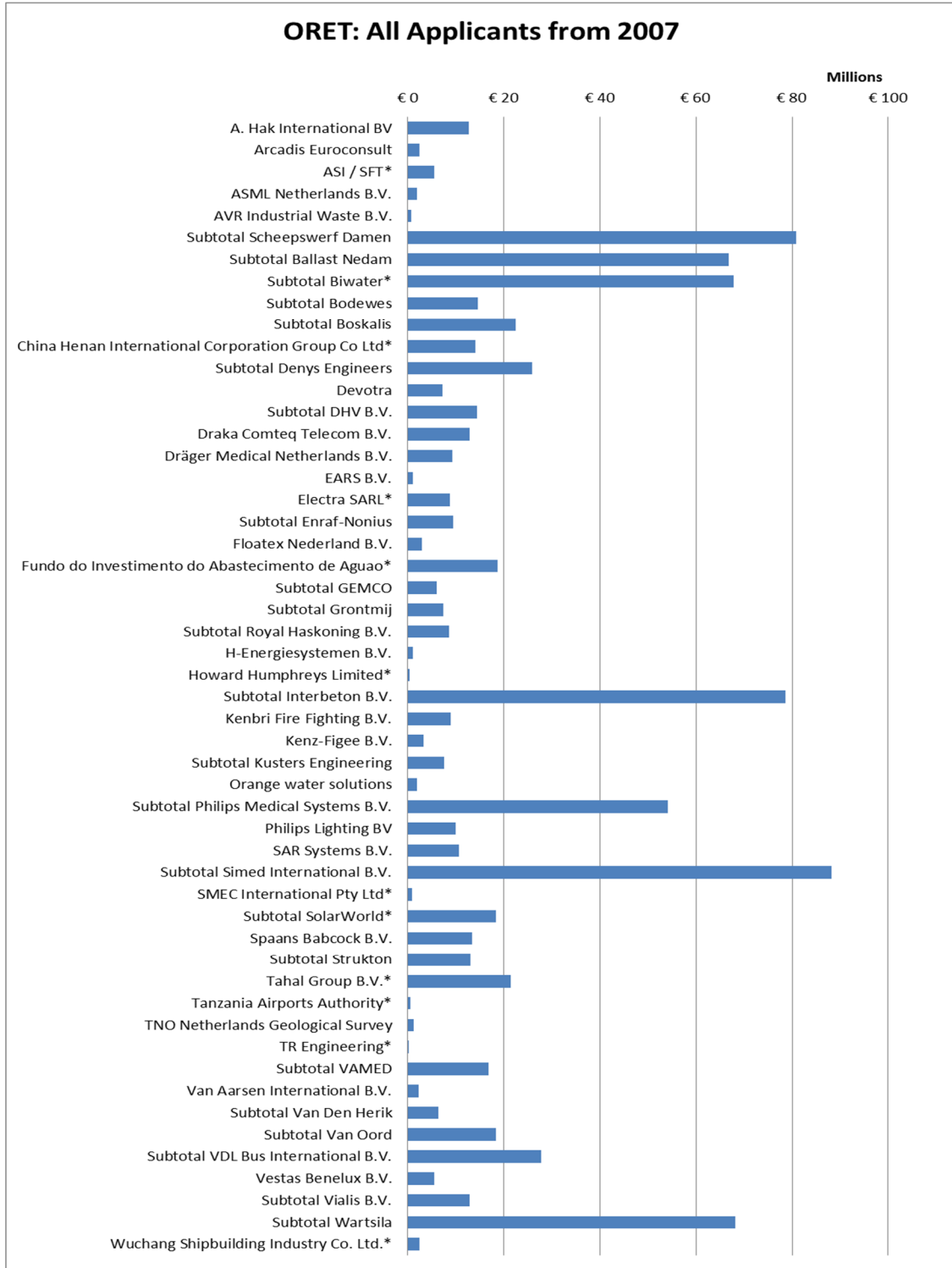
See Excel file.

Annex 3: Overview of Active ORET-transactions after 2012

See Excel file.

Annex 4: ORET All Applicants Grants Received from 2007

Figure 10: All ORET Applicants since 2007



Subtotal: multiple user

* non-Dutch company

Annex 5: Research Questions at Transaction Level

Efficiency:

- 1.a. To which extent has the ORET-transaction achieved its expected outputs on schedule and within budget? If agreed outputs have not been realized, what were the reasons? Did the transaction experience delays during the appraisal and/or implementation? If so, what were the main causes of these delays?
- 1.b. If applications were rejected, briefly indicate the reason(s) why. If an ORET-transaction was approved but prematurely ended, briefly indicate the reason(s) why.
- 1.c. Did the ORET sourcing conditions on the foreign component and the mandatory purchasing in the Netherlands in the case of non-LDCs have an effect on prices in the transaction? What was the result in general of the routine price/quality check during the appraisal stage? How much subcontracting was done with local suppliers and what was the effect on the price and quality of the delivered goods, services and works?
- 1.d. How was the actual price-quality ratio of supplied goods, services and works valued by the end-user?

Effectiveness

- 2.a. Did the ORET-transaction or project result in the desired longer-term effects of stimulating the social and physical infrastructure in the recipient developing country?
- 2.b. Did the project design and choice of beneficiaries and activities properly reflect and address the beneficiaries' or users' needs? How do the number of beneficiaries or users ex post compare with the number of intended beneficiaries and users ex ante in the feasibility study?
- 2.c. To which extent has the completed ORET-transaction increased local employment of man and women, directly and if possible indirectly, in the recipient country?
- 2.d. Have the expected results of the transaction/project been achieved with regard to the avoidance of harm to the poor and women in the recipient country?
- 2.e. What impact has been realized at the level of the individual ORET-transaction that can be attributed to the intervention? What was the theory of change behind the result chains through which inputs were translated into successive higher levels of results and outcomes and what external factors have influenced or possibly hindered those results from being achieved?
- 2.f. To which extent the ORET-grant crucial for the Dutch company to gain access to the market of the developing country in question? Or was the company already active in that country and was it for that reason easier to apply for an ORET grant or more likely that the grant proposal would be approved (repeat applicant/user)?
- 2.g. How much direct employment has been generated in the Dutch company as a result of the ORET-transaction/project?

- 2.h. Has the ORET-transaction in which the Dutch company was involved led to follow-up trade and direct investments by the company or durable trade relations in the country in question?

Sustainability

- 3.a. Did the ORET-transaction or project have a well-identified partner who is responsible for the operation and maintenance and accountable for the full use of the delivered capital goods and works? Does the end-user have sufficient capacity (staff, internal organisation and management skills) to continue the transaction independently and guarantee full use after completion?
- 3.b. Was the transaction sustainable in terms of maintenance, after-sales services and the availability of spare parts? Is the delivered equipment or works still operational and maintained after completion of the transaction?
- 3.c. Were the environmental and safety standards of the World Bank/IFC applied in practice and did the ORET-transactions avoid harm to the environment?
- 3.d. Did the transaction or project generate sufficient own income or have other safeguards for supplemental (government subsidies or user fees) funding to finance debt servicing and operational and maintenance costs of the transaction?

Relevance

- 4.a. To which extent was the ORET-transaction critical to the success of the larger project if the transaction formed an (integral) part of such a project?
- 4.b. Was the transaction/project listed as a priority transaction in the recipient countries' sector development strategies or local development plans? To what extent did the ORET-transaction complement the partner or recipient country's policies in the area of sustainable economic development and the enabling environment for the private sector?
- 4.c. What role did the various stakeholders play in the implementation of the transaction, such as the government officials of recipient governments, the Dutch embassy, the implementing company, the end-user, beneficiaries, and etcetera? Were they well informed about the objectives of the ORET-program in general and of the ORET-transactions specifically?

Additionality

- 5.a. Would the ORET-transaction or -project have taken place in the absence of the ORET-grants, in other words was the ORET grant financing additional and was there no other funding available to fund the transactions?
- 5.b. Did the ORET-grant have a catalytic effect by enabling other investors (in the larger ORET-project) and/or a multiplier effect by stimulating follow-up investments in other sectors at meso-level or within the geographic region (spatial effects) or did ORET

sourcing conditions lead to displacement (a local company could have done the transaction as well) or (unforeseen) distortions of the local market?

- 5.c. What were the main sources of non-grant financing in the ORET-project? Did any problems arise with regard to the disbursements and debt servicing of the commercial loans and did this affect the implementation of the transaction? Have the commercial loans been repaid?

Policy Coherence

- 6.a. To what extent did the ORET-transaction or project complement the partner country's policies and the Netherlands aid program in the case of partner countries, or to what extent did the ORET-transaction in a BEB priority country of the Netherlands complement the Netherlands economic diplomacy towards recipient countries?
- 6.b. What was the role of other Dutch export promotion instruments in the transaction, such as the coverage of export credit insurance of the commercial non-grant loans by Atridius and the subsidy facilities of the Ministry of Economic Affairs to co-finance preparatory costs by applicants?

Annex 6: Sample of 21 Transactions in 7 Countries and 8 Subsectors

ORET Sample of Completed Projects classified by sector: 7 countries / 21 projects / 8 subsectors									
Year subsidy determined	Country	Project number	Project title	Applicant	Transaction amount	Grant amount	Definitive Grant	Sector	Aggregate Sector
A: Wet infrastructure and sanitation (1, 3 and 8)									
LDCs									
	Soedan	SD00003	05/17 Umdurman Water Supply	Biwater Contracting Pty Ltd	€ 44.287.425	€ 24.358.084	€ 24.331.153	1	A
Subtotal sector A wet infrastructure & sanitation: LDCs					€ 44.287.425	€ 24.358.084	€ 24.331.153		
non-LDCs									
2011	Ghana	GH00145	Kwanyaku Water Supply System	Denys Engineers & Contractors B.V.	€ 4.131.000	€ 2.152.310	€ 2.086.637	1	A
2010	Ghana	GH00028	Kwanyaku Water Supply System	Denys Engineers & Contractors B.V.	€ 24.136.000	€ 8.447.000	€ 8.447.000	1	A
2012	Ghana	GH00137	05/59 The Barekese Water Supply Project	Ballast Nedam Ghana B.V.	€ 37.426.767	€ 19.807.484	€ 19.733.090	1	A
2012	Ghana	GH00124	05/26 Tamale Water Supply Ghana	Biwater Contracting B.V.	€ 44.999.870	€ 23.750.000	€ 23.750.000	1	A
2013	Ghana	GH/WM07094	Ghana-Kasoa Interconnection Project*	Denys Engineers BV	€ 12.230.167	€ 6.350.333	€ 6.328.773	1	A
2011	Guatemala	GT00018	Champérico Fishery Port	Haskoning Nederland B.V.	€ 1.231.285	€ 586.129	€ 586.129	3	A
2011	Guatemala	GT00017	Champerico Fishery Port	Van Oord Dredging and Marine Contractors B.V.	€ 23.717.000	€ 8.405.217	€ 8.405.217	3	A
Subtotal sector A wet infrastructure & sanitation: non-LDCs					€ 147.872.089	€ 69.498.473	€ 69.336.846		
B. Health care and education (2 and 6)									
LDCs									
2007	Tanzania	TZ00030	Rehabilitation of Diagnostic Services	Philips Medical Systems Nederland B.V.	€ 26.774.848	€ 16.064.909	€ 16.064.909	2	B
Subtotal sector B health care and education: LDCs					€ 26.774.848	€ 16.064.909	€ 16.064.909		
non-LDCs									
2012	Sri Lanka	LK00081	06/45 Enhancement and upgrading of techn	GEMCO International Engineering & Construction B.V.	€ 10.900.000	€ 4.176.000	€ 4.176.000	6	B
Subtotal sector B health care and education: non-LDCs					€ 10.900.000	€ 4.176.000	€ 4.176.000		
C. Dry infrastructure and agriculture (4 and 7)									
LDCs									
2012	Tanzania	TZ00108	05/50 Dar es Salaam Int. Airport Rehab. W	Howard Humphreys Limited	€ 845.000	€ 438.750	€ 431.770	7	C
2010	Tanzania	TZ00039	Rehabilitation of Dar es Salaam Airport	Interbeton B.V.	€ 22.956.332	€ 11.478.166	€ 11.165.778	7	C
2013	Tanzania	TZ00114	05/73 Rehab. Int. Airport - Phase 2, Dar es Salaam*	Interbeton B.V.	€ 27.991.638	€ 14.610.819	€ 14.557.058	7	C
Subtotal sector C dry infrastructure and agriculture: LDCs					€ 51.792.970	€ 26.527.735	€ 26.154.606		
non-LDCs									
Subtotal sector C dry infrastructure and agriculture: non-LDCs									
D. Utilities (5, 9, 10, 11 and 12)									
LDCs									
2009	Bangladesh	BD00023	Railway Signalling and Interlocking	Vialis B.V.	€ 8.493.475	€ 4.533.956	€ 4.246.737	5	D
Subtotal sector D utilities: LDCs					€ 8.493.475	€ 4.533.956	€ 4.246.737		
non-LDCs									
2008	Ghana	GH00020	100 Stadsbussen	VDL Bus International B.V.	€ 12.766.085	€ 4.468.130	€ 4.468.130	5	D
2007	Ghana	GH00029	Levering 100 stadsbussen DAF	VDL Bus International B.V.	€ 14.693.000	€ 5.142.550	€ 5.142.550	5	D
2011	Ghana	GH00039	150 intra city/city commuter buses for Ghan	VDL Bus International B.V.	€ 23.150.000	€ 9.086.850	€ 8.948.781	5	D
2011	Indonesië	ID00250	One Damen Buoy Tender Vessel and Three	B.V. Scheepswerf Damen	€ 36.200.000	€ 13.841.965	€ 13.524.329	5	D
2011	Indonesië	ID00030	Rehabilitation of Eight Diesel Power Plants	Wärtsilä Nederland B.V.	€ 11.098.329	€ 3.884.415	€ 3.792.065	10	D
2007	Indonesië	ID00025	Rehabilitation of 4 diesel power plants in In	Wärtsilä Nederland B.V.	€ 13.734.000	€ 4.806.000	€ 4.606.000	10	D
2011	Sri Lanka	LK00074	Upgrading the Disaster Response Network	SAR Systems B.V.	€ 26.885.891	€ 10.634.771	€ 10.634.771	11	D
Subtotal sector D utilities: non-LDCs					€ 138.527.305	€ 51.864.681	€ 51.116.626		
Total all sectors					€ 428.648.112	€ 197.023.838	€ 195.426.877		

Annex 7: Tentative Budget