

# Evaluation of the Dutch ICSR policy

Terms of reference

Ministry of Foreign Affairs of the Netherlands

Policy and Operations Evaluation Department (IOB)

2 January 2018

## Table of Contents

List of frequently used abbreviations .....	4
1. Introduction .....	5
1.1 Introduction .....	5
1.2 Motivation.....	5
1.3 Scope.....	6
1.4 Structure of this document.....	7
2. ICSR Policies .....	8
2.1 Introduction .....	8
2.2 Sector covenants.....	8
2.3 Frameworks for private-sector development policies.....	10
2.4 Framework for procurement by the government .....	11
2.5 Guidelines for embassies .....	11
2.6 International cooperation and legislation .....	11
3. Logical frame.....	14
3.1 Introduction .....	14
3.2 Impact: contributions to sustainable development.....	14
3.3 Outcome: due diligence .....	15
3.4 Intermediate outcomes .....	16
3.5 Conclusion: the logical frame.....	19
4. Methodology.....	20
4.1 Introduction .....	20
4.2 Research questions for the evaluation .....	20
4.3 Sector covenants.....	21
4.4 Frameworks for private-sector development (PSD) instruments.....	22
4.5 Framework for procurement by the government .....	22
4.6 Guidelines for embassies .....	23
4.7 International cooperation and legislation .....	23
4.8 Field research: country studies.....	24

5. Organisation and planning.....	27
5.1 Organisation.....	27
5.2 Planning.....	27
5.3 Products .....	28
References .....	29

## List of frequently used abbreviations

BHOS	Foreign Trade and Development Cooperation ( <i>Buitenlandse Handel en Ontwikkelingssamenwerking</i> )
CSOs	Civil Society Organisations
CSR	Corporate Social Responsibility
FBK	Fund Against Child Labour ( <i>Fonds Bestrijding Kinderarbeid</i> )
FFP	Financial Foreign Policy
FLEGT	Forest Law Enforcement, Governance and Trade Facility
GRI	Global Reporting Initiative
ICSR	International Corporate Social Responsibility ( <i>Internationaal Maatschappelijk Verantwoord Ondernemen</i> )
IOB	Policy and Operations Evaluation Department ( <i>Internationaal Onderzoek en Beleidsevaluatie</i> )
M&E	Monitoring & Evaluation
MEA	Ministry of Economic Affairs
MFA	Ministry of Foreign Affairs
MoU	Memorandum of Understanding
NCP	(Netherlands) National Contact Point for OECD Guidelines
NGOs	Non-Governmental Organisations
ODA	Official Development Assistance
PSD	Private Sector Development
RBC	Responsible Business Conduct
RVO	Netherlands Enterprise Agency
SER	Social and Economic Council
TK	House of Representatives ( <i>Tweede Kamer der Staten-Generaal</i> )
ToC	Theory of Change
ToR	Terms of Reference
UNGPs	United Nations Guiding Principles on Business and Human Rights
VMP	Labour Union Cofinancing Programme ( <i>Vakbondsmedefinancieringsprogramma</i> )
VPAs	Voluntary Partnership Agreements

# 1. Introduction

## 1.1 Introduction

In 2018, the Policy and Operations Evaluation Department (IOB) of the Ministry of Foreign Affairs (MFA) will evaluate the Dutch policy on International Corporate Social Responsibility (ICSR)<sup>1</sup>, as implemented between 2012 and 2018. This evaluation serves as a building block for the review of policies under the heading of “sustainable trade and investments” – article 1 of the budget for Foreign Trade and Development Cooperation (BHOS) – scheduled for 2020. The current document presents the Terms of References (ToR) for the evaluation.

## 1.2 Motivation

The encouragement of ICSR has been identified as an important pillar of the government’s agenda for aid, trade & investment “A World to Gain” (MFA, 2013). This agenda explicitly refers to the OECD Guidelines on International Investment and Multinational Enterprises (OECD, 2011) (hereafter referred to as OECD Guidelines) and the United Nations Guiding Principles on Business and Human Rights (UN, 2011) (in short: UNGPs) as relevant frameworks for the ICSR policy.

By signing the 2011 OECD Guidelines<sup>2</sup>, the Dutch government has agreed to address multinational companies that are active on and from the Netherlands on their behavior, both in the Netherlands and abroad. The Guidelines are recommendations of the government to companies on themes such as human rights, labour rights, the environment, consumer interests, corruption, innovation, fair competition and paying taxes. They comprehend shared principles and values, though without strict, legally enforceable requirements.

The 2011 OECD Guidelines are partly based on the 2011 UNGPs: shared believes on the responsibilities of governments and businesses regarding human rights. The UNGPs build on three pillars:

- 1) The government’s **duty to protect** people against violations of human rights on their territory by third parties, including businesses. Governments are encouraged to expect from businesses that they respect human rights *throughout their operations*.
- 2) Businesses’ **responsibility to respect** human rights and to exercise due diligence in taking decisions which potentially incur risks of human right violations.
- 3) The **access to remedy** for victims of human right violations: it is a shared responsibility of governments and businesses to ensure that victims have the possibility to complain and may be compensated (through so-called grievance mechanisms).

In “A World to Gain” the Dutch government states that the OECD Guidelines and the UNGPs urge companies “to act in accordance with the due diligence principle by taking measures to prevent abuses in their supply chains in relation to working conditions, child labour, the environment, corruption and human rights” (p.46). The government sees ICSR as a “prerequisite for sustainable, inclusive growth” (p.45) all over the world, one of the key aims of the agenda. It is assumed that the Netherlands can assist developing countries through trade and investment, if barriers to trade and investment are removed and principles of ICSR are respected. Although not explicitly stated, ICSR policy may also

---

<sup>1</sup> Sometimes referred to as International Responsible Business Conduct (IRBC).

<sup>2</sup> The first OECD Guidelines on International Investment and Multinational Enterprises date from 1976.

contribute to another aim of the agenda: promoting success for Dutch companies abroad (e.g. through reducing risks, seizing business opportunities, improving reputation, etc.).

The government's assumption that (international) CSR contributes to the realisation of the goals of businesses and society has been further elaborated in the joint Policy Note "CSR pays off" (TK, 2014). It states that the Minister for BHOS is responsible for ICSR, while the Minister for Economic Affairs (MEA) is responsible for national CSR. ICSR policies are defined as policies that aim to influence "the conduct of Dutch businesses in countries where local legislation is inadequate or not effectively enforced" (p.5), a dilemma known as the governance gap. To that end, the Dutch government has identified various tasks and areas in which government intervention supposedly has added value. Moreover, in 2014, the Dutch government presented its National Action Plan on Business & Human Rights (MFA, 2014): a plan on how to implement the UNGP's in response to an EU communication on CSR<sup>3</sup>. Since 2012, the Minister has frequently informed and consulted Parliament on the progress of ICSR policies, and members of the Parliament have raised many questions regarding these policies.

### 1.3 Scope

The aim of the current evaluation is to assess the effectiveness, efficiency, coherence and relevance of the Dutch ICSR policy carried out between 2012 and 2018. This timeframe covers the years of the Rutte II administration (2012-2017) and provides insight into the ICSR policies and activities undertaken by the Dutch government in response to the renewed OECD guidelines (2011) and UNGPs (2011). Earlier policies are analysed if relevant for current policies. Although CSR policy could easily be linked to the Sustainable Development Goals (SDGs)<sup>4</sup>, we will not use the SDGs as framework of analysis (or framework for measurement), simply because the Dutch ICSR policy was not developed with the SDGs in mind.

The present evaluation focuses on CSR policies with an international dimension: ICSR. Most of these policies have been developed by MFA, sometimes in cooperation with other departments such as MEA. Policies developed by other departments will only be reviewed if these policies influence the results of MFA's policies and/or if MFA has influence on these policies (in view of coherence).

As will be explained in the next chapters, the evaluation mainly addresses policies that aim to promote due diligence of companies on the OECD guidelines, and hence, to influence corporate decisions that have impact on sustainable development. This includes (voluntary) sector covenants as well as international cooperation and legislation, but also comprehends initiatives of the government aimed at setting the right example, notably in procurement and the provision of subsidies for private-sector development.

The OECD Guidelines and the UNGPs have in common that they promote avoiding adverse (negative) effects of companies on the communities in which they operate. Therefore, the current evaluation particularly looks at government policies that aim to promote "do no harm" CSR. This implies that the evaluation pays less attention to policies that explicitly promote "do good" CSR, aimed at creating social value and stimulating positive effects of companies, e.g. on the SDGs (for definitions of "do no harm" versus "do good", see: Crilly, Ni, & Jiang, 2016). However, we must also realise that "do no harm" CSR policies may be communicated – or reframed – as "do good" CSR, as firms are possibly more interested

---

<sup>3</sup> "A renewed EU strategy 2011-14 for Corporate Social Responsibility" (European Commission, 2011)

<sup>4</sup> "Transforming our world: the 2030 Agenda for Sustainable Development" (2015)

in positive than negative narratives on their contribution to society. Furthermore, the two types of policy can be “mutually reinforcing” as argued in the policy document “CSR pays off”. Therefore, IOB will explore the feasibility of, and need for an additional evaluation of do-good-oriented ICSR policies and activities, such as the Sustainable Trade Initiative (IDH), the Inclusive Business Accelerator (IBA) and the funding of projects implemented by CSR Netherlands. Coherence between the two types of policies will be addressed by the 2020 “sustainable trade and investments” policy review.

#### 1.4 Structure of this document

This document is structured as follows. Chapter 2 introduces five types of policies under the heading of ICSR, to be reviewed by the present evaluation. Next, chapter 3 presents a logical frame that connects inputs, activities and outputs with outcomes and impact. This frame can be seen as a first step towards the development of an overall Theory of Change (ToC) for the Dutch ICSR policy. Chapter 4 specifies the evaluation questions and discusses the methods to be used for answering these questions. Finally, Chapter 5 deals with practical matters such as organisation, planning, products and budget.

## 2. ICSR Policies

### 2.1 Introduction

This chapter introduces and discusses five types of policies under the heading of ICSR:

- 1) Sector covenants
- 2) Frameworks for private-sector development policies
- 3) Frameworks for procurement by the government
- 4) Guidelines for embassies
- 5) International cooperation and legislation

These policies have been identified by means of interviews with MFA staff and by analysing policy documents such as letters to parliament. All policies fit in the scope as defined in 1.3. The present chapter provides some insight in the objectives of policies and their underlying assumptions, thus facilitating a reconstruction of the policy's intervention logic (see chapter 3). Moreover, we identify existing evaluations that can be used as input for the current evaluation (see chapter 4).

The following policies and activities have been identified as “potentially relevant”, but will not be reviewed in the current evaluation:

- The Netherlands **National Contact Point** for OECD Guidelines (NCP) will be evaluated in 2018 separately in view of its status: independent from MFA.
- Programmes, projects and activities of **CSR Netherlands** are evaluated separately. CSR Netherlands focuses on “do good” rather than “do no harm” CSR. The organisation has been identified as an important stakeholder in sector covenants and activities of embassies, and will be involved in the evaluation as such.
- The **Transparency Benchmark** falls under the responsibility of MEA (not within MFA's sphere of influence). MEA evaluated the benchmark in 2013. The Benchmark can and will be used as source of information and potential evidence for policy results.
- The **Sustainable Trade Initiative** (IDH) has been and will be evaluated separately. IDH promotes the development of new business models for “green and inclusive growth at scale in commodity sectors and sourcing areas”<sup>5</sup> and therefore fits better in a “do good” CSR policy approach.
- The **Inclusive Business Accelerator** (IBA) has been evaluated separately and focuses on promoting new business models in a “do good” fashion, assisting companies with setting up and implementing business models that reach the “Bottom of the Pyramid” (BoP).

### 2.2 Sector covenants

Since 2014, MFA has promoted and facilitated the realisation of ICSR covenants for sectors with a high risk on human, labour and environmental right violations<sup>6</sup>. These covenants can be seen as a typical Dutch answer to a societal problem, bringing together representatives of businesses, NGOs, labour unions, knowledge institutions and the government (as a partner). They make agreements on a voluntary basis that are, in general, not legally binding and enforceable, but do include mechanisms to

---

<sup>5</sup> <https://www.idhsustainabletrade.com/about-idh/>.

<sup>6</sup> In response to a CSR Risk Analysis (KPMG, 2014) that identified the following sectors: construction, chemicals, retail, energy, financial sector, wholesale, wood and paper, agriculture, metal and electronics, oil and gas, textile and clothing and food.



ensure that participating actors keep their promises. That means: agreements are voluntary, but not without obligations.

In its advice to the government, the tripartite<sup>7</sup> Social and Economic Council (SER) formulated two general objectives that all covenants should have in common (2014, p. 19):

1. Improving circumstances for groups affected by specific risks (e.g. child labour, low wages, human rights violations or environmental pollution) within a period of three to five years after an agreement has been concluded;
2. Offering a collective solution to problems that businesses are unable to solve, or solve entirely, on their own.

Originally, MFA and the SER had the ambition to establish, at least ten covenants before the end of 2016. The table below presents an overview of covenants that have been signed<sup>8</sup>, of which three have been arranged and are facilitated by the SER. A quick analysis of the six covenants shows that agreements not only differ in duration (ranging from three to five years), but also in their goals and institutional set-up (e.g. whether or not individual firms are directly represented, funding structure and enforcement).

*Table 1: Realisation of sector covenants (on 1 December 2017)*

Sector	Signed	Duration	Facilitated by	# of companies at start <sup>9</sup>
Coal <sup>10</sup>	November 2014	5 years	N.A.	5
Garments and Textile	July 2016	5 years	SER	50
Banking	October 2016	3 years	SER	13
Gold	June 2017	5 years	SER	10
Forestry	March 2017	3.5 years	Schuttelaar & Partners	N.A. <sup>11</sup>
Vegetable Protein	March 2017	5 years	CSR Netherlands	4

The government facilitates the development of sector covenants and acts as a participant that can use its legislative, political (diplomatic) and economic power (e.g. in procurement). Essentially, the Dutch government participates in covenants by promising to take its responsibility in implementing other ICSR policies, sometimes specific to the sector, to be discussed below.

<sup>7</sup> Members of the SER represent three parties: employers, unions and independent experts appointed by the Crown (so-called crown members).

<sup>8</sup> Other covenants for insurance, food, natural stone, metallurgy and floriculture are “in development” (see: [www.internationalrbc.org](http://www.internationalrbc.org)).

<sup>9</sup> Note that the number of participating companies is not necessarily an accurate performance indicator.

<sup>10</sup> The coal covenant is a frontrunner agreement settled in 2014 between MFA and five Dutch energy firms on how to improve social and environmental conditions in the international coal chain. The agreement differs from the other covenants (e.g. NGOs are not involved as contract partners) and is not listed on the website [www.internationalrbc.org](http://www.internationalrbc.org).

<sup>11</sup> Companies are represented by branch organisations.

The SER has scheduled an independent evaluation of the sector covenants' effectiveness for 2020, just in time for inclusion in the overall policy review of aid, trade and investment. A progress report of the covenants facilitated by the SER will become available in 2018. The participants of the coal covenant are already publishing annual progress reports. The fact that some covenants just started or are about to start has important implications for the set-up of the current evaluation, to be further discussed in the next chapters.

### 2.3 Frameworks for private-sector development policies

From 2002 onwards the Dutch government has applied CSR criteria in its "financial foreign policy instruments" (FFPs) (Berenschot, 2007) and other private-sector development (PSD) policies including trade missions and export credit insurance facilities. In 2012, the Minister for BHOS expressed her ambition to formulate ICSR frameworks for all private-sector instruments, both ODA and non-ODA<sup>12</sup>.

With ICSR frameworks the government aims to set minimum standards for financial and other support to businesses and/or projects in developing countries and emerging markets. It uses principles based on the OECD guidelines and the IFC Environmental and Social Performance Standards (among others). Criteria are used to exclude businesses/projects from support or to formulate trajectories of change for companies (TK, 2016), in respect of the "do no harm" principle. Moreover, these same OECD principles have been used to stimulate good practices of sustainable and inclusive business ("do good"), aiming to combine value creation for people and planet with financial value creation (profit) for companies.

Each instrument has its own tailored ICSR framework. Some frameworks only require applicants to confirm that their knowledge of the OECD guidelines and that their activities are in accordance. Other frameworks demand evidence of compliance or urge applicants to implement measures aimed at reducing ICSR-related risks.

In 2007, Berenschot evaluated the effectiveness of the CSR framework in FFP instruments (Berenschot, 2007). One of the main conclusions at that time was that the CSR framework had been "particularly effective in offering a threshold" but "less effective in stimulating frontrunners" (p.6). Furthermore, the evaluators found that "most emphasis on CSR issues [lies] in the formulation and assessment phase of projects. Less attention is paid to CSR in monitoring and evaluation activities" (p.7). In a policy review of PSD programmes (IOB, 2014), ICSR has been identified as an important "precondition" for PSD policy since 2010.

Some PSD programmes explicitly aim at promoting ICSR due diligence. One example is the Fund against Child Labour (*Fonds Bestrijding Kinderarbeid*, FBK), managed by the Netherlands Enterprise Agency (RVO). Through this fund, a budget of EUR 0.95 million has been invested in due diligence projects, targeting single firms that operate in high-risk value chains. These projects have a duration of about one year and are expected to deliver results in 2018. An additional EUR 2.85 million will be invested in multi-stakeholder initiatives, involving at least one firm, with a duration of two years (results expected in 2019)<sup>13</sup>.

---

<sup>12</sup> Including, among others: PSI, IDF, AEF, MASSIF, CBI, PUM, ORIO, DRIVE, IDH, FDW, FDOV and SIB.

<sup>13</sup> In 2017, the government decided to extend the programme with an annual budget of EUR 7 million.

## 2.4 Framework for procurement by the government

By pursuing a sustainable procurement policy, the government has tried to set a good example and use its economic power as important buyer of goods and services (TK, 2014)<sup>14</sup>. For example, the Ministry of Defence is the biggest buyer of workwear, while local authorities (municipalities and provinces) play a key role in the demand for natural stone (for construction projects). Through the Fund against Child Labour (FBK, see 2.3), MFA has funded a pilot that promotes sustainable procurement of natural stone by (local) governments.

Since 2011, the central government has applied “international social conditions”, which have been fully aligned with the OECD guidelines since April 2017<sup>15</sup> in response to an evaluation carried out in 2014. The new framework for government procurement demands tendering companies to do due diligence if they operate in one of the sectors with a high risk on violations of human and labour rights<sup>16</sup>. Sector covenants explicitly refer to the government’s role as influential buyer.

Procurement by the central government falls under the responsibility of the Ministry of the Interior and Kingdom Relations (BZK), with several so-called “single points of contact” for different types of procurement decisions. MFA is represented in an interdepartmental commission for procurement and tenders, which plays an important role in coordinating policies on sustainable procurement.

## 2.5 Guidelines for embassies

Embassies, consulates and permanent missions have played an important role in implementing policies discussed elsewhere in this chapter. In 2012, MFA published guidelines for embassies on how to deal with ICSR<sup>17</sup>. These guidelines make a distinction between embassies operating in countries with similar standards and the ones operating in countries with different (read: less strict) standards. MFA’s ambition is that Dutch embassies abroad actively support Dutch business with regard to ICSR. They are expected to assist Dutch firms with adopting principles of ICSR, e.g. by providing knowledge on local risks and by putting firms in touch with local and international actors. An internal survey among embassies, carried out in 2013, has provided some insight in the ICSR activities they undertake (TK, 2013).

## 2.6 International cooperation and legislation

In addition to the policies discussed above, the Dutch government has set legal boundaries for companies and assisted other countries with the development and enforcement of legislation.

Dutch companies need to respect the Dutch law, also when they operate abroad. In 2016 WODC published a research study (Enneking et al., 2015) dealing with the question whether the duty of care of Dutch companies regarding ICSR is sufficiently covered by Dutch law (as part of the National Action Plan on Business & Human Rights). The researchers found that the law does not explicitly oblige enterprises to observe due care regarding the UNGPs and the OECD Guidelines, but that “injured parties are able, under general civil liability law, to hold the businesses concerned liable in law” (TK, 2016b). The study

---

<sup>14</sup> Policy Note “Corporate social responsibility pays off” (2013)

<sup>15</sup> In 2014, Berenschot concluded that the conditions were only partly aligned with the guidelines (Berenschot, 2014). Also see the Letter to the Parliament on ICSR (TK, 2017).

<sup>16</sup> For more information: see the website of Pianoo ([www.pianoo.nl](http://www.pianoo.nl))

<sup>17</sup> <https://www.rijksoverheid.nl/documenten/publicaties/2016/02/22/internationale-mvo-richtlijnen-voor-nederlandse-ambassades> (in Dutch only).

also shows, however, that the civil liability law has rarely been used for this purpose, mainly due to practical obstacles such as high costs of prosecution and lack of evidence. In response to the study, the government has announced various measures, including “consulting with the SER about how compliance with the ICSR covenants can be best monitored”. This mainly concerns the third pillar of the UNGPs: access to remedy.

Since 2017, EU Directive 2014/95 requires large stock-listed companies (with more than 500 employees) in the Netherlands to report on their social and environmental impacts (so-called non-financial performance). This directive only sets standards for corporate reporting, not for corporate behaviour (due diligence). However, it has influenced the new 2016 Corporate Governance Code, which explicitly demands corporate management to take note of environmental and social matters, including employee rights, human rights and the fight against corruption and bribery. This code is a form of self-regulation that supplements the legal framework. Moreover, the government has promoted ICSR reporting, by stimulating Dutch companies to refer to the OECD guidelines in their annual report and to make use of global ICSR guidelines such as the ones developed by the Global Reporting Initiative (GRI) and international voluntary standards such as ISO26000.

While there is no formal and explicit legal obligation in the Netherlands for companies to respect the UNGPs and to comply with standards of responsible business conduct (e.g. due diligence), some neighbouring countries have recently introduced legislation on certain due diligence aspects and targeting specific companies, such as the British Modern Slavery Act and the French Duty of Vigilance Law. In the Netherlands, members of Parliament proposed a similar law that would oblige companies to exercise due diligence on the use of child labour in their supply chains. This so-called Child Labour Due Diligence Act was approved by the House of Representatives in 2017, but still needs to pass the Senate to become law<sup>18</sup>. Hence, it is not yet clear if this law will become effective and if so when. Another law, that will become effective in the near future is the EU Conflict Minerals Regulation. This due diligence law will make it compulsory for European importers of gold, tin, tantalum and tungsten (3TG) to report on the sources of these minerals and ensure that they import from “responsible sources” only.

Another strategy pursued by the Dutch government, involves promoting changes in law and enforcement in other countries. In order to reduce the governance gap, the government has put efforts in addressing governments of other countries on issues related to ICSR in general and human rights in particular. This mostly concerns developing countries and emerging economies where standards for responsible business conduct are lower. By putting ICSR (and related issues such as human rights) on local political agendas, the Dutch government has been trying to help create an “enabling environment for ICSR”. Local and international NGOs are expected to play an important monitoring role in closing the governance gap, explaining why the Dutch government has also invested in institutional capacity building, for example through the programme “Dialogue and Dissent” (strategic partnerships for “lobby and advocacy”) and the Trade Union Cofinancing Programme (VMP).

The Dutch government also expressed its ambition to create a level playing field for multinational companies, notably on the EU and OECD level. The government has tried to reach this goal by putting ICSR on the agendas of international organisations, such as the EU, ILO, OECD, and UN, and through bilateral contacts with other OECD members. Apart from legislation, the EU has played an important

---

<sup>18</sup> [https://www.eerstekamer.nl/wetsvoorstel/34506\\_initiatiefvoorstel\\_kuiken](https://www.eerstekamer.nl/wetsvoorstel/34506_initiatiefvoorstel_kuiken).

role in realising international trade agreements, which could be part of an enabling environment for ICSR, for instance by means of chapters on sustainable development in preferential trade agreements with third countries. An example is the EU Forest Law Enforcement, Governance and Trade Facility (FLEGT), which stimulates sustainable wood production by means of Voluntary Partnership Agreements (VPAs) that assist certain wood-producing countries to enforce their own forest management regulations by allowing only legally certified timber imports from these countries.

## 3. Logical frame

### 3.1 Introduction

Existing policy documents provide no common framework for analysing the Dutch ICSR policy. Therefore, the present chapter introduces a logical frame that connects the inputs, activities, outputs, outcomes and impacts. This frame is based on a review of relevant policy documents and literature as well as interviews with representatives of MFA and advisory and executing bodies such as the SER and RVO. It provides insight in the intervention logic of the various instruments and in how they interact with one another. Together with policy makers, the logical frame will be further refined and developed into a Theory of Change (ToC), and tested as part of the evaluation. While the logical frame mainly reconstructs the rationale behind the ICSR policies, the ToC will also identify the underlying assumptions and address the coherence with other (Dutch) policies and the role of external factors (beyond MFA's control) in reaching policy goals. By constructing and testing a ToC we will also be able to question and discuss fundamental choices in policy development.

### 3.2 Impact: contributions to sustainable development

An important underlying assumption of government policy on (I)CSR is that businesses can make a contribution to sustainable and inclusive development/growth (from hereon: sustainable development). The government can facilitate and stimulate CSR and set legal boundaries, but also act as an economic partner in global value chains (IOB, 2013). Companies may contribute to sustainable development in several ways:

1. By generating employment, providing products and services, and building infrastructure: doing things the company is supposed to do (*day-to-day business*). This includes paying taxes.
2. By avoiding negative externalities of the day-to-day business: respecting human rights and labour rights, and by avoiding corruption and environmental damage (*do no harm*).
3. By promoting positive externalities of the day-to-day business: contributing to sustainable development goals by implementing inclusive and sustainable business models, which generate results for shareholders and stakeholders (*do good*).
4. Through contributions not directly related to the day-to-day business, such as donations to, and partnerships with NGOs.

As discussed in section 1.3, the current evaluation mainly looks at policies of the Dutch government that aim to avoid negative externalities and reduce harm (the second type of contribution). However, in view of policy relevance and coherence, it is important to understand that companies also contribute to society in other ways. Business contributions to society can be visualised by means of a pyramid with "business basics" or the "core business" as the foundation<sup>19</sup>. These day-to-day activities generate jobs, employment and tax income (type 1), but also create negative and positive externalities (type 2 and 3). Type 4 contributions are considered less relevant. They can be further subdivided into strategic investments (e.g. in education) and donations. The underlying idea is that companies cannot

---

<sup>19</sup> For example the London Benchmarking Group Model. Also see "The Pyramid of corporate social responsibility: towards the moral management of organizational stakeholders" (Carroll, 1991), which defines four types of responsibilities: economic (the basis), legal, ethical and philanthropic.

compensate negative externalities (low in the pyramid: substantial influence on society) by means of strategic donations.

*Box 3.1: Business contributions to society according to the OECD Guidelines and the UNGPs*

#### Business contributions to society according to the OECD Guidelines and the UNGPs

The OECD Guidelines expect companies to “contribute to economic, social and environmental progress with a view to achieving sustainable development” and to “respect the human rights of those affected by their activities consistent with the host government’s international obligations and commitments”. (p.14) The Guidelines seem to promote the first three types of contributions, with a clear focus on the following issues (discussed in separate chapters):

- Employment and industrial relations (employee rights) (type 2)
- Environment (type 2 and 3)
- Combating bribery (type 2)
- Consumer interests (consumer health and safety, privacy, etc.) (type 2)
- Science & technology (knowledge and innovation spillovers) (mostly type 3)
- Competition (no anti-competitive agreements, compliance with competition laws) (type 2)
- Taxation (type 1)

The UNGPs urge companies to respect human rights, which implies an improved type 2 contribution to society (less harm). Human rights relate to some issues listed by the OECD guidelines, such as labour rights, land/property rights, consumer rights and environmental rights/laws.

### 3.3 Outcome: due diligence

An important step to the impact discussed above is due diligence on the OECD Guidelines and the UNGPs. Economic actors (including the government!) are expected to identify actual and potential adverse impacts of their activities (e.g. their impact of their supply chains), to develop a strategy for the prevention and mitigation of risks, and to be accountable for their decisions<sup>20</sup>.

A key concept that relates to due diligence is “materiality”: actors are expected to spend most of their efforts on preventing and mitigating the most significant risks. This concept is comparable with the hierarchy in business contributions to society: actors should spend most energy on avoiding the most substantial harm. The urgency of risks differs by sector and region (KPMG, 2014), explaining the development of sector agreements, sector-specific due diligence guides and the development of laws or regulations for particular sectors and/or countries<sup>21</sup>.

From the point of view of an economic actor (e.g. an enterprise), “the effectiveness of due diligence can be measured by the extent to which actual and potential harm is prevented and mitigated in the

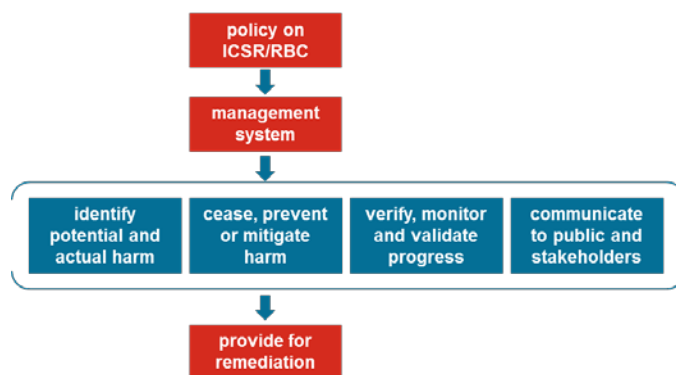
<sup>20</sup> See the additional OECD due diligence guidelines for companies dealing with “minerals from conflict-affected and high-risk areas” (<https://www.oecd.org/corporate/mne/GuidanceEdition2.pdf>) and actors in the garment and footwear sector (<http://mneguidelines.oecd.org/oecd-due-diligence-guidance-garment-footwear.pdf>).

<sup>21</sup> For example the EU Conflict Minerals Regulation.

enterprise’s own operations and its supply chain”<sup>22</sup>. Translating this to a government policy that promotes due diligence regarding ICSR, effectiveness can be defined as the extent of prevention and mitigation of harm in global supply chains. It is assumed that due diligence leads to better behaviour and ultimately to benefits for society in terms of sustainable development. An interesting question is whether economic actors have an interest in exercising due diligence (for example as a form of reputation management) or whether they need to be enforced by legislation. While “do good” CSR is often presented as a new business model that presents opportunities for market development, the advantages of “do no harm” CSR for economic actors are less obvious.

According to the OECD, due diligence should be “ongoing, proactive and reactive and applied with flexibility and should not lead to a ‘tick the box’ approach” by economic actors. Hence the success of a government policy on ICSR can be measured by the degree to which targeted actors have improved their due diligence *process*. This process consists of four iterative steps: 1) identifying potential and actual harm; 2) ceasing, preventing or mitigating harm; 3) verifying, monitoring and validating progress; and 4) communication to the public and stakeholders. This process is facilitated by three so-called supportive measures: 1) an explicit company policy on ICSR/RBC; 2) a management system to conduct due diligence; and 3) the provision of remediation if needed and appropriate. Figure 1 shows how the various elements of the process connect to each other.

Figure 1: The Due Diligence Process



Source: IOB, based on Due Diligence Guide for Responsible Supply Chains in the Garment and Footwear Sector (OECD, 2017) .

### 3.4 Intermediate outcomes

Dutch ICSR policy aims to promote due diligence on the OECD guidelines by raising awareness, improving transparency of corporate behaviour, creating a level playing field, stimulating dialogue and setting a good example. The policy responds to several obligations for States, according to the UNGPs, with regard to the government’s duty to protect human rights.

<sup>22</sup> “Due Diligence Guide for Responsible Supply Chains in the Garment and Footwear Sector” (OECD, 2017).



### Box 3.2: Obligations for States according to the UNGPs

The UNGPs formulate several obligations for States, such as:

- Enforce laws that are aimed at, or have the effect of, requiring business enterprise to respect human rights and periodically assess the adequacy of such laws and address any gaps;
- Ensure that other laws and policies governing the creation and ongoing operation of business enterprises, such as corporate law, do not constrain but enable business respect for human rights;
- Provide effective guidance to business enterprises on how to respect human rights throughout their operations;
- Encourage, and where appropriate require, business enterprises to communicate how they address their human rights impacts;
- Take additional steps to protect against human rights abuses by business enterprises that are owned or controlled by the State, or that receive substantial support and services from State agencies such as export credit agencies and official investment insurance or guarantee agencies, including, where appropriate, by requiring human rights due diligence;
- Exercise adequate oversight in order to meet their international human rights obligations when they contract with, or legislate for, business enterprises to provide services that may impact upon the enjoyment of human rights;
- Promote respect for human rights by business enterprises with which they conduct commercial transactions.

#### Awareness

One of the objectives of the Dutch government's ICSR policy is to "make businesses aware of their responsibility to comply with the OECD Guidelines" (TK, 2014). Awareness is a precondition for improving a company's due diligence process. Awareness involves knowledge about the OECD Guidelines and the (sector-specific) ICSR risks and opportunities. The government has the task to ensure "that the frameworks for CSR are as clear as possible and that businesses are fully informed about them" (p.6).

#### Transparency

Another explicit goal of the government is to promote transparency. This relates to the fourth element of the due diligence process: communication on the due diligence process to the public (including information on how the company has addressed actual and potential harm of their activities). Transparency is both an indicator and facilitator of compliance. The government may put pressure on firms to disclose information on their ICSR performance, through either relatively soft measures or hard, enforceable obligations. Other actors (companies, NGOs, consumers, labour unions and community groups) can also put pressure on the "societal" license to operate by asking companies to disclose information.

#### Level playing field

In the policy document "CSR pays off", the government also underlines its aim to promote a level playing field for Dutch companies by making agreements with "western countries" (OECD members). The underlying rationale is that a level playing field (equal conditions for economic actors) contributes to

the aims of the policy (sustainable development, due diligence on the OECD Guidelines and the UNGPs). It is assumed that such leverage is needed to ensure impact on the ground in “southern countries”. Another reason for upscaling CSR policy to EU or OECD level has to do with competition: the Dutch government wants to avoid creating a competitive disadvantage for Dutch firms by implementing policy on its own, without coordination. The logic goes that if only Dutch companies adopted principles of due diligence, the internalisation of negative externalities would raise the prices of their products or services, while competitors can keep their prices low. In view of this issue, the Dutch government tries to make other governments aware of their responsibilities (through economic diplomacy). It also finances initiatives for global standards and benchmarks (trusting that transparency and reputation effects do their work) such as the Global Reporting Initiative. Moreover, the government aims to create an international level playing field by fostering broad multi-stakeholder approaches and strengthening agreements within the EU, OECD and ILO. For example, the government raised attention for ICSR during the 2016 EU presidency. Also the development and enforcement of laws (such as the EU Conflict Minerals Regulation and the EU Directive 2014/95) can be seen as results of CSR policy.

#### Dialogue and partnerships

The Dutch ICSR policy also tries to facilitate dialogue and to create multi-stakeholder partnerships such as the sector covenants. The government strongly believes in cooperation between firms, civil society organisations (CSOs), labour unions and non-governmental organisations (NGOs), assuming knowledge pooling, spillovers of good practices and increased mutual trust to generate substantial benefits. Stakeholders can address social or environmental problems and urge companies to take action, thus further enhancing awareness and transparency.

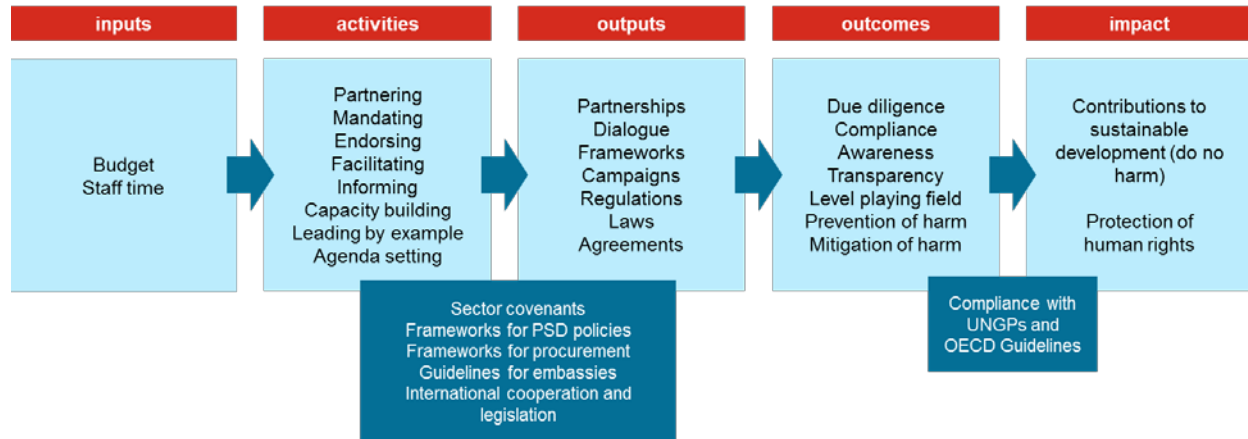
#### Setting a good example

Last but not least, the Dutch government has expressed its ambition to set a good example. By integrating principles of ICSR in its procurement policy and private sector development instruments (e.g. grants, loans, guarantees and export credit insurance), the government uses its economic power to influence businesses behaviour.

### 3.5 Conclusion: the logical frame

Figure 2 below presents a logical frame that provides insight in the rationale of the Dutch ICSR policy<sup>23</sup>. It shows how the activities described in chapter 2 generate outputs that supposedly contribute to the (intermediate) outcomes described above. As part of the evaluation, the logical frame will be further developed into a ToC, which identifies and reviews underlying assumptions.

Figure 2: Logical frame for Dutch ICSR policy



Source: IOB.

<sup>23</sup> This logical frame borrows insights from literature, including “Governmentalities of CSR: Danish Government Policy as a Reflection of Political Difference” (Vallentin, 2015), “Corporate social responsibility: the role of public policy” (IOB, 2013) and “The Role of Governments in Corporate Social Responsibility: Characterising Public Policies on CSR in Europe” (Steurer, 2010).

## 4. Methodology

### 4.1 Introduction

This chapter introduces the evaluation questions and discusses the methods to be used for answering these questions. After presenting the main question and nine sub-questions for the overall evaluation, it zooms into specific questions for the five types of policies introduced in chapter 2. Each type of policy will be evaluated by means of a sub-evaluation. The final section deals with the set-up and selection of country studies that provide inputs for the five sub-evaluations.

### 4.2 Research questions for the evaluation

#### Main question

*To what extent has the Dutch ICSR policy – implemented between 2012 and 2018 – achieved its intended results and what are the main lessons for future ICSR policy?*

In this question, “intended results” refer to the outputs, (intermediate) outcomes and impacts as described in the previous chapters. On outcome and impact level, this would imply improved due diligence (better integration of CSR in business practice), more compliance with OECD Guidelines and UNGPs, better protection of human rights and enhanced contributions to sustainable development by avoiding harm. Other intended *intermediate* results are improved risk awareness, increased transparency and upscaling of (Dutch) ICSR policies to other countries.

#### Sub-questions

The evaluation will be guided by the following sub-questions:

#### *Policy reconstruction: objectives and assumptions*

- 1) What were the *intended* results (objectives) of the Dutch ICSR policy – and the five selected types of policies in particular – in terms of output, outcome and impact?
- 2) What is the Theory of Change of the policies? Under what assumptions do policies lead to changes and are these assumptions backed up by evidence?

#### *Effectiveness*

- 3) To what extent were the policies effective in accomplishing the intended results? What were the *unintended* effects if any?

#### *Efficiency*

- 4) How do results (outcomes) compare to the efforts made (input)?
- 5) How does the Dutch ICSR policy compare to policies of other EU countries and the EU in terms of effectiveness and efficiency?

#### *Coherence*

- 6) To what extent are the five selected types of policies internally coherent and well balanced in terms of policy attention?
- 7) To what extent are the five selected types of policies externally coherent with and influenced by other policies of the Dutch government (not only MFA), for example on trade and competition?

#### *Relevance*

- 8) How relevant are the Dutch ICSR policies for improving contributions to “sustainable development” (do no harm) and the protection of human rights worldwide?

### Additionality

- 9) To what extent has the contribution of the Dutch government been *additional*? What would have happened without the Dutch government's initiative or support? What has been the influence on policies of other actors (leverage)?

### 4.3 Sector covenants

As it is too early to assess the effectiveness of the sector covenants, the current evaluation will mainly focus on the coalition-forming process and the agreements that have been settled so far. This particularly applies to the covenants that have been signed in 2016 and 2017, for which impact on the ground cannot yet be expected. Only the coal covenant may have generated such results, but we need to be aware that this covenant has a different set-up (for example no direct involvement of NGOs).

### Outputs

For most covenants, results can only be measured on output level. What has been agreed and for what sector? How many actors participate (directly or indirectly) and/or support the covenant? And more in general: how many covenants have been realised and do they cover sectors with significant risks (as identified in the sector-risk analysis by KMPG)?

### Role of the government: additionality and financial sustainability

Furthermore, the evaluation will focus on the role of the government in realising covenants. What has the government done to facilitate the coalition-forming process? How additional are the government's inputs? Do the covenants need financial support by the government, now and in the (near) future? And what is the role of the government as partner in the agreement? Does the government meet the expectations of other actors?

### Outcomes

The evaluators realise that the outcomes of most covenants cannot yet be measured and that it would not be realistic nor fair to expect significant outcomes on such short notice. Nevertheless, it is worth analysing *expected* and *perceived* outcomes and reviewing how they relate to agreements made (*outputs*). Interviews with relevant stakeholders in the Netherlands (participants as well as non-participants) and in relevant production countries will be helpful to reconstruct the ToC and to identify and test its underlying assumptions. The interviews will address amongst others the following questions. What benefits do stakeholders expect? How will agreements affect intermediate outcomes such as awareness, transparency and compliance? Do stakeholders already observe changes and to what extent can these changes be attributed to the covenants? Of course, subjective expectations and perceptions will be supported by more objective data on outcome level, if available. To that end, the evaluators will make use of secondary data such as (progress) reports, (scientific) articles and publicly available data (for example on transparency).

### Leverage and scaling up

One of the questions is whether the Dutch policy has sufficient leverage (an element of additionality). Are participating actors sufficiently able to influence behaviour of non-participants, such as their suppliers? And what role does the Dutch government play in scaling-up the policy beyond the Netherlands? For example through bilateral or multilateral cooperation with other donor countries and/or production countries. Such information is needed to provide an indication of the chance that covenants will turn out to be effective and relevant.

#### 4.4 Frameworks for private-sector development (PSD) instruments

This part of the evaluation will mainly focus on the development and application of ICSR frameworks for PSD instruments, including PSD subsidy programmes, international export (IE) programmes and trade missions, and export credit insurance by Atradius DSB. Special attention will be paid to the Fund Against Child Labour as this fund not only applies an ICSR framework but also provides a financial incentive to improve due diligence on a specific issue (child labour).

##### Outputs

Results on output level will be assessed by systematically reviewing the frameworks that have been developed for the various instruments. How strict are the frameworks? What elements of the due diligence process are covered? What instruments explicitly stimulate due diligence on the OECD Guidelines and the UNGPs and what are their aims? Expecting to find differences between frameworks, it is worth knowing whether these differences can be explained. How about the coherence between frameworks? To answer these questions, the evaluators will conduct interviews with staff of MFA, RVO and other relevant organisations.

##### Outcomes

These interviews will also be helpful for analysing the outcomes of the frameworks: are they effective and efficient in promoting due diligence? Existing evaluations and available M&E data will provide additional insight in the outcomes of ICSR frameworks. Note, however, that the current evaluation does not review the effectiveness of the instruments, except for instruments that explicitly promote ICSR and support due diligence within supply chains (such as the Fund Against Child Labour<sup>24</sup>). A survey among a sample of beneficiaries of two or three instruments<sup>25</sup> will allow the evaluation team to make an assessment of the (perceived and self-reported) effects of ICSR frameworks on the due diligence process.

#### 4.5 Framework for procurement by the government

It is not the task of the present evaluation to make a full assessment of the government's performance on responsible (and sustainable) procurement, taking into consideration that the new government framework for procurement has just been effectuated. Moreover, the responsibility for implementing the framework does not reside with MFA. Nevertheless, it is important to review the government's aim to set a good example for businesses and to use its economic power as buyer of products and services. To what extent does the government (on various administrative levels) respect the OECD guidelines in its own procurement decisions and what role does MFA play in its development and implementation?

##### Outputs

This question will be answered on output level by analysing the new framework for procurement: does it sufficiently address the shortcoming of the previous framework as identified in the 2014 evaluation? Moreover, the evaluation team will have interviews with government staff (within MFA but also in other ministries, such as the single points of contact) in order to gain insight in how the new framework has actually been implemented.

---

<sup>24</sup> Results of single-company due diligence projects are expected in 2018.

<sup>25</sup> Most likely the Fund Against Child Labour (FBK) and PSI.

## Role of MFA

Specific attention will be paid to the role of MFA, if any, in the implementation of the new framework, notably in view of procurement decisions that relate to the sector covenants. Examples are the procurement of workwear and natural stone. Another relevant question is whether the Dutch embassies set a good example in their contracts with local suppliers.

## Outcomes

Interviews with businesses and business associations may provide insight in the (expected or perceived) influence of the new framework on actual corporate behaviour. Does the government provide an incentive for businesses to improve compliance with the OECD guidelines? How do (potential) suppliers of the government react to the framework?

### 4.6 Guidelines for embassies

Embassies are expected to play an important role in the implementation of ICSR policy. The current evaluation aims to provide insight in what embassies are doing in this respect and whether they have any influence on due diligence.

#### Activities and outputs

A survey among Dutch embassies in developing countries will provide insight in the activities they undertake to promote ICSR. To gain understanding of how they are supported by MFA, interviews will be held with staff of MFA in the Netherlands and abroad<sup>26</sup>.

#### Outcomes

The survey among Dutch embassies will also produce knowledge on outcomes: embassies will be asked to give an indication of the results. How many companies are advised on ICSR-related issues, for example? What do embassies know about ICSR activities of Dutch companies in their country? By means of interviews with embassy staff and representatives of businesses, we will collect data on specific activities and their (perceived) effectiveness.

### 4.7 International cooperation and legislation

Through international cooperation and legislation, the Dutch government wants to create a level playing field and enabling environment for ICSR. In this part of the evaluation, we review a wide range of activities of MFA aimed at setting international agendas, reaching bilateral and multilateral (trade) agreements and possibly changing the law. The analysis covers, among others, the role of the Netherlands in the realisation of EU Directive 2014/95 and the EU Conflict Minerals Law.

#### Activities and outputs

Desk research and interviews with representatives of international organisations such as OECD, ILO, UN, WTO and the EU will assist us with getting an overview of activities and outputs of the Dutch government under the heading of international cooperation. What activities does the Dutch government undertake to address ICSR at the EU, international organisations and other governments? What agreements or partnerships have been realised and to what extent can these results be attributed to the Dutch government? What has been the position and agenda-setting role of the Dutch

---

<sup>26</sup> Mostly by Skype or telephone.

government in international debates? And are the positions of the Dutch government in supranational settings consistent/coherent with the other ICSR policies?

#### Outcome

Another question to be answered is whether international cooperation has indeed produced the desired results or is expected to do so. Interviews with policy makers and key stakeholders may provide initial answers to that question. Furthermore, improved transparency (for example as a result of EU Directive 2014/95) can be measured by using sources such as the Transparency Benchmark.

#### Comparison

One aspect that deserves attention is how the Dutch policy compares to policies of neighbouring countries. The evaluators will use the results of a comparative analysis, which looks at ICSR policies in other EU countries, such as France, the UK, Germany and Switzerland, and at EU-level<sup>27</sup>. What policies can be observed in other countries and on the EU-level and is what known about their efficiency and effectiveness? This analysis is based on desk research and interviews with experts.

### 4.8 Field research: country studies

The five selected policies will be reviewed by means of desk research (literature, reports, M&E data), surveys among Dutch companies and interviews with relevant stakeholders. Most of this research will take place in the Netherlands, apart from interviews with representatives of international institutions seated in Brussels, Paris and Geneva. Additional fieldwork needs to be done, however, to verify results of Dutch government policies *on the ground* (e.g. in southern countries) and to explore the strength of causal links between outcomes (changed behaviour of economic actors) and impact (contributions to sustainable development and human rights protection). Is it likely that Dutch policies have contributed or will contribute to positive changes in global value chains (a matter of attribution)? Have local stakeholders been able to benefit from these changes, or will they be able to do so? And if so, under what conditions?

#### Selection of countries

Time and budget allow for four country studies. Sampling has mainly been driven by maximising the utility of information (purposeful sampling), not by ensuring representativeness. Selected countries should present information-rich examples of Dutch ICSR policies and their (presumed) impact on the ground. This implies that country studies should provide sufficient inputs for the five sub-evaluations:

- In view of **sector covenants** and the **framework for procurement by the government**, country studies ideally focus on one or two specific sectors for which covenants have been realised, such as textile and garment, gold, coal or forestry, or for which covenants are still in the stage of development. The country in question should be an important producer and trade partner of the EU, with significant risks in the supply chain.
- In view of **frameworks for private-sector development programmes**, selected countries should be important receivers of PSD funds, and in particular of funds with a relatively strict ICSR framework such as PSI and FBK.

---

<sup>27</sup> Comparative analysis by Change in Context at the request of MFA, in response to questions raised in parliament. Results will be available early 2018.



- In view of the **guidelines for embassies**, each country study should provide insight in activities of the Dutch embassy. One would expect embassies in selected countries to be relatively active in promoting and facilitating ICSR.
- In view of **international cooperation and legislation**, selected countries are preferably important trade & aid partners of the Netherlands. Moreover, it would be interesting to review bilateral agreements or MoUs on ICSR-related topics.

With these criteria in mind, the following countries will be included in the field research:

- 1) Bangladesh
- 2) Colombia
- 3) Ethiopia
- 4) India

*Box 4.1: Four selected countries, a short introduction*

**Bangladesh** (GDP/capita: USD 3.600) is one of the priority countries of the Dutch ICSR policy. The most relevant sector is the textile and garment industry, but also the shipping industry has been topic of debate. The Dutch government has been involved in several initiatives to improve labour conditions after the collapse of Rana Plaza, such as the Global Sustainability Compact, Better Work (ILO) and Bangladesh Accord. Apart from factory safety and labour rights, living wage has been identified as a key issue in the garment and textile industry. The Dutch embassy has been very active, among others with organising conferences on sustainable sourcing and living wage. Bangladesh is an important aid & trade partner, with 26 development aid projects.

**Colombia** (GDP/capita: USD 14.158), an important exporter of coal, has signed a Memorandum of Understanding (MoU) with the Dutch government on the promotion of CSR in the coal sector, which resulted in the creation of bilateral Working Group on Responsible Mining. Colombia is one of the priority countries in the coal covenant, notably due to accusations that companies would be involved in and take advantage of conflicts (“blood coal”). The Dutch government takes part in various initiatives to improve conditions in the Colombian mining industry, including the introduction of a grievance mechanism. The embassy is relatively active in promoting CSR. Colombia is an important receiver of Dutch PSD aid, with 80 projects registered by RVO.

**Ethiopia** (GDP/capita: USD 1.700) is an important aid & trade partner with 73 RVO projects. Furthermore, the country is interesting in view of its rapidly growing textile and garment industry, with labour conditions, child labour and living wage as key issues. Many NGOs have warned that Ethiopia could be the new Bangladesh. Other relevant sectors are agriculture and horticulture (food & flowers).

**India** (GDP/capita: USD 6.572) is a relevant production country for several covenants, but in particular for textile and natural stone (granite). Key issues in the supply chain are “modern slavery”, child labour, low wages and poor labour conditions, particularly in southern regions. Since 2011, the Netherlands and India work together on corporate governance and CSR, involving the set-up of a bilateral Working Group that focuses on mutual learning and promoting dialogue (e.g. through workshops and events). The embassy is relatively active on CSR. India is an important aid & trade partner with 30 projects registered by RVO, including five FBK projects.

The sample includes countries from three regions (Latin America, Africa and Asia) and in different stages of development (with different income levels).

Each country study involves desk and field research, including interviews with relevant stakeholders such as the Dutch embassy, the local government, labour unions, local and international NGOs, community groups, Dutch companies and local businesses. Each country study will focus on one or two

specific sectors that are relevant for the Dutch ICSR policy – notably in view of the (realised) sector covenants – such as garment and textile, coal, gold, wood and natural stone. Furthermore, country studies will be used to verify the implementation of ICSR frameworks for a selection of local PSD projects.

## 5. Organisation and planning

### 5.1 Organisation

The evaluation will be carried out by two IOB evaluators – Alexander Otgaar and Martine de Groot – under supervision of Otto Genee, on behalf of IOB’s management team. The internal reviewers are Ferko Bodnár and Rens Willems. The external review will be done by a reference group that includes Eva Oskam (DDE) and Hannah Tijmes (IMH) on behalf of MFA, Jan van Wijngaarden (SER) and Corina Kerkmans (RVO) representing two implementing bodies, and three external referees: Teresa Fogelberg (GRI), Herman Mulder (Nyenrode Business University) and Rob van Tulder (Erasmus University Rotterdam). The external reference group will be chaired by Otto Genee.

All research activities in Europe (The Hague, Brussels, Paris, Geneva, etc.) will be executed by members of the IOB research team. For the whole set of four country studies IOB will hire a consortium of international and local consultants who are expected to bring in expertise on the countries and sectors to be analysed<sup>28</sup>. Consultants will carry out the research in line with the methodological approach described in the present ToR and dedicated Terms of Reference for the country studies, and in close collaboration with the IOB team. At least one member of the IOB team will assist the consultants with setting up the country study and conducting interviews with key informants (also in view of a consistent approach of the country studies).

### 5.2 Planning

The table below presents an overview of the key milestones for the current evaluation.

Table 3: Planning

What	When
First reference group meeting on ToR	November 2017
Approval ToR by director IOB and formal start of evaluation	December 2017
Expression of interest country studies	December 2017
Contracting consultants for country studies	February 2018
Survey among embassies	February 2018
Country studies	March - August 2018
Second reference group meeting: preliminary results	May 2018
Delivery of draft final report	October 2018
Third reference group meeting: draft final report	November 2018
Final report	November - December 2018
Publication and dissemination of findings	December 2018 - January 2019

<sup>28</sup> Using the framework agreement.

### 5.3 Products

The evaluation will result in a digital report in English, which will be sent to Parliament and made available online. The final report will include a summary with key findings in English and Dutch. Country studies will be published separately on the IOB website.

## References

- Berenschot. (2007). *Onderzoek naar MVO in het financieel buitenland Instrumentarium* (Kamerstuk No. 26485-53-b2). Tweede Kamer der Staten-Generaal.
- Berenschot. (2014). *Evaluatie Sociale Voorwaarden Rijksinkoopbeleid* (Kamerstuk No. blg-457095).
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39–48.
- Crilly, D., Ni, N., & Jiang, Y. (2016). Do-no-harm versus do-good social responsibility: Attributional thinking and the liability of foreignness: Do-No-Harm Versus Do-Good Social Responsibility in the MNC. *Strategic Management Journal*, 37(7), 1316–1329.
- Enneking, L., Kristen, F., Pijl, K., Waterbolk, T., Emaus, J., Hiel, M., ... Giesen, I. (2015). *Zorgplichten van Nederlandse ondernemingen inzake internationaal maatschappelijk verantwoord ondernemen*. Utrecht: Universiteit Utrecht -Utrecht Centre for Accountability and Liability Law (Ucall).
- European Commission. (2011). *A renewed EU strategy 2011-14 for Corporate Social Responsibility*.
- KPMG. (2014). *MVO Sector Risico Analyse* (Kamerstuk No. blg-415343). Tweede Kamer der Staten-Generaal.
- Ministerie van Buitenlandse Zaken - Directie Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie (IOB). (2014). *Op zoek naar focus en effectiviteit : beleidsdoorlichting van de Nederlandse inzet voor private sector ontwikkeling 2005-2012*. Den Haag.
- Ministry of Foreign Affairs. (2013). *A world to gain: A new Agenda for Aid, Trade and Investment*.
- Ministry of Foreign Affairs. (2014). National Action Plan on Business and Human Rights.
- Policy and Operations Evaluation Department (IOB). (2013). *Corporate Social Responsibility: the role of public policy. A systematic literature review* (IOB Study No. 377)
- OECD. (2011). *OECD Guidelines for Multinational Enterprises, 2011 Edition*. OECD Publishing.

- OECD. (2017). *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector*.
- SER. (2014). *Advies 14/04 IMVO-convenanten* (Rapport No. Advies 14/04). Den Haag: Sociaal-Economische Raad.
- Tweede Kamer der Staten-Generaal. (2013). *Maatschappelijk verantwoord ondernemen; Brief regering; Resultaten van de Nederlandse ambassades op het gebied van Maatschappelijk Verantwoord Ondernemen (MVO)* (Kamerstuk No. 26485–152).
- Tweede Kamer der Staten-Generaal. (2014). *Corporate social responsibility pays off*. Geraadpleegd van Tweede Kamer der Staten-Generaal. (2016a). *Hulp, handel en investeringen; Brief regering; Aanpassing Private Sector Development-instrumentarium (PSD) en het Dutch Good Growth Fund (DGGF) landenlijst* (Kamerstuk No. 33625–205).
- Tweede Kamer der Staten-Generaal. (2016b). *Maatschappelijk verantwoord ondernemen; Brief regering; Reactie op het onderzoek naar de ‘Zorgplichten van Nederlandse ondernemingen inzake internationaal maatschappelijk verantwoord ondernemen’* (Kamerstuk No. 26485–219).
- Tweede Kamer der Staten-Generaal. (2017). *Verzamelbrief Internationaal Maatschappelijk Verantwoord Ondernemen*.
- UN. (2011). *Guiding Principles on Business and Human Rights*. UN.
- Vallentin, S. (2015). Governmentalities of CSR: Danish Government Policy as a Reflection of Political Difference. *Journal of Business Ethics*, 127(1), 33-47.