

Evaluation of PUM Netherlands Senior Experts
2017 – 2020



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Evaluation of PUM Netherlands Senior Experts 2017 – 2020

Final Report

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Executive Summary

The Dutch Ministry of Foreign Affairs (MFA) commissioned SEO Amsterdam Economics to carry out the 2017-2020 evaluation of PUM Netherlands Senior Experts, a volunteer organisation financially supported by the MFA. The purpose of the evaluation is to report on the effectiveness and efficiency of the use of public funds (accountability) and to draw lessons that could be taken into account for possible future programming (learning). The evaluation was carried out from September 2020 to March 2021, including fieldwork in Uganda and Myanmar.

PUM matches (senior) Dutch experts with entrepreneurs in developing countries and emerging markets. The Dutch volunteer experts provide technical assistance to PUM clients in various ways such as one-on-one advice, either on location or remotely; seminars; training events and efforts to create business links with companies in the Netherlands. PUM clients can be either small and medium-sized enterprises (SMEs) or business support organisations (BSOs), such as Chambers of Commerce/branch organisations but also including vocational education institutes and business incubators.

PUM supports SMEs with knowledge; this is expected to improve their business practices, and in turn increase their business performance. Improvements in knowledge, practices and performance can take place for PUM's direct clients (direct effects), and for other non-clients and wider economic sectors (indirect effects). PUM's indirect effects take place either through supply chain effects (vertical spillovers) or demonstration effects (horizontal spillovers). This is shown in the reconstructed Theory of Change (ToC) developed by SEO for PUM (see Appendix B).

The evaluation methodology followed OECD-DAC and DCED criteria and used various quantitative and qualitative information sources, implementing a mixed-methods approach. Following international best practice, the evaluation team assessed PUM's relevance, effectiveness, sustainability, efficiency, coherence and additionality. Information sources included extensive desk review, quantitative data from PRIME (an ongoing annual survey implemented by PUM in partnership with Wageningen Economic Research); M&E data from PUM's own systems; a newly designed SEO survey among a large group of stakeholders; and extensive in-depth interviews and focus group discussions with a variety of stakeholders in two countries, using an embedded case study approach. The COVID-19 pandemic affected fieldwork to some extent: in conversation with the evaluation's reference group, case studies focused on two countries instead of more; furthermore, the pandemic made the execution of interviews and focus groups relatively more difficult. Nonetheless, the evaluation team was able to successfully carry out the data collection process. Findings were triangulated at different levels: across stakeholders with different interests, and across different information sources.

The evaluation devoted special attention to PUM's newly adopted 'programmatic approach'. PUM adopted this approach in 2017 in consultation with Boston Consulting Group, which had recommended to reduce fragmentation (by focusing on fewer countries and sectors) and devote more attention to generating greater impact.

Instead of standalone activities focused on individual SMEs or BSOs, the new approach aimed to place them in a broader sector or economic cluster of related sectors. A key hypothesis to be tested was that the Programmatic Approach would increase PUM's overall impact, including through horizontal and vertical spillovers.

The key conclusions reached by the SEO evaluation are the following:

Direct effects

- PUM's senior experts were largely effective in transferring knowledge to SMEs and BSOs. With only few exceptions, they were widely praised by stakeholders with different incentives for their relevant senior expertise and their hands-on approach.
- Multiple sources confirmed that PUM was effective in translating improved knowledge into better business practices. The fieldwork in Uganda and Myanmar yielded several examples of concrete changes in practices which were attributed to PUM by clients.
- In cases where knowledge transfer did not result in improved business practices, this was usually the result of external constraints rather than poor advice. These constraints included limited access to finance to implement some of the advice, political instability (e.g., the 2021 military coup in Myanmar) and the COVID-19 pandemic (which had major effects, including on the tourism sector).
- PUM appeared more effective in changing business practices for SMEs in Least Developed Countries (LDCs) and for smaller SMEs. The role of firm size, however, was inconclusive: smaller firms were more likely to report a change in practices, but previous evaluations showed that bigger firms saw a greater increase in sales. Case studies also showed that PUM's indirect effects (and their sustainability) were larger when working with larger SMEs and BSOs.
- There was also robust statistical evidence that improvements in knowledge and business practices led to better business performance, as measured by growth in employment, sales, and profits. However, in case studies it proved to be difficult to assess the extent to which the registered changes in SME performance could truly be attributed to PUM support.
- There was no evidence that PUM contributed to gender equality or clients' gender sensitivity. There remains a fairly strong male bias amongst PUM experts (73 percent) and the SME supported (70 percent). Different sources commented on the absence of a special focus or systematic approach to women empowerment
- Remote coaching and advice increased in importance during the COVID-19 pandemic. Multiple sources indicated that remote coaching was less effective than other types of missions; stakeholders with different perspectives expected that the lack of physical presence would make identifying needs and creating trust with clients more difficult. Stakeholders give great value to the physical presence of PUM experts on the field and believe this is needed to properly assess clients' needs.
- PUM experts also believed to have contributed to improving Responsible Business Conduct (RBC) practices. However, while advice on RBC appeared to be present during missions, PUM's response to potentially worrisome situations appeared limited.

Indirect effects and sustainability

- Robust evidence on indirect effects and sustainability (durability) of both direct and indirect effects was limited, as PUM itself does not yet measure such effects systematically through its M&E data or PRIME survey.

- However, the case studies in Myanmar and Uganda showed evidence of horizontal and vertical spillovers. Evidence was particularly strong in ‘programmatic’ cases. This suggests that the programmatic Approach may increase indirect effects as hypothesised in the reconstructed ToC. Indirect effects were stronger when clients were well-connected to other local producers or institutions. Since the programmatic approach engages various interconnected stakeholders, it appeared particularly relevant in enhancing indirect effects.
- The case studies also reported some concrete examples of increased sustainability of knowledge and demonstration effects, particularly in Uganda.

Relevance

- There was widespread agreement among stakeholders that the advice provided by PUM experts responded to the actual needs of PUM clients.
- It is unclear whether PUM reaches clients who need its support the most. On the one hand, most survey respondents report that PUM focused on clients who needed its support the most, and PUM appropriately focused on smaller MSMEs (2-50 employees). On the other hand, the case studies indicated that PUM sometimes selected wealthier and better-connected SMEs and could potentially do more to identify relevant clients where PUM can have more impact.
- Most stakeholders agreed that PUM focuses on countries and sectors where the needs are high. For instance, PUM has focused on LDCs instead of medium-income countries, where evidence shows it has higher impact. However, some stakeholders regretted PUM’s retreat from other specific countries where PUM also had high impact.
- With regard to the relevance of the selected sectors for the local context, there was mixed evidence. Case studies showed precise opposites: the agricultural sector in Uganda was highly relevant for the national economy, while tourism in Myanmar presented more potential risks. The procedures for sector selection can be improved to support PUM relevance.
- With regard to PUM’s relevance to Dutch PSD objectives, the evidence was generally positive. PUM has greatly aligned its target countries to those of priority for the MFA and contributes to two main PSD indicators. However, from the point of view of MFA priorities, PUM could be more ambitious with regard to gender targets and youth employment and could improve monitoring on these factors.

Additionality

- With regard to *input additionality* (PUM services being additional to services that may have been provided by others), multiple sources indicated that PUM was generally highly additional relative to local and international markets during 2017-2020, but was less additional to other development organisations. The latter is not a problem to the extent these other programmes are also funded by Official Development Assistance (ODA).
- Even when similar services were available from other sources, PUM was seen as having *development additionality* relative to these sources (contributing to changes in development-relevant outcomes that would not have materialised without PUM).
- Most stakeholders saw PUM as adding value to other Dutch development programmes, in particular through the high quality technical expertise of its experts.

Coherence

- There was mixed evidence with regard to PUM’s *internal coherence* (coordination and synergies with other PSD programmes supported by the Dutch government). On the one hand,

interviewees and focus group participants provided various examples of PUM's successful cooperation with other Dutch programmes such as PSD Toolkit and CBI. However, they noted that PUM could be more pro-active in seeking cooperation and could provide clearer cooperation guidelines to local representatives and country coordinators, as the extent and success of cooperation had thus far been too dependent on individual personalities.

- A similar conclusion was made with respect to PUM's *external coherence* (coordination and synergies with other programmes supported by other development partners). On the one hand, PUM successfully concluded many cooperation agreements with other agencies. On the other hand, there was some evidence of overlap with non-Dutch PSD programmes, suggesting that more could be done to improve cooperation and avoid overlap, for example by Dutch embassies.
- According to multiple interviewees and focus group participants, PUM risks lowering its valued added and increasing its overlap with other organisations if it were to focus too much on developing its own new programmes. While a Programmatic Approach was generally valued, PUM was recommended to implement this approach in partnership with existing third-party programmes (to the design of which it could contribute) rather than by developing its own new programmes independently.

Efficiency

- PUM's total (direct and indirect) costs per mission increased slightly between 2017-2019.
- In terms of missions per FTE, PUM did not show major efficiency gains or losses between 2017 and 2019.
- Overhead in percent of total costs decreased between 2017 and 2019 but remained above target.
- The cost-effectiveness of PUM (i.e. investment per job supported) was remarkably low compared to international standards. This may be because additionality is difficult to assess.
- There was no evidence that the programmatic approach significantly improved PUM's overall cost-effectiveness. It remains to be assessed whether and how the programmatic approach can generate spillovers.
- With regard to timeliness, the evaluation yielded mixed results. In general, PUM implements a fast processes to match experts to client . However, the preparation time before missions can be more efficient, as well as the arranging of follow-ups.
- Working with volunteers was seen as having both pros and cons in terms of efficiency.

Based on the evaluation findings, the key recommendations are as follows:

Effectiveness, efficiency and relevance

1. Maintain or consider further increasing PUM's focus on smaller SMEs operating in Least Developed Countries, maintaining focus on those that are a priority for MFA. Within these countries, assess the impact potential and risks involved in different sectors.
2. Within these focus sectors/clusters, conduct a more in-depth stakeholder mapping in order to identify those clients where PUM can have the highest potential impact.
3. When assessing clients' applications during the intake process, continue to assess existing gaps in knowledge, practices, or performance, as well as PUM's potential to address these gaps. As part of this assessment, constraining factors should be analysed in more depth, for instance by reviewing the questionnaires applied during the primary process.
4. Improve coordination with other development organisations and the Dutch embassy/MFA when analysing country and sector gaps.

5. Be far more ambitious with regard to gender targets, given that (1) gender is a priority issue for MFA, and (2) there are potentially large spillover effects to be obtained from training women in male-dominated industries.
6. Regarding remote coaching: establish a protocol in the primary process to assess the viability of remote coaching; consider expanding group training to fully exploit the benefits of remote coaching; implement some form of remote contact as a structured (and mandatory) tool to align needs and expectations before travelling for missions, and to follow up after missions.

Indirect effects

7. When considering/selecting other programmes to partner with, incorporate a structured assessment of the programme's potential to create indirect effects as per PUM's ToC.
8. Define and communicate a clear strategy forward for the programmatic approach, for example by providing clearer guidelines as to what the approach means in practice for each role, and identify success conditions for engagements with external programmes.
9. Spillovers to non-clients already take place but could be more actively encouraged, for example by (1) developing a detailed assessment to identify the connection of the client to other stakeholders during the "application" and "client assessment" phase; (2) building a structured visit plan where other SMEs join part of the support sessions as observers; and (3) engaging (some) clients with a working plan to become "PUM impact champions" and turn them into "trainers" or "spreaders" of knowledge.

Sustainability

10. Implement a mandatory follow-up with clients to assess longer-term effects and possible needs for additional support. Set this as a requirement with clients during the intake phase to set expectations for future engagement.

Additionality

11. Coordinate closely with MFA, Dutch embassies and other Dutch PSD programmes on the selection of focus countries and sectors.
12. Maximise value added and reduce overlap and inefficiencies by optimising PUM's contributions to other partner's programmes, rather than by developing its own 'competing' programmes.
13. Develop guidelines for local representatives and country coordinators to assess additionality and improve coordination with other programmes.

Monitoring and Evaluation

14. Identify programmatic cases within PRIME data, in order to use WEcR's methodological framework to analyse the relative effectiveness of this approach in the future.
15. Incorporate BSOs (at least vocational institutes and incubators) into the PRIME survey.
16. Continue to encourage the adoption of reporting guidelines within particular sectors so as to strengthen data collection within them.
17. Improve the measurement of indirect effects, e.g. by adjusting PRIME survey to incorporate questions on vertical and horizontal spillovers.

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Annex B	Case study report Uganda
Annex C	Case study report Myanmar
Annex D	PUM Portfolio analysis 2017-2020

1 Introduction

In the introduction we explain PUM's background and the purpose of this evaluation. Additionally, we provide an overview of the evaluation questions and information sources.

The Dutch Ministry of Foreign Affairs (MFA) commissioned SEO Amsterdam Economics to carry out the 2017-2020 evaluation of PUM Netherlands Senior Experts (henceforth, 'PUM'), **a volunteer organisation financially supported by the MFA.** This final report gives an overview of PUM's organisation (Chapter 2) and presents the main findings regarding PUM's effectiveness (Chapter 3), relevance (Chapter 4), additionality and coherence (Chapter 5) and efficiency (Chapter 6).

1.1 Background PUM

PUM is a volunteer organisation which provides entrepreneurs in developing countries with advice and training for the sustainable development of their businesses. PUM does this by matching PUM volunteer experts to clients. Experts assist clients with a wide range of tools such as; giving advice on location or remotely, giving seminars or training and creating business links with companies in the Netherlands.¹ This valuable and specific advice ensures that clients are better equipped to reach their goals (such as increasing profit) and leads them to attain sustainable development of their businesses.

PUM was established in 1978 by the Dutch employer's association (VNO-)NCW. It has since supported 45,000 entrepreneurs across the world. PUM is supported financially by the Dutch Ministry of Foreign Affairs (MFA). Further, it directly contributes to the 17 Sustainable Development Goals set out by the UN and it helps realising the priorities in the official Dutch development cooperation. As of 2020, PUM has PUM representatives spread out over 35 countries and permanent staff and volunteer-staff based in The Hague, the Netherlands.

PUM focuses on four different themes: food security, health and environment, industry and trade and services and other. Of these four themes, the food security theme is the largest and included 40 percent of all activities in 2020.² Within the above-mentioned themes, PUM has many specific client sectors. Additionally, through the pro-bono work of its experts and staff volunteers, PUM is active in several areas such as female entrepreneurship, youth employment, innovation etc.

Since 2018, PUM has increasingly implemented activities through a new 'programmatic' approach. This approach is aimed at integrating the services of PUM in a more clustered and cohesive manner, focusing on a smaller number of countries and sectors³ (see Section 2.5 for more information about PUM's programmatic approach).

¹ PUM website (<https://www.pum.nl/en>)

² Annual report KPIs 2020 (as received from PUM on 9-2-2021)

³ PUM annual report 2017

The COVID-19 crisis, that started in 2020, greatly impacted how PUM gives advice to its clients. The start of national lockdowns around the world and the halt of global air travel forced PUM to change its approach from mainly on-location advice to remote coaching. Appendix C further describes how PUM handled the effects of the pandemic on the workings of the organisation.

1.2 Purpose of the evaluation

The evaluation of the PUM is required by the Dutch government under its general policies on evaluation. Since 2001, regular, independent evaluations of Dutch government policy have been mandatory. Development cooperation programmes were already subject to close evaluations for much longer. Following a competitive tender procedure as part of MFA's evaluation framework, MFA commissioned SEO Amsterdam Economics to conduct the evaluation of PUM for the period 2017-2020.

Evaluations of Dutch development cooperation programmes generally have two objectives: accountability and learning.³ The accountability objective is to determine whether policies and programmes have been efficient and effective, so as to account for the use of public funds. The learning objective is to offer insights into why results were (or were not) achieved, and to draw on these lessons to improve policies and programmes.

Similarly, the PUM evaluation aims to increase accountability and provide lessons learned. The PUM evaluation analyses the effectiveness, relevance and efficiency of the programme between 2017 and 2020. This evaluation also provides lessons learnt that could serve as input for future development of PUM.

1.3 Evaluation questions

The table below gives an overview of the evaluation questions and the section in which they are addressed.

#	Evaluation question	Section
<u>Effectiveness and sustainability</u>		
4	What is PUM's distinct added value in comparison to different alternative SME support activities in similar settings?	3.2 and 5.1
4a	How does PUM-support lead to product or process innovation?	3.3
4b	What are the specific contributions to the development of entrepreneurship?	3.3
4c	What are the likely effects for sector competitiveness?	3.3
8	What is the evidence on the effectiveness of the programmatic approach?	3.3
9	What is the evidence on the effectiveness of the incubator and vocational education programmes in terms of youth employment/entrepreneurship?	3.3
10	To what extent do PUM's interventions contribute to female entrepreneurship?	3.2
10a	To what extent are PUM's interventions gender sensitive?	3.2
10b	To what extent are PUM's interventions gender specific?	3.2
11	What is the evidence on the effectiveness of remote coaching of SMEs and BSOs?	3.2
12	What is the evidence on the effectiveness of PUM activities with regard to the adoption of RBC practices and reducing risks in value chains?	3.2
13	How do PUM's processes ensure the effectiveness of its activities for its clients?	3.2
18	To what extent is the programmatic approach able to generate sustainable impact?	3.4
18a	What is the evidence thus far that the programmatic approach yields more sustainable impact than the previous PUM strategy?	3.4
18b	How do PUM's processes ensure that the programmatic approach can yield more sustainable impact than the previous PUM strategy, and how can this be improved?	3.4
<u>Relevance</u>		
1	To what extent is PUM relevant to the countries and sectors in which it operates?	4.2
1a	How do PUM's processes ensure the relevance of its activities and programmes to the country, sector, and client? (including stand-alone activities, sector-specific programmes, and the incubator programme?)	4.1.1 and 4.2
1b	What is the evidence on the relevance of sector-specific programmes vs. stand-alone activities?	3.3 and 4.1
2	To what extent is PUM relevant to the policy objectives of MFA on private sector development?	4.3
2a	How do PUM's processes ensure the relevance of its activities and programmes to the policy objectives of MFA on private sector development?	4.3
2b	What is the evidence on the relevance of its activities and programmes to the policy objectives of MFA on private sector development?	4.3
19	To what extent has the indicator 'number of jobs supported' been a useful benchmark to measure the development effects of PUM support? What are possible recommendations for improvement?	4.3.3
<u>Additionality and coherence</u>		
3	To what extent are the subsidised advice services that PUM provides additional relative to the local and international market?	5.1.1 and 5.1.2
3a	How do PUM's processes ensure its additionality relative to the market, in other words: ensure no market distortions occur?	5.1
3b	What is the evidence on the additionality of PUM activities relative to the market?	5.1.1 and 5.1.2
5	To what extent are the advisory services that PUM provides additional relative to other (similar) development organisations?	5.1

#	Evaluation question	Section
5a	How do PUM's processes ensure its additionality relative to other (similar) development organisations?	5.1
5b	What is the evidence on the additionality of PUM activities relative to other (similar) development organisations?	5.1.3
6.	To what extent is PUM coherent with other PSD-interventions financed by the Netherlands Ministry of Foreign Affairs or other donors? (adding value while avoiding duplication of effort)	5.2
6a.	To what extent is PUM coherent with other PSD-interventions financed by the Netherlands Ministry of Foreign Affairs in the sectors and countries PUM is active in? (adding value while avoiding duplication of effort)	5.2.1
6b.	To what extent is PUM coherent with other PSD-interventions financed by other donors in the sectors and countries PUM is active in? (adding value while avoiding duplication of effort)	5.2.2
	<u>Efficiency</u>	
16a	What is the cost-effectiveness of PUM and the specific PUM activities for the realisation of envisaged outputs (costs per job; costs per investment, etc.)?	6.1
16b	What are the reasons for cost-effectiveness differences between sectors and countries?	6.1.3
14	What has been the effect of the programmatic approach on cost-effectiveness of PUM?	6.1.2

1.4 Information sources

1.4.1 Overview of information sources

The evaluation made use of a wide range of information sources. The main sources used are listed below.

1. **PUM documents:** available programme and project documents, strategy documents, annual reports, previous evaluations and other relevant documents.
2. **Survey data:**
 - a) Existing survey data from PRIME.
 - b) Additional survey data from a new PUM Stakeholder Survey—designed by SEO.
See separate Annex A with the final SEO Survey results.
3. **Other quantitative data**
 - a) Primary M&E data obtained from PUM (on inputs, outputs, outcomes, and impact)
 - b) Secondary data for benchmarking outcomes (average country/sector statistics)
 - c) Fact sheets and results stated in annual reports
4. **Interviews** with all relevant stakeholders:
 - a) **PUM clients and potential PUM clients** (i.e. non-clients). PUM clients include Small and Medium-Sized Enterprises (SMEs), Business Support Organisations (BSOs), Vocational Education and Training Institutes (henceforth, ‘vocational institutes’) and Business incubators.
 - b) **PUM staff** (e.g. PUM management, PUM senior experts, PUM country/sector coordinators, PUM local representatives, and staff volunteers);
 - c) **MFA staff** (current and past policy advisors responsible for PUM; head for Private Sector Development).

- d) **Other local stakeholders** (e.g. Dutch Embassies, local governments, local independent country/sector experts, SME development agencies, independent BSOs, other sector organisations);
- e) **Other international stakeholders** (e.g. representatives of other development organisations, PUM programme partners)
- 5. **Focus group discussions** with relevant RVO staff familiar with PUM (PSD coaches, CBI experts) and with PUM local representatives.
- 6. **Case studies:** see separate Annex B and C with the case study reports for Uganda Myanmar.

1.4.2 Case study approach

The evaluation team selected two country-sector pairs: the tourism sector in Myanmar (including hotels) and the vocational education sector in Uganda (with a focus on agriculture). This selection of country-sector pairs took into account the geographic distribution of PUM projects (focus on Africa and Asia) as well as the considerations noted in the ToR regarding the preferred sectors. Other relevant considerations that were taken into account were (1) the number of PUM projects in a country (where Uganda ranked as number one); (2) the inclusion of a fragile state (Myanmar); (3) the extent to which lessons can be learned in these countries that were relevant for both PUM and MFA; (4) the existence of PUM cases within a ‘programmatic approach’ as well as stand-alone (non-programmatic) PUM cases, and (5) the logistical ability to do field work in the country.

Each case study followed an *embedded design*.⁴ Following Sholz and Tietje (2002, p.2), this means that the analysis of each country-sector case was faceted both by different perspectives of inquiry and/or by several sub-cases. In our case, this meant that we took the country-sector pair as our basic unit of analysis, within which we selected a variety of individual sub-cases (e.g., individual PUM cases involving particular SMEs or BSOs). Each individual case, in turn, involved a variety of stakeholders: PUM-supported SMEs or BSOs, other relevant stakeholders (e.g., their suppliers, clients, or competitors), as well as sector stakeholders (chambers of commerce, sector associations, embassies, ministries, etc.) and PUM implementing partners (other organisations that may work with PUM, or for which PUM may be a sub-contractor).

Using an embedded design for a relatively small number of country-sector pairs allowed us to focus on the depth of each case study. Rather than focusing on various countries and sectors (which are inherently very different and difficult to compare) and interviewing only a handful of stakeholders for each case, we made effectively use of the available evaluation resources by increasing the number and type of stakeholders included in this embedded design. This included stakeholders that had opposing views or interests, as well as stakeholders that did not have direct PUM support, but nevertheless benefited indirectly from PUM’s programmatic approach through horizontal or vertical spillovers. Whether or not such spillovers took place (or are likely to take place) was highly relevant for obtaining a systemic and sustainable impact related to the strengthening of clusters.

⁴ Roland Sholz and Olaf Tietje (2002). “Embedded Case Study Methods: Integrating Quantitative and Qualitative Knowledge.” Sage Publications

We used three selection criteria to select individual cases within each country-sector case.

First, we selected at least two PUM cases that fall within the ‘programme’. Second, we selected at least two ‘stand-alone’ PUM cases that fell outside (or took place before) the programmatic approach but provided support to SMEs in similar areas. The goal of this is to be able to draw comparisons between cases that are part of a programme and those which do not. Third, we aimed to select a diversity of PUM clients in terms of key client characteristics: type (BSO/SME), size (small, medium, large), age of the organisation, and gender of the owners, to the extent information on this was available (not available for all SMEs). The extent to which such client characteristics influence outcomes is difficult to assess through case studies, due to the small sample, but was assessed through portfolio data analysis, subject to available information (for example, information on gender and age appears to be available only in 30 percent of cases.)

1.4.3 Validation and triangulation of information sources

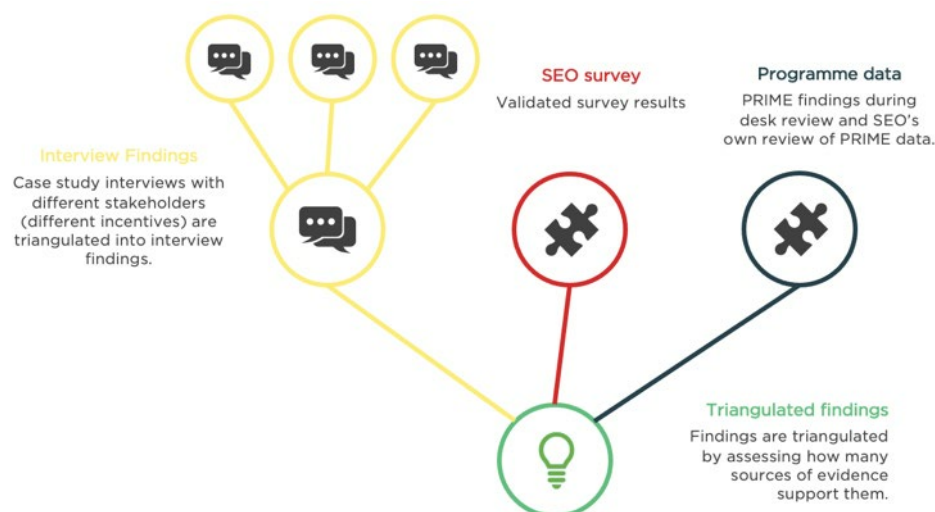
In order to ensure the reliability of these information sources, the evaluation team validated the data collected in various ways:

- **We validated programme data** (e.g. M&E data, PRIME survey data) by reviewing the data collection methods, definitions, and consistency (in order to determine whether the reported information appeared to be correct, representative, and consistent).
- **We validated our own stakeholder survey data** by testing the survey, analysing outliers, and by validating surprising results through follow-up interviews and focus group discussions.
- **We validated our interview findings** by triangulating them across different stakeholders⁵. We spoke to a sufficient number of internal and external stakeholders with different (and sometimes opposing) interests. For instance, PUM experts and PUM clients were both interviewed; the possible biases in their responses, if at all, are likely to be opposing. PUM experts may have an incentive to over-estimate positive results and ignore issues during the mission (since it is their own work which is in part being evaluated). PUM clients, on the other hand, do not have such an incentive to over-estimate results, and in fact could have an incentive to exaggerate their need in order to justify support. Beyond these two stakeholders, PUM local representatives and staff were also interviewed. The first may have an incentive to over-estimate results (which, again, depend in part on their own work). The second, on the other hand, may have a more independent view on PUM’s work, since they were interviewed individually about the work of PUM as a whole.

To minimise bias and ensure that our conclusions did not depend too much on one particular information source, we also triangulated findings across different and independent evidence sources. All data were validated with at least one (and ideally three) other information source, whenever possible, and when this was not possible this was noted explicitly. Different sources of evidence are weighted and combined to arrive at a final evaluative conclusion, as described in the following paragraph. Our conclusions are therefore mostly based on multiple sources of ‘evidence’ and are generally not based on one data source only.

⁵ “Triangulation” refers to the use of multiple methods or data sources to develop a comprehensive understanding of phenomena (Patton, 1999). Triangulation also has been viewed as a qualitative research strategy to test validity through the convergence of information from different sources.

Figure 1.1 To ensure the reliability of findings, these were triangulated across different information sources



For each OECD-DAC criterion assessed in this evaluation, the conclusive findings are summarised using a scoring system. The score is “+++” when the evidence of positive impact is “very clear” (e.g. controlled statistical correlations in case of PRIME or interview findings that were shared by many different stakeholders with opposing incentives), “++” when evidence of positive is “clear” (e.g. interview findings triangulated across some stakeholders), “+” when evidence is somewhat clear (e.g. descriptive statistics in SEO survey). A score of “+/-” indicates that contradicting evidence was found (both of positive and negative impact). A score of “0” is given when no evidence was found of either positive or negative impact. Finally, an “N/A” score indicates that it was not possible to collect any evidence. For each OECD-DAC criterion, the different evidence sources are scored in a summary table format as in Table 1.1.

Table 1.1 Example of evidence summary table format (scores do not represent actual findings).

Evaluation items in OECD-DAC criteria	PRIME	SEO Survey*	Uganda case study		Myanmar case study	
			Programmatic	Standalone	Programmatic	Standalone
• Criterion 1	+++	+	++	+	++	+++
• Criterion 2	+++	+	++	++	+	++
• Criterion 3	+++	+	+	+	N/A	+

Source: SEO Amsterdam Economics. “+++” indicates very clear positive impact, “++” indicates clear positive impact, “+” indicates somewhat clear positive impact, “0” indicates minimal or no impact, “-” indicates somewhat negative impact, “+/-” indicates conflicting evidence of impact, N/A indicates absence of evidence.

2 PUM organisation 2017-2020

Chapter 2 gives an overview of PUM's portfolio for the period 2017-2020 and explains its organisational structure and activities. Section 2.4 gives a description of PUM's reconstructed Theory of Change and Section 2.5 explains PUM's programmatic approach.

2.1 PUM activities

PUM splits its activities into four main categories: Advisory Missions, Business Links, Remote Coaching and Seminars. As shown in Table 2.1, the Advisory Missions are by far the largest share of total support activities PUM provides (93 percent in 2019). Furthermore, Remote Coaching activities have seen an increase in the past years, from 19 missions in 2017 to 53 missions in 2019 and to 616 missions until 31 December 2020, reflecting the many COVID-19 related travel restrictions. For the same reasons, the number of Seminar missions declined substantially in 2020 as well, just as the Business Links missions. As of February 2021, PUM stated on its website that the work of an expert would “usually” be done via Remote Coaching and only “in some cases” directly on location.

Table 2.1 In 2020, the number of remote coaching missions substantially increased

	2017	2018	2019	2020 (until September)
Advisory Missions	1759	1414	1596	358
Business Links	54	54	42	11
Remote Coaching	19	23	53	266 ⁶
Seminars	14	14	19	4
Total Support Activities	1846	1505	1710	639
Countries Active	38	38	38	34

Source: SEO Amsterdam Economics based on PUM annual reports for 2017, 2018, 2019, and the PUM portfolio database for 2017 – 2020 (September)

PUM also supports SMEs with advice to improve their ‘investment readiness’ (e.g. preparing a solid investment pitch). Before 2020, PUM tried to broker between SMEs and potential investors to ensure access to finance. However, as these results were unsatisfactory, as of 2020 PUM focusses on improving the “investment readiness” of SMEs. Additionally, PUM also has the opportunity to provide small matching grants (\leq €7,500) to SMEs through the Hans Blankert Fund, which in 2019 provided 60 SMEs with grants.⁷

According to PUM, its target audience for advisory missions are SMEs and BSOs that lack the financial means to hire professional consultants. Clients are encouraged to apply for advice of experts through PUM's website. For the first advisory mission, clients only pay for

⁶ Note that the number of remote coaching until 31 December 2020 was 616.

⁷ PUM annual report 2019, page 10

accommodation, transport and meals of the expert.⁸ If the client wishes to have a follow-up mission, clients are charged according to their ability to pay with a base payment of €700. In 2019, 30 percent of all cases were follow-up missions.⁹ Furthermore, PUM actively tries to target female entrepreneurs to promote diversity among its clients and foster inclusive economic growth. In 2020, 30 percent of SMEs supported were female entrepreneurs, and 15 percent were young entrepreneurs (< 35 years).¹⁰ Additionally, more young entrepreneurs are supported indirectly through business incubators.¹¹

2.2 PUM portfolio 2017-2020

This section provides a summary of the PUM portfolio 2017-2020. The full portfolio analysis for the period 2017-2020 can be found in Annex D.

Between January 2017 and September 2020¹², PUM conducted 5,782 cases and assisted 4,400 clients, mostly in Africa and Asia. Most PUM cases took place in Sub-Saharan Africa (44 percent) and in Asia (35 percent). The remaining 21 percent of cases took place in Latin America (12 percent), Middle East and North Africa (8 percent), and Europe (1 percent). The cases were mostly located in lower middle-income countries (39 percent) and in least developed countries (39 percent), followed by upper middle-income countries (21 percent). In total, 11 percent of cases operated in ‘fragile’ countries.¹³

⁸ PUM annual report 2019, page 38

⁹ Preparation report PUM evaluation September 2020, page 16

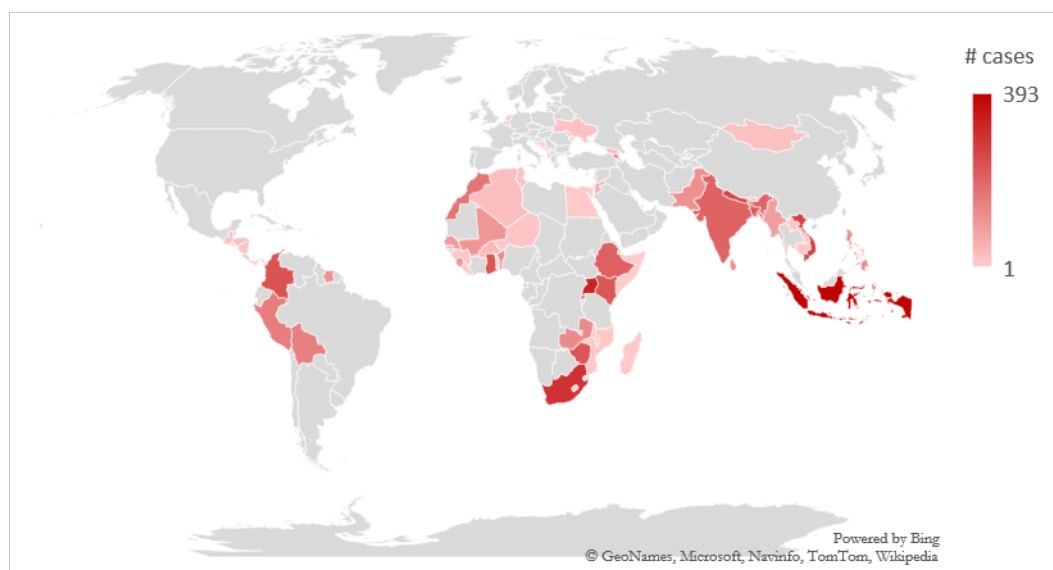
¹⁰ Annual report KPIs (as received from PUM on 9-2-2021)

¹¹ Preparation report PUM evaluation September 2020, page 17

¹² The portfolio analysis in this evaluation is based on data through September 2020. Towards the end of the evaluation, additional data through December 2020 became available but some definitions and classifications had changed (e.g. classification of PUM themes) which made the comparison with the previous dataset difficult. Therefore, for consistency, the portfolio analysis continues to be based on the dataset January 2017 - September 2020.

¹³ Fragile Countries as defined by the World Bank (“List of List of Fragile and Conflict-affected Situations”): (<http://pubdocs.worldbank.org/en/888211594267968803/FCSList-FY21.pdf>)

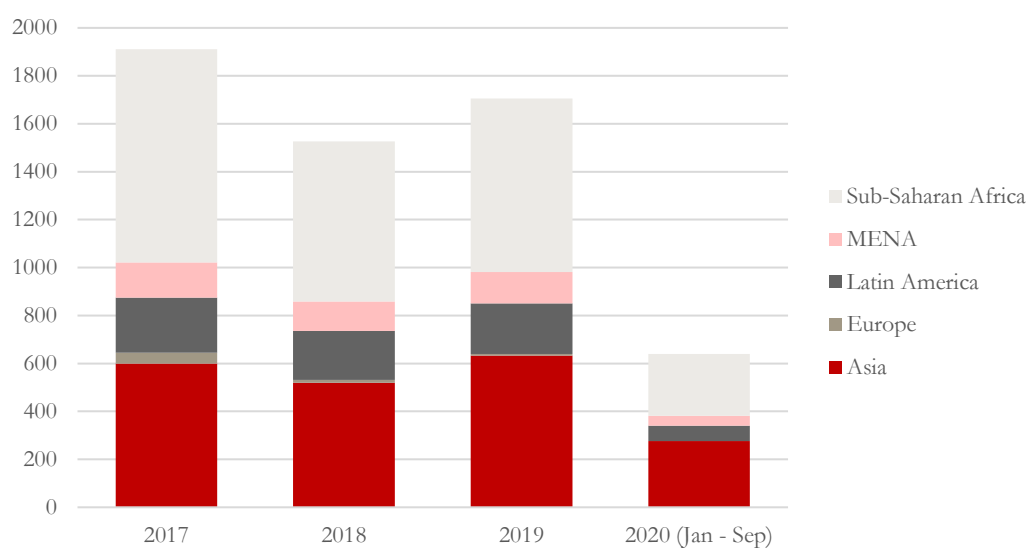
Figure 2.1 PUM is mostly active in Africa and Asia



Source: PUM portfolio of cases between January 2017 and September 2020, n=5782

Since 2017, fewer new missions took place. As Figure 2.2 shows, the intake of new missions slowed down between 2017 (1,911 missions) and 2019 (1,705 missions). This reduction is likely related to the change in strategy adopted in 2017 after which PUM started focusing on fewer clients with the aim of achieving a larger and more sustainable impact per client. This implies that missions are often of a longer duration (when including the preparation of the mission) and are structured in the programmatic approach. Moreover, the more focused approach on a smaller number of sectors and countries which was adopted in 2017, could have decreased the number of cases PUM was able to provide. Further, it should be noted that the decline in missions in 2020, is most likely due to the COVID-19 pandemic, which has impacted PUM's ability to give advice.

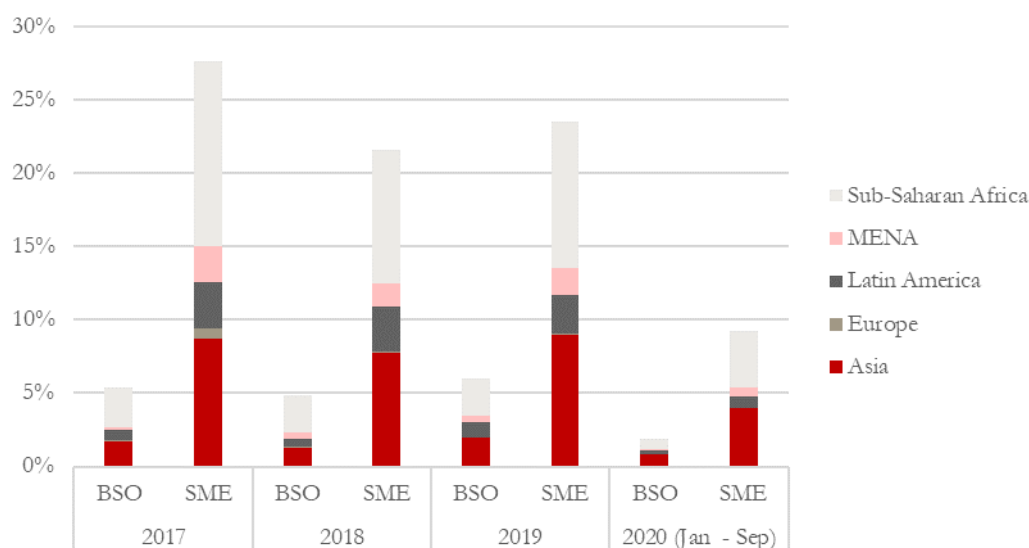
Figure 2.2 The number of new cases per year decreased since 2017 (except in 2019)



Source: PUM portfolio of cases between January 2017 and September 2020, n=5782

PUM mostly provided support to SMEs (81 percent of cases), with the share of BSOs remaining small (19 percent of cases). PUM provides support to small and medium-sized enterprises (SMEs) and Business Support Organisations (BSOs). BSOs contribute to SME performance by providing key services and enabling local business connections. They include chambers of commerce, cooperatives, sector organisations, employers' associations, vocational institutes, incubators and universities. Figure 2. shows the distribution of PUM activities between SMEs and BSOs per region over the past 4 years. Most cases were with SMEs in either Asia or Sub-Saharan Africa, for example 34 percent of cases in 2019 were in Sub-Saharan Africa with SMEs, this accounted for 10 percent of all cases in the portfolio. Further, when looking at the divide between the gender of the entrepreneur and the ownership of a SME or BSO, in both cases about 73 percent of SMEs and BSO are owned by men and the remaining 27 percent are owned by women.

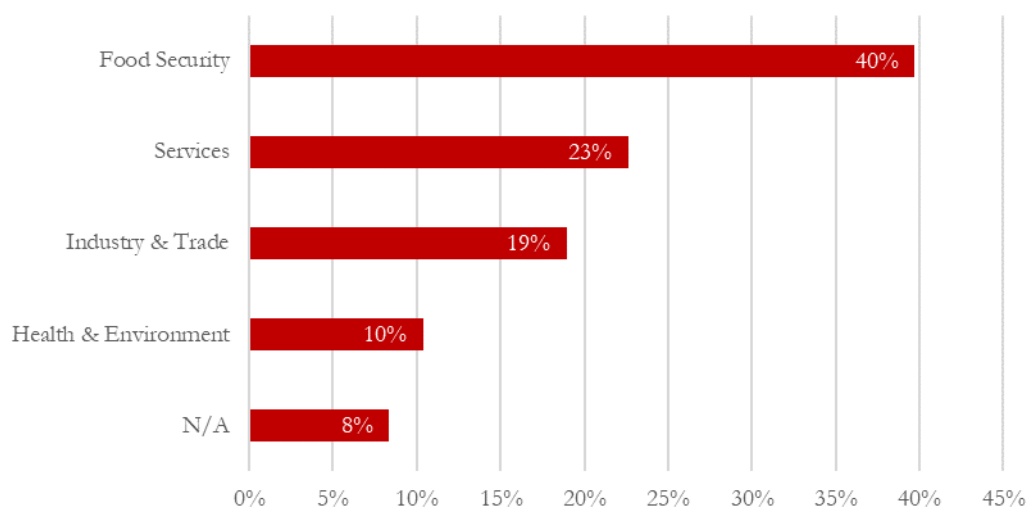
Figure 2.3 Around 80% of PUM clients are SMEs, the share of which has not changed much since 2017



Source: PUM portfolio of cases between January 2017 and September 2020, n=5782

Since 2017 due to the advice of BCG, PUM divides sectors into four “themes,” of which Food Security is the largest. The themes are: Food Security (40 percent), Services (23 percent), Industry and Trade (19 percent) and Health and Environment (10 percent), shown in Figure 2.4. In Sub-Saharan Africa, Asia and Latin America most cases focus on the Food Security theme with 38 percent, 40 percent and 39 percent of cases respectively. PUM also categorises the cases in more detailed groups (by Client Sector Group or Client Sector) however, these groups show similar results (i.e. Food Security remains the largest group of cases).

Figure 2.4 40% of all PUM cases between 2017-2020 were in the Theme Food Security



Source: PUM portfolio of cases between January 2017 and September 2020, n= 5782

2.3 Programmatic approach

In 2017, Boston Consulting Group (BCG) advised PUM to improve the quality and impact of their work through some key recommendations. These were:¹⁴

- Reduce the number of countries and sectors PUM is active in.
- Increase impact through building long term relationships with clients and partners.
- Work with less experts to allow for more missions per expert.
- Involve staff volunteers more with management.

BCG advised PUM to decrease the number of countries and sectors to increase PUM's focus and impact. They noted that PUM's activities were relatively fragmented, both geographically and in terms of their spread across sectors. In their view, fewer countries and sectors would allow PUM to increase the scale, impact and outreach of its work for PUM clients and partners. Following BCG's advice, PUM went from being active in 68 countries and 72 sectors to being active in 38 countries and 51 sectors in 2017.¹⁵ In 2020, this further declined to 35 countries and 41 sectors.

Further, BCG advised to focus on long-term relationships and working with less experts. Building long-term relationships was advised as this would allow PUM to partner with relevant stakeholders and to implement a programmatic approach to increase its impact. Moreover, working with less yet, more active experts was a recommendation as this would increase the quality of PUM's advice. It was advised that PUM experts should perform at least two missions a year¹⁶ to ensure increased involvement. Lastly, BCG recommended PUM to better link staff volunteers with PUM management. This was implemented by creating the positions of theme coordinators and regional coordinators.

¹⁴ Project PUMA Report, page 3

¹⁵ PUM annual report 2017, page 7

¹⁶ Project PUMA Report, page 6

Since 2018, PUM has started implementing a so-called “programmatic approach” in its core processes. The main idea behind this programmatic approach was to link multiple PUM missions together within one ‘programme’ aimed at developing a certain sector or cluster of sectors within a country. Within such a programme, multiple clients would be supported through a team of experts, with at least five missions per year and with a total programme duration of at least one year.¹⁷ This approach was expected to increase PUM’s overall impact, to create more focus within PUM’s work, to create strategic, long-term partnerships with other stakeholders, and to increase and diversify external funding opportunities.

With the programmatic approach, PUM started focusing more on specific sectors or ‘clusters’ of sectors within a country. As noted earlier, a ‘sector’ is defined by PUM as the smallest level of expertise knowledge in which PUM specialises, for example ‘large hotel chains’. A ‘cluster’ is a wider set of interlinked sectors that can have indirect effects on one another, including various stakeholders that can influence SMEs and BSOs. For example, the cluster surrounding the ‘large hotel chains’ sector would include restaurants, hotel suppliers, travel agencies, marketing firms and ICT companies, each of which may belong to different sectors but are part of the same value chain.¹⁸ This cluster in turn would fall under the broader “Services” theme.

In October 2019, the Supervisory Board asked PUM management to internally evaluate the progress made thus far with the programmatic approach. The internal evaluation completed in March 2020¹⁹ highlighted three factors that limited a rapid roll-out. First, there was sometimes no implementing partner. Second, programme managers had insufficient access to PUM information systems. Third, PUM had insufficiently used the knowledge and network of its local representatives. With regard to the latter point, PUM management then took active steps to change the role of the representatives (described in the Appendix D).

By December 2020, 10 percent of PUM cases were part of a programme. The target was to increase this to 30 percent by the end of 2021, which was agreed with the Ministry of Foreign Affairs.²⁰ The slow progress to this goal was attributed in part to the COVID-19 pandemic.

¹⁷ PUM Podium Programme (“ontwikkeling en uitvoering”), March 2018

¹⁸ According to PUM, the concept of ‘cluster’ is a broad concept which PUM has only recently started to use and hence, is still in its development phase. According to PUM, the concept of ‘cluster’ is a broad concept which PUM has only recently started to use and hence, is still in its development phase.

¹⁹ PUM *Programma’s en Programmatisch werken*, RvT 230320/ bijlage 3

²⁰ PUM Subsidy Proposal 2017-2021, page 15

2.4 Theory of change

A good evaluation always starts from a Theory of Change (ToC). During the inception phase, the evaluation team therefore conducted a thorough review of the existing ToC(s) used by PUM,²¹ which was discussed with PUM management and other key PUM staff in a number of brainstorm sessions. Based on these sessions, and extensive desk review of the documentation provided by PUM, the evaluation team has produced a reconstructed version of the ToC (see Appendix A) that was used as a basis for our evaluation.

The benefits of using a reconstructed ToC for this evaluation are threefold:

- Discussions on this ToC have helped to establish a common understanding between PUM, MFA and the evaluation team about PUM's goals and impact vision, and how it aims to achieve this.
- Discussions on this ToC were considered useful by PUM staff, particularly as PUM itself was already aiming to adapt its own ToC so as to better reflect the adoption of the Programmatic Approach.
- The reconstructed ToC was used as the basic framework to support and guide our evaluation, including for developing the interview guides for case studies and the stakeholder survey questionnaire. We also proposed to rephrase a number of evaluation questions based on this ToC.

Description of Impact Pathways

The reconstructed ToC contains three so-called 'impact pathways', referring to PUM activities taking place at three levels: (1) SMEs, (2) BSO and Incubators, and (3) Vocational Institutes. All three pathways together contribute to PUM's overall impact goal, i.e., sustainable and inclusive economic development. The pathways describe the different channels through which PUM aims to improve the conditions of SMEs as significant actors toward that goal. The specific long-term impact outcomes that PUM strives for are improvements in SME turnover, profits, employment, investments, sustainable and inclusive practices and trade relations (including with the Netherlands). From discussions with PUM representatives, it is clear that these are medium-term goals for the SME clients PUM works with directly, and long-term goals for a wider group of SMEs that can be reached through various spillover effects.

Main pathway: SMEs

The SME pathway mostly reflects the structure of PUM's 2015 ToC. The key outputs and outcomes are as follows:

- **Outputs:**
 1. Knowledge transfer and coaching. This is the main output for all PUM cases with SMEs, while the subsequent two are used less often.
 2. Business link activities (both with local SMEs and BSOs and with foreign organisations—Dutch companies in particular);
 3. Matching grants provided (Hans Blankert Fund).

²¹ We reviewed several previous ToCs, including some that were still under construction, and particularly used the original ToC from 2015 as our blueprint.

- **Short-term outcomes: Increases in SME knowledge**
- **Medium term outcomes:**
 1. Improved SME business practices;
 2. Strengthened relations with customers, suppliers and investors (including trade relations with the Netherlands);
 3. Improved ability to access funding (via the Hans Blankert Fund).
- **Long-term outcomes:** increases in SME business performance (e.g. sales, profits, employment). The PRIME survey measured these outcomes after 1 and after 3 years.

The success of individual client SMEs is expected to spread both within and across different value chains (or clusters) through a set of long term indirect effects. In particular, there are two main types of indirect effects:

- **Horizontal spillovers:** When SMEs develop new products or adopt innovative or inclusive²² practices that are new to the sector or country, these ‘innovations’ have the potential to be copied by other SMEs, even when these are not PUM clients.
- **Vertical spillovers:** The improved performance of SMEs may also indirectly improve the performance of their supply chain partners and encourage new business linkages in the supply chain.

Ultimately, these indirect effects are expected to facilitate a sustainable long-term improvement in SME development within the sector or cluster. Other important long-term outcomes are job creation and inclusion.

Support pathway 1: BSOs and Incubators

Support pathway 1 shows the envisaged impact of PUM via Business Support Organisations (BSOs) and Incubators. Incubators themselves can also be seen as a BSO, but other BSOs include chambers of commerce, cooperatives, sector organisations, employers’ associations and universities. All such BSOs can contribute to SME performance by providing key services and enabling local business connections. In the case of Incubators, this contribution is more indirect; they are expected to contribute to the creation of new start-ups, which if successful can eventually be established as an SMEs (an established business).

BSOs and Incubators have similar outputs and outcomes:

- **Outputs:** Training and coaching to BSOs and Incubators.
- **Short-term outcomes:** Increases in BSO and Incubator knowledge
- **Medium-term outcomes:**
 - BSOs and Incubators more capable to support start-ups and SMEs to implement new practices.
 - Improved access to finance for start-ups and SMEs
- **Long-term outcomes:**
 - Start-ups established
 - Start-ups becoming PUM clients
 - Indirect effects of start-ups on the wider sector/cluster

²² ‘Inclusive’ practices could include for example hiring women for jobs that are traditionally filled by men, or developing products specifically tailored to women, youth, or refugees.

Support pathway 2: Vocational Institutes

Support pathway 2 shows the impact reached through PUM's activities with Vocational Institutes. As a special type of BSOs, these centres play an important role in supporting SMEs from the labour supply side. The main outputs and outcomes are as follows:

- **Output:** Provision of technical support on the curricula (which is in itself based on field studies to identify useful skills).
- **Short-term outcomes:** Improved entrepreneurial skills by training institutes. The curricula are also made more practical and better aligned with the actual demands of businesses. In some cases, PUM also helps set up internship programmes.
- **Medium-term outcomes:** student's increased access to internships; improved practical or entrepreneurial skills
- **Long-term outcome:** improved match between labour supply and demand, increased labour productivity, and more start-up SMEs.
- All of these outcomes in turn are also expected to have **indirect effects** on the wider sector/cluster and economy, both within PUM clusters and beyond (through horizontal and vertical spillovers.)

2.5 PUM organisational structure

A unique aspect of PUM's organisational structure is that most of its staff are volunteers. As of December 2020, PUM employed 47 paid staff members, 92 staff volunteers and 159 local representatives. Further, PUM had 1,595 active volunteer in its database.²³ Table 2.2 below gives an overview of PUM staff and volunteers during 2017-2020. As shown, the distribution between paid and volunteer staff remained fairly stable during this period, although the number of experts (volunteers) declined somewhat since several reforms took place in 2018.

Table 2.2 PUM has around 50 paid staff, 90 volunteer staff, and over 1600 experts

	2017	2018	2019	2020
PUM paid staff	48	57	52	47
PUM staff volunteers	98	92	93	92
Local representatives (partly compensated)	194	170	177	159
PUM experts (volunteers)	1915	1916	1774	1595

Source: Preparation report PUM

Over 60 percent of PUM staff (based in the Netherlands) are volunteers. The staff volunteers work on average two days a week and only receive compensation for travel or office costs. The volunteer staff work as Regional (and Country) Coordinators, Theme (and Sector) Coordinators, Programme Managers, or as part of different teams (e.g. the Recruitment Team). The paid staff make up a smaller proportion of the PUM staff and mainly work in Finance, Communications, Operations or Monitoring and Evaluation.

²³ Preparation report PUM evaluation September 2020, page 16

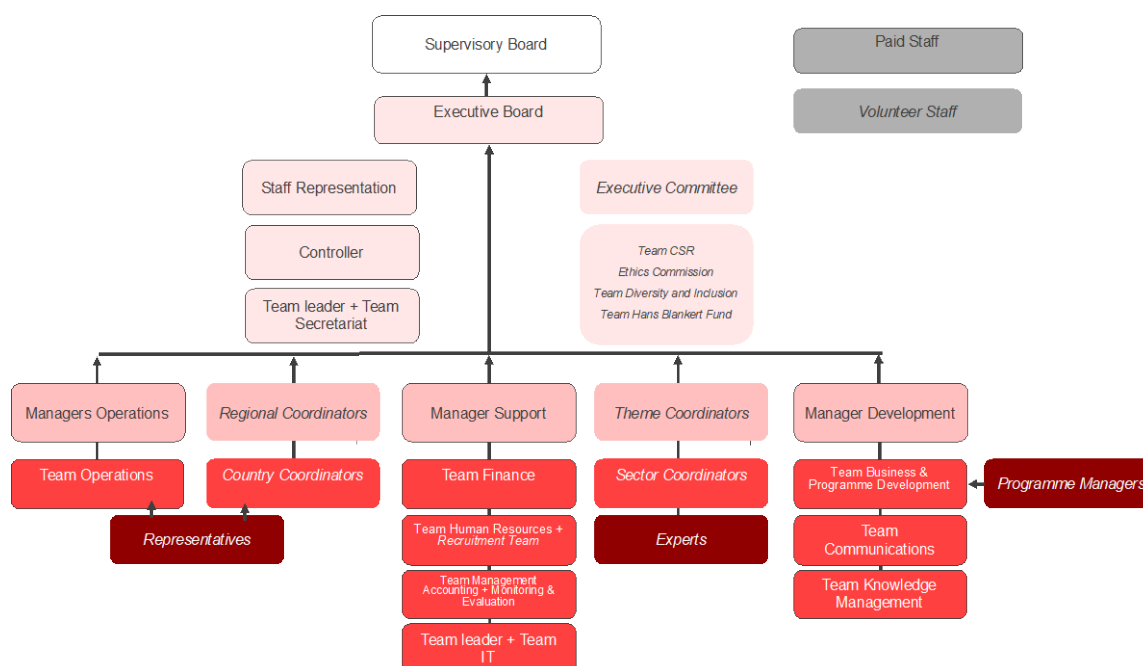
PUM's organisation is run by both volunteer and paid staff. Figure 2.5 shows PUM's organisational structure. Before 2020, there were two separate PUM organigrams: one for volunteer staff and one for paid staff. However, it was decided to merge these into one, to increase unity in the organisation. During interviews with PUM staff, it was noted that the current organisational structure is unlikely to see major changes in the coming years.

The organisation is overseen by a Supervisory Board which consists of six people. The Executive Board consists of two people; the CEO (Dick Ernste) and Director of PUM (Andy Wehkamp), who are jointly in charge of PUM's overall operations. Before 2020, the Executive Board consisted of three people (an extra Director of Finance and Operations) however, this position was not renewed after the previous individual left the position due to health reasons. The responsibilities of the Director of Finance and Operations have been split up between the Executive Board and the Manager Support, where the CEO took over the Operations team and the regional teams, the Director took over the Development team and the thematic/sector teams and the Manager Support is now in charge of the Finance team. The general Management Team (MT) consists of the Executive Board, the Controller (who is the financial conscience of the organisation), the Manager Development, the Manager Support and both Managers of Operations. The MT is responsible for organisation wide decisions and meets regularly.

The organisation has three main types of managers: Managers Operations, Manager Support and Manager Development. These managers oversee different teams. The Managers Operations oversee the Operations team and jointly with the regional coordinators, oversee the country coordinators and local representatives. Furthermore, the theme coordinators oversee the sector coordinators and the experts. The Manager Support oversees the Finance team, the HR and Recruitment team, Management Accounting and the Monitoring and Evaluation team and lastly the IT team and the Team Leader. The Manager Development oversees the Business and Programme Development team, the Communication team and the Knowledge Management team. The regional and country coordinators fall directly under the CEO whilst, the sector-, theme-coordinators and experts fall directly under the Director.

The Executive Board also oversees other staff bodies. These bodies include the Staff Representation, the Controller, the Team Leader and Team Secretariat, the Executive Committee, the Team CSR (Corporate Social Responsibility), the Ethics Commission, the Team Diversity and Inclusions and the Team Hans Blankert Fund. These bodies perform different organisational support activities (e.g. reviewing PUM's finances, setting up diversity goals, managing the Hans Blankert funds and giving out grants etc.) and are run either by volunteers (the Executive Committee, the Team CSR, the Ethics Commission, the Team Diversity and Inclusions and the Team Hans Blankert Fund) or paid staff (the Staff Representation, the Controller, the Team Leader and Team Secretariat).

Figure 2.5 PUM Organigram



Source PUM's organigram

Staff volunteers at PUM are responsible for regional, country, theme and sector coordination.

- **Country coordinators** maintain contact with the local representatives, and are involved in the acquisition of new projects. They are responsible for training and selecting the local representatives, upkeeping the local network and they visit open or closed cases twice a year (prior to the COVID-19 pandemic). Moreover, they assess the client proposals, plan and execute (de-)briefing sessions with experts before and after their missions and they attend networking events for PUM.
- **Sector coordinators** are responsible for maintaining the pool of experts. They further assess expert applications, conduct intake interviews and match experts with cases. Before and after the mission, the sector coordinators are also part of the (de-)briefing sessions with the experts. Furthermore, they also organise meetings with all experts to discuss policy and professional topics.
- **Theme coordinators** are responsible for overseeing all sector coordinators within their theme (the four themes are Food Security, Services and Others, Industry and Trade and Health and Environment).
- **Regional coordinators** are responsible for overseeing all country coordinators within their region (PUM defines the following regions: Africa, Asia and Latin America Europe & Middle East).

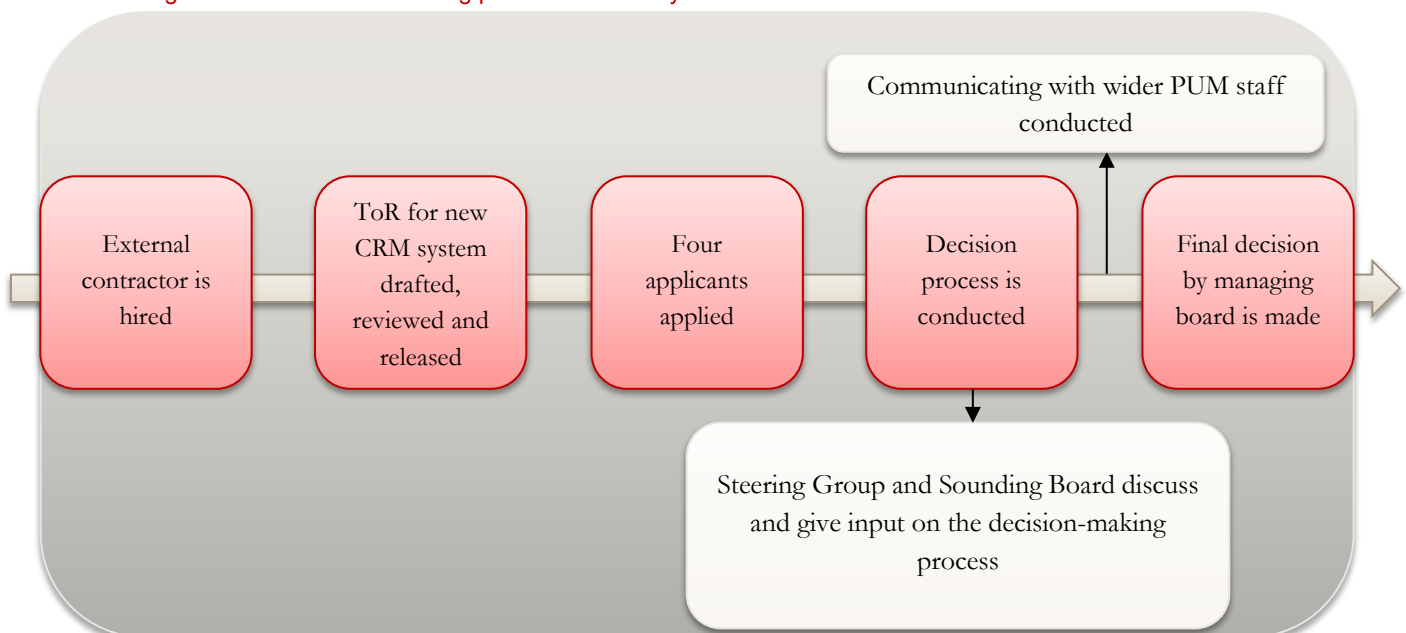
The Local Representatives are PUM's "eyes and ears" in the field. They are permanently based in the local countries and are the main point of contact for PUM clients. The role of the local representatives changed considerably in 2020 in relation to the new programmatic approach, which is explained further in Section 2.5 and Appendix D. The local representatives, country

coordinators and project officers together form the ‘Country Team’²⁴ which meets regularly (in a Country Team Meeting, CTM) to discuss the strategy for their country. Country Teams are also in charge of writing annual Country Impact plans.

PUM’s Experts are the volunteers who offer professional advice and training to PUM clients. They are required to have the Dutch nationality and tend to be retired entrepreneurs (not older than 68 years when joining) but the minimum requirement is to have 5 years of experience in their field.²⁵ PUM constantly aims to ameliorate its expert pool, including by joining forces with other organisations that have a complementary expert base and wish to share their knowledge on a voluntary basis.²⁶ The pool of experts is continuously adjusted through the registration and deregistration of experts.

PUM’s structure of decision making depends on the magnitude and type of transition implemented. Most smaller decisions are made directly by the executive board and the management team. However, if a company wide transition is implemented, a larger group of PUM staff is involved in the decision-making process. For example, when PUM transitioned from old Procus system to the new CRM system the transition required inputs from different stakeholders. As Figure 2.6 shows, this process started by hiring an external contractor who, together with the manager support, formulated a terms of reference. This ToR was then reviewed by both the steering group and the sounding board. Four parties responded to this proposal and their applications were reviewed. From these four initial parties the sounding board chose two parties, and they drew up advice concerning which party to choose. The steering board received this advice and based on a further analysis and their discussion, advised the management board on which party to choose.

Figure 2.6 Decision Making process of CRM system



²⁴ PUM annual report 2019, page 25

²⁵ For the full list of requirements, see <https://www.pum.nl/en/become-pum-expert>

²⁶ PUM annual report 2019, page 30

3 Effectiveness, impact and sustainability

This chapter evaluates the effectiveness, impact and sustainability of PUM activities during 2017-2020. Based on a careful evaluation of multiple sources, our overall findings on effectiveness and sustainability are positive.

Following the OECD-DAC,²⁷ we use the following definitions for effectiveness, impact and sustainability:

- Effectiveness refers to the **direct effects** of PUM on its clients²⁸
- Impact refers to the **indirect effects** of PUM on the wider sector (including non-clients)²⁹
- Sustainability refers to the **durability** of both direct and indirect effects³⁰

With regard to PUM's direct effects, PUM distinguishes three main levels:

- Increased **knowledge** in PUM clients
- Improved **practices** of PUM clients
- Improved **performance** of PUM clients (e.g., sales, profits, employment)

With regard to PUM's indirect effects, these were traditionally not measured but have recently received more attention with PUM's transition to a new 'programmatic approach'³¹ **and its incubator and vocational education programmes.** Following the reconstructed Theory of Change³² elaborated with PUM for this evaluation, we can distinguish two main types of indirect effects:

- **Horizontal spillovers:** When SMEs acquire knowledge, develop new products or adopt innovative or inclusive³³ practices that are new to the sector or country, these 'innovations' have the potential to be copied by other SMEs, even when these are not PUM clients.
- **Vertical spillovers:** The improved performance of SMEs may also indirectly improve the performance of their supply chain partners and encourage new business linkages in the supply chain.

Whether or not these direct and indirect effects are sustainable depends on whether they are likely to continue following PUM's intervention. Continuation of direct effects is more likely when there are follow-ups or repeat missions with the same client. Continuation of indirect effects, in turn, is more likely if changes take place at the level of sector organisations. PUM's programmatic approach is also expected to contribute to this by encouraging more concentration of missions within the same sector or cluster and taking measures to ensure that indirect effects

²⁷ <https://www.oecd.org/dac/evaluation/dacriteriaforevaluatingdevelopmentassistance.htm>

²⁸ Effectiveness is defined by OECD-DAC as "the extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups."

²⁹ Impact identifies "effects of the intervention that are longer term or broader in scope than those already captured under the effectiveness criterion". This goes beyond immediate results, and seeks to capture "indirect, secondary and potential consequences of the intervention".

³⁰ Sustainability is defined by OECD-DAC as "the extent to which the net benefits of the intervention continue or are likely to continue".

³¹ Described in Section 2.5.

³² Described in Section 2.4.

³³ 'Inclusive' practices could include for example hiring women for jobs that are traditionally filled by men, or developing products specifically tailored to women, youth, or refugees.

can take place more systematically, for example via ‘train the trainer’ programmes, vocational institutions, incubators, or sector organisations.

Based on a careful evaluation of multiple sources, our overall findings on effectiveness and sustainability are positive. Table 3.1 summarises our findings in terms of direct effects (three outcome levels), indirect effects, and sustainability. As this table shows, there is ample evidence from multiple sources that PUM had positive direct effects on its clients, especially for knowledge and practices, with weaker evidence for performance. Changes in practices were clearly indicated by PRIME data, and also supported by SEO’s own survey and both case studies. Changes in business performance are equally visible in PRIME, but somewhat harder to capture in our case studies. There is also some evidence that PUM had positive indirect effects, and that the programmatic approach has improved them, but more can be done to improve them further and measure them better. In this respect, the evidence is stronger in our case studies; the benefits of the programmatic approach were clearly visible in Uganda, while the timeframe in Myanmar did not allow for clear observations. The PRIME data obtained with regard to indirect effects is less than clear, since it is based on descriptive comparisons of contribution scores, not on controlled regression analysis. Regarding sustainability, some evidence for the sustainability of direct effects was found, but less so for the sustainability of indirect effects. More can be done to measure and improve this. This evidence came mainly from SEO’s own survey and from triangulated findings in our case studies.

Table 3.1 Summary of effectiveness evaluation

Main dimensions of effectiveness addressed	PRIME	SEO Survey*	Uganda case study		Myanmar case study	
			Programmatic	Standalone	Programmatic	Standalone
Direct effects on PUM clients						
• Knowledge	+++	+	++	+	++	+++
• Practices	+++	+	++	++	+	++
• Performance	+++	+	+	+	N/A	+
Indirect effects	+	+	++	0	++	+/-
Sustainability of direct effects	N/A	+	++	+	N/A	+/-
Sustainability of indirect effects	N/A	+	++	0	N/A	+/-

Source: SEO Amsterdam Economics. “+++” indicates very clear positive impact, “++” indicates clear positive impact, “+” indicates somewhat clear positive impact, “0” indicates minimal or no impact, “-” indicates somewhat negative impact, “+/-” indicates conflicting evidence of impact, N/A indicates absence of evidence.

3.1 Limitations to effective measurement

Prior to discussing our findings on effectiveness, it should be noted that PUM’s monitoring and evaluation (M&E) presents certain limitations. At intake, PUM collect information on a client’s current and past performance (e.g., sales, profits, employment), as well as some of its characteristics (size, gender of entrepreneur, etc.). However, PUM does not carry out a systematic follow up of all clients to collect data on their needs, implementation of recommendation, or evolution of their performance after the PUM mission. In principle, this presents a limitation to

PUM's capacity to measure its direct effects on its clients, let alone its indirect effects on other stakeholders, and the sustainability of the direct and indirect effects.

This limitation was largely compensated through the implementation of the annual PRIME survey since 2014. These PRIME data are the main data source for assessing direct effects on knowledge, practices and performance. The PRIME survey was developed by Wageningen Economic Research (WUR) and the Erasmus School of Economics in 2013 and was implemented annually from 2014 onward. This has enabled PUM to provide some quantitative estimates of aggregate effects, including with some methods to attribute these to PUM, as shown in this chapter. It should be noted that PRIME measures hard figures only for some relevant outcomes (e.g. for employment and sales); for others, measures are based on self-perception (e.g. respondents are asked whether their business practices “have changed in the past 12 months”, and whether PUM “influenced this change”). This means that, while some measures of business performance (intermediate/longer-term outcomes) may be nearly objective, other outcomes (shorter-term changes in practices) have been measured via self-perception (PRIME and SEO survey), and direct observation (case studies where possible). The above does not in itself invalidate conclusions about PUM's effectiveness on practice change, but it strengthens the importance of our validation procedure (triangulation across both stakeholders and evidence sources).

However, the reliance of PUM's M&E system on PRIME continues to present limitations. These limitations do not hamper PUM's ability to present aggregate impact numbers but may be hampering its ability to provide adequate follow-up. First, by the fact that PRIME is sample based, i.e., not all clients respond to the survey. Second, the PRIME survey takes place approximately one year after the expert mission, which is a considerable time for the client to potentially lose engagement. Third, PRIME responses are not communicated to experts or local representatives, limiting their ability to adequately follow up with clients. These limitations were reflected by our case studies: adequate follow-up was raised as a significant concern in Uganda and Myanmar, and most clients have shown willingness to have follow-up during debriefing.

3.2 Direct effects

Knowledge transfer

Evidence from multiple sources indicates that PUM is effective in transferring knowledge to clients. Debriefing data shows that both clients and experts (who could have diverging interests) have positive views about achieving the missions' goal (which are generally conceptualized in terms of knowledge transfer). Concrete examples of successful knowledge transfer were observed also in our case studies. As for PRIME data, although the survey does not measure knowledge transfer anymore, evidence of changes in practices are correlated with effective knowledge transfer (see section on practices below).

PUM takes various quality control measures to ensure the quality of its experts. For example:

- Experts are deregistered when they reach age 72 (for insurance reasons).³⁴
- Experts are also deregistered if they have not been sent on a mission for two to four consecutive years, or if the expert shows a lack of interest in her/his area of expertise.
- PUM strives to make its expert base more diverse, including by targeting a higher share of female experts (only 17 percent of experts were female in 2020) and by increasing the number of commercially active (non-retired) experts.
- Experts attend a “Intercultural Advisory Skills” workshop that gives experts training on how to give advice in an intercultural setting. Further, experts receive a handbook with practical insights for their future missions.

PUM’s appeared to transfer knowledge to its clients effectively. This was reflected, first, in the clients and experts’ positive view of the missions. The majority (71 percent) of PUM experts reported in the mission debriefings that they had fully achieved the objective of the mission. Another 25 percent reported that they had partly achieved it, while only 4 percent reported that they had not achieved the objective (see Figure 3.1 below). Clients also show satisfaction with the immediate outcome. In their mission debriefing, 41 percent expected a considerable return from their investment in the mission (e.g., hosting and feeding the expert).

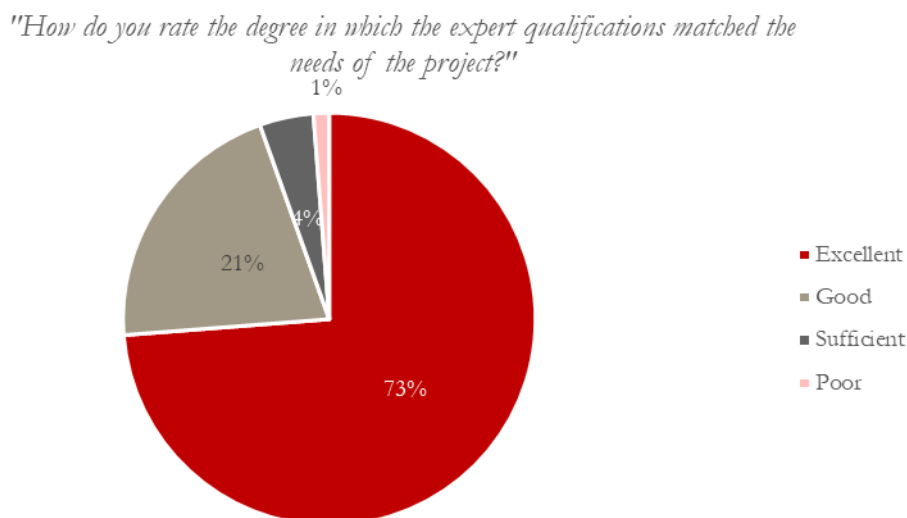
Knowledge transfer appeared effective in all of our case studies. Local consultants were able to assess an effective knowledge transfer by interviewing clients on the ground. All of them expressed that they had acquired significant new knowledge from PUM and emphasised the technical expertise of PUM’s experts (the high technical knowledge of experts was highlighted repeatedly and is commented further in the Chapter 5 under Additionality). Clients’ views were confirmed by experts, who expressed that clients were able to acquire new knowledge on a variety of topics—among others: management, marketing, and specific technical knowledge on tourism and dairy farming.

Furthermore, case studies showed that, when knowledge transfer was not especially effective, it was sometimes due to a poor expert selection or poor alignment between the PUM expert and the PUM client. This happened either due to a lack of expertise in the areas the client was most interested in, a lack of experience with conducting online training seminars, or expert unfamiliarity with the local culture and context.

However, this type of mismatch appeared to be uncommon overall. In fact, the debriefing data showed that 94 percent of PUM clients rated the match between the qualifications of the experts and the needs of the project as excellent or good (Figure 3.1). Client applications are matched to experts by the sector coordinator. During the evaluation process, interviewees noted that in 2020, PUM made an extensive overview of the expert pool with the aim to facilitate the matching between clients and experts.

³⁴ Experts can become “Silver Experts” after having served as an Expert for PUM. PUM created the alumni status of “Silver Experts” after they found that many Experts did not wish to part from the organisation once they reached the age of 72 years. Furthermore, during interviews it became clear that the criterion of the maximum age of an expert was not strictly enforced in prior years (in 2018, 100 experts were still active even though they were above the age limit, which decreased to 19 in 2020). It was then decided that, exceptionally, experts may stay on after they pass the age limit, if they are part of a programme and the transfer of knowledge needs to be ensured. The “Silver Expert” status was hence created to ensure that Experts still feel connected to PUM (by organising activities and sending out newsletters). However, they are no longer active within the organisation (i.e. their PUM accounts become inactive).

Figure 3.1 Nearly three quarters of PUM clients rated the match between the qualification of the experts and the needs of the project as excellent



Source: PUM Debriefing Database, January 2017 – September 2020, n=2,490

During our case studies, Remote Coaching seemed promising only when certain conditions were met. Interviews conducted with PUM staff and experts, including as part of our case studies, showed that most stakeholders considered remote coaching a useful form of knowledge transfer that can be used to complement, but not fully replace, physical presence. In Myanmar, the Mandalay masterclasses appeared to have been generally effective in communicating information such as international standards for COVID-19 safety protocols, managing hotel revenues, and social media marketing. However, multiple stakeholders (including a PUM staff member, a PUM expert and a masterclass participant) noted that some of the masterclasses were not as effective, mostly related to the limited expertise some experts had with remote coaching. In contrast to advice provided on location, remote coaching requires experts with greater skills, who have experience with lecturing in English, are digitally savvy, and are ideally familiar with the cultural characteristics and logistic challenges of masterclass participants. A longer preparation period for the lecturers and organisers, including culture specific training and a better understanding of the participants' requirements were the most commonly cited suggestions for improving effectiveness for remote learning. In Uganda, all PUM experts and clients interviewed agreed that remote coaching had potential for follow-up missions. However, they also agreed that it cannot fully replace the physical presence of the expert.

Practices

There is significant evidence that PUM has been effective in changing business practices in clients. This evidence comes firstly from PRIME data, which shows that clients have consistently reported changes in their practices and attributed them to PUM. Secondly, from the case studies carried out in Uganda and Myanmar, in which different stakeholders broadly confirmed this finding, and SEO's local consultants could observe the persistence in some of their business practices.

The PRIME survey identified changes in practices³⁵ through contribution scores. Figure 3.2. shows the PRIME contribution scores, which measure whether the clients reported an improvement in knowledge or practice and whether this was influenced by PUM. The scores take into account whether there was a change in the practices of the PUM clients and how much this was influenced by PUM. The contribution score was originally grouped in 3 sub-categories by WUR. To give a more detailed overview of the contribution of PUM, the evaluation team presents the PUM contribution scores in 5 sub-categories. The categories of contribution scores and their interpretation are presented in Table 3.2. These contribution scores can be presented in two different ways: by distribution of score groups or by average score. The advantage of presenting the distribution is that it allows for easier interpretation than the average. The latter, in contrast, allows for easier comparison among different groups. In what follows we use both presentations.

Table 3.2 Construction of PRIME contribution scores

"How has your company's knowledge/practice changed over the past 12 months?"	"Has PUM influenced this change?"	Contribution rank	Contribution score	WUR classification	SEO classification
Strong decrease	-	0	0	No positive change and/or no PUM influence on change	No change or no PUM contribution
Decrease	-	0	0		
No change	-	0	0		
Increase	No effect	0	0		
Strong increase	No effect	0	0		
Increase	Very little	1	13	Positive change, influenced little or some by PUM	Positive change but very small PUM contribution
Strong increase	Very little	2	25		Positive change and small PUM contribution
Increase	Some	3	38		
Strong increase	Some	4	50		
Increase	Quite a bit	5	63	Positive change, influenced much or very much by PUM	Positive change and large PUM contribution
Strong increase	Quite a bit	6	75		Positive change and very large PUM contribution
Increase	A lot	7	88		
Strong increase	A lot	8	100		

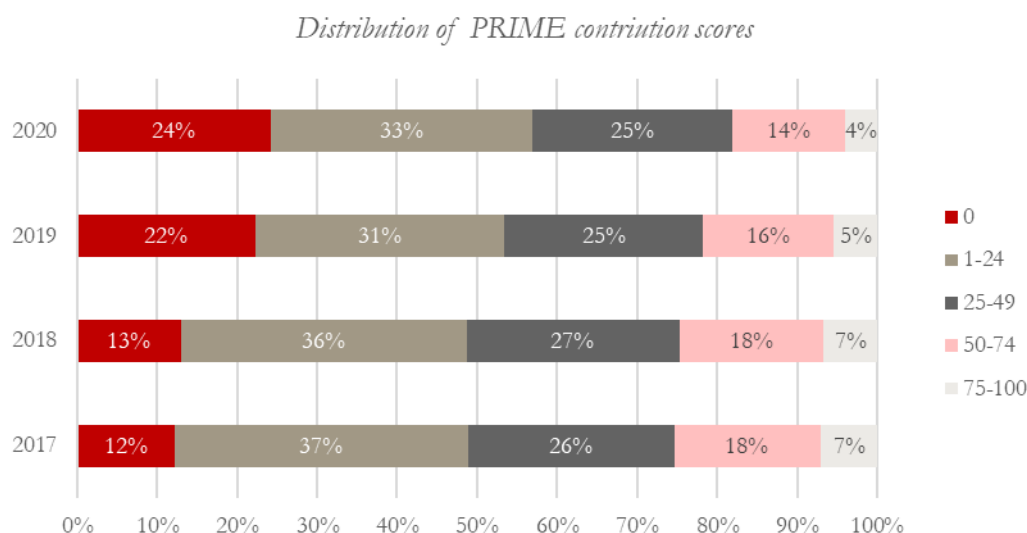
Source: PUM Impact Report (2018), page 17.

In the PRIME survey, a majority of clients reported positive changes in knowledge and practices that could be attributed to PUM, but nearly a quarter reported "no change". The average contribution score is close to 25 (strong increase with very little PUM contribution). However, this average figure obscures the fact that while 33 percent of respondents see "very little" PUM contribution, even more (43 percent) see "some", "quite a bit" and "a lot". Out of the 76-87 percent of responses with a positive contribution score, more than half suggested a positive change

³⁵ Originally, the PRIME survey measures changes in knowledge and practices with a different set of questions. Since responses between these groups appeared to be highly correlated, WUR and PUM decided to keep only the questions on practices from 2018, taking them to speak for changes in knowledge as well. Here, we present PRIME results in relations to business practices only.

with “substantial” or “very substantial” PUM contribution. Only 12-13 percent of clients in 2017 and 2018 responded that they saw no change in practices, or that there was no contribution from PUM. This proportion increased in 2019 and 2020 to 22-24 percent, which is nearly a quarter and is concerning. According to WUR, this increase may have been the result of a change to a new platform.³⁶

Figure 3.2 Most clients saw a positive change in practices with PUM contribution



Source: PRIME database

Our case studies in Uganda and Myanmar broadly confirmed the PRIME data analysis. In Uganda, we found converging evidence, among experts and clients, of effective knowledge transfer and positive changes in practices in dairy management, commercialisation and teaching methodologies. In Myanmar, effectiveness was harder to assess due to the major negative impact of the COVID-19 pandemic on the tourism sector, as a result of which some clients had not (yet) been able to implement PUM’s recommendations. Nevertheless, there was general agreement among stakeholders that there had been significant knowledge transfer, and changes in business practices were already visible for some of the clients.

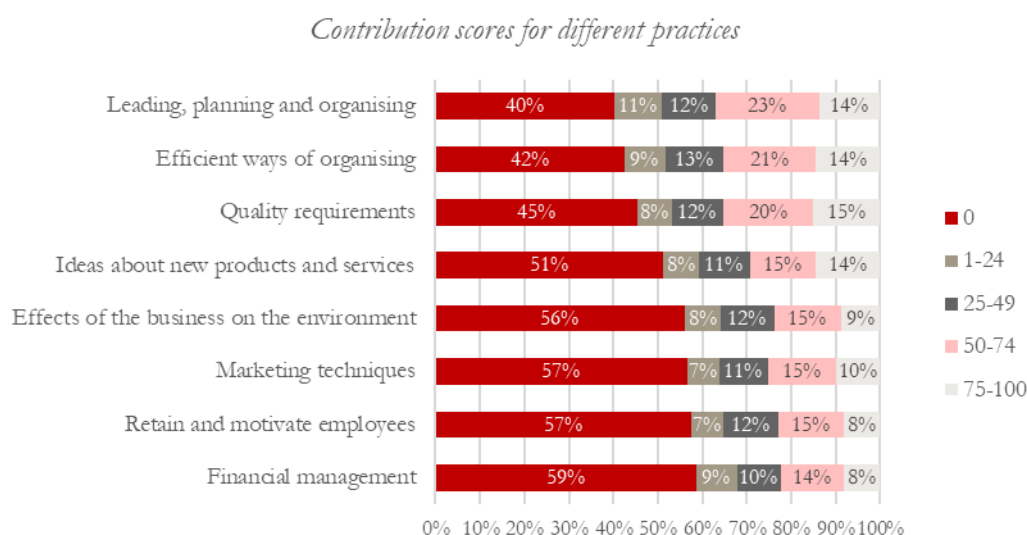
PUM’s intervention model expects knowledge transfer to produce changes in business practices; this relation is mediated by attitudinal factors which affect PUM’s effectiveness but are not being assessed systematically. Some of the observed changes in business practices were triggered by a change in attitudes: For instance, improvements in cattle feeding required clients to change their attitudes toward saving resources for excessively dry times; PUM’s introduction of Business Model Canvas in vocational institutes depended on effectively sparking students’ entrepreneurial spirit. Attitudes toward innovation and change were mentioned as barriers to improvement by both clients and experts. However, not all changes in practices may be mediated

³⁶ According to WUR, this increase can be explained by the change of platform in 2019, when the PRIME survey was moved from Qualtrics to SurveyMonkey. In their view, framing effects by the platform may be responsible for this change in responses. This could not be confirmed by the evaluation team. Nevertheless, it can be considered a significant worry. If the platform was responsible for such a significant bias, this implies answer to the PRIME survey have high variability.

by attitudes. Some practices, especially around specific technical knowledge, may be easily adopted by clients. Some of these factors were measured in previous versions of the PRIME survey (risk aversion, trust, altruism, etc.) but have been discontinued, limiting the evidence on their relevance for PUM's effectiveness.

Several sources suggest that PUM's direct effects on business practices differ by type of practice. While the PRIME contribution scores were generally positive, they differ significantly by business practice. PUM's contribution to “efficient ways of organising the production processes”; “quality requirements”; and “leading, planning, and organising businesses” was rated higher than its contributions to “financial management” and “retention and motivation of employees”. This pattern in the PRIME data appeared to be stable in the 2017-2020 period. The differential effect on business practices was also confirmed in our case studies. In Uganda for instance, one expert reported great effectiveness supporting a client on organisational management, but more difficulties encouraging her to improve her marketing strategy to acquire new students for the vocational institutes. However, in Myanmar there was one case study with strong positive results in the area of “retention and motivation of employees.”

Figure 3.3 PRIME data suggest that PUM was most effective in improving practices in business organisation and quality requirements, and least effective in financial management



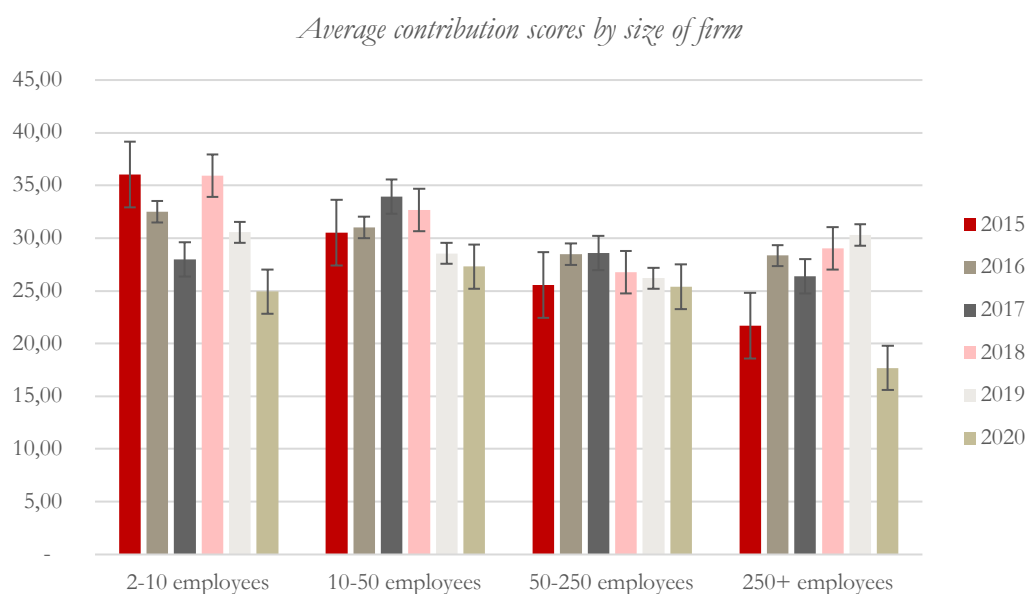
Source: PRIME database. The proportion of “none” is relatively higher than for the overall contribution scores in Figure 3.2. This is because a respondent usually receives advice on a small group of practices, for these she may respond that some change took place, but for the others she will mark no change or contribution. The distribution of scores for specific practices has therefore a higher “none” proportion.

The PRIME data suggest that PUM was relatively more effective changing knowledge and practice for small SMEs (with 10-50 employees) in less developed countries. Contribution scores were somewhat higher³⁷ for clients with 2-9 and 10-50 employees—in contrast to larger SMEs with more than 50 employees as shown in Figure 3.4. The difference in contribution scores between these two groups were statistically significant to a simple t-test statistical analysis. However, it is less clear that this pattern of perceived changes in knowledge and practices translates also into improved performance. For instance, the PRIME 2018 found that increase in sales was

³⁷ The interpretation of numeric contribution scores is described in the Annex.

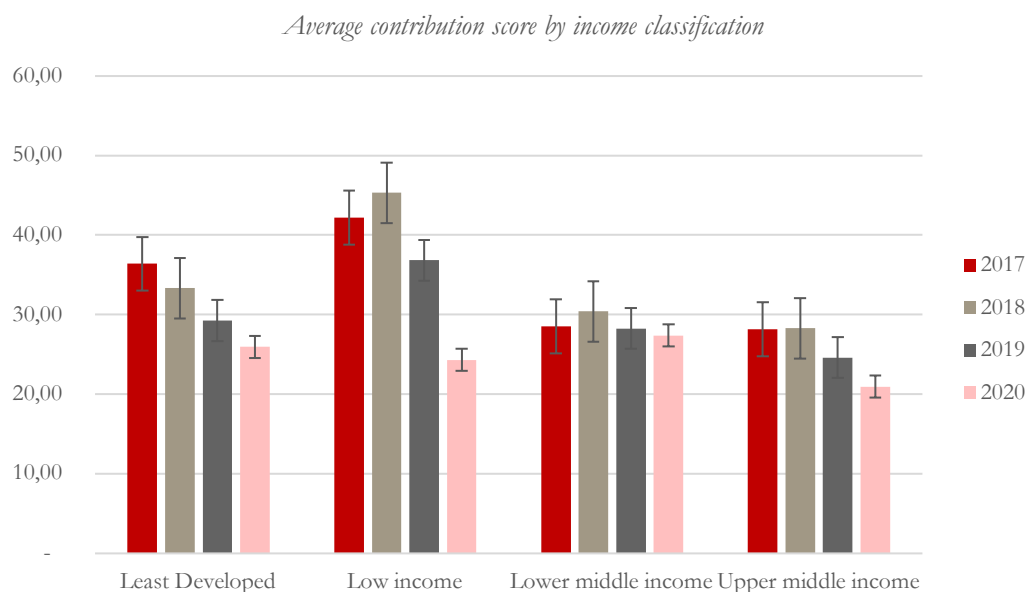
actually larger for companies with more than 50 employees. Despite this, later PRIME reports have shown the estimation of changes in sales to be too heterogeneous to allow for general conclusions. In terms of countries, the evaluation team found that average contribution scores are higher for “least developed” and “low income” countries as defined by the UN and World Bank, respectively (see Figure 3.5, statistically significant difference against a t-test analysis)).

Figure 3.4 PUM's direct effects on client practices appeared highest for smaller SMEs (2-10 and 10-50 employees)



Source: PRIME database. Firm size is taken from M&E system. Standard errors included.

Figure 3.5 PUM's direct effects on client practices appeared highest in poorer countries (low-income and least developed)



Source: PRIME database; United Nations (LDC classification) and World Bank (income classification). Standard errors included.

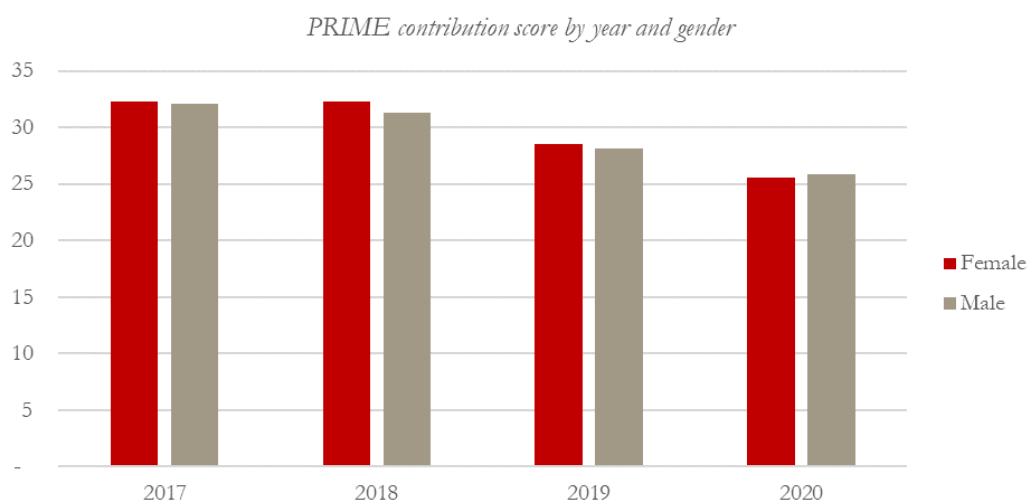
The evaluation team assessed PUM's relative effectiveness also for other potentially relevant client characteristics. Using PRIME and M&E data from PUM's system, it was possible to analyse whether contribution changed with gender of client and access to finance.

Our analysis shows that PUM's contribution did not seem to change with gender of the client. Although the original PRIME data has gender information for only 11 percent of clients,³⁸ the database received by the evaluation team incorporated gender as stated in PUM's M&E system, which has a much higher completion rate. The data in Figure 3.6 show no significant difference between average contribution scores for women and men.

Evidence regarding the influence of access to finance was not conclusive. In principle, a reasonable hypothesis would be that clients with better access to finance would be able to best implement PUM's recommendations—e.g., by making investments in equipment or hiring additional staff. However, the evaluation team obtained conflicting findings from PRIME and from the case studies in Uganda and Myanmar. In our case studies, there were several cases where PUM recommendations could not be implemented due to a lack of access to finance (or insufficient capital). The PRIME survey, which asked whether clients could obtain a loan with “an affordable rate” in 2017-2019, appeared to show no consistent pattern (see Figure 3.7). However, in 2019 PUM appeared to contribute more to improved practices for those clients with self-reported “easy” access to finance.

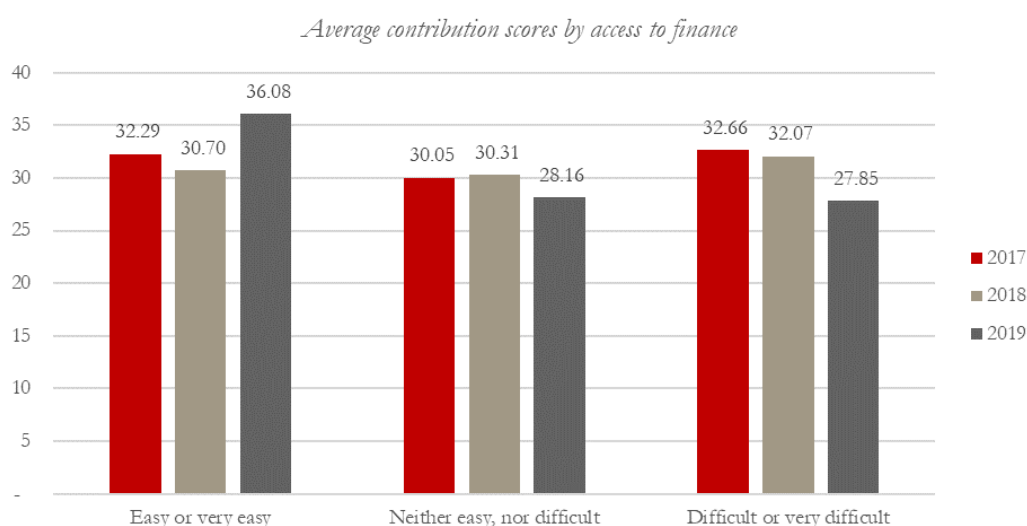
³⁸ PRIME 2020 report, p15.

Figure 3.6 PUM's direct effects on client practices did not significantly differ by gender of client



Source: PRIME database and PUM's M&E system. The gender indicator was taken from PUM's M&E system.

Figure 3.7 PUM's direct effects on practices did not appear to change with access to finance levels³⁹



Source: PRIME data

PUM's effectiveness in the change of business practice was lower for Remote Coaching.

As shown in Figure 3.8, only 41 percent⁴⁰ of experts who conducted remote coaching believed that they had achieved their goals. In comparison, this percentage was 82 percent for advice on location and 72 percent for seminars.⁴¹ This finding in the debriefing data could not be confirmed with PRIME, since the PRIME database contained only a very few cases that were identified as “remote

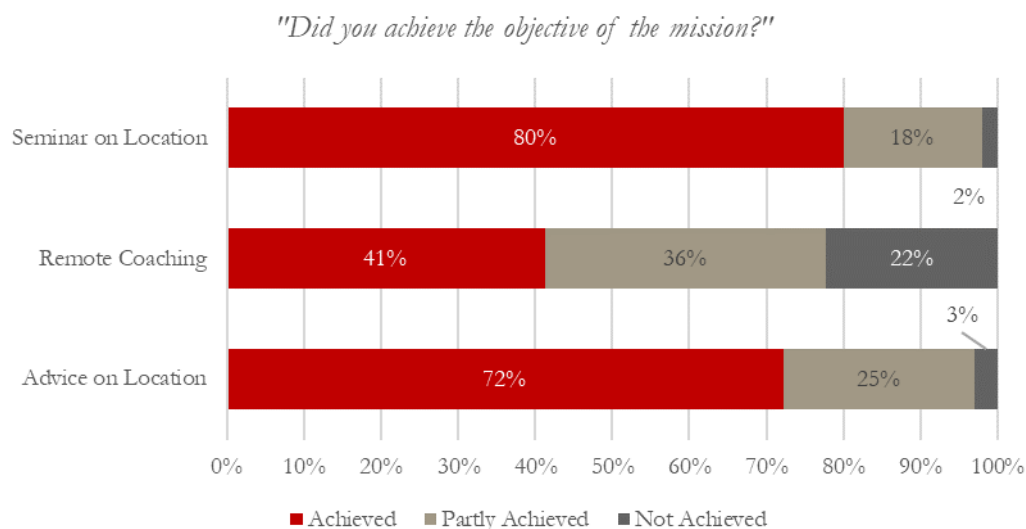
³⁹ PRIME's question on access to finance was not included in the 2020 survey.

⁴⁰ For all debriefing data until December 2020, sectors in theme Services scored higher (52 percent achieved, 28 percent partly achieved)

⁴¹ Note that remote coaching were mainly executed after March 2020 (due to COVID), while advice and seminar are from 2017 - March 2020.

coaching”.⁴² Nevertheless, there are indications (in the debriefing data) that remote coaching performance is gradually improving.

Figure 3.8 Only 41 percent of PUM experts saw themselves as having achieved the objectives of Remote Coaching missions (compared to 72-80 percent for other missions)



Source: PUM Debriefing Database, January 2017 – September 2020, where n = 4784 for advice on location n'=247 for remote coaching, n=50 for seminars.

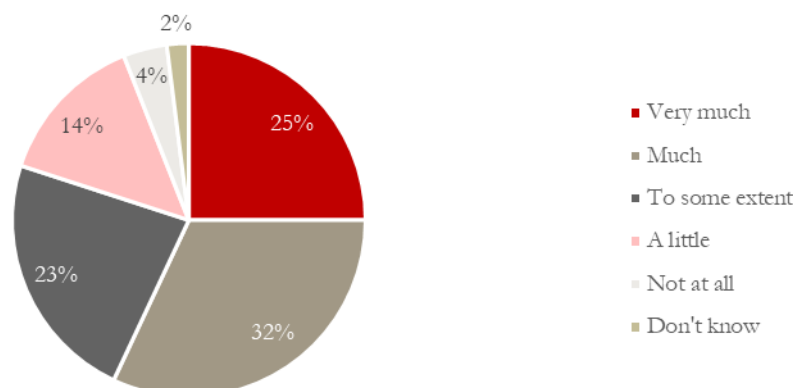
In contrast with Remote Coaching, Remote Advice appeared effective in influencing clients' practices. Whereas Remote Coaching means that the entire PUM mission is done via remote methods, Remote Advice is provided informally by the expert via email, text messages or phone calls (before and after the advice on location). In the PRIME 2020 survey (which included two questions about remote advice) most respondents answered that PUM's remote advice had "much" or "very much" influenced their practices. Among the firms who received remote advice, 90 percent said they would recommend it to others.⁴³ It appears from this that clients are generally satisfied with remote advice. This was reflected in our case studies as well. In Uganda and Myanmar, several stakeholders valued highly Remote Advice as a tool to encourage follow-up and implementation of recommendations (see Section 3.4).

⁴² PRIME report 2020, p36.

⁴³ PRIME 2020 report, p36.

Figure 3.9 The majority of clients who responded the 2020 PRIME survey answered that their practices were effectively influenced by the remote advice

"To what extent did or has PUM's remote advice influenced your company's practices?"



Source PRIME database (2020).

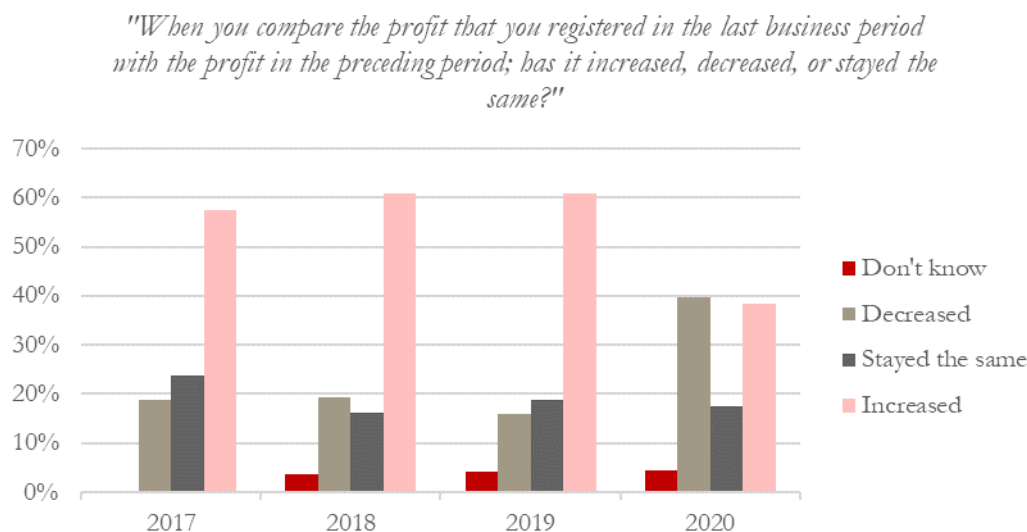
Profits

The PRIME data suggest that the majority of PUM clients (who filled out the survey) experienced an increase in their profits the year after they received advice through a PUM mission, compared to the year before. Figure 3.10 shows that, during the period 2017-2020, an average of 55 percent of PRIME respondents saw their profits increase in any given year with respect to the year before. The share of respondents who saw an increase in profits was the highest in 2018 and 2019 (61 percent), and the lowest in 2020 (38 percent). Note that this does not necessarily apply to the full population of PUM clients, as it is possible that PUM clients with falling profits were less likely to fill in the PRIME survey (selection bias).

There is also robust evidence that increases in profits in the year following a PUM mission are at least in part attributable to PUM's support. This evidence is based on a rigorous analysis of PRIME data performed by Wageningen University Research (WUR) and presented in the annual PRIME reports. This WUR analysis showed a positive association between profit change and the PUM contribution to changes in practices as reported by the client, even after controlling for sector, country, risk appetite, trust, and access to finance.⁴⁴ According to the WUR estimation, the annual change in profits was higher for firms who reported a stronger contribution of PUM to their changes in practices. The PRIME data in Figure 3.11 shows that in 2019, for example, only 5 percent of firms with a "substantial" contribution score reported a decrease in profits, versus 23 percent when the score was "no contribution". These results did not vary meaningfully across years, although the share of firms with falling profits was naturally higher in 2020, the first year of the global pandemic.

⁴⁴ PRIME impact report 2018, p25. Risk and trust were measured with the questions: "How willing are you to take risks?" and "How willing are you to trust others?"

Figure 3.10 The majority of PRIME respondents saw their profits increase in any year, except during the 2020 COVID-19 pandemic.

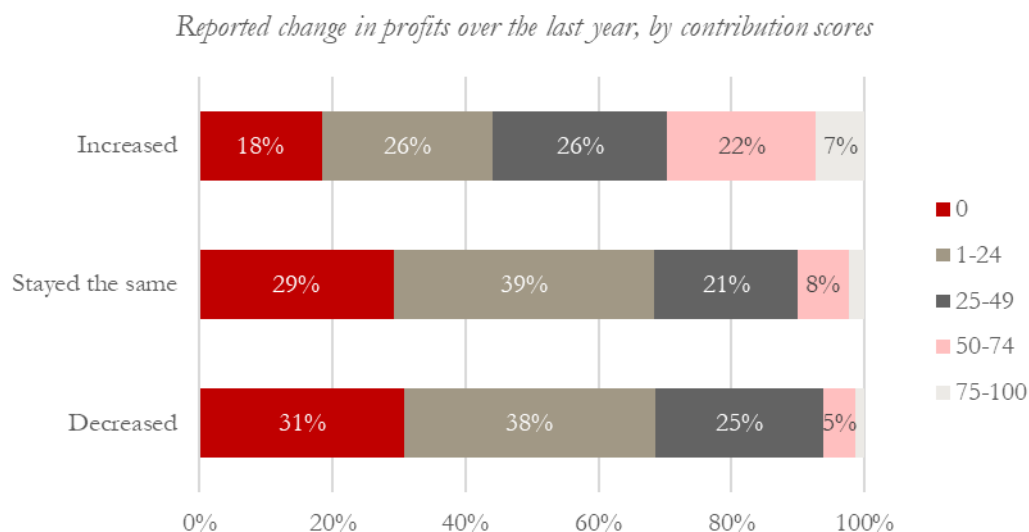


Source: PRIME data set 2015 – 2020, n=1177 (2017), n=819 (2018), n=1022 (2019), n=694 (2020)⁴⁵

The COVID-19 pandemic clearly affected the evolution of clients' profits. The proportion who reported an increase in their profits decreased to 38 percent in 2020. Furthermore, the share of clients who saw a decrease in profits compared to the previous year also increased substantially (from 16 percent in 2019 to 40 percent in 2020). New questions incorporated into the PRIME questionnaire in 2020 allowed to identify COVID-19 as the reason behind the slump. As shown in Figure 3.12, the majority of clients who responded that their profits had decreased thus far in 2020⁴⁶ indicated that this was because of the pandemic. For respondents whose profits had still increased in 2020, it was often not at all related to COVID-19 (32 percent) or only a little (21 percent). Interestingly however, 28 percent of respondents indicated that their profits actually increased due to COVID-19, showing that some sectors actually benefited from the crisis.

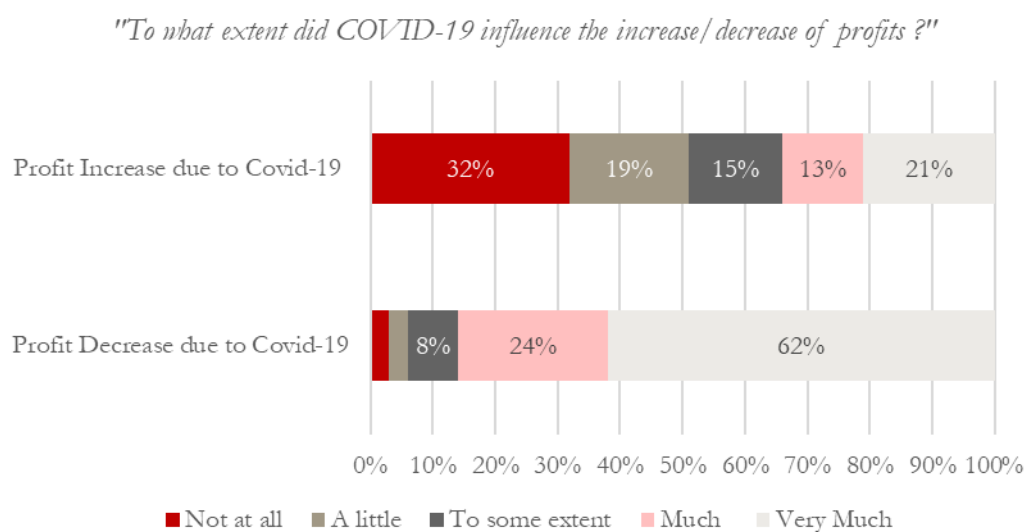
⁴⁶ The PRIME survey 2020 was sent out in August of 2020, hence data from 2020 reports on the first 8 months of the 2020 calendar year. The COVID-19 pandemic will only be fully observable in PRIME data in 2021.

Figure 3.11 SMEs where PUM contributed more to changed practices were more likely to report increased profits



Source: PRIME database.

Figure 3.12 Of the clients who indicated that their profits decreased in 2020, 62 percent indicated that this was "very much" related to the pandemic



Source: PRIME data set for 2020, n = 274 (profit decrease COVID-19), n=255 (profit increase COVID-19)

Sales and employment

There is evidence that PUM increased sales and employment for clients. WUR looked at the difference in sales and employment of a client prior and post mission and found a positive change for both sales and employment.⁴⁷ For the analysis of sales and employment in 2020, the model used the businesses who indicated that they had received a mission in 2017 – 2020, and controlled for firm, sector, country and survey-year effects. They estimated that business had a 12 percent

⁴⁷ Prime results 2020, slide 20

increase in sales and a 7 percent increase in employment the year after they received advice through a PUM mission compared to the year before.⁴⁸ However, WUR noted that “this increase is too small and inconsistent to be strongly statistically significant”.⁴⁹

Evidence of performance change was more difficult to assess in the case studies but was generally positive. PUM does not collect performance data from clients at an individual level through its monitoring and evaluation process. Therefore, the only source of information for clients’ performance was reports from various stakeholders. In Uganda, all clients reported seeing an increase in enrolment of students or profits and attributed this at least partially to PUM. Vocational institutes reported that they had received more students after PUM’s mission, and farms reported increased production and sales. In Myanmar only in 2 of the 5 cases was there enough of a period between the PUM mission and the COVID-19 pandemic to properly assess changes in business practices and performance. In one of these cases, there was evidence of strong changes in performance attributed to PUM, particularly a significant rise in revenues and hotel occupancy.

Responsible business practices

While limited data were available to measure PUM’s impact on responsible business practices, a small number of experts observed “worrisome situations” after missions. In the period 2017-2020, 46 percent of experts stated in their debriefing that they provided advice related to responsible business practices.⁵⁰ The debriefing data also showed that 17 percent of PUM experts reported to have observed “worrisome situations” at the clients with regard to the Corporate Social Responsibility (CSR) framework. For missions in Industry and Trade, worrisome situations were reported in nearly 30 percent of cases. However, only 2 percent of these subgroup of experts replied to the follow up question which asked in which area the worrisome situation was observed. Most responses indicated that environmental conditions (50 percent) and labour conditions (31 percent) were areas of concern.

When interpreting these results, it should be noted that PUM experts are not CSR experts. During interviews, a sector coordinator noted that, when receiving reports about “worrisome situations”, PUM’s debriefing team asks the local representatives to check the client’s situation, so that PUM has another perspective on the issue besides that of the expert. If the situation is worrisome, PUM stops engaging with the client.

While PUM screens for possible CSR issues during intake, there may be room for improvement on this process. Documentation shared by PUM showed that a new primary process⁵¹ was being developed, which incorporates relevant assessment stage at which possible CSR should be screened. At the time of the evaluation, the process to incorporate a CSR “quick

⁴⁸ These numbers were lower than in previous PRIME reports. In 2019, changes in sales after PUM support were 56 percent, and changes in employment 15 percent higher. According to WUR, the changes may be in part due to COVID, but also because the 2019 results were calculated with firms who received support from 2013 on, instead of in the 2017-2020 period. A third reason for the change is the inclusion of business fixed effects in the regression analysis. WUR calculates a separate sales change without answers from the 2020 PRIME survey, and while the average is much higher (45 percent) the dispersion of answers makes it impossible to conclude that change in sales were indeed that high.

⁴⁹ Research brief PRIME PUM 2020, section ‘Results’.

⁵⁰ Additionally, PUM conducted a survey among 1,300 experts in June 2019 about the implementation of RBC advice. 25 percent of experts reported that their RBC advice was large implemented.

⁵¹ Draft Primary Process and Creating Impact

scan” was still to be developed. The thoroughness of this instrument should be assessed by PUM in detail. It is likely that many considerations should go into this tool, e.g., the incentive structure in the local representative role (see Relevance chapter), possible action plans besides stopping follow-up or intake, and exactly which “worrisome situations” may merit what action. When developing these guidelines, PUM could usefully make use of the CRS expertise of the various other development programmes funded by MFA that do have a CSR component.

Female employment and gender sensitivity

Adoption of new business practices appeared similar for both men and women. In terms of general contribution scores (which measure reported contribution and change in business practices), the 2020 PRIME report found no statistically significant difference between contribution scores in 2020.⁵² A possible limitation of this estimation is that it took into account only 11 percent of PRIME respondents, for whom the gender was known. However, the SEO evaluation team extended this analysis by incorporating the gender as stated in PUM’s M&E data and provided by WUR in an updated database, therefore increasing the number of observations with a known gender. As shown above in Figure 3.6, and in agreement with WUR’s report, we found no significant differences in contribution scores between females and males.

However, the evaluation team found no evidence that PUM had specific effects on women’s employment. Survey responses regarding PUM’s focus on women’s employment or female entrepreneurs did not show that PUM had a significant impact (see Relevance section). In particular, WUR estimated in the 2019 PRIME report the change in women’s employment two years following a PUM mission. WUR performed an econometric analysis keeping sectoral and country level trends, access to finance, and business-size effects constant. The estimated effect was close to zero, despite a broader improvement in employment. Neither of our case studies showed any particular contribution to women’s job growth. In Uganda and Myanmar, a focus on women was generally lacking. In Uganda, some clients were more aware of the issue of female employment. AGDI, for instance, had taken some action to increase the number of women in the staff, but no precise figures were recorded. All in all, PUM missions did not include a specific component of women employment.

Multiple sources confirmed that PUM had little effect on raising sensitivity about gender issues. In the SEO survey, PUM’s effect on clients’ gender sensitivity was seen as insignificant or small. As shown in Figure 3.13, 43 percent of all survey respondents indicated that, in their view, PUM had no significant effect on clients’ gender sensitivity. This was a larger proportion compared to that in other issues like clients’ environmental practices, their social impact on the community or working conditions for employees.

In general, PUM missions did not seem to incorporate a gender lens. This was a view expressed by numerous stakeholders in our focus groups with CBI and RVO staff and in both of our case studies. In Uganda, PUM experts often mentioned that they had paid attention to the condition of women to some extent. In one example, the expert encouraged a vocational institute to mix men and women equally in working groups, which was not a common practice. However, various stakeholders noted that no particular gender approach or guideline had been established

⁵² PRIME results 2020

for PUM's missions. The evaluation team also interviewed programme partners on this issue, who responded that indeed gender had not been a focus of their programme or of their work with PUM. In Myanmar no gender element was observed in any of the PUM missions either.

However, the observed lack of attention to gender may be compensated in very specific cases and within PUM itself. Indeed, PUM appeared to focus on increasing the share of female volunteers and female clients. PUM's recent gender focus may therefore be (at least now) concentrated in its own human resource structure and client base, but not yet in the content of its approach. Exceptions to this may be found in specific gender-related programmes. In this respect, desk review identified programmes like TUI CARE in Morocco, or Women on Wings in India.⁵³ Further advancing specific programmes like these may be necessary before PUM's direct effects on women's employment is observable in the data.

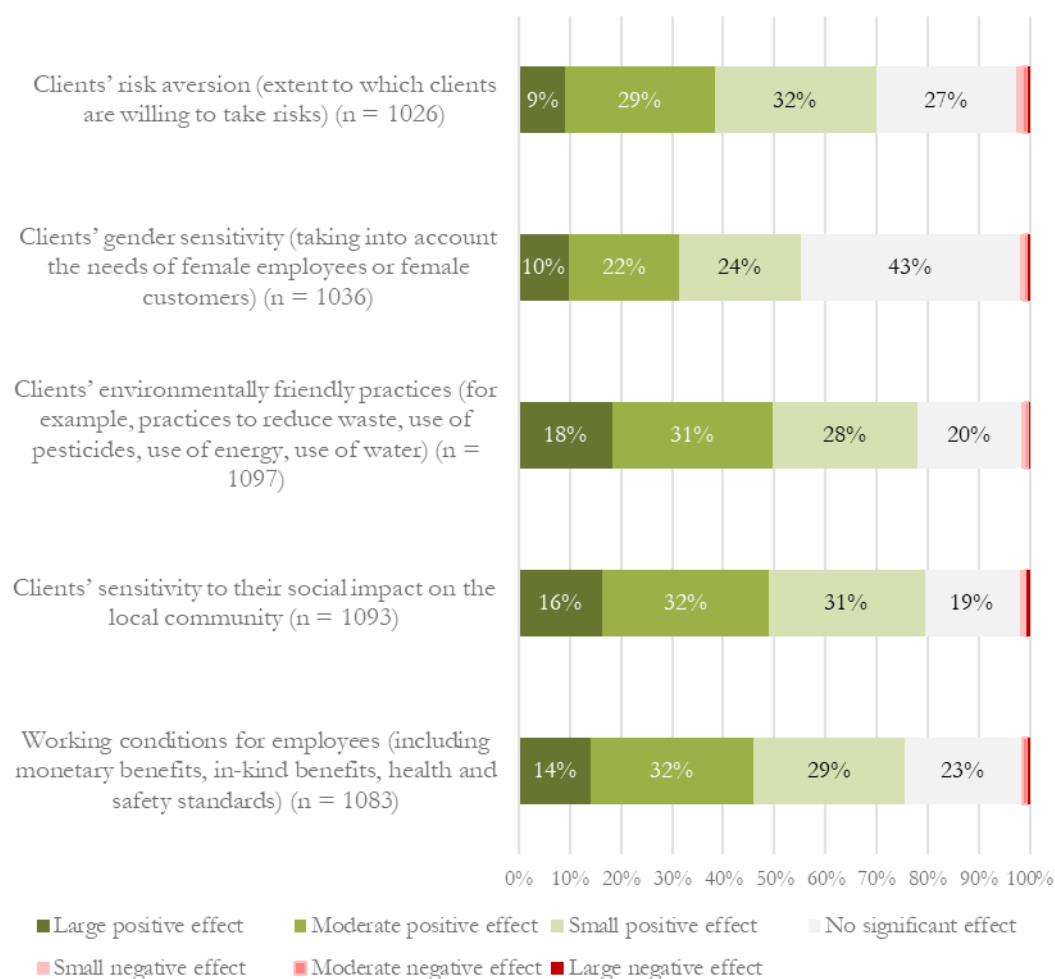
Recent literature shows that the gender of the beneficiary matters significantly in SME development.⁵⁴ Women may find it more difficult to benefit from SME-support programs, regardless of whether these consist of loans, grants or training. This is likely related to questions of agency and control over household resources—women, even when they are small-business-owners, may lack full control over the capital they receive, or have a reduced option set to make business decisions. The literature also shows that these are challenges that seem difficult to overcome through entrepreneurship training alone⁵⁵. Our evaluation findings are somewhat coherent with the above observations. In particular, PRIME found no evidence that PUM increased female employment—this may be because norms around agency and gender, as well as material restrictions, stop them from profiting from any job growth created by PUM SMEs. At the same time, PUM's gender approach does not seem to be addressing this issue: in general, business training would likely need to be complemented with other elements of empowerment to benefit women fully.

⁵³ Preparation report, p.33.

⁵⁴ See for instance ILO 2017: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/publication/wcms_763149.pdf.

⁵⁵ See ILO 2017: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_557228.pdf

Figure 3.13 Survey respondents saw a relatively smaller effect in gender sensitivity than in areas like environmental practices or employee conditions.



Source: SEO Survey results (2020)

Youth employment

Case studies showed that PUM's interventions on vocational institutes are likely to have significant impact on youth employment, but this is likely underestimated by lack of measurement. The case study in Uganda showed that missions not only transfer knowledge to the institutes' instructors and staff; they also provide students with significant business skills (Business Model Canvas, entrepreneurial mindset, etc.). The graduates who were interviewed, as well as other stakeholders, viewed these skills as significant for their employment opportunities. Furthermore, PUM's work through vocational institutes creates sustainable impact and facilitates indirect effects (see Section 3.4). However, these insights could not be confirmed with hard figures. PUM does monitor the percentage of young (< 35 years) entrepreneurs supported⁵⁶ but it does not report the jobs supported for youth (i.e., the share of young people working at the SME). Neither BSOs, nor vocational institutes or incubators are asked to fill out the PRIME survey, which

⁵⁶ Preparation document:
2018: 20%, 2019: 18% and 2020 (until June): 16%.

is PUM's main instrument thus far for measuring its direct employment impact on its clients.⁵⁷ They are also not required to monitor their own graduates or start-ups in order to find out how many companies were indirectly created by youth (or women), let alone how many jobs were indirectly created by them for youth, or how many of them started their own business. This has made it impossible so far to estimate the indirect employment impact PUM may actually be having through these clients, which could be significant.

PUM's work on youth employment appears well-grounded on current literature, but its effectiveness is inconclusive without further measurement efforts. Literature shows that programs may be more successful in creating small businesses by supporting BSOs, rather than subsidizing direct services for SMEs⁵⁸. PUM's support to BSOs who in turn facilitate business creation on a demand-led basis should have similar potential. However, some literature also indicates that doing this in an educational environment may be challenging⁵⁹; this evidence shows that some business-oriented studies could improve youth's attitudes toward business, but not necessarily make them more likely to start their own business. The above indicates that PUM would likely benefit from looking more deeply into its effectiveness on youth employment and SME creation—which requires adjustments in its monitoring and evaluation.

3.3 Indirect effects

There is limited evidence thus far on PUM's indirect effects, but this is partly due to a lack of measurement. Thus far, PUM only collects data on outcomes for direct beneficiaries (through PRIME) and does not yet systematically measure outcomes for indirect beneficiaries. For example, if a successful PUM client indirectly affected another SME through horizontal spillovers (demonstration effects) or vertical spillovers (supply chain effects), which in turn increased its sales or created more jobs, this was not measured in the evaluation period. The same was true for the revenue growth or employment growth achieved by BSOs and their clients, by the students at Vocational institutes or the start-ups generated by incubators. These sector organisations have become more important as PUM clients but are not (yet) included in the PRIME survey. PUM is therefore likely to underestimate its indirect effects.

One of the hypotheses tested in this evaluation was that the new programmatic approach would allow PUM to escalate its impact through larger indirect effects on the wider sector. The programmatic approach was adopted as part of PUM's increasing focus on countries and sector where it could have an increased impact⁶⁰. The hypothesis described at the beginning of Chapter 3, is that the programmatic approach did this by encouraging SMEs to (1) imitate each other's innovations in products, processes, or practices (horizontal spillovers), and to (2) increase connections along the supply chain (vertical spillovers). Below we consider different evaluation

⁵⁷ Note that as of 2021 PUM was concluding a new agreement with WUR/PRIME to include measurement of indirect effects of BSO's, business incubators and the start-ups they support, complemented with PUM's own survey of vocational training institutes and their graduates finding jobs or starting a business.

⁵⁸ See for instance ILO 2018: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/briefingnote/wcms_624908.pdf

⁵⁹ For instance ILO 2017: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_580877.pdf

⁶⁰ Project PUMA report 2017.

findings related to this hypothesis. Therefore, evidence of indirect effects is directly related to the effectiveness of the new programmatic approach.

Our evaluation did not find conclusive evidence that the programmatic approach has stronger indirect effects. In this regard, we found positive indications in some of our case studies and partly in PRIME data; negative indications were also found in case studies, and several interviewees raised warning flags about the new approach,

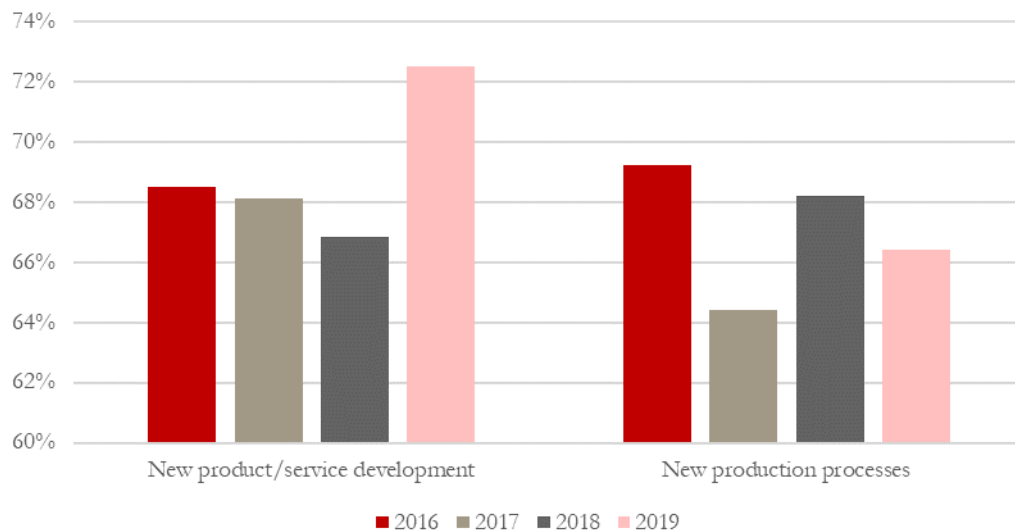
A comparison between programmatic and non-programmatic missions using PRIME data shows somewhat higher average contribution scores for the first. This might provide a hint that missions under a programme have higher contributions to changes in practices. However, this difference was not found to be significant upon performing simple statistical analysis. A further problem is that only a small proportion of PRIME answers correspond to clients in the programmatic approach (approximately 3.5 percent). Such a low number of cases does not yet allow to reach any reliable conclusion. Furthermore, the reliability of this particular data point is not ideal (as per WUR's report). According to WUR, will be addressed in future PRIME reports.

PRIME data provides indirect indications that the programmatic approach may be effective. The PRIME 2020 report shows that 67 percent of all firms invested after receiving PUM's advice to do so.⁶¹ PRIME data also shows that, through 2017-2019,⁶² 69 percent of firms invested in new products/services and 67 percent invested in new production processes in the year following PUM's mission (see Figure 3.14). This is an indication that a great number of firms are likely to not only make changes in their business practices—as seen above—but also to invest in them. These firms have potential to show others in their network that these investments can be profitable—triggering horizontal spillovers. This is further confirmed by various stakeholders in the SEO survey: close to 70 percent believe that the programmatic approach is better suited to improve business outcomes for non-clients, and to introduce new products in the overall sector (indirect effects), as seen in Figure 3.15.

⁶¹ PRIME report 2020, p.30.

⁶² PRIME changed the wording and structure of questions regarding investments in the 2020 survey. These results are not shown, but do not affect the conclusion.

Figure 3.14 On average 69% of firms invested in new products/services and 67% invested in new production processes in the year following PUM's mission



Source: PRIME data

Furthermore, our case study in Uganda provides some evidence that the programmatic approach may facilitate indirect effects, in particular demonstration effects (horizontal spillovers). In particular, it appears that clients who received support under a programme were better connected to other stakeholders, which increased potential for spillover effects. For example, vocational institutes had strong contact with nearby farms, and the dairy farm case under the programmatic approach was well-known in the area for providing training and working as a “demonstration farm”, where new products and techniques were shown to other farmers. This finding is in line with recent literature, which has improved the measuring of innovation spillovers in agricultural⁶³. Indeed, geographical proximity appears to be a key factor in how pioneering innovating farms incentivize nearby farmers to follow suit.

Our case study in Uganda showed suggested that PUM's work with vocational institutes facilitates indirect effects. Clients and other stakeholders believed that “training the trainer”—as was done in Uganda with the SKY programme—multiplied PUM's impact by facilitating the spread of knowledge through different stakeholders. An example of the spillover effects facilitated by this approach is the “earn as you learn” concept mentioned above. This was originally introduced by PUM Experts to the vocational institutes. SEO's local consultant found that this concept had spread to other clients of PUM under the SKY programme as well.

In Myanmar, our case studies suggested that PUM's effectiveness (including both direct and indirect effects) does not only depend on whether it followed a ‘programmatic’ approach. Rather, its effectiveness is possibly more importantly influenced by other factors, including the characteristics of the client selected (including their access to qualified human resources and finance), the quality of the alignment with experts, and various external contextual

⁶³ See for instance World Bank (2015): <https://openknowledge-worldbank-org.eur.idm.oclc.org/handle/10986/22886>. Also World Bank (2014): <https://openknowledge-worldbank-org.eur.idm.oclc.org/handle/10986/17738>, and World Bank (2015): <https://openknowledge-worldbank-org.eur.idm.oclc.org/handle/10986/21857>.

factors that significantly affected the tourism sector's development prospects (including most importantly COVID-19 and the most recent military coup of February 2021). Having said that, the potential for PUM to generate indirect effects was significantly higher when using a programmatic approach, mainly because of its capacity to include a large number of stakeholders.

The programmatic approach presents also a risk for PUM: to step outside of its expertise area. Various interviewees expressed concern that PUM could be less effective with regard to its direct effects under the programmatic approach. PUM experts, as well as some PUM staff and a consulted sector expert expressed the view that PUM would maximise its impact if it stayed out of a leading role and joined other ongoing programmes. The general view was that PUM's expertise consists of specific and inexpensive technical training, and that leading programs requires a different set of organisational qualities. Leading a programme locally would require permanent staff based on the field, teams that are dedicated to draw up a consistent impact strategy, systematic support and follow-up, and improved coordination with other stakeholders, which the interviewed saw lacking in PUM.

This concern regarding the programmatic approach was further confirmed during focus groups with RVO and FGD participants. All participants agreed that PUM's expertise was technical advice, which allowed it to be very quick in providing an expert that would match the mission requirements. Participants encouraged PUM to stick to its expertise with the expression “Schoenmaker, blijf bij je leest” (shoemaker stick to your last, i.e., stick to what you know, don't intervene there where you are not knowledgeable). The concern raised was that PUM would become “yet another NGO” doing the same work many others are already doing (see more details on Additionality chapter). Participants believed the programmatic approach could mean increased impact for PUM, but likely if they identify ongoing programmes where they can be of particular help—rather than designing and leading their own programmes.

3.4 Sustainability of direct and indirect effects

Lasting changes in practices were directly observed during case studies. SEO's local consultants were able to confirm reported changes in practices during their field work in Uganda and Myanmar. In the first, visits to the clients took place at least near 1 year after the PUM mission. Changes in management and adoption of practices like the abovementioned “earn as you learn” concept, or the beginning of new service offers (e.g., the certification of AGDI as a training provider) continued as recommended by PUM. In Myanmar, where less time had passed since PUM missions, the persistence of new business practice was less clearly observable.

Three elements related to PUM's programmatic approach were seen as conducive towards sustainable direct and indirect effects: systematic client follow-up, a “training the trainer” strategy, and increased connectivity in the cluster.

Follow-up, including via email or phone, was seen as an effective way to improve sustainability of direct effects, but there is room to improve by providing clearer guidelines to experts. Most PUM experts interviewed for the case studies in both Uganda and Myanmar had followed-up on their missions through phone and emails. This was seen as an effective way to

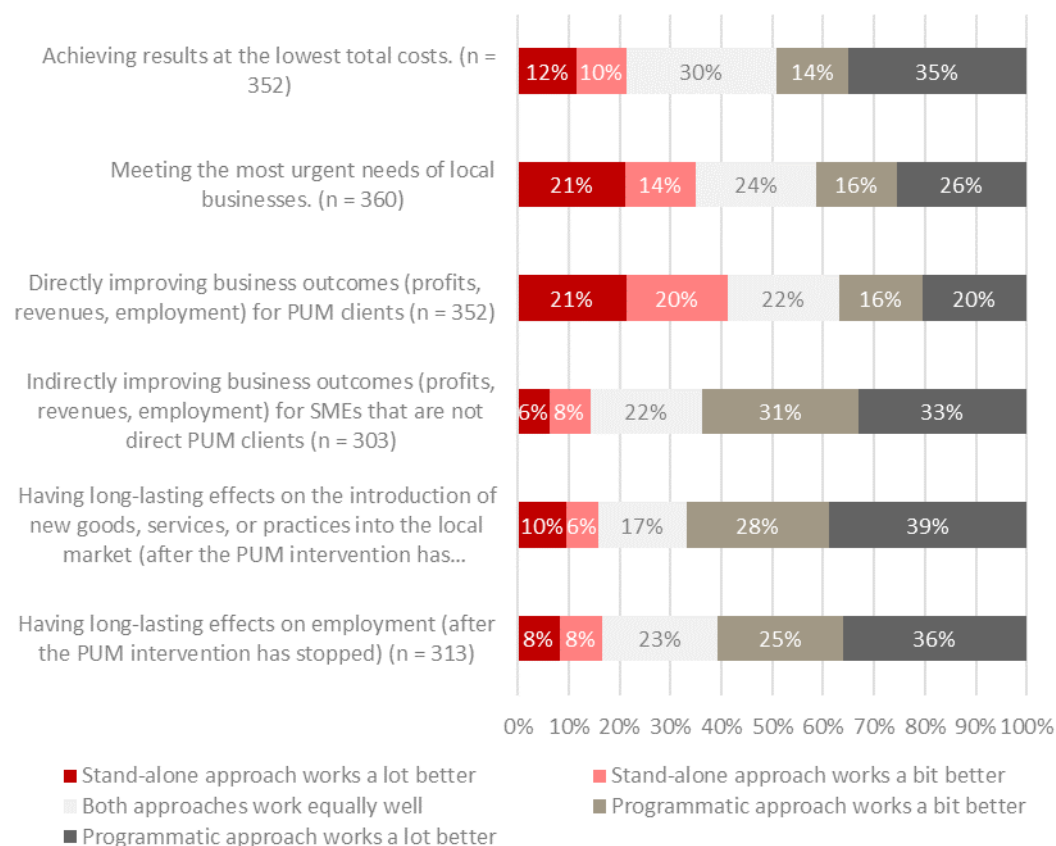
encourage successful implementation of the advice provided during the mission. However, there did not appear to be clear guidelines from PUM regarding the timing and content of follow-up activities. In both Uganda and Myanmar, experts typically followed up in some form with their clients via email or WhatsApp. All interviewed stakeholders agreed that follow-up had generally been satisfactory, and that it helped encourage effective implementation of recommendations. However, there was also agreement among experts that clearer guidelines from PUM regarding the timing, frequency and substance of follow-up contact could be an opportunity to further improve impact. An added challenge to do so is that clients in rural regions (including some of the clients visited as part of this case study) have little or no internet.

PUM's support to vocational institutes appears to be an effective way to increase both the sustainability (durability) of direct effects and the indirect effects on the wider sector. As an example, the vocational institutes PUM advised in Uganda helped to increase PUM's indirect effects by spreading new knowledge on management and entrepreneurship to their students and in turn to the farms who employ them (see Country Case Study Annex for details on e.g., Business Model Canvas). Moreover, trainers who received PUM support worked as spreaders of new knowledge (indirect effects) and continued to use the tools transferred by PUM after the initial mission (sustainability). As observed during field work, “train the trainer” programmers are effective as they escalate the sustainability of direct effects by multiplying the knowledge transfer through different cohorts of students.

Furthermore, increased connectivity appeared to make indirect effects sustainable. Stakeholders who were interviewed in our cases studies reported not only that connectivity with other SMEs and BSOs would expand indirect effects—as mentioned above—but that it would make these changes more sustainable. As an example, the AGDI farm in Uganda worked as a “model farm” and started working as a training provider. PUM experts, even those not connected with AGDI's mission, connected other clients with the model farm in order to acquire knowledge on feasible crops and new techniques. AGDI, which is well-connected to farms, cooperatives and institutes in the region, as attested by SEO's local consultant, effectively functioned as a trainer in the abovementioned sense—multiplying PUM's knowledge transfer by repeatedly spreading it to other stakeholders.

SEO's survey findings give further support to the role of the programmatic approach in longer term effects and sustainability. Among stakeholders who answered the survey, around one third responded that the programmatic approach works a lot better for long-term effects on employment, introduction of goods/services, to achieve results at a lower cost, and to improve business performance indirectly. In contrast, the proportion of clients who believed the stand-alone approach was better is relatively higher for clients' most urgent needs and directly improving business outcomes.

Figure 3.15 Stakeholders responded that the programmatic approach works relatively better for long-term effects on employment, introduction of goods/services, achieving results at a lower cost, and indirect business performance.



Source: SEO Survey results (2020), n=397

4 Relevance

Chapter 4 discusses PUM's relevance to its clients, the countries and sectors they operate in, and to Dutch PSD policy objectives. In general, PUM is seen as highly relevant to its clients and relevant to Dutch policy objectives. Evidence on PUM's relevance to sector and country is mixed.

The ‘relevance’ of a development programme refers to the extent to which it is designed appropriately to best meet the needs of its beneficiaries. The OECD-DAC Network on Development Evaluation defines relevance as “the extent to which the intervention objectives and design respond to beneficiaries’, global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.”⁶⁴ In the case of PUM, Relevance is more concretely defined as “contributing to the Ministry’s policy objectives on private sector development, solving gaps in knowledge and skills for SMEs in developing countries and thereby contributing to sustainable economic growth and job creation, especially for the poor, youth (and females).”⁶⁵

Following these definitions, this Chapter evaluates the relevance of PUM at three levels:

- **Relevance of PUM to its clients:** Does PUM select those clients where it can have the highest potential impact?
- **Relevance of PUM to beneficiary countries and sectors:** Does PUM select those countries and sectors where it can have the highest potential impact?
- **Relevance of PUM to Dutch PSD policy objectives:** To what extent is PUM relevant to the policy objectives of MFA on private sector development?

As Table 4.1 shows, the results on relevance were mixed. With regard to clients, there was ample evidence from a wide variety of sources (including interviews, portfolio and debriefing data, the SEO survey, PRIME data, and the case studies) that PUM is (seen as) relevant to its direct clients. With regard to its relevance for specific sectors and countries, some sources (SEO survey, Uganda case study) were positive, while other sources (interviews/FGDs and Myanmar case study) saw less relevance. PUM’s relevance to Dutch policy objectives was confirmed by several sources.

⁶⁴ <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

⁶⁵ Preparation report, page 27.

Table 4.1 PUM is relevant to its clients and Dutch policy objectives. Evidence on relevance to sector and country is mixed.

	Interviews and FGDs	Portfolio analysis and debriefing	SEO Survey	PRIME	Myanmar case study	Uganda case study
Relevance to clients	++	++	++	++	++	+
Relevance to sector and country	+/-	N/A	++	N/A	+/-	++
Relevance to Dutch policy objectives	++	+	N/A	N/A	N/A	N/A

Source: SEO Amsterdam Economics. “+++” very clearly positive, “++” clearly positive, “+” somewhat clearly positive, “0” minimal or no, “-” somewhat negative, “--” clearly negative, “+/-” conflicting evidence of, N/A absence of evidence.

4.1 Relevance of PUM to its clients

Many studies show that SMEs in developing countries are an important source of employment and economic growth. In low and middle income countries, most firms outside the agricultural sector are SMEs and they typically account for more than half of all jobs in their respective economies. SME growth is therefore known to be important for employment growth⁶⁶ and income growth and is therefore seen as a key instrument to reduce poverty.⁶⁷ Furthermore, training to these SMEs has often been proven to be an effective way to improve employment and profits.⁶⁸ In this regard, focusing on SMEs is highly relevant. But does PUM focus on the right SMEs, i.e., the clients with the highest potential impact?

4.1.1 Client selection process⁶⁹

This section discusses the extent to which PUM’s client selection process ensures that PUM selects the clients with the highest potential impact. The overall conclusion is that the process could be improved to ensure relevance.

The client selection process includes multiple steps. First, clients apply for a PUM advisory mission through the website. Second, the application is assessed by the local representative. In the third and final step the assessment of the local representative is reviewed by the sector-, country-coordinator, and project officers and a decision is made. The overall application process does not differ between SMEs or BSOs, although selection criteria are different (see Box 4.1 and Box 4.2). See *Appendix B* for the full description of the client selection process.

⁶⁶ Kumar, R. (2017). Targeted SME Financing and Employment Effects, World Bank.

⁶⁷ See, e.g., <http://www.oecd.org/industry/smes/31919278.pdf>

⁶⁸ E.g., [wcms_555791.pdf \(ilo.org\)](#), [wcms_630162.pdf \(ilo.org\)](#)

⁶⁹ See Appendix B for the complete description of client selection processes.

Box 4.1 Selection criteria SME clients

- The company is privately owned.
- At least 50 percent of the company is owned by a local.
- The company has been operational for at least 2 years.
- The company has between 10 to 250 employees (although exceptions are made)
- The company is financially stable (just does not have the means to hire consultants).
- The company is prepared to comply with PUM's pricing policy.
- The owner of the company is fully committed and involved during the entire PUM project
- The company complies with basic OECD criteria.

Source: <https://www.pum.nl/en/get-advice> as of December 2020

The current client selection criteria (for SMEs) are useful but may not yet be sufficient to ensure relevance. PUM's selection criteria for SME clients (as described in Box 4.1) are important minimal conditions, but do not yet guarantee that PUM selects those SMEs with the highest potential impact. For example, several case studies in Myanmar and Uganda illustrated that the criterion of “financial stability” may need to be sharpened, as clients in several cases did not have sufficient financial resources to actually implement the PUM advice.⁷⁰ On the one hand, this means that PUM should not support the most cash-strapped or financially unstable clients, as they may not be able to implement PUM's advice, or may not survive a negative exogenous shock (such as COVID). On the other hand, the additionality requirement means that PUM should also not support clients that could easily afford to purchase similar advisory services in the market, as this would imply low additionality and potentially market distortion (see Chapter 5).

PUM's client selection criteria could be improved to attract more microentrepreneurs. Although in practice PUM does support microentrepreneurs (see Figure 4.3), PUM's selection criteria state that SME clients need to have 10-250 employees.⁷¹ A lower requirement for employee size in combination with a systematic assessment of the current requirement that clients should be ‘financially stable’ would ensure that clients have the means to implement advice and impact can be achieved.

⁷⁰ As of 2021, PUM is already in the process of adapting the client selection process to focus more on potential impact and growth.

⁷¹ <https://www.pum.nl/en/get-advice#check-our-criteria>

Box 4.2 Selection criteria BSO clients

Eligible **Business Incubators** have to adhere to the following criteria:

- The mission of the Business Incubator focuses on the development of successful, self-sustaining businesses as vehicles for economic growth and job creation.
- The clients of the Business Incubator clients are private start-ups and early-stage business ventures.
- The Business Incubator provides a comprehensive, integrated portfolio of business support services to your clients.
- The Business Incubator has sufficient staff (i.e. minimum of 3 staff members), funding (i.e. minimum annual budget of € 5,000) and the space to be able to support a minimum of 10 clients in parallel and for a longer period of time.
- The Business Incubator management structure is independent from other entities.
- The Business Incubator is ready to commit to a longer-term collaboration with PUM, depending on the support needed to ensure its sustainability and self-supportiveness.

Eligible **Vocational Institution** have to adhere to the following criterion:

- The Vocational Institution should have a linkage to the private sector (associations, groups of companies etc.). This indicates that 3 parties should be involved: the private sector, the school and PUM.

Source: <https://www.pum.nl/en/get-advice> as of December 2020

Selection criteria for Business Incubators take into account their relevance for SMEs. The first criterion is that Incubator missions should focus on “the development of successful, self-sustaining businesses as vehicles for economic growth and job creation.”⁷² The size, space and funding requirements ensure that Business Incubators can support at least 10 SMEs in parallel and for a longer period of time.

The selection criteria for vocational institutes centres may not be sufficient to ensure relevance. The only selection criterion for vocational institutes is that they should have a linkage to the private sector (associations, groups of companies etc.). This however does not guarantee that PUM selects the vocational institutes that are most relevant for the country and sector. For example, there does not appear to be a requirement that missions with vocational institutes should address specific knowledge or skills gaps in the sector, or that priority should be given to vocational institutes that best address those gaps. By adding such criteria the relevance of missions with vocational institutes could potentially be improved.

There is room to increase PUM’s relevance by improving the way local representatives recruit new clients. Clients are mostly recruited by the local representatives. This often means that the best-connected clients—those more likely to be in the network of the local representative—apply for PUM support. However, these are not necessarily the clients with the highest need for support or the clients with the highest expected impact. During the focus group discussion, local representatives explained that they check whether the clients actually meet PUM’s selection criteria⁷³ however there is no prioritisation of clients based on relevance. PUM has identified that the remuneration scheme for the local representative has so far not encouraged local representatives to select more relevant clients, but rather the largest possible number of clients.

⁷² <https://www.pum.nl/en/get-advice>

⁷³ Local representatives gave examples in which clients withheld or lied about business information.

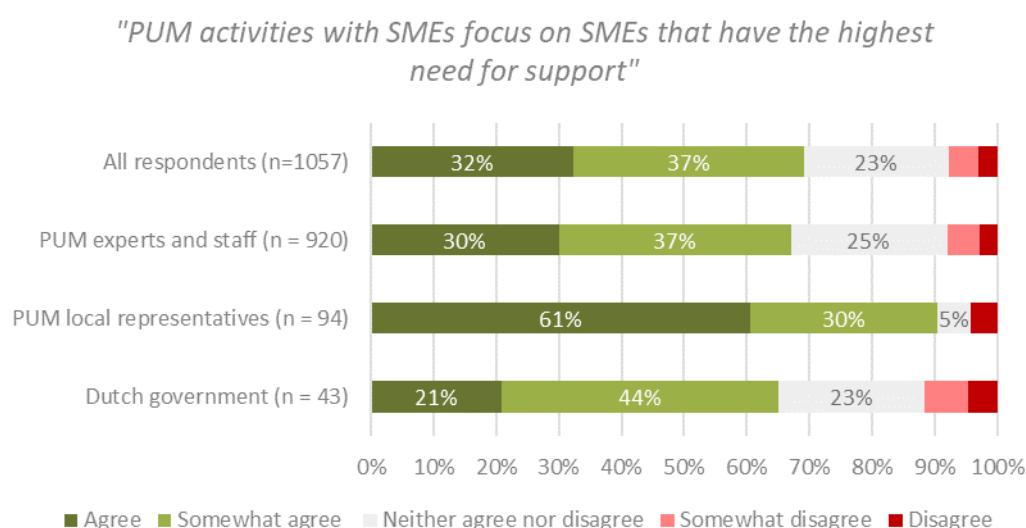
Although, the remuneration system⁷⁴ for local representatives has improved since 2020 (see Appendix D) the incentives do not yet ensure selection of most relevant clients.

4.1.2 Relevance to its clients

This section analyses the extent to which PUM actually supports the SMEs and BSOs with the highest potential impact. In general, evidence showed that PUM supports the clients with the highest potential impact.

Most stakeholders agreed to some extent that PUM supports the SMEs with the highest needs, but some disagreed. SEO's Survey results showed that around two thirds of PUM experts and staff (67 percent) and Dutch government (65 percent) either agreed or somewhat agreed with this statement (see Figure 4.1). Among local representatives, this figure was even as high as 91 percent and significantly different from the other groups⁷⁵, but there could be a potential bias there as they are typically the ones that recruit the clients. However, some stakeholders expressed concern that PUM may not be supporting the most needy SMEs. Indeed, it is noteworthy is that nearly 80 percent of Dutch government staff and 70 percent of PUM experts and staff did not fully agree with this statement.

Figure 4.1 Most respondents agreed (somewhat) that PUM supports those SMEs with the highest needs



Source: SEO Survey results (2020)

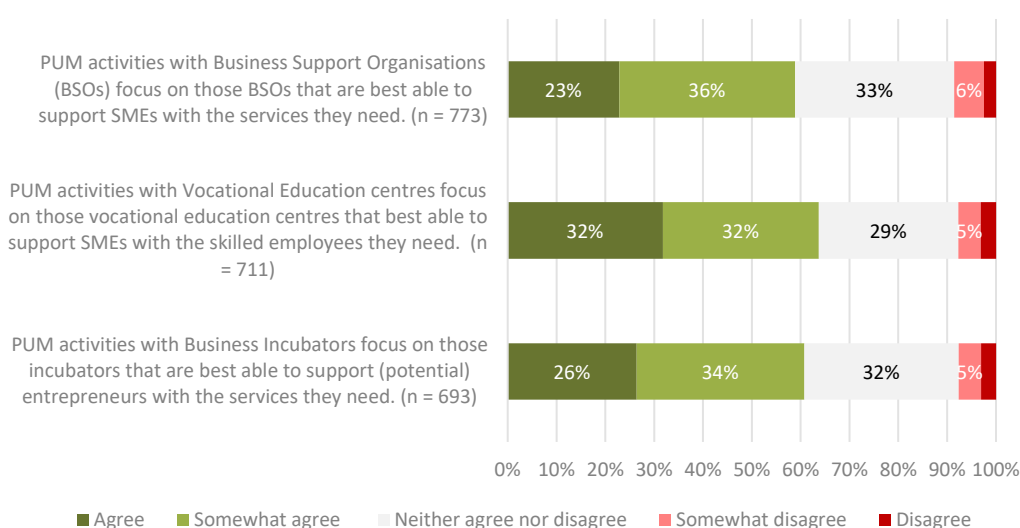
Our Stakeholder Survey results and case study findings also showed that PUM supports the BSOs, vocational institutes and business incubators that are best able to support SMEs. Figure 4.2 shows that around 60 percent of survey respondents believed that PUM supports (1)

⁷⁴ The new remuneration system consists of four parts; a monthly fixed payment of €100, a result based payment of €400 per successful completion of a mission, a day allowance if representatives help with programme development within their country or economic cluster analyses, and finally a claim to any residual expenses which may be incurred due to their work in programme development or economic cluster analyses (e.g. travel costs).

⁷⁵ A one-way ANOVA followed by a Tukey post-hoc test confirmed that the difference between PUM local representatives on the one hand and Dutch government and PUM experts and staff on the other is statistically significant.

BSOs that are best able to support SMEs, (2) vocational institutes that are best able to support SMEs with skilled employees and (3) Business Incubators that are best able to support entrepreneurs.⁷⁶ Similarly, the vocational institutes identified in the Uganda case study appear relevant to the indirect beneficiaries and to surrounding SMEs. The two vocational institutes studied in Uganda had close ties with surrounding farms, which employed some of the institutes' student. The institutes' practical curricula was valued by various stakeholders—on one side, the students who were more likely to find employment thanks to this practical education, and on the other side the SMEs who were more likely to find employees with relevant farming skills.

Figure 4.2 Most respondents agreed (somewhat) that PUM supports relevant BSOs, vocational institutes and business incubators



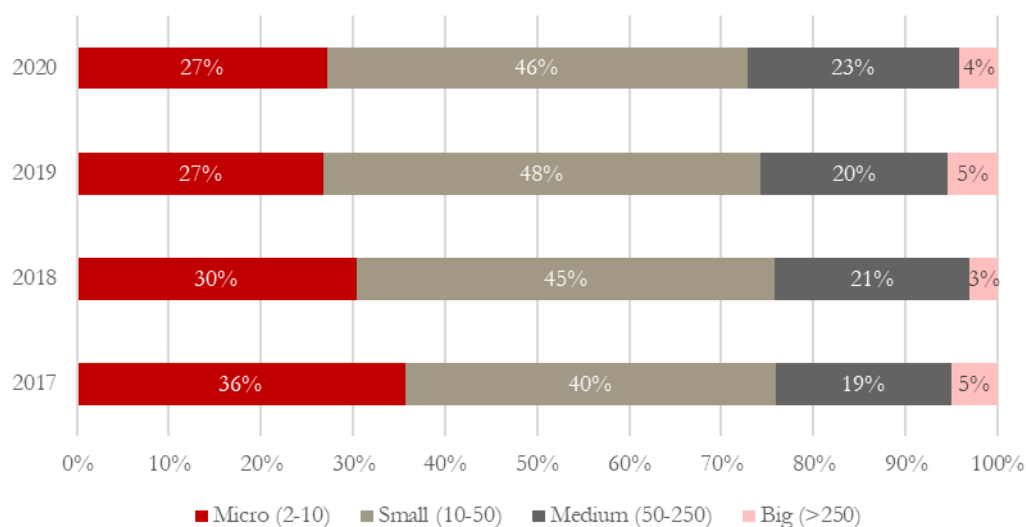
Source: SEO Survey results (2020)

In terms of SME size, PUM does appear to focus on the most relevant group, i.e., micro and small SMEs—the group for which it also has the highest direct effects. As shown in Figure 4.3, 40-48 percent of PUM clients are small (10-50 employees), while 27-36 percent are micro (2-10 employees), even though PUM normally requires at least 10 employees.⁷⁷ As noted in Chapter 3 on Effectiveness, the PRIME survey data showed that micro and small SMEs are also the SMEs where PUM made the largest contribution to improvements in knowledge/practices. Similarly, our case studies in Uganda and Myanmar provided several examples of smaller SME with positive evidence of improvements in knowledge and practices to which PUM contributed.

⁷⁶ Note that one third of the respondents did not agree nor disagree with these statements.

⁷⁷ On its website <https://www.pum.nl/en/get-advice>, accessed 6 February 2021), PUM states that the criterion is 10-250 employees, but “For small companies the cost-benefit ratio of a project is leading. This means that turnover should be (significantly) higher than mission costs. Please note that the minimum number of employees might vary, based on country and sector.”

Figure 4.3 Most PUM clients are small SMEs, followed by micro-enterprises



Source: PUM portfolio of cases between January 2017 and September 2020, n=2236

However, in terms of financial needs, PUM appears not be focusing on the most cash-strapped SMEs. On the other hand, the criterion of “financial stability” seems appropriate (as one would not want to support PUM clients that risk bankruptcy, or do not have the finances to implement recommendations). On the other hand, some survey respondents and interviewees noted that PUM sometimes tends to serve the larger, “richer” and best-connected SMEs (which might be an indication of selection bias). As one survey respondent stated: “The moment the expert is picked up by an Audi Q7 you might expect not to get into the SME that needs the PUM assistance urgently...”. Some PUM clients in the Uganda case study also appeared to be relatively wealthy, suggesting that they may not have been in great financial need of support. (This is discussed further in the chapter on Additionality).

The areas of advice offered by PUM correspond well to the perceived needs of SMEs. Survey respondents placed general management skills as the main area they believed PUM clients need support with. A study from the International Labour Organisation (ILO) also shows that management training in combination with quality control significantly improves performance of small firms.⁷⁸ Furthermore, survey respondents also selected the ability to innovate in the local market and sales-oriented marketing techniques as areas for improvement (see Annex A with all survey results). These areas corresponded well with the most common areas of PUM advice. In the debriefing data, for example, experts indicated that the most important issues addressed during their mission were related to: (1) Improving the product or service quality, (2) Leading, Organising and planning the business and (3) Technologies in production or service delivery. This indicates that the issues addressed by PUM experts correspond well to the perceived needs of SMEs. Nevertheless, there are also other areas of advice that might help SMEs grow, like better

⁷⁸ [wcms_630162.pdf \(ilo.org\)](https://www.ilo.org/wcms_630162.pdf)

understanding of the challenges and opportunities (and how to benefit from them) of globalisation.⁷⁹

PUM's advice itself was seen as relevant in interviews and case studies. A variety of stakeholders indicated that the tailored approach of PUM advice ensures relevance to its clients. PUM clients interviewed for the case studies also indicated that the expert was flexible and adjusted its advice to the specific needs of the client. *A full analysis of the effectiveness of PUM's advice is described in chapter 3.*

4.2 Relevance of PUM to countries and sectors

4.2.1 Country and sector selection

This section discusses the extent to which PUM's selection process ensures that PUM selects those countries and sectors where it can have the highest potential impact.

Following BCG's advice to improve impact by focusing on a smaller number of countries and sectors, PUM launched 'Project PUMA' in 2017.⁸⁰ The selection of focus countries and focus sectors was made by PUM in discussion with its Supervisory board and the Dutch Ministry of Foreign Affairs (MFA). Before the PUMA project, PUM was active in 68 countries and in 80 sectors. By 2020, this was reduced to 35 countries and 41 sectors (as described in Section 2.5).

As part of Project PUMA, PUM decided to use the following 6 criteria to select its focus countries:⁸¹

- **The historical presence of PUM** in the country; the number of missions, in order to leverage current strengths, networks, recognition.
- **The partner country policy of MFA**, to improve the relevance to MFA and the additionality and coherence with other Dutch development programmes.
- **The size of the SME market in the country.** The presence of SMEs in the country was seen as crucial for PUM to ensure that there is enough demand for their services and that the advice of PUM experts can have impact.
- **The importance of the country for Dutch trade and investment.** The volume of current trade and investments by Dutch businesses is important, as it is one of PUM's goals to increase trade and investments through business links with Dutch companies, and to realise aid and trade objectives.
- **Whether the country was a low-income country (LIC), a least developed country (LDC) or fragile state.** It was decided that 50 percent of the countries PUM works in should be LICs/LDCs/fragile states.⁸²

⁷⁹ OECD, 2004. Promoting entrepreneurship and innovative SMEs in a global economy: towards a more responsible and inclusive globalisation.
Retrieved from: <http://www.oecd.org/industry/smes/31919278.pdf>

⁸⁰ PUM Annual Report 2018, page 8

⁸¹ Project PUMA Report, page 56

⁸² PUM Annual Report 2018, page 4

- **The scale of the local economy and PUM's expected impact on it.** In countries with large economies like Nigeria, Egypt, Brazil, PUM would have little added value, and therefore decided not to include these countries in the portfolio.

The following five criteria were used to select the focus sectors: ⁸³

- **The historical presence of PUM in the sector;** the number of missions, in order to leverage current strengths, networks, recognition.
- **The size of SME presence in the sector.**
- **The thematic choices of MFA,** to align with the Ministry and because of additionality to, and coherence with, other Dutch development programmes.
- **Alignment with the 'top sectors' of the Netherlands.** This criterion was implemented in the expectation that PUM would more easily be able to attract high-quality Dutch experts from sectors in which the Netherlands is particularly strong (e.g., the agri-food sector).
- **Trade and investment volume of the Netherlands in this sector.**

PUM's sector selection criteria are not (yet) fully sufficient to maximise its relevance. One of the criteria used for the selection of focus countries and sectors since 2017 was the size of the SME market in the country or sector. According to a PUM senior manager, this criterion was added because it had turned out to be difficult to find a sufficient number of clients in countries with a highly undeveloped SME sector. However, while the presence of a sufficient number of eligible SMEs is obviously an important criterion, what matters also is whether there is potential for PUM to improve the performance of these SMEs. All else equal, PUM would be most relevant in countries or sectors where it has the largest potential to improve SME performance, which depends on existing SME gaps in knowledge, skills, or practices. PUM does not yet appear to use such a criterion, although, for the selection of countries, it comes close by including the scale of the local economy and PUM's expected impact on it as additional selection criteria. This, however, refers to PUM's expected impact on the local economy, and not on the sector or on the SMEs within a sector.

Country Impact Plans and Sector Development Plans are a step in the right direction, but more in-depth analysis of skills gaps (among SMEs, BSOs, graduates and start-ups) could further improve PUM's relevance. Annual Country Impact Plans are drafted for internal planning and to operationalise policy objectives in concrete plans. In addition, Sector Development Plans are used to optimise the allocation of PUM experts for delivery of quality services to their clients. Although the Country Impact Plans reflect the choice of priority economic clusters in the country to increase PUM's impact, they lack an in-depth analysis of country and sector gaps (e.g., skills gaps among potential PUM clients and their potential employees, particularly youth and women). Improving the analysis of these gaps could help to select the most relevant countries, sectors and SMEs (i.e., the ones with the highest gaps in areas where PUM is expected to be able to make a difference). It is possible that such analysis is already conducted by other Dutch or non-Dutch development programmes, or this analysis could (partly) be based on the Country Strategies from the Dutch embassies in the specific country (see Section 5.2 on Coherence).

⁸³ Project PUMA report – bestuursvergadering, page 48

The case studies also showed mixed results regarding the relevance of the sector selection.

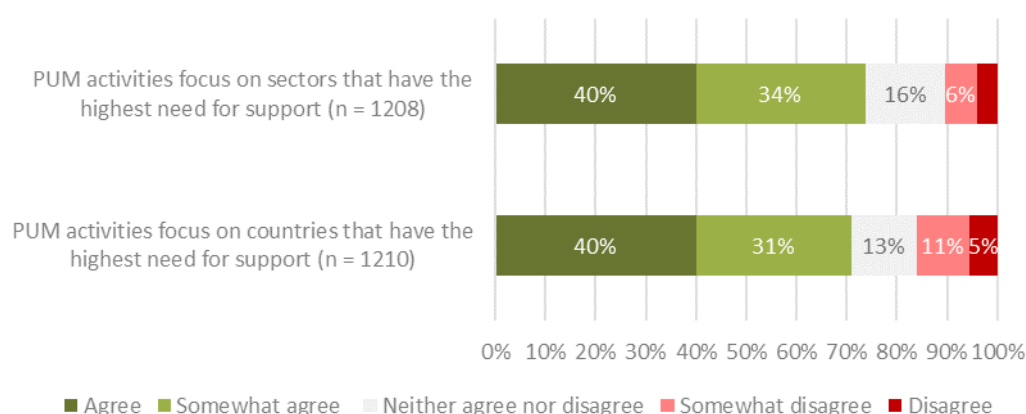
On the one hand, the case study in Uganda showed an example of a sector that was highly relevant from the point of view of employment, food security, and poverty reduction. On the other hand, the selection of the tourism sector as a focus sector in Myanmar was, with hindsight, possibly not the most relevant one given the high external risks (COVID-19 and military coup) and the presence of another major donor programme focusing on this sector.

4.2.2 Relevance to countries and sectors

This section analysis the extent to which PUM focuses on countries and sectors where it can have the highest potential impact.

Many stakeholders agreed that PUM activities focus on those countries and sectors with the highest needs for support. In the SEO survey, 40 percent of respondents agreed with these statements, and an additional 31-34 percent agreed “somewhat” (see Figure 4.4). However, some stakeholders (including RVO and PUM experts) expressed concerns that PUM ceased being active in countries or sectors where they previously had a high impact (see Section 2.5).

Figure 4.4 Most survey respondents agreed that PUM focusses on sectors and countries with the highest needs

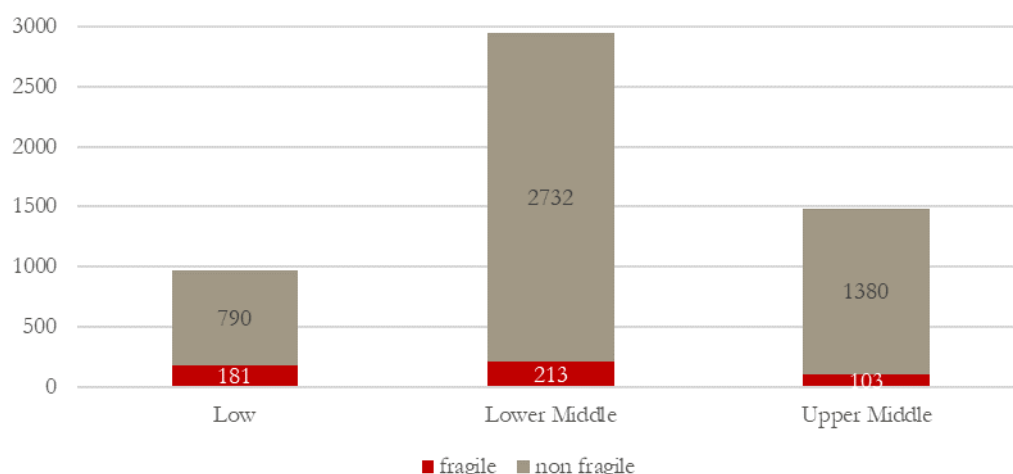


Source: SEO Survey results (2020)

The focus on Least Developed Countries (LDCs) seems relevant, as multiple sources suggest that PUM is most effective in these countries. Interviewees from various stakeholder groups (including MFA, RVO and PUM) considered PUM most relevant in such countries, given that the gaps are larger there. The PRIME data also showed that PUM’s contribution scores were higher for SMEs in LDCs, suggesting that PUM is considered more effective there (see Chapter 4 on Effectiveness). PUM is aware of this and increased the number of missions in LDCs (including fragile states) from 46 percent in 2017 to 50 percent in 2020.⁸⁴ However, Figure 4.5 also shows that a substantial share of PUM missions took place in upper-middle income countries, which is something to potentially be reconsidered in the future as PUM’s potential impact may be lower in those countries.

⁸⁴ Preparation document PUM

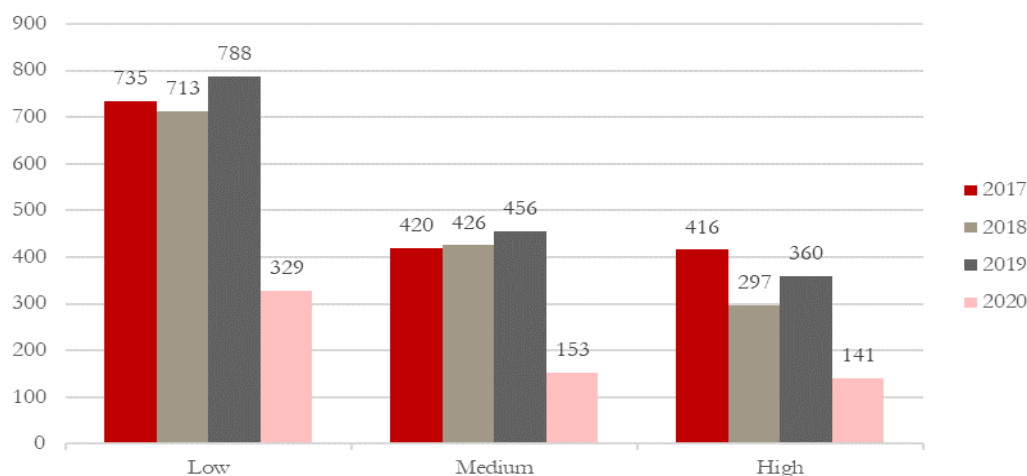
Figure 4.5 Most PUM missions during 2017-2020 took place in lower-middle income countries



Source: WB Income Classification and PUM database (# of missions from 2017 – 2020)

During 2017-2020, PUM was most active in countries with a smaller MSME sector, which makes sense as PUM is likely more relevant there. As shown in Figure 4.6, between 2017 and 2020 PUM was mostly active in countries with a small MSME sector (i.e., less than 19 MSMEs per 1000 people). In these countries it is expected that knowledge, skills, or practices gaps among MSMEs are larger and the potential for the MSME sector to grow is larger. In that sense, PUM can potentially be more relevant in countries with a low MSME share (unless there are strong external constraints that explain why the share is so low, and that are expected to hinder PUM's effectiveness).

Figure 4.6 Most PUM missions during 2017-2020 were in countries with a low MSMEs indicator



Source: MSME indicator 2019 and PUM database (# of missions from 2017 – 2020)
The MSME indicator represents the share of registered micro, small and medium-sized enterprises (MSMEs) per 1000 people.⁸⁵

⁸⁵ This is based on an estimate regarding the number of MSMEs per 1000 people, with the following classification:

Some sector and country wide bottlenecks that hamper SME growth remain outside of PUM's scope. OECD (2004) stated that the main obstacles for firm (of all size are) growth are sector/country wide issues like corruption, lack of infrastructure and policy inconsistency and instability.⁸⁶ As PUM focusses on supporting individual SMEs and BSOs, sector or country wide bottlenecks are sometimes not addressed by PUM. For example, in the tourism sector in Myanmar, access to finance and overall reputational damage hamper sector growth. Although some sector-wide bottlenecks may be addressable through a programmatic approach, it takes sustained involvement over a longer period to address these issues.

Although PUM interventions are too small to change entire countries or sectors, our case study in Uganda showed an example of a programme that was highly relevant for both the sector and the country. During our interviews many stakeholders repeated the view of BCG that, when PUM's activities are fragmented, with a limited number of missions per sector/country, the overall impact at the level of sector or country will not be significant. However, in our Uganda case study, multiple stakeholders confirmed that the Skilling Youth for Agriculture programme was highly relevant for the country and sector, given its focus on strengthening practical skills in a sector (agriculture) that is a significant source of employment and an important contributor to poverty reduction. Another indication that this choice of sector was highly relevant was that the mismatch between theoretical education and the skills demanded by the labour market was seen as large by all stakeholders interviewed.⁸⁷

4.3 Relevance of PUM to Dutch PSD objectives

This section analysis the extent to which PUM is relevant to the overall MFA policy goals (4.3.1) and to MFA's country and sector priorities (4.3.2). Additionally, sub-section 4.3.3 assesses the extent to which PUM actually contributes to the Dutch PSD indicators.

4.3.1 Relevance of PUM to overall MFA policy goals

Since 2013, the Dutch Ministry of Foreign Affairs has implemented a so-called 'Aid and Trade' agenda, set out in its 2013 report entitled 'A World to Gain'.⁸⁸ This policy agenda has been led by the Minister for Foreign Trade and Development Cooperation ('BHOS' in Dutch), which since 2013 combined Development Cooperation and Foreign Trade. During 2013-2017, BHOS policy pursued three main objectives: (1) eradicate extreme poverty; (2) promote sustainable and inclusive development worldwide; and (3) facilitate Dutch companies abroad. Within these three broad objectives, the focus was on five specific clusters: (1) infrastructure development; (2) financial sector development; (3) market development; (4) knowledge & skills; (5) laws &

-
- Low: fewer than 19 MSMEs per 1000 people
 - Medium: between 19 to 50 MSMEs per 1000 people
 - High: above 50 MSMEs per 1000 people

⁸⁶ OECD, 2004. Promoting entrepreneurship and innovative SMEs in a global economy: towards a more responsible and inclusive globalisation. Retrieved from: <http://www.oecd.org/industry/smes/31919278.pdf>

⁸⁷ See Uganda case study report.

⁸⁸ Ministry of Foreign Affairs (2013). A World to Gain. A New Agenda for Aid, Trade and Investment. The Hague.

regulations.⁸⁹ During this period, PUM appeared to fit well under the fourth theme, but also under the third.

Since 2018, the aims of BHOS were reformulated in terms of the Sustainable Development Goals (SDGs). The new BHOS policy agenda adopted in 2018, based on a policy document called “Investing in Global Prospects,”⁹⁰ promotes four closely connected objectives: (a) preventing conflict and instability; (b) reducing poverty and social inequality; (c) promoting sustainable and inclusive growth and climate action worldwide; and (d) enhancing the Netherlands’ international earning capacity.

One of the explicit aims of this new BHOS policy agenda is to mobilise the private sector to achieve the SDGs. To reach this objective, the Dutch government is investing in “five essential conditions for entrepreneurship”. These include:⁹¹

1. Increase access to markets
2. Good legislation
3. Reliable institutions and actors
4. Strengthen physical infrastructure
5. Strengthen financial infrastructure

PUM fits within the new BHOS policy agenda to the extent that it focuses on increasing SMEs’ access to markets. This is defined as the ability of SMEs “to get their products to market more quickly and cheaply, either at home or across the border”.⁹² While PUM mainly focusses on improving SMEs’ access to domestic markets whereas CBI, for example, focusses on improving their access to European markets (see Section 5.2 on Coherence).

PUM also fits within the agenda of the Directorate-General for International Development (DGIS) of BHOS, and more specifically under the PSD agenda of the DGIS Directorate for Sustainable Economic Development (DDE). BHOS’s private sector development policy (executed by DDE) aims to contribute to sustainable and inclusive economic growth and employment creation. To achieve this goal, DDE supports local SMEs in developing countries⁹³ through investments in programmes like PUM. During the period 2017 – 2020, DDE provided PUM with a total subsidy of EUR 45 million.⁹⁴

PUM activities appear well aligned with overall BHOS aid objectives. Through PUM mission PUM experts share knowledge “to strengthen businesses and improve lives”. In addition PUM

⁸⁹ KIT (2017), *Aid & Trade in Dutch Development Cooperation What has worked, what hasn’t worked? What needs more focus and attention? A brief review of external evaluations of Aid and Trade programmes from 2013-2017*. Amsterdam: KIT Royal Tropical Institute, July 2017. See: https://www.kit.nl/wp-content/uploads/2018/08/5989a53dacc28_KIT_Aid_Trade_Report_06.pdf

⁹⁰ MFA (2018), “Investing in Global Prospects”, May 2018: <https://www.government.nl/documents/policy-notes/2018/05/18/investing-in-global-prospects> (in Dutch: “Investeren in perspectief. Goed voor de wereld, goed voor Nederland”, May 2018. <https://www.rijksoverheid.nl/documenten/beleidsnotas/2018/05/18/pdf-beleidsnota-investeren-in-perspectief>)

⁹¹ MFA (2018), “Investing in Global Prospects”, May 2018: <https://www.government.nl/documents/policy-notes/2018/05/18/investing-in-global-prospects>

⁹² Factsheet “Improving the climate for business” (from MFA, DDE)

⁹³ MFA, DGIS, DDE (October 2018). *Theory of Change, Private Sector Development narrative*.

⁹⁴ Adjusted policy memorandum 2018 (Aangepast BEMO 2018)

aims to “create positive impact on the economy, environment and society...”.⁹⁵ As described in section 2.4, long-term impact outcomes that PUM strives for are improvements in SME turnover, profits, employment, investments, sustainable and inclusive practices and trade relations (including with the Netherlands). These impact outcomes appear well aligned with DDE’s economic growth and employment objectives, which in their turn contribute to the overall BHOS objectives of “reducing poverty and social inequality” and “promoting sustainable and inclusive growth and climate action worldwide”.

Through its business links with Dutch companies, PUM had a small contribution to the BHOS trade objective of “enhancing the Netherlands” international earning capacity”.

Even before 2013 when Development Cooperation and Foreign Trade were combined, PUM already offered PUM clients the possibility to get to know companies in the Netherlands through Business Link visits⁹⁶ and encouraged trade with Dutch companies.⁹⁷ However increasing trade with the Netherlands does not appear to be a specific goal of PUM.⁹⁸ Furthermore, the number of business links decreased by more than 80 percent in the period 2012-2019 and the effectiveness of the Business Link programme also appeared limited in the past.⁹⁹ An internal evaluation conducted in 2019¹⁰⁰ showed that the relevance of business links for trade promotion had increased but PUM’s contribution to BHOS trade objectives remained limited.

PUM’s programmatic approach appears to fit well with the new ‘systemic’ approach that DDE aims to take, provided that PUM improves its alignment with other DDE-supported programmes. Based on interviews, we understand that DDE’s strategy for the period 2020-2030 will aim more on achieving systemic (transformational) change, including by better aligning the country and sector focus of existing development programmes (such as PUM and CBI) and by clustering activities more within specific value chains. PUM’s programmatic approach fits well with this approach in that it aims to limit the number of countries and sectors (thus avoiding fragmentation) and make PUM activities in a given country more interlinked and better aligned with each other (see Section 2.5). To do this well, however, PUM would need to further improve its alignment with other DDE-supported development programmes (see Section 5.2).

4.3.2 Relevance to MFA country and sector priorities

PUM’s selection of countries and sectors takes into account their relevance for the policy objectives of MFA on PSD. Both MFA and PUM representatives noted in interviews that MFA does not determine in which countries and sectors PUM is active. However, they noted that MFA was involved in the 2017 discussions on the selection criteria for PUM’s new (smaller set of) focus countries and sectors (discussed in the previous section).

⁹⁵ [SME development, business advice, sustainable growth | PUM](#)

⁹⁶ Ecorys, (2011). PUM Netherlands senior experts – Evaluation 2006-2009

⁹⁷ Since 2018, the business links are part of PUM’s Business Circle. Members of the PUM Business Circle pay an annual contribution and in return can deploy their employees as PUM experts, enter into sustainable trade relations through PUM, give substance to CSR covenants and expand their network.

⁹⁸ PUM Annual report 2019, ‘Our Impact’

⁹⁹ Erasmus University Rotterdam and Carnegie Consult B.V., (2016). Evaluation of PUM Netherlands Senior Experts 2012-2015, final report.

¹⁰⁰ Adeline de Jong, 9 July 2019. The effectiveness of facilitated business links in 2017 and 2018.

The criteria for selecting PUM's new focus countries took into account the country preferences of MFA. As noted in the previous section, the partner country policy of MFA was one of the 6 criteria, suggesting that MFA partner countries received priority. Moreover, it was decided that 50 percent of the countries PUM works in should be LDCs/fragile states, which further improved the overlap between PUM's country list and the DGGF country list used for many PSD programmes supported by MFA.

In 2018 and 2019, PUM made some further minor changes to its country portfolio that appeared to reflect the new policy agenda of the MFA. Under Minister Kaag, who had been appointed in October 2017 as Minister for Foreign Trade and Development Cooperation, the new policy agenda had a stronger focus on North Africa, Western Africa and the Middle East. PUM's decisions to include Algeria (in 2018) and Tunisia and Burkina Faso (in 2019) can be seen as being in line with this new policy agenda. This having said, PUM continues to operate in countries that are not considered focus countries for MFA (for example, most countries in Latin America).¹⁰¹

4.3.3 Contribution to MFA's PSD indicators

MFA's main PSD objectives are to contribute to sustainable and inclusive economic growth and employment creation through 1) facilitating SME-development and 2) creating an enabling business environment. The corresponding PSD indicators that MFA collects for all of its programmes are:¹⁰²

- # Companies with a supported plan to invest or trade.
- # Direct jobs supported (in individually-supported SMEs).
- Mobilised private finance.

PUM contributes to the first two main PSD indicators. Table 4.2 shows that PUM supported around 26,000-27,000 jobs per year between 2017 and 2019. The number of companies with supported plans to invest or trade ranged between 1,000 en 1,400 per year in the period 2017-2019. These figures represent 9 and 8 percent respectively of the total PSD figures financed by the Dutch government in 2019.¹⁰³ PUM does not report on its contributions to the third PSD indicator, as this is not a focus area for PUM, although it might be contributing indirectly to improving access to finance for SMEs, e.g. through its support to incubators.

¹⁰¹ MFA (2018), "Investing in Global Prospects", May 2018: <https://www.government.nl/documents/policy-notes/2018/05/18/investing-in-global-prospects>

¹⁰² Private sector development – results framework 2020.

¹⁰³ First 2 indicators are also disaggregated to Dutch/non-Dutch; male/female; youth; fragile states. In total, business development programmes financed by the Dutch government supported 12,700 business plans for investment or trade and 345,000 direct jobs in 2019. See more in <https://www.dutchdevelopmentresults.nl/theme/private-sector-development>

Table 4.2 The number of jobs supported remained stable, while the number of companies supported fell between 2017 and 2019

	2017	2018	2019	2020
Number of (direct) jobs supported	26,498	27,393	27,041	11,221
Number of companies with supported plans to invest or trade	1,403	1,074	1,180	1,260

Source: Preparation document PUM and Annual report KPIs 2020

One of the evaluation questions was whether the PSD indicator “number of jobs supported” is a useful measure of the “development effects of PUM support”. The view of the evaluation team is that this indicator is only a broad measure of ‘scope’ but does not provide an accurate picture of PUM’s effectiveness or impact. The indicator simply measures the total number of jobs that exist at the SMEs that PUM supports. But if PUM *supports* an SME with 50 employees this does not necessarily mean that it has more ‘development effects’ than if it supports an SME with 10 employees. As discussed in the Effectiveness chapter, it may even be the case that PUM’s direct effects are larger for smaller SMEs (although its indirect effects may be larger for larger SMEs). This is an empirical question, however, and may differ from case to case.

A complicating factor is that the indicator on ‘jobs supported’ by PUM can increase in two ways. On the one hand, it increases when PUM’s advice contributes (causally) to the number of jobs SMEs create—this would imply that PUM is effective in achieving its desired outcomes. But on the other hand, the indicator can also increase when PUM increases the share of larger SMEs in its client base (i.e., when PUM selects more SMEs that are large in terms of employment). The latter does not necessarily make PUM more effective. As such, this indicator can only be a good measure of *scope*, i.e. of how many persons potentially benefit directly or indirectly by PUM’s advisory services. For instance, a worker in PUM-supported firm may enjoy greater productivity, pay, working conditions, etc. However, it does not indicate *to what extent* people benefit. Better indicators of development effectiveness tend to be more programme-specific and come with different disclaimers. For PUM, measures discussed in the Effectiveness section, e.g. ‘jobs created’ (estimated through PRIME) are a more appropriate measure of “development effects”.

Other significant MFA objectives for its PSD agenda are gender equality and youth employment,¹⁰⁴ but reporting by PUM has thus far been limited in this area. In many of its PSD programmes, MFA has targets or requires reporting on the number of companies owned (or managed) by women or youth, as well as employment for women and youth. In principle, PUM is also required to report the share of female-owned and youth-owned SMEs, but in practice they only report this for around 30 percent of all SMEs. Moreover, PUM is not required to report the share of women and youth for the ‘jobs supported’ indicator, since PUM indicated that this is impossible. The two subsections below provide more detail on PUM’s relevance for women and youth, based on the limited data available.

¹⁰⁴ See <https://www.dutchdevelopmentresults.nl/theme/private-sector-development> and <https://www.rijksoverheid.nl/onderwerpen/ontwikkelingssamenwerking/nederlands-beleid-ontwikkelingssamenwerking>

Relevance for women

Thus far, PUM's relevance for female entrepreneurs appears low, or at best unclear. During the period January 2017 – September 2020, only 31 percent of PUM cases contained information about the gender of the client (31 percent). Out of these, only 28 percent were reported as women. It was also not clear what definition was used: PUM's database refers to “# companies with female entrepreneurs” and “entrepreneur_gender” but it not clear whether a ‘company with a female entrepreneur’ means that there is at least one female owner, or whether it means, e.g., at least 51 percent women's ownership, in case there are multiple owners.¹⁰⁵

PUM has recently started to focus more on the MFA objective of improving gender equality. From 2020 onwards, PUM began making a special effort to improve in terms of Diversity and Inclusion, reflecting this MFA priority. The main focus has been on increasing the percentage of female experts, as well as the percentage of female entrepreneurs among PUM clients.¹⁰⁶ By December 2020, 17 percent of PUM experts were women, up from 12 percent in 2017. The percentage of female entrepreneurs/clients supported by PUM went up from 25 percent in 2017¹⁰⁷ to 30 percent in December 2020.¹⁰⁸

According to PUM, increasing the number of female experts and clients has been difficult for two reasons. First, because many of its focus sectors (e.g., agri-food) tend to be male-dominated industries in the Netherlands. Second, because the share of women among more senior experts tends to be even more unequal, reflecting the historically low female labour participation rate among Dutch women. Third, as PUM provides advice in many sectors that are male-dominated in developing countries as well, the gender distribution among clients is not equal.

While the increasing share of women among experts and clients show that PUM is attempting to become more relevant for women, PUM could still be more ambitious in this area. Despite the growing trend, the numbers are still far from equal distribution, and the speed of change is slightly below target. Furthermore, PUM could aim to improve gender empowerment which is more than just women participation. A broader view on gender empowerment includes increased political, social and economic status, equal access to resources and greater decision-making power over the household, greater voice in public debates, etc¹⁰⁹.

Our Stakeholder Survey results also suggest that PUM could pay more attention to gender equality. Only 12 percent of survey respondents fully agreed that PUM paid special attention to women or improved gender relations. Another 26 percent “somewhat agreed”, while 25 percent disagreed (see Figure 4.7). The survey results and our case studies also showed that PUM was not seen as being particularly *effective* in the area of gender inclusion and stimulating gender awareness

¹⁰⁵ IFC defines “women-owned” as “either more than 51 percent women's ownership, or with 26-50 percent women's ownership in a business that has a woman CEO or COO.” See IFC (2014), “Women-Owned SMEs: A Business Opportunity for Financial Institutions”, Washington DC: IFC.

¹⁰⁶ Although PUM and MFA have not set a specific target for the percentage of female local representatives, the percentage of female local representatives was 34 in December 2020.

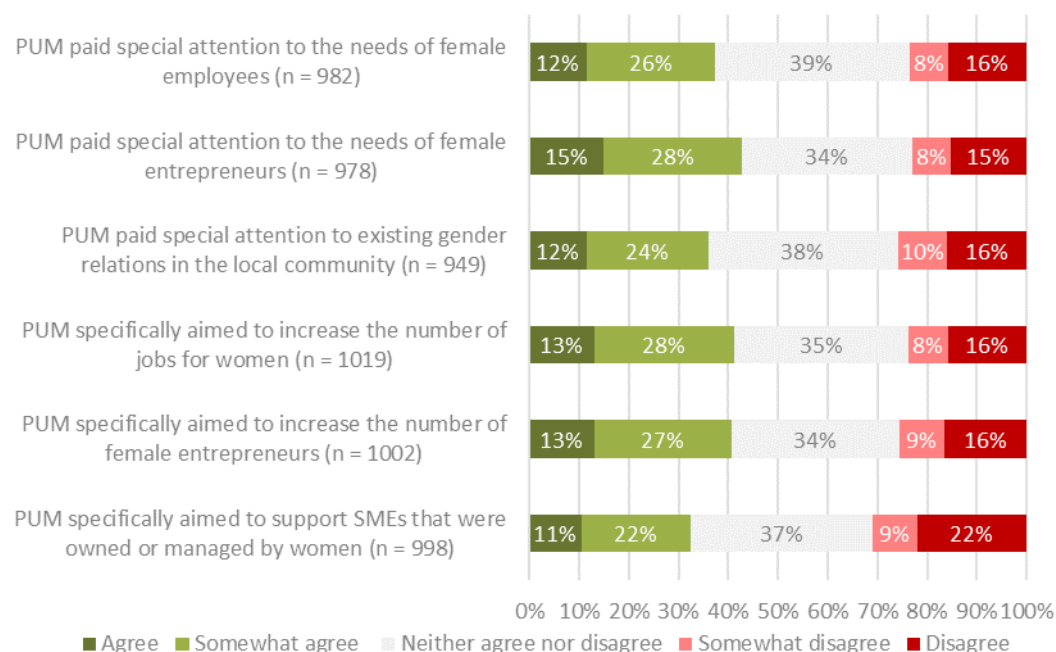
¹⁰⁷ Preparation document PUM.

¹⁰⁸ Annual report KPIs (as received from PUM on 9-2-2021)

¹⁰⁹ Academic work on the subject can be found for instance in Sharaunga et al. (2019): <https://www.tandfonline.com/doi/full/10.1080/19452829.2018.1546280>. See also World Development Report 2012 on gender equality and development: <https://openknowledge-worldbank-org.eur.idm.oclc.org/handle/10986/4391>.

(see Chapter 3 on Effectiveness for more detail). Having more female experts and female clients could help improve gender awareness and thereby also improve PUM's impact on women.

Figure 4.7 Only around 40% of respondents agreed that PUM paid “special attention” to gender.



Source: SEO Survey results (2020)

Relevance for youth

Thus far, PUM's relevance for young entrepreneurs appears low, or at best unclear. During the period January 2017 – September 2020, only 29 percent of PUM cases contained information about the age of the client. Out of these, only 16 percent were below the age of 35 ('young entrepreneurs'). It was also not clear what definition was used: PUM's database refers to “# Companies with young entrepreneurs (< 35 years)” and “entrepreneur_year_of_birth” but it not clear whether a ‘company with a young entrepreneur’ means that there is at least one young owner (< 35 years), or whether it means that at least 51 percent of owners are young. It is also not clear at what moment the age is measured, and whether the classification of ‘young entrepreneur’ is adjusted once the entrepreneur reaches the age of 35.

Encouraged by MFA, PUM initiated and supported multiple initiatives to improve youth employment. In 2017 PUM received a budget increase of EUR 727,120 to support employment creation for African (unemployed) youth¹¹⁰ through the ‘Making Africa Work’-project. In February 2018, PUM also received an additional subsidy of EUR 4.7 million for the expansion of the programme towards more focus on youth employment facilitation as well as strengthening responsible business conduct (RBC) in company practices.¹¹¹ In addition, multiple programmes in which PUM participated since 2017 (such as the SKY programme reviewed as part of the Uganda case studies) included an emphasis on youth employment.

¹¹⁰ “PublieksBEMO - PUM - aanvullend BeMo amendement Smaling Mulder”

¹¹¹ Adjusted policy memorandum 2018 (Aangepast BEMO 2018)

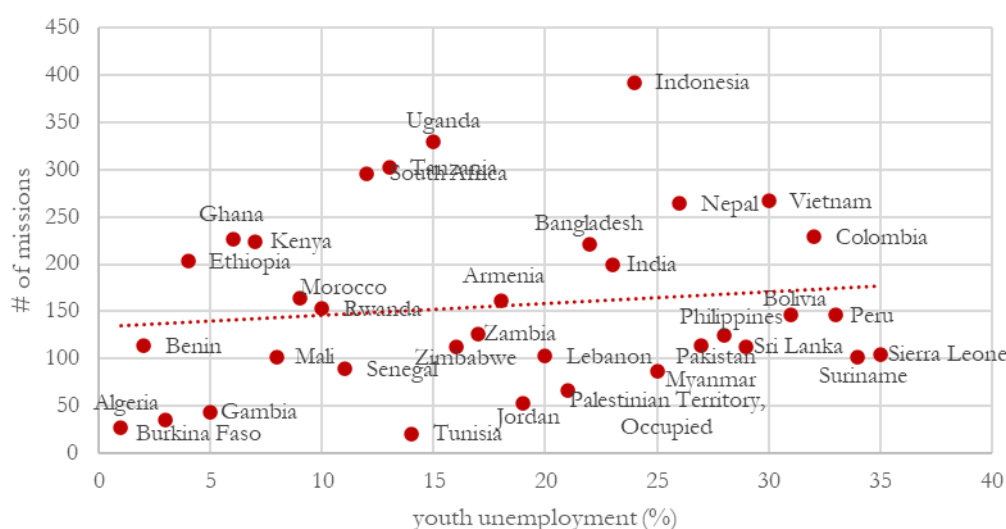
PUM's relevance for youth employment was mixed so far, or at best unclear. This is based on three observations:

1. The 'Making Africa Work' project resulted in 46 final business plans (above the target of 40),¹¹² but only very few of these business plans were eventually financed and executed. It was therefore not perceived by MFA as the most effective way to combat youth unemployment.
2. Whether or not other PUM projects had a strong impact on youth employment remains unclear, because PUM does not report information on the share of youth among their clients' employees (let alone among the graduates of vocational institutions, or the employees of SME startups). If youth employment continues to be an important focus area for MFA's PSD agenda, MFA may consider requiring PUM to at least report the share of young employees as part of 'jobs supported' (and ideally 'jobs created', which is admittedly more difficult, but could perhaps be done through the PRIME survey).
3. As Figure 4.8 shows, there is no strong evidence that PUM was more active (in terms of numbers of missions) in countries with high youth unemployment rates.

Taking this into consideration, PUM used the additional funding from 2018 to further prioritise its support to existing business incubators and vocational institutes. As

Figure 4.9 shows, the number of PUM cases with incubators and vocational institutes indeed increased between 2017-2019, but dropped again in 2020 as a result of the pandemic.

Figure 4.8 During 2017-2020, PUM was only slightly more active in countries with high youth unemployment

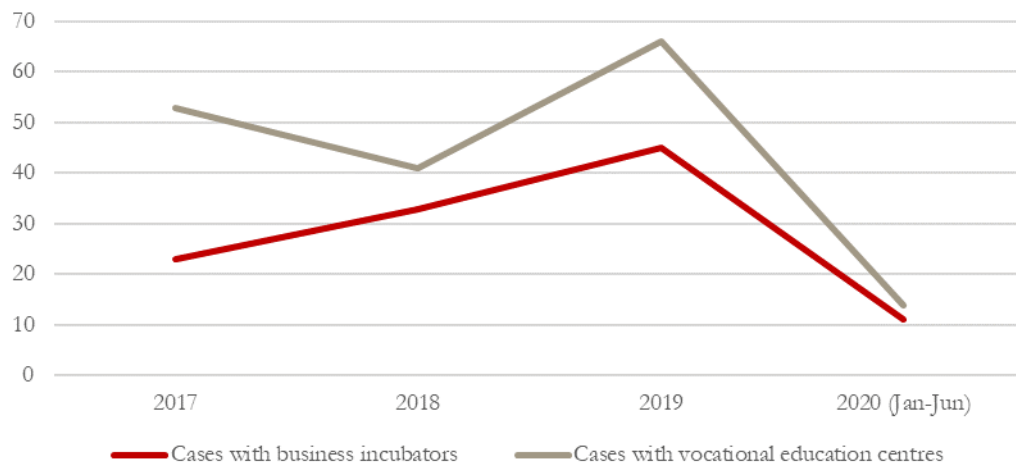


Source: World Bank, Popular Indicators (2018), modelled ILO estimate and PUM database (# of mission per country from 2017 – 2020)

As described in the Effectiveness section, PUM's knowledge transfer to vocational institutes appeared relevant for youth in terms of increasing employability. However, a lack of measurement of indirect outcomes (youth trained in the institutes, youth who find employment, youth who start an own business, etc.) limits the possibility to arrive at any stronger conclusions on youth employment.

¹¹² DEF Making Africa Work report with Appendix

Figure 4.9 The number of PUM cases with incubators and vocational institutes increased between 2017 and 2019



Source: Preparation document PUM (note that the data for 2020 only included cases until June and #cases in 2020 was affected by COVID-19)

5 Additionality and coherence

This chapter analysis PUM's additionality relative to the local market, international market, and to other development organisations. Furthermore, internal and external coherence are discussed in Section 5.2. Based on a careful evaluation of multiple sources, our overall findings on additionality is positive and mixed for coherence.

5.1 Additionality

Following the Donor Committee For Enterprise Development, the concept of additionality can be divided into 'input additionality' and 'development additionality'.¹¹³

- **Input additionality** is the extent to which “the public input resources are additional to what might anyway be invested or done by the applicant/partner company and other parties.”
- **Development additionality** is the extent to which public resources contribute to changes in development-relevant results that would not have materialised without them.¹¹⁴

The 'public resources' referred to in the definitions above are essentially the subsidy provided to PUM by MFA, as a result of which PUM can offer advice to its clients at very low cost. Since the volunteer experts offer their services for free, and the indirect costs such as other staff costs and business development are largely covered by MFA, the client is offered PUM services nearly for free: they are asked to only pay for (or arrange for) accommodation, local transport and meals of the expert (during the first advisory mission). As PUM clients are not asked to pay international airfare or a daily fee for this advice, the experts are offered to PUM clients well below their market rate. While this is not all a public subsidy (as the experts themselves volunteer their own time), the fact that PUM's indirect costs are largely paid for via the funding PUM receives from MFA, i.e., public resources, can be considered a subsidy.

Before 2020, PUM's neither type of additionality was thoroughly tested during the selection process. One of the eligibility criteria was that clients should be “financially stable (annual turnover and balance sheet total not exceeding 10 million euros), but [should] not have the funds to afford professional expertise from commercial consultants.”¹¹⁵ However, this requirement was not further formalised and was only checked informally, based on limited information and without further reporting on this issue.

Since 2020, PUM formally takes additionality into account in the intake process. In the list of intake questions used to assess whether a company is eligible, the PUM local representatives¹¹⁶ are now asked to answer three questions:¹¹⁷

¹¹³ DCED (2014), “Demonstrating Additionality in Private Sector Development Initiatives”, Donor Committee For Enterprise Development.

¹¹⁴ The OECD-DAC (2016) makes a slightly different distinction, between ‘financial additionality’ and ‘additionality in value’, but this distinction applies more to financial investments. See OECD (2016), *Understanding Key Terms and Modalities for Private Sector Engagement in Development Co-operation*, 2016, p. 4.

¹¹⁵ <https://www.pum.nl/en/get-advice>

¹¹⁶ Local representatives do this on the basis of answers provided by the client. Project officers have also become responsible for ensuring that the local representative will fill out these questions during the intake.

¹¹⁷ Question assessment [local] rep (as received on 11-01-2021 from PUM)

- Is the customer also supported by other organisations on the topic of his request?
- Are there local organisations / professional consultants available who can advise on the topic of the request?
- Why can't these organisations / consultants replace PUM?

Other than the questions asked during the intake process, there do not appear to be any additional processes that ensure PUM's additionality relative to other sources. PUM itself also does not make a clear distinction between its additionality relative to (a) the local market, (b) the international market, or (c) other development organisations.

The evaluation team found that PUM is highly additional to local and international markets, but somewhat less additional to other development organisations. As Table 5.1 shows, there was ample evidence from a wide variety of sources (including interviews, portfolio and debriefing data, the SEO survey, PRIME data, and the case studies) that PUM's advisory services are additional to what is offered in local markets or (to a lesser extent) in the international market. Its additionality relative to other development organisations was seen as 'somewhat positive' by most sources. These results are explained in more detail in the next three subsections.

Table 5.1 Multiple sources confirmed PUM's additionality, particularly relative to local markets

	Desk study	Interviews and FGDs	SEO survey	PRIME	Myanmar case study	Uganda case study		
					Programme	Standalone	Programme	Standalone
Relative to the local market	N/A	+++	+++	+	+++	+++	+	N/A
Relative to the international market	N/A	++	++	+/-	++	+++	+/-	+/-
Relative to other development organisations	+	+	+	+	+/-	++	+	+/-

Source: SEO Amsterdam Economics. "+++" very clearly positive, "++" clearly positive, "+" somewhat positive, "0" minimal or none, "-" somewhat negative, "--" clearly negative, "+/-" conflicting evidence, "N/A" absence of evidence.

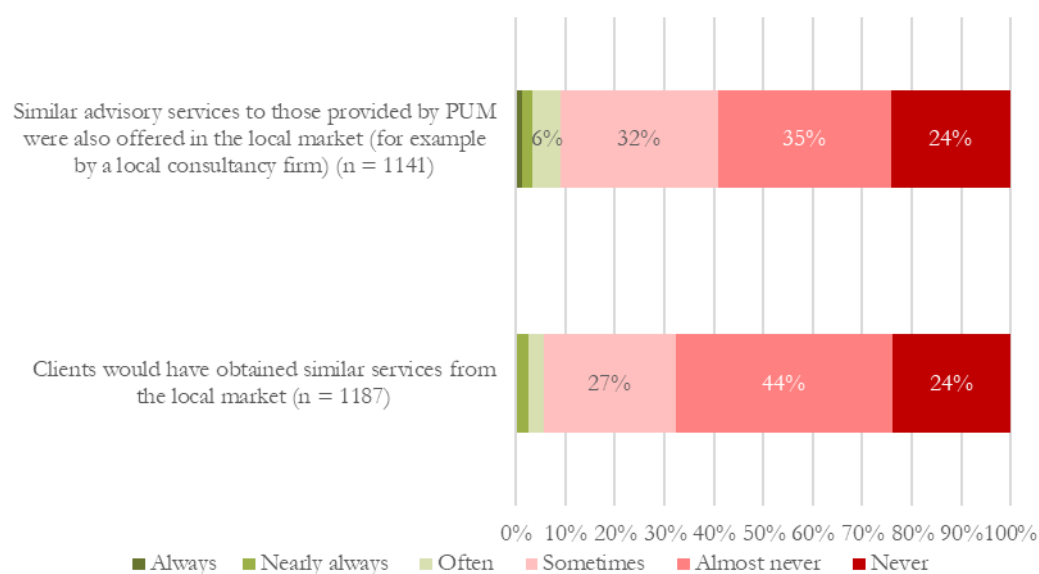
5.1.1 Additionality relative to the local market

Multiple sources confirmed that PUM's 'input additionality' relative to local markets was high during 2017-2020. As Figure 5.1 shows, the majority (59 percent) of respondents believed that similar services were (almost) never provided by local markets. Moreover, two thirds (68 percent) of respondents believed that, in the absence of PUM, clients would (almost) never have obtained similar services from their local market. This high degree of input additionality (being additional to what would otherwise have been offered) was particularly clear in a country like Myanmar, where multiple stakeholders confirmed that no similar expertise (on tourism) was available locally at all, most likely due to the fact that the country had only recently opened up to the rest of the world.

One third of respondents did believe that obtaining similar services from the local market was (nearly) always or often a possibility. Further analysis into the sources of development additionality is therefore important, to make sure that PUM was not distorting markets by offering similar services available from local consultants more cheaply.

The main reasons why clients were seen to prefer PUM even if similar services were available locally were (1) PUM's lower price, and (2) PUM's higher quality. According to respondents, the key reasons why clients may prefer PUM to similar advisory services offered in the local market were that PUM was cheaper (33 percent), provided better quality (32 percent), or offered additional benefits (23 percent), as pictured in Figure 5.2.

Figure 5.1 Survey respondents saw high input additionality relative to the local market

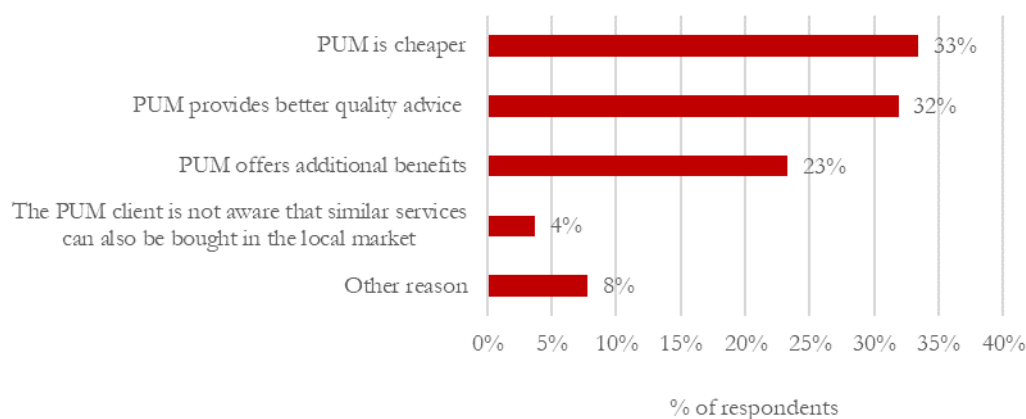


Source: SEO Survey results (2020)

In Uganda, it was noted that some local consultants were available (in contrast with Myanmar) but that they tended to be less senior, less experienced, and less skilled. This suggests that PUM in those cases may not have had much input additionality (as some local consultants were available), but did have development additionality (i.e., was able to offer higher quality advice with better development outcomes).

Figure 5.2 Three reasons noted why clients may prefer PUM services to locally available consultants: (a) PUM is cheaper; (b) PUM offers better quality; (c) PUM offers other benefits.

“In cases where similar advisory services are also offered in the local market, what do you think is the key reason why PUM clients may still prefer PUM’s advisory services?”



Source: SEO Survey results (2020), n=476

If the only reason why clients would prefer PUM were the fact that PUM was cheaper, this would not be a valid source of additionality. In fact, it would be a serious concern, as it could mean that PUM distorts local markets and prevents the market for local consultants from developing. However, if PUM also provides better quality services that is not available locally, this is less of a concern, as it means that PUM offered *development additionality*.

Interviews and FGDs confirmed that PUM experts typically provided higher quality services than the local market, implying that they offered ‘development additionality’ relative to local consultants. Multiple stakeholders interviewed during case studies confirmed that advisory services offered by PUM experts were usually not available locally at the same level and quality. FGD participants saw PUM’s development additionality mostly consisting of (i) their relevant practical senior sectoral experience, (ii) the value of providing hands-on technical advice, (iii) their knowledge of international best practice and foreign markets.

However, various stakeholders noted that local consultants can also be ‘additional’ to PUM in several respects. In particular, local consultants naturally have more local knowledge (of local cultures, customs, and regulations) than PUM experts, which sometimes can be very important. Local representatives have this local knowledge as well, but multiple interviewees noted that this can be used better by PUM, for example by involving local representatives more in sectoral analysis, selection of focus sectors/clusters, design and delivery of advice (e.g. assisting PUM experts and tailoring advice to the local client), and coordination with other development partners who are active locally.

Over time, PUM can contribute to enhancing the capacity of local consultants, thereby strengthening the local market rather than competing with it. It is already doing so when conducting ‘training of trainer’ programmes, for instance through vocational institutes. Our case study in Uganda showed that such training programmes can be effective in increasing the capacity

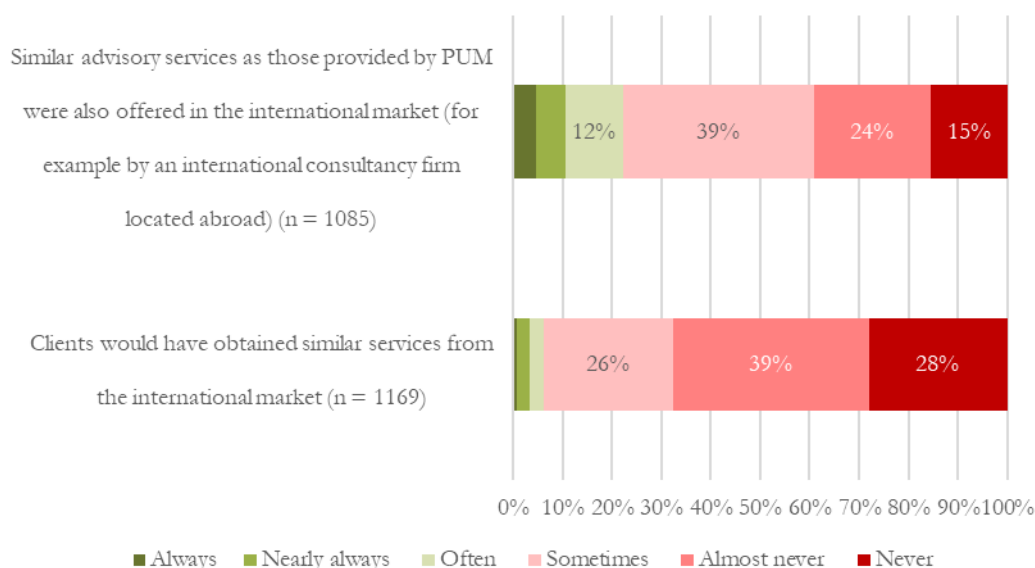
of trainers, who in turn will teach new generations of students. It is possible that such trainers may also become local consultants. Other PSD programmes are also contributing to improving the capacity of local consultants – for example, according to one of our interviewees, CBI trained 90 experts in East Africa. Such training programmes may eventually reduce PUM's additionality to the local market, but this would be a good thing as it would significantly improve the sustainability of PUM's indirect effects.

5.1.2 Additionality relative to the international market

Based on survey responses and case studies, PUM's input additionality with respect to the international market was lower than for the local market, but was still clear in most cases.

As shown in Figure 5.3, minority (39 percent) of survey respondents believed that similar services were never or almost never provided by the international market. This was less than the 59 percent that believed that they were provided by the local market, suggesting that PUM's input additionality to the international market was somewhat lower than its input additionality to local markets. However, just as for the local market, around two thirds of respondents (67 percent) believed that, in the absence of PUM, clients would in fact (almost) never have obtained similar services from the international market. This is a high share, but still means that one third of respondents believed that obtaining similar services from the international market was often a possibility (always, nearly always, or often). As before, further analysis into the sources of development additionality is therefore important, to make sure that PUM was not crowding out local consultants or distorting markets.

Figure 5.3 Survey respondents saw clear input additionality relative to the international market



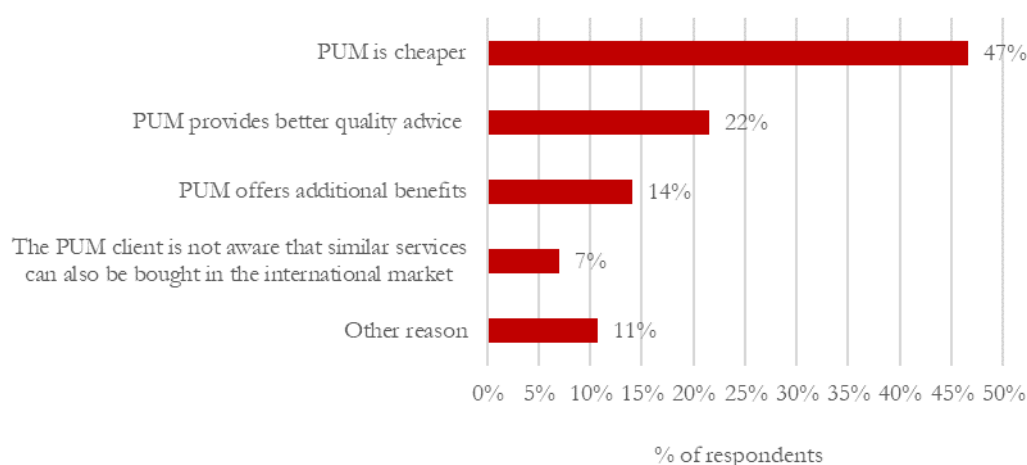
Source: SEO Survey results (2020)

According to numerous sources, being 'cheaper' was the main reason why PUM clients would prefer PUM's services to those offered by the international market. As shown in Figure 5.4, nearly half (47 percent) of all SEO survey respondents believed that PUM being 'cheaper' was a key reason why clients preferred PUM's services to those offered in the

international market (compared to 33 percent for those in the local market). This is natural, as the cost of hiring international consultants is typically much higher than the cost of hiring local consultants for SMEs in developing countries. In Myanmar, interviewees confirmed that hardly any tourism SMEs would hire international consultants, as their availability was limited (including from Asian countries), and Myanmar SMEs would typically not be able to afford international fees (particularly EU or US fees). The same was noted for Uganda, although some interviewees noted that there was some regional availability of local consultants from East Africa (e.g., local experts formally trained by CBI). FGD participants from Dutch PSD programmes also noted that there was a risk of “spoiling the market” if PUM were to compete with them by having its own PSD programmes with experts working well below the market price charged by consultants from e.g. AVSI, CBI, or PSD Toolkit. However, they noted that unequal competition would not be an issue if PUM worked within programmes led by other organisations.

Figure 5.4 Being ‘cheaper’ was the main reason why clients were seen to prefer PUM to more expensive international commercial consultants

“In cases where similar advisory services were also offered in the international market, what do you think was the key reason why PUM clients still preferred PUM’s advisory services?”



Source: SEO Survey results (2020), n=660

When comparing PUM experts with international commercial consultants, several forms of development additionality were noted. First, survey respondents saw PUM offering better quality services (22 percent) or providing additional benefits (14 percent) as additional reasons to prefer PUM (in addition to its lower price). Second, numerous interviewees particularly valued PUM experts for their relevant, multi-year practical experience in their field, which some ‘career consultants’ may not always have. A third reason that was mentioned multiple times, including by CBI and PSD Coaches, was that PUM experts can be quickly available at short notice for short (2-week) missions. A final ‘value add’ that was noted by PUM staff were the potential contacts with Dutch enterprises that PUM experts would bring to their clients, which ‘career consultants’ may not have.

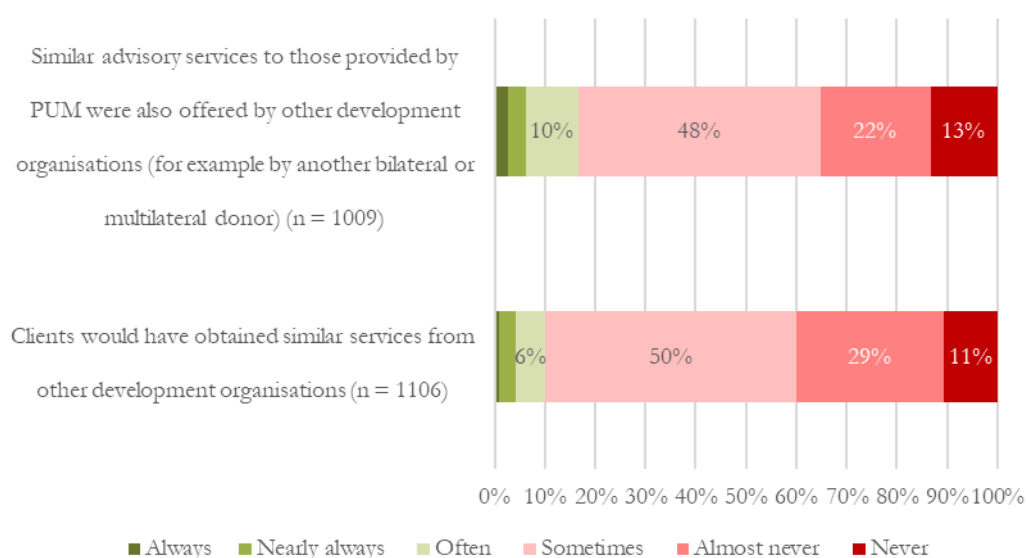
Interviewees also mentioned several advantages and disadvantages of PUM experts that were specific to them being volunteers. With regard to the advantages, stakeholders mentioned

(a) being cheaper, (b) being intrinsically motivated; and (c) being more willing than paid consultants to stay in touch with their clients and provide (informal and pro bono) follow-up advice by email or phone after their visits. With regard to the disadvantages, stakeholders noted (a) not being available for longer-term assignments; (b) not always being available when needed (e.g., missions having to be cancelled or postponed because of PUM expert availability); (c) potential frustration among PUM experts when their peers from other organisations doing similar work get paid high daily rates or are put in superior accommodation.

5.1.3 Additionality relative to other development organisations

According to survey respondents, PUM had moderate input additionality relative to other development organisations (less than for local or international markets). Only around one third (35 percent) of respondents believed that similar services were never or almost never provided by the international market, as depicted in Figure 5.5. Moreover, less than half (40 percent) of survey respondents believed that, in the absence of PUM, clients would (almost) never have obtained similar services from other development organisations. That is, 60 percent believed that obtaining similar services from other development organisations market was often a possibility (always, nearly always, or often). This clearly suggests that PUM's additionality relative to other development organisations was less than its additionality relative to local and international markets (which is logical, as some of these other programmes also provide subsidised support funded by Official Development Assistance (ODA), and PUM does not necessarily need to be additional to other ODA-funded programmes).

Figure 5.5 Survey respondents saw PUM as having moderate 'input additionality' relative to other development organisations



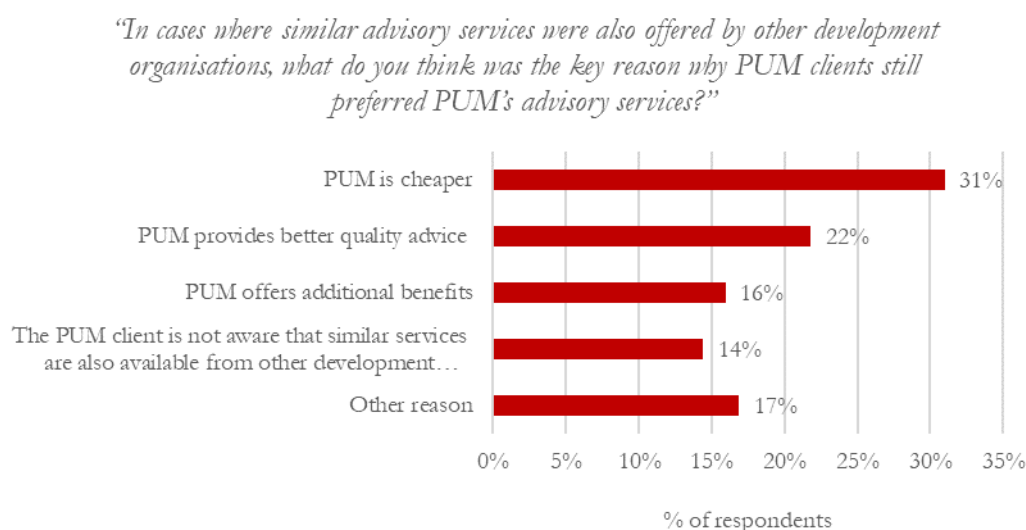
Source: SEO Survey results (2020)

PUM's lower additionality with respect to other development organisations was also noted during our case studies. In both Uganda and Myanmar, there were quite a few other programmes active in the same sector or cluster as where PUM operated. In Uganda, this was of course the SKY programme, to which PUM contributed, and in Myanmar there were various other

organisations that were active, including CBI, GIZ, Swisscontact, and the LuXDev and UN World Organisation of Tourism. The latter two organisations in particular started a major tourism development programme in 2020 that made PUM's Mandalay action plan less additional. It is not clear to what extent PUM could have been aware of this at the time it was decided to start a tourism sector programme, but better coordination within other partners active in the country could have potentially reduced this overlap and improved PUM's additionality (see also 'coherence').

Even though other development organisations also offer subsidised support, PUM was still seen as being cheaper even compared to them. According to survey respondents, being 'cheaper' was still the main reason why PUM clients were seen to prefer PUM's services to those offered by other development organisations, with 31 percent indicating this as a key reason. Other key reasons mentioned included (a) offering better quality advice (22 percent), (b) offering additional benefits (16 percent), but also (c) the PUM client not being aware that similar services are available from other development organisations. This last reason was much less often mentioned when PUM was compared to local or international commercial consultants (see previous sections).

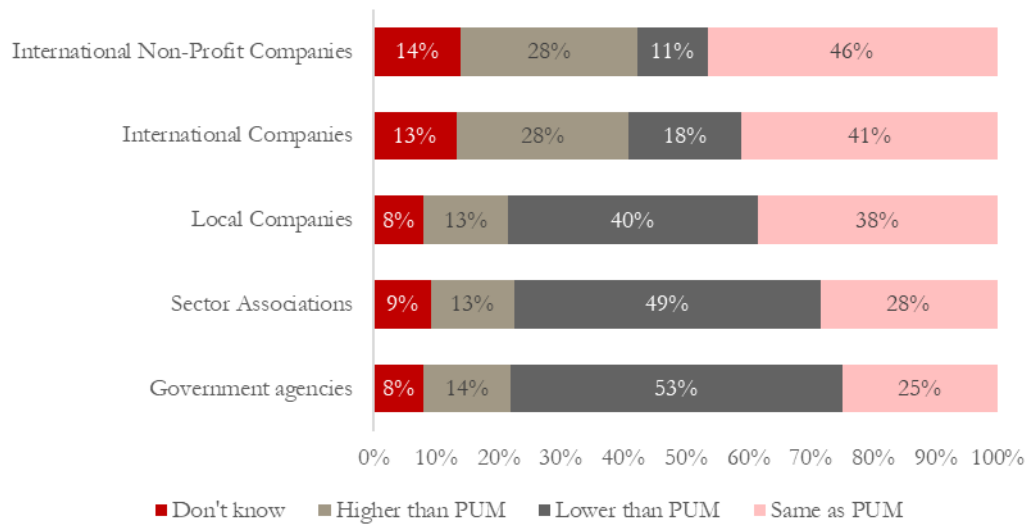
Figure 5.6 Being cheaper and providing better-quality advice were cited as the main reasons why PUM clients preferred PUM services over those of other development organisations



Source: SEO Survey results (2020), n=652

In 2020, the PRIME survey also included questions about additionality for the first time. As shown in Figure 5.7, if clients received additional services from government agencies, a majority (53 percent) indicated that the quality of these services was lower than PUM's. If the client received similar services from sector organisations, around half (49 percent) indicated that the quality of the services was lower, and 40 percent indicated this when the services came from local consultants/companies. However, when the client received advice from international (for-profit or non-profit) companies, some clients (28 percent for both non-profit and for-profit international firms) indicated that the quality of this advice given was higher than that given by PUM. While this was a higher share than those who considered PUM's advice higher quality, the majority of clients indicated that the quality was about the same as PUM's.

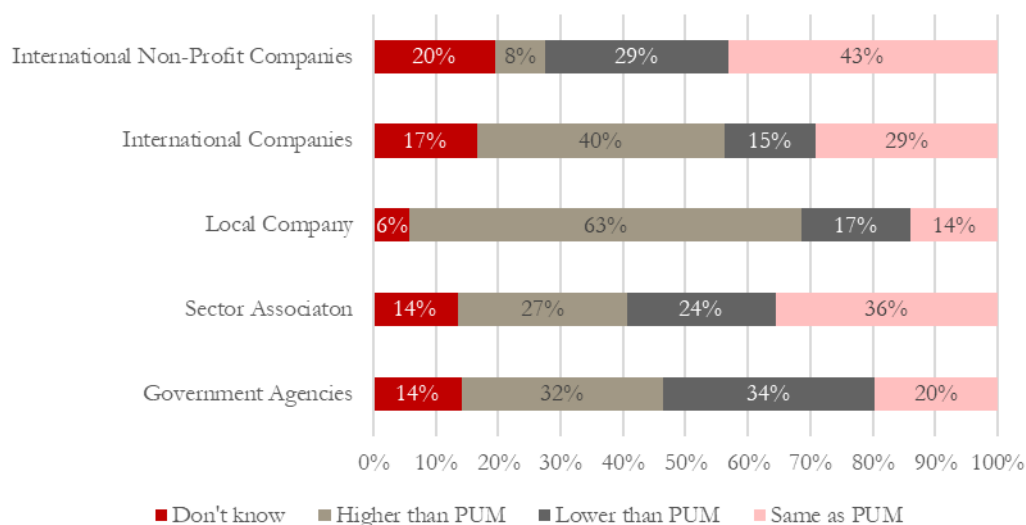
Figure 5.7 If clients received similar services from government organisations, 53% of respondents indicated that their quality was lower than that of PUM



Source: PRIME data set 2015 – 2020, n=173 (clients who received government agencies services), n=141 (clients who received sector association services), n=172 (clients who received services from local companies), n=127 (clients who received services from international companies), n=142 (clients who received services from non-profit international companies)

The PRIME survey 2020, further inquired whether clients had paid for additional services and if so, how the price of PUM services compared to the services of other additional organisations. As shown in Figure 5.8, the PRIME respondents' comparison of price of PUM with respect to an additional organisation, differs per type of organisation that provided the additional service. For example, 63 percent of clients who received additional services from local companies indicated that these services were more expensive than PUM's. However, 29 percent of clients who received additional support from International Non-Profit Companies indicated that their services were cheaper than PUM's.

Figure 5.8 29% of clients who received additional support for International Non-Profit Companies though that the price of the service was lower than PUM



Source: PRIME data set 2015 – 2020, n=56 (clients who received government agencies services), n=59 (clients who received sector association services), n=86 (clients who received services from local companies), n=48 (clients who received services from international companies), n=51 (clients who received services from non-profit international companies)

5.2 Coherence

This section discusses the synergies and interlinkages between PUM's activities and other PSD activities funded by other development organisations. The general finding is that there is some overlap, and coordination could be improved.

The notion of **coherence** refers to the compatibility of PUM's interventions with other PSD-interventions in the countries and sectors PUM is active in. The OECD-DAC Network on Development Evaluation defines coherence as “The compatibility of the intervention with other interventions in a country, sector or institution.” This includes “complementarity, harmonisation and co-ordination with others, and the extent to which the intervention is adding value while avoiding duplication of effort.”¹¹⁸

Following the OECD-DAC definition and the ToR for this evaluation, we distinguish between two types of coherence:

- **Internal coherence** addresses the synergies and interlinkages between PUM's activities and other PSD activities supported by the same institution/government, i.e., the Dutch Ministry of Foreign Affairs.
- **External coherence** looks at the consistency of PUM's interventions with other (non-Dutch) interventions on PSD in the same context (country, sector, institutions).

The evaluation team found mixed evidence for both internal and external coherence. As Table 5.2 shows, most sources had mixed or conflicting evidence, meaning that there were

¹¹⁸ <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

examples of good coherence but also examples of a lack of coherence. These results are explained in more detail in the next three subsections.

Table 5.2 There was mixed evidence for PUM's internal and external coherence

	Desk study	Interviews and FGDs	SEO survey	PRIME	Myanmar case study	Uganda case study		
						Programme	Standalone	Programme Standalone
Internal coherence (with Dutch PSD programmes)	+	+/-	+/-	N/A	N/A	+/-	+/-	+/-
External coherence (with non-Dutch PSD programmes)	+	+/-	+/-	N/A	-	=	+/-	+/-

Source: SEO Amsterdam Economics. "+++" very clearly positive, "++" clearly positive, "+" somewhat positive, "0" minimal or none, "-" somewhat negative, "--" clearly negative, "+/-" conflicting evidence, "N/A" absence of evidence.

5.2.1 Internal coherence (with other Dutch PSD programmes)

There are a number of other organisations supported by the Dutch MFA that bear similarities to PUM. As agreed with MFA, we analysed three of these MFA-supported organisations (Agriterra, CBI, and SNV) along with four comparable organisations supported by other countries. This analysis is presented in Appendix E.

Comparing PUM to the three selected Dutch organisations (Agriterra, CBI, SNV) reveals three main similarities:

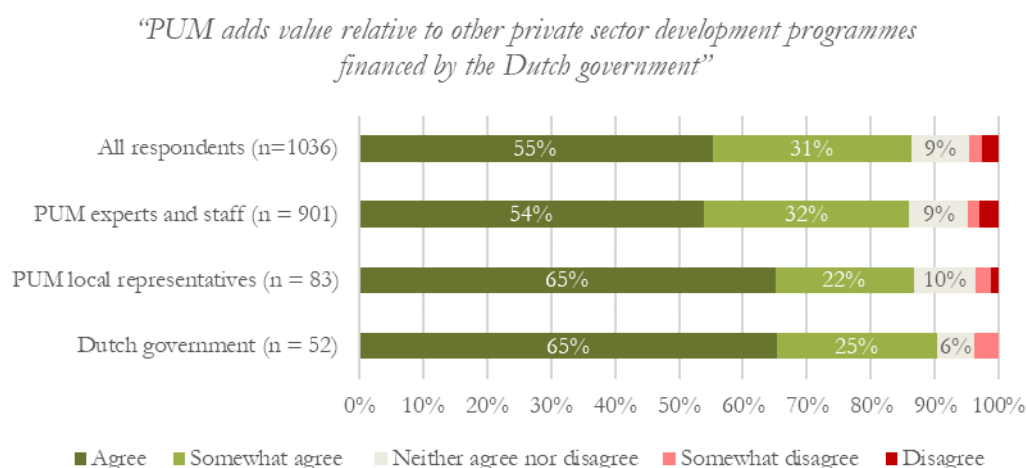
- **Like PUM, all three organisations offer expert advice and training** to SMEs and/or BSOs in developing countries
- **There is partial overlap with PUM in terms of country coverage:** out of the 35 PUM countries, Agriterra operates in 14, CBI in 22, and SNV in 16 PUM countries.
- **There is partial overlap in terms of sector coverage.** For example, all organisations cover the agricultural sector. However, an exact comparison is difficult as the sector names and classifications are not the same across organisations.

However, there are also important differences:

- **The other three Dutch organisations work with paid experts** rather than volunteers.
- **CBI and SNV are also involved in advocacy** (policy dialogue) and several other activities in addition to expert advice and training.
- **PUM covers more countries**, including 7 countries that are not covered by any of the three Dutch comparator (Armenia, Columbia, Gambia, India, Sri Lanka, Suriname, and South Africa).
- **Agriterra and SNV are not active in the Middle East and North Africa**, while PUM and CBI do (in particular, they both cover Algeria, Morocco, Tunisia, Jordan, and Lebanon).
- **CBI focuses on exporters**, while PUM and others also cover SMEs that are exclusively producing for the domestic market.
- **PUM covers more sectors** than the other three organisations, and does not cover all sectors covered by others.

Comparing PUM to other Dutch PSD programmes more generally, the vast majority of survey respondents saw PUM as adding value to them. The SEO survey showed that as much as 86 percent of respondents believed that PUM adds value to other Dutch PSD programmes. This share was the highest among Dutch government respondents (90 percent), which included representatives of RVO (including CBI) and MFA (mostly Dutch embassy staff familiar with PUM).

Figure 5.9 Most respondents agreed that PUM adds value to other Dutch PSD programmes



Source: SEO Survey results (2020)

Dutch government representatives saw PUM’s valued added mainly as arising from its high quality technical expertise, which can usefully complement other Dutch development programmes. Numerous interviewees (PUM representatives from the Netherlands and stakeholders interviewed as part of the Myanmar and Uganda case studies) as well as focus group participants (PSD experts and CBI staff) noted that PUM adds most value through its one-on-one practical advice to SMEs (e.g., as part of other programmes). CBI representatives noted that PUM adds most value to CBI when supporting SMEs that target domestic markets (as CBI focuses on exporters). They also saw value added for PUM with respect to BSO, in particular PUM’s work with vocational institutes and its support to sector organisations (e.g. chambers of commerce) with specific technical skills (e.g., IT skills).

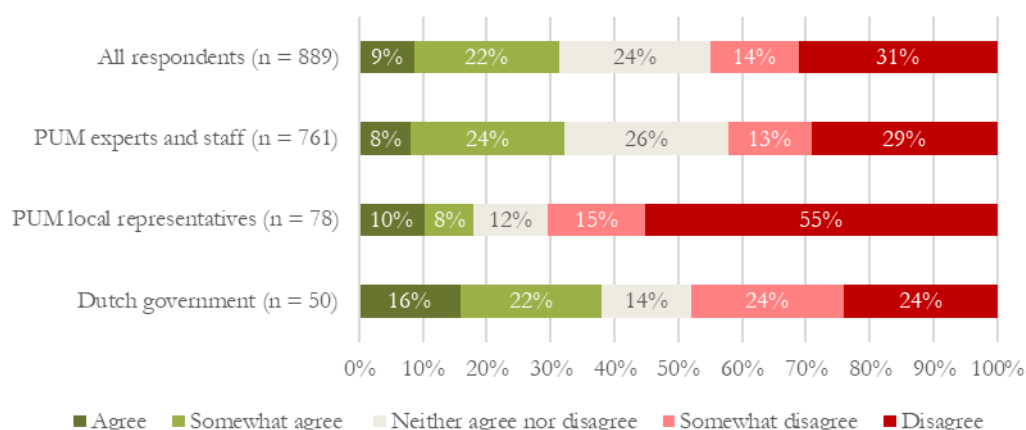
However, according to multiple interviewees, PUM has less valued added in terms of developing new programmes. According to Dutch government representatives familiar with PUM, PUM volunteers do not have a particular comparative advantage in this area. In their view, this requires paid experienced staff – not seen as PUM’s current strength. This view was shared by nearly all participants in the two focus groups (one with RVO’s PSD experts and one with CBI experts). PUM management noted that around 30 of its volunteer staff do have development

experience, but agreed that developing its own programmes should not be the main priority for PUM.¹¹⁹

Nearly one third of survey respondents saw overlap between PUM and other Dutch PSD programmes. Out of all respondents, 31 percent agreed or somewhat agreed that there was “overlap (duplication of effort)” between PUM’s activities and other Dutch PSD programmes. As Figure 5.10 shows, this share was highest for Dutch government respondents (38 percent), but was also high (32 percent) among PUM experts and staff. However, the share was substantially lower (18 percent) for PUM local representatives¹²⁰. Interviews suggested that this reflects the view that there is little overlap when it comes to individual clients, while there could be more overlap at the sectoral level (targeting similar types of clients) that local representatives may not be fully aware of. One FGD participants from CBI noted that local PUM representatives tend to be quite passive when it comes to coordinating with other programmes: the initiative typically would come from CBI, and whether the request to cooperate was followed up depended greatly on the personality of the local representative, in their view. This suggests that local representatives may not always be aware of potential overlap or potential opportunities to cooperate.

Figure 5.10 One third of respondents saw overlap (duplication of effort) between PUM and other Dutch PSD programmes, although more respondents did not

“There is overlap (duplication of effort) between PUM’s activities and other private sector development programmes financed by the Dutch government”



Source: SEO Survey results (2020)

Interviewees from Dutch PSD programmes saw overlap particularly at the programme level. Nearly all participants from the two focus groups with RVO (CBI and PSD Toolkit experts) agreed that the risk of overlap would increase if PUM were to develop more of its own programmes by itself. One survey respondent from the Dutch government noted: “We do not need to have yet

¹¹⁹ However, according to a senior PUM representative, PUM could still develop programmes jointly with local Chambers of Commerce, business associations or local NGOs provided that the local organisation is in the lead. These programmes are sometimes perceived by other international organisations and sometimes by PUM’s own staff as “PUM programmes”, but the ownership should be with the local organisation, according to PUM.

¹²⁰ A one-way ANOVA followed by a Tukey post-hoc test confirmed that the difference between PUM local representatives on the one hand and Dutch government and PUM experts and staff on the other is statistically significant.

another NGO”¹²¹ A senior PUM manager agreed with this, but wanted PUM to do more than just “fill gaps in other programmes” and also contribute to the design of these programmes.

The views on PUM’s current cooperation with other Dutch organisations were mixed. First, PUM already has many cooperation agreement with other Dutch (and other) organisations (see Appendix F). Second, FGD participants from RVO (CBI, PSD Toolkit) cited multiple examples of positive experiences of cooperation (e.g. in Peru, Ethiopia, Columbia) when PUM contributed experts to their programmes. Third, many FGD participants particularly valued PUM’s high level of technical expertise and its speed (elements of its development additionality). This having said, several participants highlighted the need for improved cooperation in some countries, and called for more guidance from PUM on this issue.

5.2.2 External coherence (with non-Dutch PSD programmes)

There are a number of other development organisations supported by other countries that bear similarities to PUM. In addition to the analysis of Dutch MFA-supported organisations (see previous section), we analysed four comparable organisations supported by other countries: Germany, Switzerland, France, and the UK.

Comparing PUM to the four selected non-Dutch organisations (SEC, SES, ECTI and VSO) reveals three main similarities:

- **PUM and these four organisations work with volunteers.** Like PUM, SES, SEC and ECTI work with senior experts who are often senior retirees with specific skills in certain sectors. VSO also works with volunteers but these are not necessarily senior sector experts; rather, they are often volunteers from local communities.
- **Like PUM, SES, SEC and ECTI offer expert advice (and training) to SMEs and/or BSOs in developing countries.**
- **There is partial overlap with PUM in terms of country coverage (especially with SES):** out of the 35 PUM countries, SES operates in 32, SEC in 10, ECTI in 23 and VSO in 15 PUM countries.

However, there are also important differences:

- **PUM operates in more countries than SEC, ECTI and VSO.** However, its German counterpart SES is active in more than double the number of PUM countries (85 vs 35).
- **PUM is active in more sectors than SEC, ECTI and VSO.** An exact comparison is, however, difficult as the sector names and classifications are not the same across organisations.
- **VSO aims to empower whole communities (including children),** while the Dutch, German and Swiss volunteer organisations all focus on strengthening SMEs and BSOs.

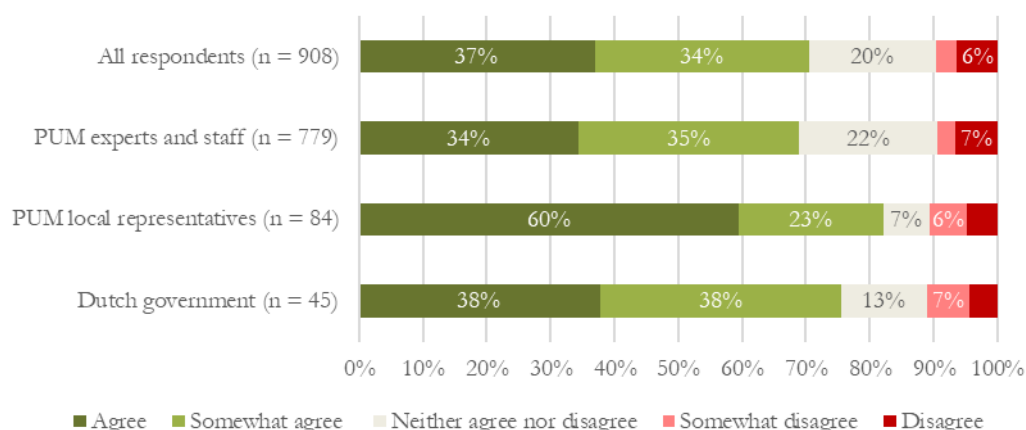
Comparing PUM to other non-Dutch PSD programmes more generally, survey respondents saw PUM as adding value to them, though slightly less than to Dutch PSD programmes. As Figure 5.11 shows, 71 percent of respondents to the SEO survey believed that

¹²¹ FGD participants also noted that PUM’s work with incubators may duplicate RVO’s Orange Corners programme. However, an interviewee familiar with this programme noted that PUM only supports existing incubators, while Orange Corners helps in setting up a new incubation programme with a certain local service provider/organisation/incubator.

PUM adds value relative to non-Dutch PSD programmes (as compared with 86 percent for Dutch programmes). Dutch government respondents in particular had less strong views about non-Dutch programmes (with 76 percent seeing value added to non-Dutch programmes, compared to 90 percent for Dutch programmes). This share is the highest among local representatives (83 percent)¹²².

Figure 5.11 Most respondents agreed that PUM adds value to non-Dutch PSD programmes

“PUM adds value relative to other private sector development programmes financed by other development partners (not the Dutch government)”



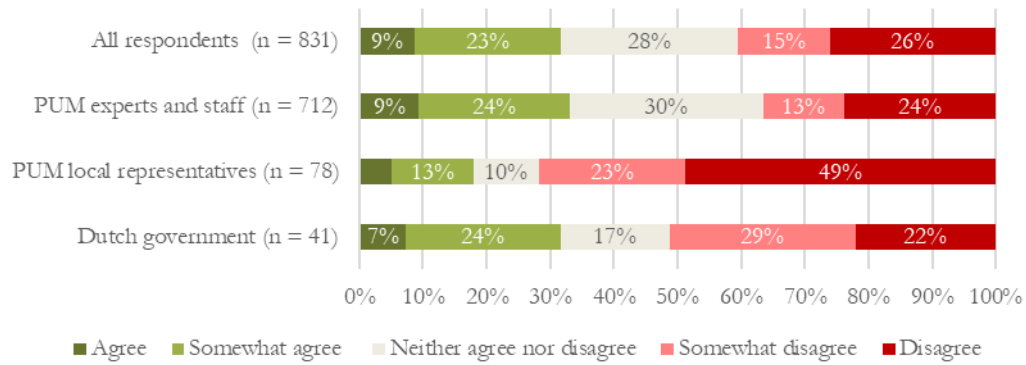
Source: SEO Survey results (2020)

Around one third (32 percent) of survey respondents saw overlap between PUM and other non-Dutch PSD programmes. As Figure 5.12 shows, 33 percent of PUM experts and staff and 31 percent of Dutch government respondents saw overlap between PUM and non-Dutch PSD programmes. As in the case of internal coherence, the share of local representatives that saw such overlap was substantially lower (18 percent). In our Myanmar case studies, an important example of substantial overlap was the LuxDev programme

¹²² A one-way ANOVA followed by a Tukey post-hoc test suggests that the difference between PUM local representatives on the one hand and PUM experts and staff on the other is statistically significant. Differences for other group pairwise combinations are not significant.

Figure 5.12 A third of respondents saw overlap between PUM and other non-Dutch PSD programmes, relatively few of them being PUM local representatives

“There is overlap (duplication of effort) relative to other private sector development programmes financed by other development partners (not the Dutch government)”



Source: SEO Survey results (2020)

6 Efficiency

This chapter analysis PUM's efficiency in terms of cost-effectiveness and timeliness. The overall results were positive regarding PUM's cost-effectiveness but mixed regarding its timeliness.

The OECD-DAC Network on Development Evaluation defines efficiency as the extent to which an intervention “delivers, or is likely to deliver, results in an economic and timely way.”¹²³ The terms ‘economic delivery’ and ‘timely delivery’ are subsequently defined as follows:

- **Economic delivery of results** is defined as “the conversion of inputs (funds, expertise, natural resources, time, etc.) into outputs, outcomes and impacts, in the most **cost-effective** way possible, as compared to feasible alternatives in the context.”¹²⁴
- **“Timely delivery of results”** means “within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed).”¹²⁵

In this chapter we discuss our findings for these two types of efficiency.

- **Section 6.1 discusses the first type of efficiency: cost effectiveness.** Here we focus on comparing PUM's outputs (number of missions) to the costs of PUM's inputs (direct and indirect costs).¹²⁶ As requested by MFA, we pay special attention to how the efficiency of PUM has changed since the adoption of the programmatic approach.
- **Section 6.2 discusses the second type of efficiency: timeliness.** Here we assess the extent to which PUM efficiently handles the identification and dispatching of experts in response to client requests for support, the selection of clients, and the follow-up of the initial support provided to clients.

The results on efficiency were positive regarding PUM's cost-effectiveness but mixed regarding its timeliness. With regard to PUM's cost-effectiveness, evidence from interviews, data and the SEO survey showed positive signs. With regard to its timeliness, evidence was mixed. During interviews stakeholders noted that the efficiency of the preparation and follow-up mission could be improved, while debriefing showed that PUM clients are positive about the speed and efficiency of the matching process. Finally, the case studies were positive about PUM's timeliness but also saw multiple areas for improvement.

¹²³ <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

¹²⁴ This is consistent with the definition in the ToR, where efficiency is defined as “a measure of how economically PUM converted resources/inputs (funds, expertise, time, etc.) into results”.

¹²⁵ <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

¹²⁶ Doing a similar comparison for outcomes was not possible due to the fact that the PUM M&E data do not allow to match outcome indicators to the costs of missions.

Table 6.1 Evidence on PUM's cost-effectiveness was positive but stakeholders were divided regarding PUM's timeliness

	Interviews	Data analysis	SEO Survey	PRIME	Myanmar case study	Uganda case study
Cost-effectiveness	+	+	+	N/A	N/A	N/A
Timeliness	-	+	+/-	N/A	+	+

Source: SEO Amsterdam Economics. “+++” very clearly positive, “++” clearly positive, “+” somewhat clearly positive, “0” minimal or no, “-” somewhat negative, “--” clearly negative, “+/-” conflicting evidence of, N/A absence of evidence.

6.1 Cost-effectiveness

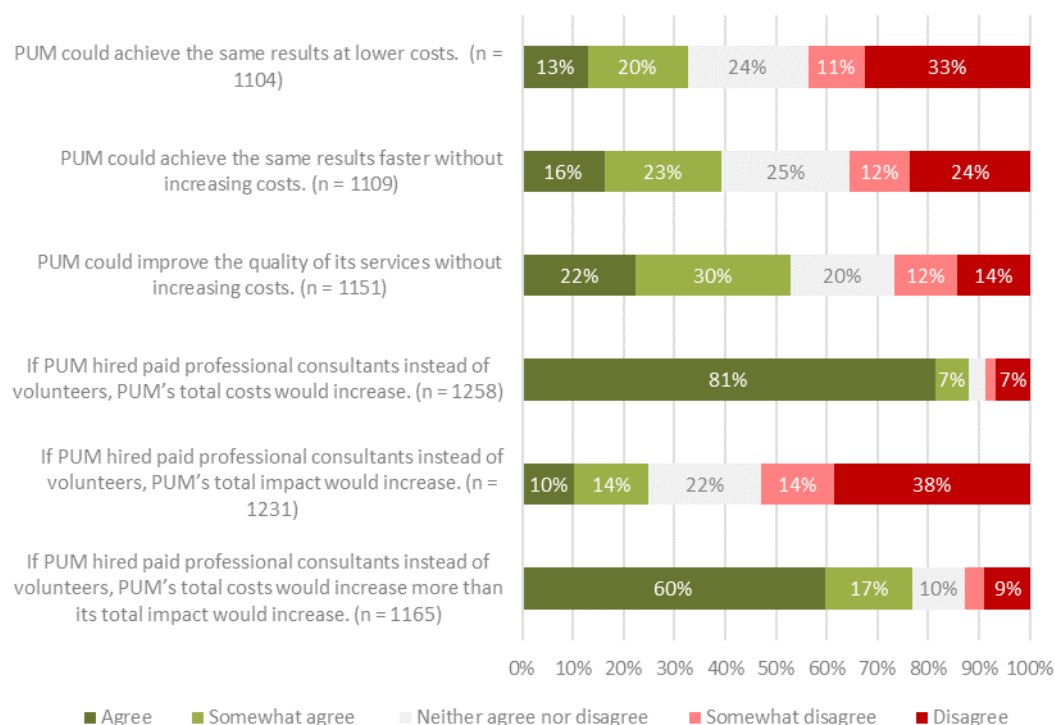
This section discusses our findings on the cost-effectiveness of PUM. The annual reports and financial statements from 2017, 2018 and 2019 are the basis for this analysis. The year 2020 is excluded from the analysis as on-location advice missions (which form the majority of the PUM missions) were not possible in 2020 due to COVID-19 related travel restrictions, making 2020 not a representative year in terms of costs-effectiveness.

6.1.1 General cost-effectiveness

Survey respondents were positive about the cost-effectiveness of working with volunteers, but a majority still saw room for improvement. As shown in Figure 6.1, 77 percent of survey respondents agreed that working with volunteers is efficient, in that using paid professional consultants would increase costs more than impact.¹²⁷ However, the majority (52 percent) of respondents agreed that PUM could still improve the quality of its services without increasing costs, indicating that efficiency gains were still possible in their view. Survey respondents suggested that PUM could improve its efficiency through better preparation before the mission and by involving fewer staff members in the whole process.

¹²⁷ Especially PUM staff and volunteers are positive: 79% of PUM experts and staff believe PUM total costs would increase more than its impact if it were to hire professional consultants, versus 62% of PUM local representatives and 62% of Dutch government respondents.

Figure 6.1 77% of survey respondents believed that hiring paid professional consultants would increase PUM's total costs more than its total impact



Source: SEO Survey results (2020)

Remote coaching presents efficiency advantages, but it had trade-offs with effectiveness that should be carefully considered. While there are time and cost savings to remote missions (e.g. flights, lodging), multiple stakeholders indicated that there are also downsides. In the Myanmar case study, for example, stakeholders mentioned communication barriers, especially intercultural, and the loss of informal conversations and networking as the main drawbacks of remote coaching during the Mandalay masterclasses. Other interviewees stated that, although some tasks can be performed well through online platforms (e.g. marketing advice), other tasks benefit much more from on-site advice.

To assess PUM's actual cost-effectiveness we analysed the relation between PUM's inputs and outputs. PUM's main inputs are financial resources (with which direct and indirect expenditures are made¹²⁸) and nonfinancial resources (e.g. volunteer time). The main output against which we measured efficiency was the number of missions. The input-output ratios we focused on were:

- **Total direct costs per mission**
Direct costs of missions included: flights and travel expenses, visas, insurance and medication costs, DSA and costs of accommodation, material and other direct costs, Hans Blankert Fund costs and local representatives' expenses.¹²⁹
- **Total indirect costs per mission**

¹²⁸ For the first advisory mission, PUM clients pay for accommodation, transport and meals of the expert (see Section 2.2), but this analysis focusses on the expenditures made by PUM.

¹²⁹ PUM Financial Statements 2019

Indirect costs included: indirect staff costs, business development costs, third parties contracting costs, volunteer development costs, costs of staff volunteers (in the Netherlands) and other indirect costs.¹³⁰

- **The number of missions per volunteer/FTE of paid staff**
- **Overhead in percent of total cost**

Overhead costs included: staff costs, housing costs, office costs, automation, communication, general expenses (including interest payments), friction costs (PMO) and depreciation.¹³¹

PUM's total (direct and indirect) costs per mission increased slightly between 2017-2019:

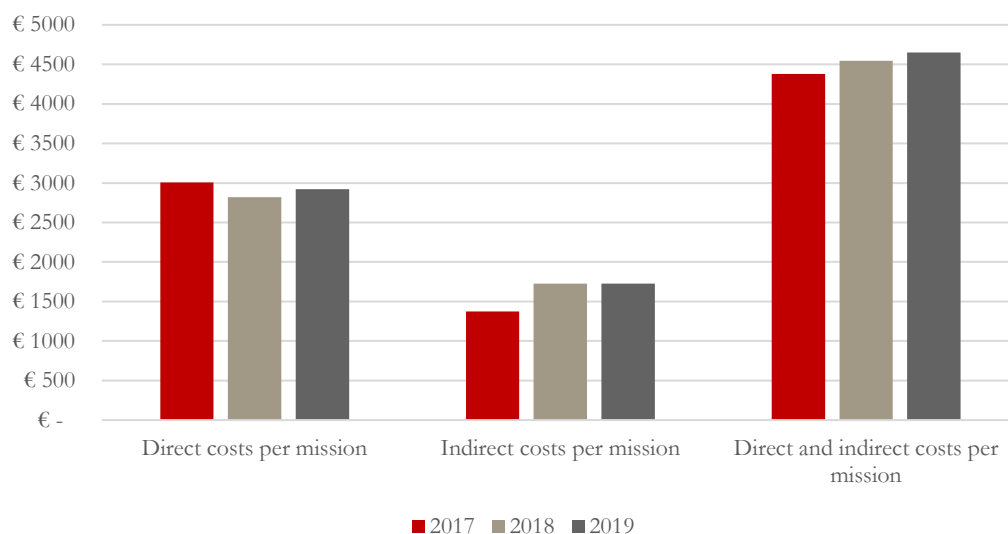
- **On the one hand, PUM was able to reduce its total direct costs per mission through cost-saving measures.** Figure 6.2 shows that the direct cost per mission decreased by 6 percent, from €3,007 in 2017 to €2,921 in 2019. The main reasons for these efficiency gains were two important cost-saving measures taken by PUM: (a) a decision to no longer pay for business class tickets for experts, and (b) the EU DSA rates for international travel was reduced from 100 to 80 percent.¹³²
- **On the other hand, PUM's total indirect costs per mission increased by 26 percent, due to the decision to focus on the programmatic approach which decreased the number of missions per year.** The indirect costs per mission increased from €1,373 in 2017 to €1,728 in 2019 which was an increase of 26 percent. Although total indirect costs remained stable between 2017 and 2018, the number of missions dropped with 20 percent. This can be explained by the transition to less sectors and countries. In 2019, the number of missions increased with 12 percent and indirect costs also increased with 12 percent (thus indirect costs per mission remained stable between 2018 and 2019). According to PUM, the main reason for the increase in the indirect costs in 2019 was additional development costs for the programmatic approach (e.g., in the form of hiring programme coordinators to coordinate programmes).¹³³
- **The combined direct and indirect costs per mission increased by 6 percent.** The combined costs per mission increased from €4,380 in 2017 to €4,649 in 2019.

¹³⁰ PUM Annual Report 2018

¹³¹ PUM Annual Report 2018

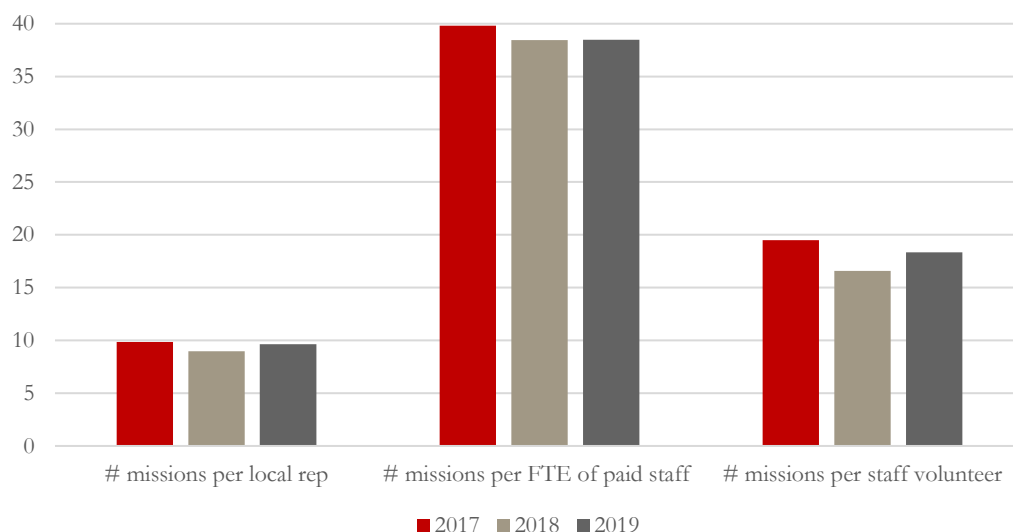
¹³² Preparation report PUM

¹³³ Indirect costs also increased due to third party contracting costs in 2018 and 2019 (for the continuation of the 'Making Africa Work' project).

Figure 6.2 Between 2017-2019, direct cost per mission decreased while indirect costs increased

Source: PUM portfolio data 2017-2019, PUM Annual Reports 2017 and 2018 and Financial Statement 2019

When efficiency is defined in terms of missions per FTE of paid staff, staff volunteer or local representative, PUM did not show major efficiency gains or losses between 2017 and 2019. As Figure 6.3 shows, the number of missions per staff volunteer¹³⁴ and per local representative remained broadly stable between 2017 and 2019. However, the number of missions per local representative did increase since the previous evaluation (from 6.2 in 2015¹³⁵ to 9.7 in 2019). The number of missions per FTE of paid staff remained stable between 2017 and 2019.

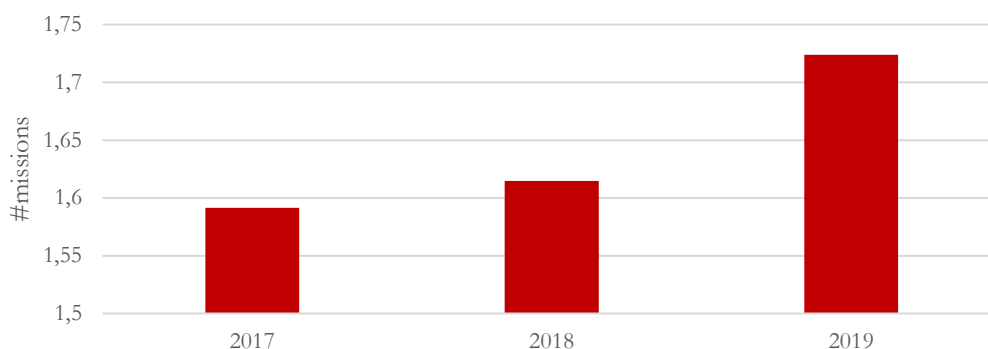
Figure 6.3 The number of missions per paid staff, local rep and staff volunteer remained stable

Source: PUM portfolio data 2017-2019 and Financial statements

¹³⁴ A staff volunteer is a staff member of PUM (in the Netherlands) that works on a voluntary basis.
¹³⁵ Erasmus University Rotterdam and Carnegie Consult B.V., (2016). Evaluation of PUM Netherlands Senior Experts 2012-2015, final report.

The number of missions per active expert increased between 2017 and 2019, indicating an increase in efficiency. In 2017, BCG advised PUM to increase the number of missions per expert to at least two per year.¹³⁶ Figure 6.4 shows that PUM is not there yet but there is an increasing trend since 2017. More missions per expert is expected to increase efficiency as fewer experts need to be trained and general preparation before a mission can be reduced. Interviewees also stated that efficiency can be further improved if experts conduct multiple missions in one country, as they thereby become more familiar with the local context (which reduces preparation time).

Figure 6.4 The number of missions per active expert¹³⁷ increased between 2017 and 2019



Source: PUM portfolio data 2017-2019

The cost structure of PUM is different from many other organisations, as the direct costs are much lower in comparison to the indirect costs and overhead. This is a result of the fact that a large share of PUM's business process is carried out by volunteers.¹³⁸ Therefore, comparing the cost-effectiveness of PUM (in terms of overhead costs as percentage of total costs) to that of other organisations is not possible. We can however analyse the changes over time.¹³⁹

Overhead as percentage of total costs decreased between 2017 and 2019 but remained above the target. Between 2017 and 2019 the actual overhead costs (excluding the value of volunteers) decreased from 29 to 26 percent of total costs. However, since the target was 23-24 percent, PUM did not meet its target. This was mainly due to lower depreciation and staff costs.¹⁴⁰

Table 6.2 Overhead as percentage of total costs decreased but PUM did not meet its targets

	2017	2018	2019	2020
Actual overhead	29%	27%	26%	Not available
Target overhead	No target	23%	24%	23%

Source: PUM Annual Reports 2017 and 2018, Financial Statements 2019 and Annual report KPIs 2020

¹³⁶ Project PUMA report

¹³⁷ The number of active experts is calculated per year and equals the number of experts that did a mission in that specific year.

¹³⁸ PUM Annual Report 2019

¹³⁹ Note that the classification of direct, indirect and overhead costs has largely been abandoned in 2019, as this distinction was mostly arbitrary in practice. Therefore, future analysis of financials should be approached differently. This evaluation, however, follows the 'old' structure of the financial statements to make comparisons with 2017 and 2018 possible.

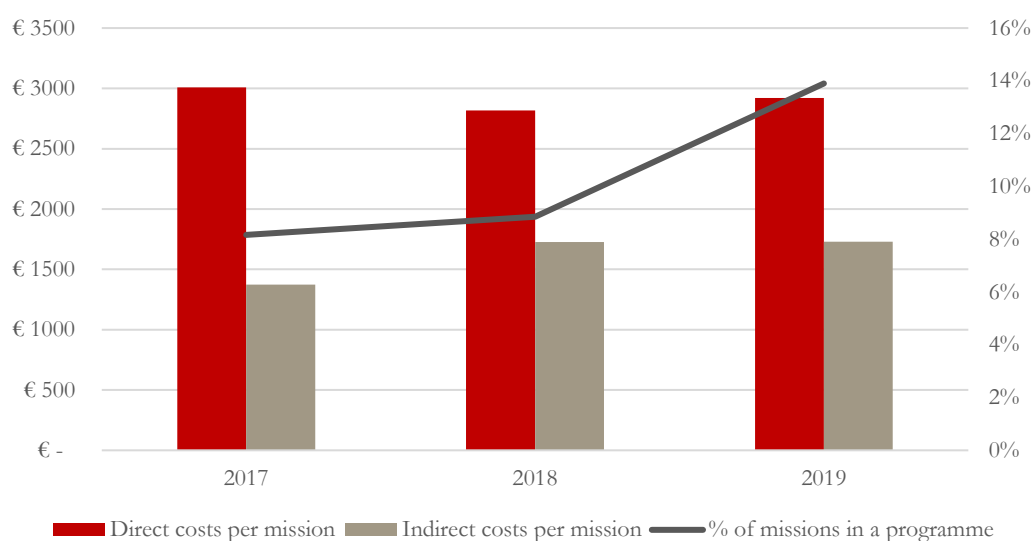
¹⁴⁰ PUM Annual Report 2018

PUM did meet its target for overhead costs in 2019, when including the inferred market value of volunteers. For 2019, PUM made an estimate of the value of the volunteer contribution by multiplying the number of volunteer days with a daily average rate of €700, which appears to be a realistic albeit conservative estimate of market rates. Correcting for this inferred market value of volunteers, the overhead costs of PUM in percent of total costs was 8 percent in 2019, and within the target range of 5-10 percent.

6.1.2 Effect of programmatic approach

There is no evidence that the programmatic approach significantly affected PUM's cost-effectiveness (in terms of direct or indirect costs per mission) between 2017 and 2019. During this period, the percentage of PUM missions that were part of a programme increased from 8 to 14 percent (see Figure 6.5). As discussed in Section 6.1.1, PUM's direct costs per mission decreased slightly, while its indirect costs increased slightly between 2017 and 2019. This increase in indirect costs was partly explained by an increase in sources for programme development. However, the decrease in direct costs was mostly due to changes in PUM policies (no more business class and lower DSAs) that were unrelated to the programmatic approach.

Figure 6.5 Between 2017 and 2020 the % of missions in programmes increased while the direct costs per mission decreased and the indirect costs increased



Source: Portfolio data 2017-2019, annual reports 2017 and 2018 and Financial Statements 2019

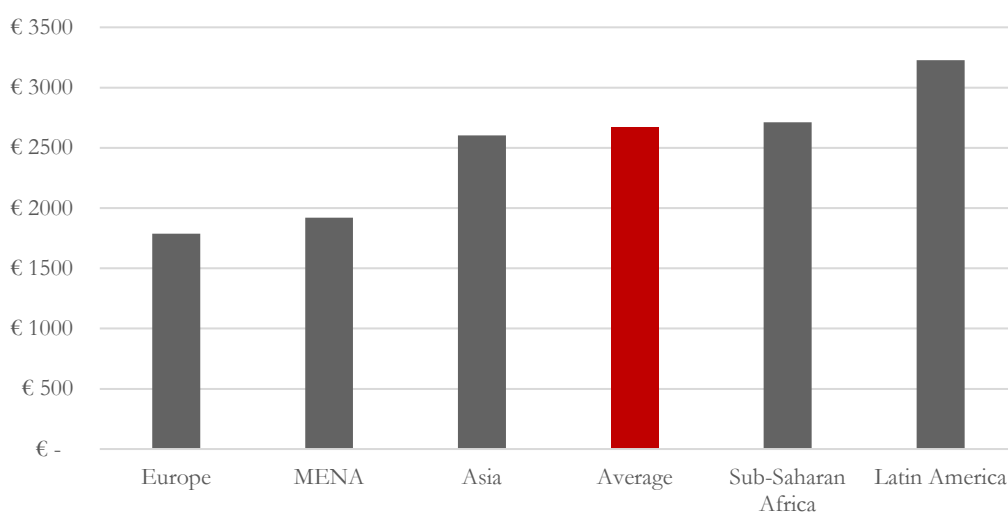
However, the case study findings suggest that the programmatic approach is likely to be more efficient than standalone missions, for two reasons. First, the programmatic approach involves a longer-term view of client support, supporting clients during a longer period of time, thereby reducing the costs of investing in (getting to know) new clients, optimising learning effects and sustainability of impact at the individual client level. Second, PUM's programmatic approach also entails engagement with a variety of SMEs and BSOs. This reduces the average costs of overall missions by grouping them together.

6.1.3 Differences between regions¹⁴¹

On average, direct costs per mission were highest in Latin America and lowest in Europe.

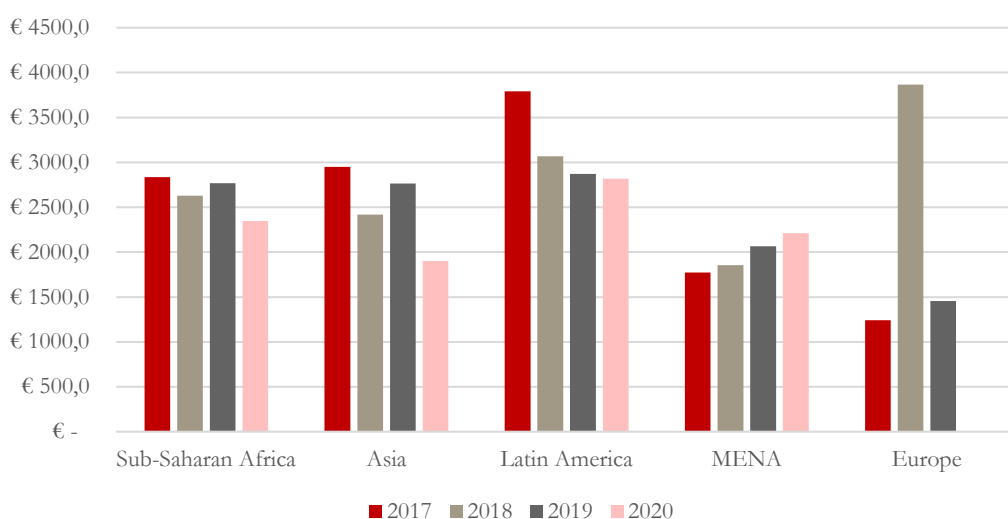
For the period January 2017-June 2020, shows that the average direct costs (that has been allocated to a specific country) was around €2,700 per mission (see Figure 6.6). As the largest share of the direct costs are flight and travel expenses, it is understandable that direct costs are lower for nearby regions (Europe and MENA) than for regions that are farther from the Netherlands (like Sub-Saharan Africa and Latin America). Furthermore, Figure 6.7 shows that between 2017 and 2020 direct costs per mission decreased in Latin America and increased in MENA.

Figure 6.6 Direct costs per mission are highest in Latin America and lowest in Europe



Source: PUM overview direct costs per country 2017 – June 2020

Figure 6.7 Direct costs per mission decreased in Latin America and increased in MENA



Source: PUM overview direct costs per country 2017 – June 2020

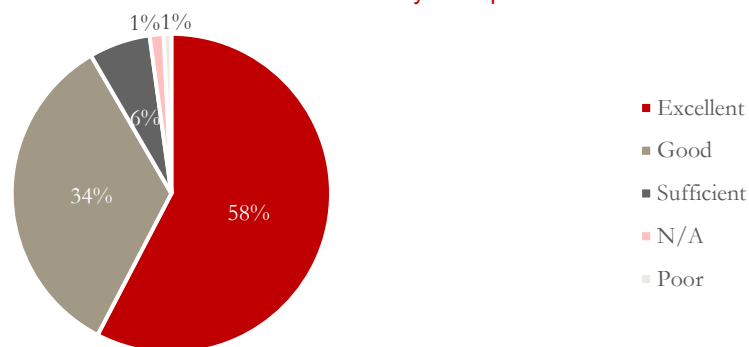
¹⁴¹ PUM does not collect data on the direct costs per sector or theme. Therefore, an analysis on the differences between sectors (as requested in the ToR) is not possible.

6.2 Timeliness

Our survey results suggest that stakeholders are divided as to whether PUM can improve its efficiency in terms of the timely delivery of results. As Figure 6.1 shows, 39 percent of survey respondents believed that PUM could achieve the same results faster without increasing costs. However, 36 percent disagreed with this statement.

In general, PUM's processes to match experts to client requests seemed fast and efficient. After receiving a client application, sector coordinators are in charge of identifying a matching expert. Interviews suggested that the sector coordinators have a good overview of the experts in their sector and were generally able to quickly find an expert with the necessary skills and availability. This was confirmed by the positive responses monitored in the debriefing data: 58 percent of clients rated the time PUM needed to identify an expert as "excellent" and an additional 34 percent as "good" (see Figure 6.8). Additionally, during our focus group discussions with other Dutch development programmes, multiple participants stated that they particularly valued PUM's ability to deliver experts quickly.

Figure 6.8 58% of clients rated the time PUM needed to identify an expert as excellent



Source: PUM Debriefing Database, January 2017 – September 2020, n=2,375

According to PUM staff and volunteers, the preparation time before missions can be more efficient. The debriefing data showed that 67 percent of clients during rated PUM's project preparation as "excellent" and 26 percent as "good". Interviewees (including PUM staff and volunteers), however, indicated that the preparation could be improved. Better preparation naturally improves effectiveness, but could also improve efficiency by better aligning client and expert expectations before the mission starts, hence reducing the time needed in the field. PUM experts expressed the view that remote meetings before the mission could be an efficient and cost-effective way to prepare for a mission.

Stakeholders also indicated that PUM could be more efficient in arranging follow-up missions. In the debriefing data, almost all (97 percent) of the clients indicated that they were interested in a follow-up mission from PUM. Given that only around 30 percent¹⁴² of PUM's missions between 2017 and 2019 were follow-up missions, this suggests that there is still room for improvement. According to a representative of PUM's finance department, one of the bottlenecks in arranging follow-ups is the invoicing of client contributions. In some cases, it turned out that

¹⁴² Preparation report PUM

clients who requested follow-up missions were unable or unwilling to pay the contribution, after which the planned follow-up mission was delayed or cancelled. Efficiency can therefore be improved by setting clear agreements about the clients' contribution.

Finally, interviewees suggested that working with volunteers, while advantageous in terms of cost-effectiveness, can have disadvantages in terms of the timeliness of processes. PUM followed BCG's advice to involve volunteers more in decision making processes (see Section 2.5). While this may have several advantages, multiple interviewees stated that this made decision making less efficient as it takes longer for everyone to agree. This is partly due to the fact that volunteers are not full-time available but also because more people are involved in the process.

7 Conclusions and recommendations

In this chapter we summarise the conclusions of each chapter, based on which we formulate recommendations. All conclusions apply to the period 2017-2020.

7.1 Conclusions

Direct effects

- **PUM's experts were widely praised for their relevant senior technical expertise and their effectiveness in transferring knowledge to PUM clients.** They were particularly valued for their many years of experience and their high-quality, hands-on, practical advice. This was evident in all of our case studies and confirmed by multiple stakeholders, including Dutch and international programme partners. A few exceptions were mentioned, which was usually related to a mismatch between client and expert, difficulties related to internet connectivity, or lack of experience with remote coaching.
- **Multiple sources confirmed that PUM's knowledge transfer led to improvements in business practices.** PRIME data showed that a majority of SMEs reported improvements in practices with direct attribution to PUM, particularly when advice was provided with regard to “efficient ways of organising the production processes”; “quality requirements”; or “leading, planning, and organising businesses”. SEO's survey suggested that this applied to BSOs as well, including vocational institutes and business incubators. Our case studies in Uganda and Myanmar provided many examples in which PUM's advice led clients to change their business practices (with many reports directly attributing these changes to PUM rather than external competing factors).
- **Case studies showed that the relation between knowledge and business practices is mediated by attitudinal factors.** Knowledge on its own may not always lead to improved practices. In some cases, changes in practices may require a change of attitude toward saving, risk-taking, and innovation. PUM's intervention model around vocational institutes and incubators may require a change in attitudes toward entrepreneurship.
- **In cases where knowledge transfer did not result in improved business practices, this was usually the result of external constraints rather than poor advice.** In a number of cases (at least one in Uganda and two in Myanmar), the advice provided by PUM experts could not be (fully) implemented due to the client's financial constraints (lack of own funding or limited access to finance). Other unforeseen constraints that hindered the implementation of PUM's advice were internet connectivity problems, COVID-19 restrictions, and political instability. While some of these (COVID, military coup in Myanmar) could not have been foreseen, others (financial constraints, internet connectivity) could potentially have been identified during the intake process.
- **PUM appeared most effective in changing business practices in Least Developed Countries (LDCs).** This was illustrated by PUM's higher contribution scores for this groups in the PRIME data (statistically significant difference). However, the Myanmar case illustrated that there can be major risks to effectiveness if the LDC is also a fragile state, as the February

2021 military coup in that country (combined with the pandemic) will likely have a major negative effect on opportunities for international trade and tourism. While this does not mean that PUM should not be active in fragile states, it does mean that there is an important trade-off between potential impact and risks.

- **The role of SME size remains inconclusive.** On the one hand, micro and small firms (up to 49 employees) reported higher contribution scores in the PRIME survey (statistically significant), showing a higher perceived improvement in their knowledge and business practices. Smaller SMEs may indeed have the largest marginal benefits from PUM support. On the other hand, it is unclear that these changes translate systematically into improved business performance. A PRIME report in 2018 in fact estimated greater sales improvement for larger firms (50+ employees)—even though later PRIME estimations were too heterogeneous to allow for general conclusions. Larger SMEs may see greater impact since they are more likely to have the financial means to implement improvements and may also generate stronger demonstration effects in nearby SMEs.
- **There is evidence that PUM's advice helped to increase sales and employment for clients.** According to WUR's econometric estimates based on PRIME data, firms who received support between 2017-2020 had a (statistically significant) 7 percent increase in employment and a (statistically insignificant) 12 percent increase in sales in the year after they received their first PUM mission.
- **There is robust evidence that PUM contributed to increased profits among their clients.** In particular, the PRIME survey data showed that most clients (respondents) experienced an increase in their profits the year after they received advice through a PUM mission, and that this increase was statistically associated with PUM's 'contribution score' (indicating the extent to which clients saw PUM contributing to their improved practices), even after controlling for other factors that may have influenced these profits. The majority of clients who responded that their profits had decreased in 2020 indicated that this was because of the pandemic.
- **Evidence for improved performance was more difficult to assess in the case studies due to data limitations and external factors.** Quantitative evidence was generally not available at the client level, as PUM did not appear to collect this post-mission (except through PRIME)¹⁴³. The qualitative evidence based on interviews was generally positive in Uganda, but in Myanmar the effects of the PUM advice on the performance of tourism companies was overshadowed by various external contextual factors that significantly affected the tourism sector's development prospects (including most importantly COVID-19 and the military coup of February 2021). In Uganda, on the contrary, the agricultural and vocational education sectors appeared more resilient to the effects COVID-19. Limited access to qualified human resources and finance were other factors that limited effects on performance in both Uganda and Myanmar.
- **There was no evidence that PUM contributed to female employment, gender equality or gender sensitivity.** PRIME data showed no significant gender differences in the adoption of new business practices, and no increase in female employment in PUM-supported SMEs.

¹⁴³ In June 2019 PUM did conduct a survey among all experts regarding post mission results that had been achieved by clients. This survey showed that 80% of the responding experts was still in touch with the client after 6 months and reported some degree of implementation of recommendations. However, this type of follow-up is not a fixed feature of PUM's M&E. Furthermore, while some experts interviewed in case studies were still in touch with clients, they were often not able to judge how much of their recommendations had been implemented.

These observations reflect overall findings in the relevant literature: women indeed find it harder to benefit from SME-support programmes. Outcomes for women are generally improved by interventions on broader elements of female empowerment (e.g. agency and control over resources). However, PUM's approach appeared limited in this regard. Our SEO survey suggested that PUM did not pay special attention to raising clients' sensitivity to gender issues. In general PUM missions did not seem to incorporate a gender lens. So far, PUM has focused on increasing gender participation among experts and clients—even though these are still far below parity. However, PUM has started to increase awareness of this issue and planned to pay more attention to gender going forward.

- **PUM's interventions on vocational institutes appear to have significant effects on youth's employability.** Evidence from this came mainly from our case study in Uganda. However, the limitations of PUM's monitoring and evaluation and of the PRIME survey make it impossible to confirm effects further.
- **Multiple sources indicated that remote coaching was less effective than other types of missions.** While potentially efficient and a good temporary solution during COVID-related restrictions, conducting an entire mission through remote methods requires specific skills from experts, such as excellent command of language, presentation skills, understanding of local culture, and being technologically savvy. Remote coaching (entire support mission done remotely) was therefore seen as complementary rather than as a replacement for advice on location. Remote advice (intermittent contact through email, phone, or text messaging), in contrast, was easier to manage by experts, and it was seen as satisfactory by both clients and experts, particularly as a tool to improve follow-up and encourage implementation.
- **While not a key focus area for PUM, PUM experts believe to also have contributed to improving Responsible Business Conduct (RBC) practices.** Nearly half of experts indicated during debriefings to have provided CRS-related advice, and a quarter of experts reported that their CSR advice was largely implemented. At the time of the evaluation, PUM was working on improving its processes to better screen for and follow up on CSR issues.

Indirect effects and sustainability

- **The evaluation did not find conclusive evidence that a programmatic approach had stronger indirect effects, but there are indications that this could be the case.** In this regard, we found positive indications in some of our case studies and partly in PRIME data; negative indications were also found in case studies, and several interviewees raised warning flags about the new approach. The case study in Uganda showed evidence that the programmatic approach facilitated demonstration effects (horizontal spillovers). For example, the programmatic dairy farm case provided training and worked as a “demonstration farm”, where new products and techniques were shown to other farmers in their network. These findings are in line with recent literature showing that proximity among farmers can facilitate the spread of new business practices¹⁴⁴. In addition, “training the trainer” strategies with vocational institutes were effective in multiplying the impact of introducing new practices (e.g. the “earn as you learn” approach) to other clients and non-clients as well. In Myanmar, indirect effects could not yet be observed due to the short amount of time that had passed since the PUM missions and the overwhelming negative impact of the global pandemic on the tourism sector. The latter case study also indicated that other factors, such as access to finance, skills

¹⁴⁴ See footnote 63.

of the expert contextual factors (COVID-19, and political instability) may influence effectiveness more than whether missions fall in a programmatic approach.

- **With regard to the sustainability of direct effects, there was evidence of lasting changes in knowledge and practices.** While this could not (yet) be captured quantitatively by the PRIME survey, case studies showed that firms continued to apply new practices after PUM's missions. Providing follow-up advice, including via email or phone, was seen as an effective way for PUM experts to improve the sustainability of direct effects, although this was not yet done systematically by all experts.
- **There was limited evidence on the sustainability of indirect effects.** Indirect effects were not yet systematically measured by PUM, let alone their sustainability. Nevertheless, our case study in Uganda suggested that PUM's support to vocational institutes can be an effective way to increase both the sustainability of direct effects (e.g., durably establishing new concepts within the vocational institute itself), and its indirect effects on the wider sector (e.g. spreading these same concepts to other institutes as well). Increased connectivity with other stakeholders appeared to make indirect effects more sustainable. In Myanmar, it was too early to make observations on sustainability, but four out of five cases showed good potential for spillovers to occur once the tourism sector recovers, particularly for the programmatic cases. However, whether or not PUM's indirect effects on the sector are sustainable in the long run mostly depends on external factors outside of PUM's control (global pandemic and domestic political developments)

Relevance

- **There was widespread agreement that the advice provided by PUM experts was relevant for clients.** In general, stakeholders were positive about the way PUM selects suitable experts and the ways in which these experts adjust their advice to the specific needs of the client.
- **With regard to the relevance of client selection, there was mixed evidence.** On the one hand, most survey respondent believed that PUM focused on clients that needed its support the most, and PUM appropriately focused on smaller MSMEs (2-50 employees), which is the group for which PRIME data indicated that PUM had the highest direct effects (based on contribution scores). On the other hand, our case studies indicated that PUM sometimes selected wealthier and better-connected SMEs and could potentially do more to identify relevant clients where PUM can have more impact. Focusing on financially cash-strapped SMEs, however, was not found to be desirable as several case studies indicated that such clients may not have sufficient resources to implement PUM advice.
- **Most stakeholders agreed that PUM focuses on countries and sectors where the needs are high, but these are not necessarily the countries where PUM can have the highest impact.** While survey respondents were quite positive on the relevance of the countries and sectors selected, some stakeholders expressed concerns that PUM ceased being active in countries or sectors where they previously had a high impact. On the positive, side, PUM's focus on Least Developed Countries (LDCs) was appropriate, as multiple sources (including PRIME data on contribution scores) confirmed that PUM is most effective in these countries.
- **With regard to the relevance of sector selection, there was mixed evidence.** PUM's sector selection criteria did not take into account PUM's potential impact on SME performance and were therefore not (yet) fully sufficient to maximise its relevance. The case studies also showed

mixed results regarding the relevance of the sector selection. On the one hand, the case study in Uganda showed an example of a sector that was highly relevant from the point of view of employment, food security, and poverty reduction. On the other hand, the selection of the tourism sector as a focus sector in Myanmar was, with hindsight, possibly not the most relevant one given the high external risks (COVID-19 and military coup) and the presence of another major donor programme focusing on this sector. The agribusiness sector would have been less vulnerable to these external risks, so external factors should be taken into account when selecting a focus sector.

- **With regard to PUM's relevance to Dutch PSD objectives, the evidence was generally positive.** First, PUM's selection of focus countries and sectors took into account their relevance for MFA's policy objectives, although PUM continues to be active in countries that are not necessarily a priority for MFA. For example, the criteria for selecting PUM's new focus countries took into account the country preferences of the MFA. Second, PUM activities are aligned with the BHOS policy agenda. Third, PUM contributes to two of MFA's main PSD indicators: (a) the number of companies with a supported plan to invest or trade, and (b) direct jobs supported (in individually supported SMEs).
- **However, from the point of view of MFA priorities, PUM could be more ambitious with regard to gender targets and youth employment and could improve monitoring on these factors.**
 - While the increasing share of women among experts and clients show that PUM is attempting to become more relevant for women, the numbers are still far from equal distribution, and the speed of change is slightly below target.
 - With additional funding from MFA, PUM initiated and supported multiple initiatives to improve youth employment however, PUM did not monitor to what extent its initiatives actually increased youth employment. Findings from case studies show clear positive signs: vocational institutes appear to create sustainable impact and facilitate indirect effects. By not including vocational institutes (and BSOs in general) in PRIME, and by not carrying out systematic M&E of indirect beneficiaries, PUM is likely underestimating its impact on youth employment. As of 2021, PUM reported being in the process of concluding an agreement with WUR to include measurement of indirect effects of BSO's, business incubators and start-ups, complemented with PUM's own survey of vocational training institutes and their graduates finding jobs or starting a business.

Additionality and coherence

- **With regard to *input additionality* (being additional to what would otherwise have been offered), multiple sources indicated that PUM was generally highly additional relative to local and international markets during 2017-2020.** Around 60 percent of respondents believed that similar services were (almost) never provided by the local market, while this statistic was 40 percent with regard to the international market. In both cases, however, two thirds of respondents believed that, in the absence of PUM, clients would (almost) never have obtained similar services from the local or international market. This high degree of input additionality was particularly clear in a fragile, low-income country like Myanmar, where multiple stakeholders confirmed that no similar expertise (on tourism) was available locally at all.

- **Even when similar services were available from the local or international market, PUM was seen as having *development additionality* (contributing to changes in development-relevant outcomes that would not have materialised without PUM).** In particular, clients were seen as preferring PUM for three main reasons: being cheaper, providing better quality, and offering additional benefits. While being cheaper is not a valid source of additionality (as it could distort markets in the absence of other benefits), offering better quality services means that PUM was better able to achieve development-relevant outcomes. FGD participants saw PUM's development additionality mostly consisting of (i) their relevant practical senior sectoral experience, (ii) the value of providing hands-on technical advice, (iii) their knowledge of international best practice and foreign markets.
- **While PUM's input additionality with regard to other PSD programmes was seen as more moderate, the vast majority of survey respondents still saw PUM as adding value to other Dutch development programmes.** Dutch government representatives in particular saw PUM's value added mainly as arising from its high level of technical expertise, which was seen to usefully complement the expertise available in other Dutch development programmes, as well as the speed at which PUM experts could be made available.
- **The evidence for PUM's *internal coherence* (with other Dutch organisations) was mixed.** On the positive side, PUM had concluded many cooperation agreements with other Dutch (and other) organisations, which was seen as positive. Also, FGD participants from RVO (CBI, PSD Toolkit) cited multiple examples of positive experiences of cooperation (e.g. in Peru, Ethiopia, Columbia) when PUM contributed experts to their programmes. This having said, many stakeholders highlighted the need for improved cooperation, and FGD participants called for more guidance from PUM with regard to the roles of local representatives and country coordinators, as their involvement in coordination was seen as depending too much on personalities.
- **The evidence for *external coherence* was mixed as well.** Survey respondents saw PUM as adding value to non-Dutch PSD programmes, though slightly less than to Dutch PSD programmes. Dutch government respondents in particular had less strong views about PUM's value added to non-Dutch programmes compared with their value added to Dutch programmes. Around one third of respondents saw overlap between PUM and other non-Dutch PSD programmes. In Myanmar, there was substantial overlap and lack of coordination with a major tourism development programme started by LuxDev and the UN.
- **According to multiple interviewees, PUM has less value added and more risk of overlap if it will focus too much on developing its own new programmes.** According to Dutch government representatives familiar with PUM, PUM volunteers do not have a particular comparative advantage in this area. One survey respondent from the Dutch government noted: "We do not need to have yet another NGO" A senior PUM manager agreed with this, but wanted PUM to do more than just "fill gaps in other programmes" and also contribute to the design of these programmes.

Efficiency

- **PUM's total (direct and indirect) costs per mission increased slightly between 2017-2019.** While PUM reduced its total direct costs per mission through cost-savings measures, its total indirect costs per mission increased by more than 25 percent during 2017-2019. The latter

was in part related to the decision to adopt a programmatic approach, which required more resources for programme development.

- **In terms of missions per FTE, PUM did not show major efficiency gains or losses between 2017 and 2019.** However, the number of missions per active expert increased during this period, indicating an increase in efficiency.
- **Overhead in percent of total costs decreased between 2017 and 2019 but remained above target,** unless one includes the inferred market value of volunteers.
- **There is no evidence that the programmatic approach significantly affected PUM's cost-effectiveness.** On the one hand, as noted above, it has required more resources for programme development, which has increased indirect costs. On the other hand, the programmatic approach can reduce the average costs of missions by supporting the same clients during a longer period of time and by supporting multiple clients at the same time.
- **With regard to timeliness, the evaluation yielded mixed results.** In general, PUM's processes to match experts to client requests seemed fast and efficient. However, survey respondents were divided as to whether PUM can improve the timely delivery of results. According to PUM staff and volunteers, the preparation time before missions can be more efficient. Stakeholders also indicated that PUM could be more efficient in arranging follow-up missions.
- **Working with volunteers was seen to have pros and cons in terms of efficiency.** On the one hand, working with volunteers was seen as cost effective. On the other hand, a majority of survey respondents still saw room to further improve cost-effectiveness, and some PUM staff suggested that involving volunteers can slow down certain decision making processes.
- **Remote coaching was seen as efficient, but not always effective** (see above).

7.2 Recommendations

Effectiveness and relevance at country/sector level

- **Maintain or consider further increasing PUM's focus on Least Developed Countries (LDCs),** as this is where PUM appears to be most relevant and effective.
- **Focus on those LDCs that are a priority for MFA's PSD agenda,** to the extent it is possible to work on PSD in these countries. This would improve the potential for coordination with other MFA-supported programmes and its relevance to MFA country priorities.
- **Within these countries, focus on sectors (or clusters of sectors) where PUM can have the highest potential impact.** Country Impact Plans and Sector Development Plans are a step in the right direction, but more in-depth analysis of skills gaps (among SMEs, BSOs, graduates and start-ups) could further improve PUM's relevance. For example, PUM could then decide (in coordination with MFA) to focus on sectors with MSMEs that have significant gaps in knowledge or skills, limited access to affordable advisory services, and that are less vulnerable to external shocks such as COVID or political instability.
- **As part of this assessment, constraining factors should be analysed in more depth.** These can include access to finance and vulnerability to external shocks such as travel restrictions or political instability. Given that having sufficient access to finance is important for clients to be able to implement recommendations, the criterion of 'financial stability' in client assessments could be further sharpened.

- **Coordinate with other development organisations and the Dutch embassy/MFA when analysing country and sector gaps** (e.g., SME skills gaps, youth unemployment). Using existing studies that may have already been conducted by these actors more thoroughly could help to select the most **relevant** countries and sectors for PUM advice and increase coordination (**coherence**) with other support organisations. If existing information is insufficient, PUM could play a larger role in assessing sector gaps.

Effectiveness and relevance at client level

- **Within focus sectors or clusters, conduct more in-depth analysis in order to improve the focus on clients where PUM can have the highest potential impact.** For example, when assessing clients' applications during the intake process, local representatives could be asked to spend more time assessing existing gaps in knowledge, practices, or performance, as well as PUM's potential to address these gaps, based on which PUM's potential direct effects can be estimated. If this is not (always) possible at the client level, local representatives or sector/country coordinators could at least aim to assess for which *types* of clients the gaps tend to be larger (e.g., smaller clients, clients in certain regions, clients offering certain services). This then would allow country teams to conduct more targeted outreach to potential clients where PUM is expected to have the highest impact. With regard to BSO clients, PUM could prioritise those BSOs (e.g., vocational institutes or incubators) that best address the estimated 'gaps' in the sector (e.g., if labour market mismatches are a major issue, then focus on those BSOs that have the highest potential to improve skills demanded by employers).
- **Evaluate whether PUM's intervention model, based on the knowledge-practice-performance relation, should include considerations on attitudinal factors.** Some of these, if confirmed to be relevant, could be more formally integrated into PUM's sector-specific intervention models. For instance, support to vocational institutes could be more effective if they incorporate a systematic and proven approach towards youth entrepreneurship; support to agricultural SMEs may be more effective if they incorporate a structured approach toward innovation and risk-taking (which already is encouraged through the figure of "model farms"). These insights could be a central part of sector-specific impact plans.
- **Be more ambitious with regard to gender targets, given that (1) gender is a priority issue for MFA, and (2) PUM could potentially have large demonstration effects when supporting women in sectors that are traditionally male-dominated.** If gender continues to be an important focus area for MFA's PSD agenda, we would recommend MFA to request PUM to upscale its efforts to increase the share of female experts and women-owned SMEs, and formulate gender-focused objectives. Going one step further, PUM could also be asked to implement a more comprehensive approach on gender empowerment and gender sensitisation. If PUM decides to pursue this path, then training of experts in this area would be important. This would likely require the onboarding of specialist(s) in gender in PUM's team, and perhaps a general consultancy on how to deepen PUM's gender approach. Even if PUM's gender approach remains limited only to increasing participation, client selection could still focus more on women, in particular in sectors traditionally dominated by men (e.g., in Uganda there are relatively few women in charge of dairy farms), where PUM could potentially have a large demonstration effect in the area of gender inclusion. Finally, MFA should consider sharpening its requirements for reporting on gender indicators (see section on M&E below).

- **Also be more ambitious with regard to youth targets, given that youth unemployment remains a major issue and continues to be a priority for MFA.** As there is no strong evidence that PUM was more active (in terms of numbers of missions) in countries with high youth unemployment rates, PUM could prioritise activities in these countries. Furthermore, PUM would benefit from a monitoring system to assess the extent to which their initiatives actually increased youth employment. If youth employment continues to be an important focus area for MFA's PSD agenda, MFA may consider requiring PUM to at least report the share of young employees as part of 'jobs supported' (and ideally 'jobs created', which is admittedly more difficult, but could perhaps be done through the PRIME survey).

Effectiveness, efficiency and relevance of remote coaching and advice

- **Establish a protocol in the primary process to assess the viability of remote coaching.** For example, internet connectivity should be effectively checked by the local representative to guarantee effectiveness of remote missions. Also, PUM should assess more systematically whether experts have the technical skills required for remote missions, and could provide more training in this area. The "COVID-19 working team" established in 2020 can work to identify the required skills in particular contexts (which could include particularly strong oral communication and presentation skills, experience with didactics and group management).
- **Consider expanding group training to fully exploit the benefits of remote coaching.** Given that travel will likely be more difficult than before for some time to come, group training could be adopted as a more standardised approach vs PUM's general tailor-made support. This would not only increase effectiveness, but would also improve efficiency in terms of cost per client.
- **Implement some form of remote contact as a structured (and mandatory) tool to align needs and expectations before travelling for missions, and to follow up after missions.** This would improve effectiveness, by better evaluating and responding to clients' needs, as well as efficiency, as it allows for less time required on site for the expert to assess the situation of the client.

Indirect effects

- **When considering SME and BSO clients or programmes to partner with, incorporate a structured assessment of their potential to create indirect effects.** Ideally this assessment should take into account their potential demonstration effects (horizontal spillovers) and its potential supply-chain effects (vertical spillovers), as per PUM's ToC. By adding selection criteria related to these potential indirect effects, PUM could improve its indirect impact on the sector or country.
- **Define and communicate a clear strategy forward for the programmatic approach.** On the one hand, the programmatic approach is promising in terms of its increased relevance and its potentially larger indirect effects and sustainability. On the other hand, it presents challenges with additionality and coherence. PUM could usefully update and sharpen its strategy with respect to the programmatic approach, and ensure that the entire PUM staff is more aligned in terms of what PUM expects to achieve from the programmatic approach.
- **Spillovers to non-clients could be more actively encouraged.** This would increase PUM's effectiveness in direct and indirect effects, as well as its relevance. First, PUM could develop a detailed assessment to identify the connection of the client to other stakeholders during the

“application” and “client assessment” phase. A second step would be to engage these other stakeholders in the support. PUM could demand or build a structured visit plan where other SMEs join part of the support sessions as observers. This is the current informal practice of experts, who provide additional advice to other stakeholders during missions. Third, PUM could engage (some) clients with a working plan, building them to become “PUM impact champions” and turning them into “trainers” or “spreaders” of knowledge. E.g. commit particularly successful clients to participate as a trainer when subsequent missions in the region take place; encourage clients to provide new training services, when feasible.

Sustainability (and efficiency)

- **Implement a mandatory follow-up to check client’s needs (for additional support), implementation, and possibly outcomes.** This could be a standard survey to be applied by local representative during the “after care” phase (e.g., 2, 3 or 6 months after mission), either online or in person.
- **Set this as a requirement with client during the intake phase to set expectations for future engagement.** Knowing this in advance would likely increase the engagement of the client, who would know what kind of interaction to expect and when. The data collected during these follow-ups would enable increased effectiveness by adopting a monitoring and evaluation framework at the client level—and not only based on sample (PRIME)—detecting and encouraging implementation of recommendations. This data may also increase efficiency by monitoring cost-effectiveness (how outcomes relate to mission costs).

Additionality and coherence

- **Develop guidelines for local representatives and country coordinators to assess additionality and improve coordination with other programmes.** For example, the role of local representatives could be elevated to that of ‘country manager’ (or country coordinators could be moved to the field) and could be explicitly made responsible for assessing additionality to local markets and coordination with other development partners that are active in the country.
- **Consider the risk of market distortion more seriously.** When PUM’s main ‘value added’ is its price (as often appeared to be the case), this is not a valid source of additionality and could in fact lead to market distortion in case similar services are in fact available from other sources at a higher price. The additionality guidelines should therefore ensure that PUM offers a different type or substantially higher quality of services that would not be available from other sources.
- **The selection criterion of “financial stability” may need to be sharpened in order to ensure PUM’s input additionality.** Our case studies in Myanmar and Uganda illustrated that clients in several cases did not have sufficient financial resources to actually implement the PUM advice. On the one hand, this means that PUM should not support the most cash-strapped or financially unstable clients, as they may not be able to implement PUM’s advice, or may not survive a negative exogenous shock (such as COVID). On the other hand, the additionality requirement means that PUM should also not support clients that could easily afford to purchase similar advisory services in the market, as this would imply low additionality and potentially market distortion.

- **Coordinate closely with MFA, Dutch embassies and other Dutch PSD programmes on the selection of focus countries and sectors.** It is not efficient for PUM to develop its own country strategies or sector strategies if similar exercises are already being conducted by other Dutch government organisations. Internal coherence would be optimised if MFA were to take the lead in this area, together with Dutch embassies. This having said, PUM could consider also working in other countries and sectors where it has strong expertise, potentially funded by other governments or agencies for which those are priorities.
- **Maximise value added and reduce overlap and inefficiencies by optimising PUM's contributions to other partner's programmes, rather than by developing its own 'competing' programmes.** Where possible, experienced PUM staff can also work closely with other programmes to contribute to the design of these programmes.

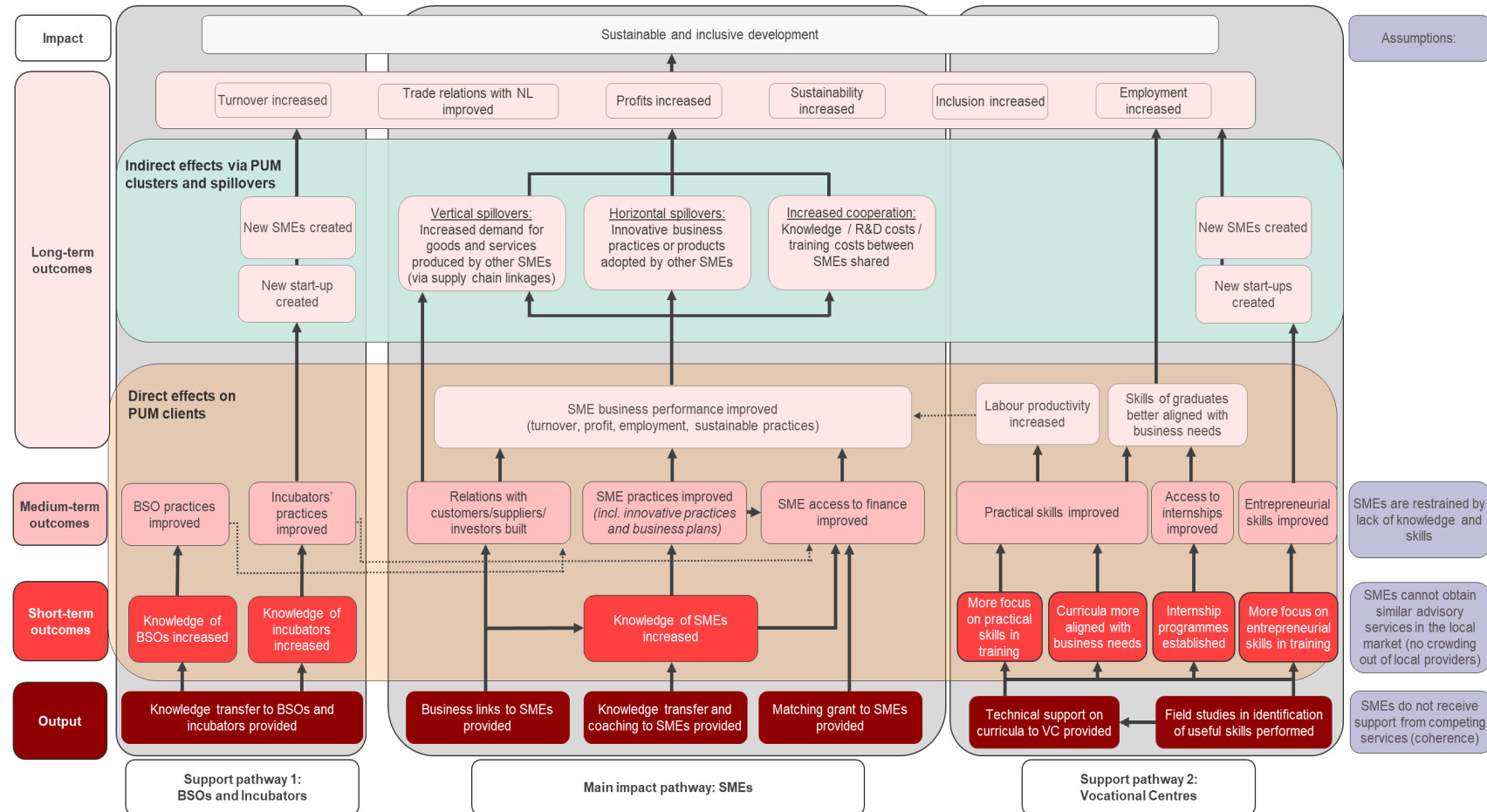
Monitoring & Evaluation

- **Identify programmatic cases within PRIME data, in order to use WUR's methodological framework to analyse the relative effectiveness of this approach.** At the time of the evaluation, the PRIME survey was not yet able to reliably identify these cases.
- **Incorporate BSOs (at least vocational institutes and incubators) into the PRIME survey.** This will improve the measurement of PUM's indirect effects on employment and potentially also the effects on knowledge, practices, and performance of graduates and start-ups. Possibly, this may mean that PUM needs to provide some M&E advice to BSO clients, in order to assist them with setting up simple data collection processes and instruments.
- **Continue to encourage the adoption of reporting sector-specific guidelines so as to strengthen data collection.** For example, it would make sense to develop specific indicators for the dairy sector or the tourism sector. This would provide a tool for country teams to monitor the cluster, and for the experts to organise interventions.
- **Improve the measurement of indirect effects.** For example, this could be done by (a) assessing the scope for potential horizontal and vertical spillovers upfront (as selection criteria), and (b) including questions on horizontal and vertical spillovers into the PRIME survey.
- **MFA could be more strict in requiring data on gender and youth employment.** For example, PUM should be required to report for all clients (1) the share of female ownership;¹⁴⁵ (b) whether the client is owned/managed by young entrepreneurs (< 35 years); and potentially also (c) the share of women and youth within 'jobs supported', or even (d) the share of women and youth within 'jobs created'. The latter is admittedly more difficult, but could perhaps be explored through the PRIME survey. While none of the first three indicators is a true measure of impact, these indicators could still allow to better assess PUM's 'potential inclusion impact'. For example, if PUM supports women-owned SMEs or vocational institutes with large shares of female students in sectors that are traditionally dominated by men, then PUM can be said to have a potential demonstration effect in the area of inclusion.¹⁴⁶
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¹⁴⁵ MFA and PUM could also consider using the expanded IFC definition of "women-owned" as "either more than 51 percent women's ownership, or with 26-50 percent women's ownership in a business that has a woman CEO or COO." See IFC (2014), "Women-Owned SMEs: A Business Opportunity for Financial Institutions", Washington DC: IFC.

¹⁴⁶ A similar definition of (potential) inclusion impact is used by EBRD.

Appendix A Reconstructed ToC



Appendix B Selection processes

This section reviews the selection processes of PUM for its countries, sectors, programmes, clients, experts and support design.¹⁴⁷ The selection processes of the PUM countries, sectors and programmes changed in 2017 and this process is described below.

In 2017 PUM launched Project PUMA with the aim to focus on a smaller number of countries and sectors.¹⁴⁸ This focus was adopted, as PUM believes that the smaller set of countries and sectors allows them to increase their quality and impact in these areas. The choice was made by PUM in discussion with their Supervisory board and the Dutch Ministry of Foreign Affairs (MFA). Before the PUMA project, PUM was active in 68 countries and in 80 sectors, this has gone down to 35 countries and 41 sectors in 2020.

Prior to 2017, interviewees noted that the selection of countries and sectors was based on client demand and the wish to have a broad presence and offering in countries and sectors. This, hence, led to a large variety of countries and sectors. PUM decided to change their approach to deliver a higher level of quality. For example, before project PUMA, some countries and sectors only had a few cases each year. Therefore, there was no properly formed team to assess these cases, which decreased the ability of PUM to deliver quality advice. Additionally, due to the variety of demand, PUM required a large pool of experts (around 3,000) whom were often only send on one mission or none at all. The focus of countries and sectors and a more limited number of “active” experts hence also further induces the quality and involvement of experts.

Possible changes in the future country and sector selection will be discussed as part of a strategy development process preparation for the new subsidy application of PUM. During this process PUM will rediscuss with MFA what their policy goals are. However, PUM’s management, does not expect that strategy development will lead to radical changes in the country and sector portfolio, as the selection criteria of 2017 are still valid, the current selection is sufficiently comprehensive and focussed on impact whilst, ensuring the high quality of services of PUM.

Selection of countries

As part of Project PUMA the following 6 criteria were used to select the focus countries:¹⁴⁹

- **The historical presence of PUM** in the country; the number of missions, in order to leverage current strengths, networks, recognition.
- **The partner country policy of MFA**, to support the Ministry and because of additionality with other Dutch stakeholders.
- **The size of the SMEs market in the country.** The presence of SMEs in the country is crucial for PUM to ensure that there is enough demand for their services and that the advice

¹⁴⁷ This report gives a general description of these processes and the final report will specify how effectiveness, sustainability, efficiency, additionality, coherence and relevance are taken into account.

¹⁴⁸ PUM Annual Report 2018, page 8

¹⁴⁹ Project PUMA report – bestuursvergadering, page 56

of PUM experts can have impact. For example, PUM recently stopped its activities in Sierra Leone mostly as the SME presence in the country was too low.

- **The importance of the country for Dutch trade and investment.** The volume of current trade and investments by Dutch businesses is important, as it is one of PUM's goals to increase trade and investments through business links with Dutch companies, and to realise aid and trade objectives.
- **Whether the country was an LDC or fragile state.** PUM's management indicated that PUM wants to have a balanced portfolio of LDCs and MDCs and fragile and non-fragile states. PUM's policy is that 50 percent of the countries PUM works in are LIC's/LDC's/fragile states.¹⁵⁰ The inclusion of fragile states is challenging, because it is more difficult to achieve impact, and because PUM is responsible for their experts' and staff's safety. Therefore, during the selection of the focus countries 6 countries ended up in a so-called queue-list. Countries on this list were considered too risky to work in. For example, in 2016 one of PUM's country coordinators died during a terrorist attack in Burkina Faso. After this tragic event, PUM decided to end its activities in Burkina Faso as it was deemed as too unsafe. In 2019, PUM decided to include Burkina Faso again in the list of countries to work in due to the new policy agenda of Minister Kaag. Other countries on the queue list included Yemen, Afghanistan and Somalia, which are in 2020 still deemed too unsafe to deploy experts to. It should be noted that MFA does use other policy instruments to support fragile states with high levels of insecurity, including Yemen and Afghanistan.
- **The scale of the local economy and PUM's expected impact on it.** In countries with large economies like Nigeria, Egypt, Brazil, PUM would have little added value, and therefore decided not to include these countries in the portfolio.

Additionally, it was agreed with the MFA that PUM would honour ongoing contracts with external financiers. It was thus, decided that PUM would remain active in these countries (Kosovo, Niger, Ukraine and Central American countries) until the end of these contracts in 2019 and 2020.

In 2018 and 2019, some minor changes to the PUM country portfolio were made, due to the new policy agenda¹⁵¹ of the MFA under newly appointed Minister Kaag. This agenda had a stronger focus on North Africa, Western Africa and the Middle East and PUM has since then included Algeria (2018) and Tunisia and Burkina Faso (2019).

Selection of sectors

As part of the Project PUMA the following five criteria were used select the new and smaller set sectors:¹⁵²

- **The historical presence of PUM in the sector;** the number of missions, in order to leverage current strengths, networks, recognition.
- **The size of SME presence in the sector.**
- **The thematic choices of MFA,** to align with the Ministry and because of additionality with other Dutch stakeholders in programmes.

¹⁵⁰ PUM Annual Report 2018, page 4

¹⁵¹ Beleidsnota BHOS (<https://www.rijksoverheid.nl/documenten/beleidsnota-s/2018/05/18/pdf-beleidsnota-investeren-in-perspectie>)

¹⁵² Project PUMA report – bestuursvergadering, page 48

- **Alignment with the Top sectors in the Netherlands.** This criterion was implemented with the hope that PUM would be able to attract more experts from top performing sectors in the Netherlands. For example, the Netherlands' Food and Agricultural sector is particularly strong, hence recruiting senior experts from this sector would be relatively easy and ensure the high quality of these experts.
- **Trade and investment volume of the Netherlands in this sector.**

For internal planning, and to operationalise policy objectives in concrete plans, annual Country Impact plans are drafted. Since 2019, Country impact plans reflect the choice of priority economic clusters in the country to increase PUM's impact.¹⁵³ The Country Impact plans are made by the country team (consisting of local representative, country coordinator and project officers) who further also discuss the plan with the sector coordinators. All reports are finally reported to the Executive Board who have the final say in which clusters the country will focus on.

Additionally, Sector Development Plans help to optimise the PUM expert pool for delivery of quality services to their clients. Furthermore, its objective is to plan knowledge exchange and knowledge development in the sector, and to plan results measurement. This plan carries out an in depth PUM expert pool analysis focussing on the male/female ratio, specific required and available expertise, soft/hard skills, in/out-flow of experts, demand of sectors etc. A planning is then made to further boost the knowledge exchange and development in the sector. The plan is made by the sector coordinators and the recruitment team in consultation with country teams. Sector coordinators further discuss the plan with theme coordinators. As with the country impact reports, the sector plans are finally read and approved by the Executive board.

Selection of programmes

PUM started its programmatic approach in 2017 under the PUMA project and was aided in this transition by BCG. The decision to build programmes instead of keeping its original stand-alone missions' style of advice giving, stemmed from the observation of experts, local representatives and country coordinators, that many SMEs faced similar issues.¹⁵⁴ Therefore, PUM thought that it could achieve a higher impact if it started to structure their advice through programmes and hence, reach out to more SMEs. Additionally, interviewees noted working in a programme facilitates the acquisition for finding external funding.

The development and implementation of a programme differs for each programme. These differences are due to the size and scope of a programme, which external partners are involved and to what degree, and through which channels the programme is funded.¹⁵⁵ If a programme is initiated by PUM, it is often the expert (or group of experts), sector coordinator, country team or the programme development team who come up with a programme idea. Then, through an organic process, the programme idea is further developed (sometimes a fact-finding mission is needed for further first-hand evidence and relationship-building with local partners) and build up. The duration of a programme is at least one year, and varies in length, but is often around 2 to 3 years

¹⁵³ Preparation report PUM evaluation September 2020, page 13

¹⁵⁴ PUM annual report, page 21

¹⁵⁵ PUM infosheet working in programmes

long. Programmes further contain multiple different activities such as on-site missions and business links.

There is a general process of conceptualisation to implementation but it can differ per programme. Normally, the development starts with an idea phase, in which the Knowledge Manager, country team and sector coordinator are involved. If the Knowledge Manager deems the idea to have potential, he/she will fill in an Opportunity Assessment Form (OAF), which is sent to the country team for approval.¹⁵⁶ If approved, the programme goes to the “preparation development stage” where desk research is performed regarding the sector, potential stakeholders and implementation partner. After the necessary information is gathered, a first Fact-Finding mission is conducted. This mission entails a trip to the respective country of the programme, where first-hand information is collected and meetings with potential stakeholders are conducted. Furthermore, at this stage of the process the team starts acquisitioning, and a Fact-Finding mission report is drafted. Based on this report, a decision is made whether the programme is feasible (which could also imply a second Fact-Finding mission if necessary) or not. If accepted, a concept note is drafted, which should include a detailed programme description understandable to all without prior knowledge. If these documents are complete and approved by the executive board the programme can start.

Programmes that are externally financed or that are part of a larger multi-stakeholder effort, usually develop faster than PUM programmes. Interviewees noted that programmes that are externally financed often have a more clearly defined goal, project plan and binding contracts, ensuring a clear start- and end-date. Additionally, multi-partner programmes often have more staff working on the development and implementation of the programme. Therefore, these programmes tend to progress faster than PUM programmes.

Working with programmes is expected to increase PUM’s impact, however, there are also some drawbacks. In multi-stakeholder programmes PUM is more reliant on the demands of the other stakeholders. Additionally, in exogenous situations (e.g. the COVID-19 pandemic), the response of the programme is dependent on the effort of all stakeholders, giving PUM less control over the outputs of the programme. Further, PUM staff noted that, there is a worry that PUM would not be able to meet demand for experts, were a programme to become very successful and other country teams start to copy it. A good preparation is hence, needed from PUM to anticipate the demand of the programme. Finally, the preparation of a programme can sometimes be lengthy, and the results are not as imminent as in a single mission.

During an interview, PUM staff noted that to improve PUM programmes it should remain focussed whilst, ensuring the accessibility of the programmes. In the past years, PUM has worked on facilitating the processes for programme development, however, this should remain a priority, according to the interviewees. Further, PUM should ensure that programme development remains accessible for experts or other PUM staff. Not all programmes need to be large in size nor high in funding. To ensure that PUM increases its impact, more programmes should be built, and PUM’s systems should be accessible for programme managers.

¹⁵⁶ PUM infosheet working in programmes, page 2

Selection of clusters

A key component of the programmatic approach is the focus on clusters. PUM has stimulated this process by ensuring that country team create yearly Country Impact plans which focus on a maximum of five clusters.¹⁵⁷ This process is proving to be challenging for some country team and they sometimes only mention the main sectors, according to the interviewees. Nevertheless, there has been an improvement compared to last year, as other country teams have better defined clusters, and across countries the “food and agriculture” cluster is often one of the five listed. Furthermore, many country teams have experienced that COVID-19 greatly altered their original cluster plan. Hence, interviewees noted that country teams are now reshaping the cluster focus for 2021.

Indicating the key clusters per country, is based on multiple factors. Some country teams base this decision on the embassy plans of the respective country, whilst others base it on the focusses of the local governments. The Knowledge Management team at PUM further assists country teams to decide which clusters to focus on. Furthermore, sometimes the infrastructure or geographical layout of the country imposes certain restrictions on cluster choices. For example, a national cluster on tourism in Indonesia would not be efficient due to its many islands, therefore, a regional more specialized cluster is better suited. Lastly, the demand of clients plays a large role in the cluster specialization decision.

Due to the enhanced focus on cluster building and the programmatic approach, PUM hopes to reduce the number of stand-alone missions in order to reach a higher impact. To increase its impact PUM aims at increasing the number of missions within programmes to create interlinkages and cross-SME indirect impact.¹⁵⁸ Nevertheless, an interviewee noted that preserving some stand-alone cases could be beneficial. These missions could for example, explore a new level of cluster or explore a new phase of a programme.

Selection process of clients

Clients apply for a PUM advisory mission through the website. Local representatives often reach out to their local network and guide clients in the application process. Previously, local representatives were compensated for every finished mission and hence, had an incentive to find more clients for PUM.¹⁵⁹ Now, PUM is trying to involve the local representatives more in the overall mission and focus on building long term relationship. The application on the PUM website requires clients to send in information about their company, explain their business problem and how a PUM expert could support them. The overall application process as described below does not differ between SMEs or BSOs.

Eligible SMEs have to adhere to the following criteria:¹⁶⁰

- The company is privately owned.
- 50 percent of company owned by a local.
- The company has been operational for at least 2 years.

¹⁵⁷ PUM annual report 2019, page 37

¹⁵⁸ Project PUMA report – bestuursvergadering, page 15

¹⁵⁹ Evaluatierapport PUM senior – expert – programma, 2012-2015, page 6

¹⁶⁰ <https://www.pum.nl/en/get-advice>

- The company has between 10 to 250 employees.
- The company is financially stable (just does not have the means to hire consultants).
- The company is prepared to comply with PUM price policy.
- The owner of the company is fully committed and involved during the entire PUM project
- The company complies with basic OECD criteria

As mentioned on the website, some criteria are not set-in stone and can be partially waived for certain clients when discussed with PUM.

Eligible Business Incubators have to adhere to the following criteria (footnote 42)

- The mission of the Business Incubator focuses on the development of successful, self-sustaining businesses as vehicles for economic growth and job creation.
- The clients of the Business Incubator clients are private start-ups and early-stage business ventures.
- The Business Incubator provides a comprehensive, integrated portfolio of business support services to your clients.
- The Business Incubator has sufficient staff (i.e. minimum of 3 staff members), funding (i.e. minimum annual budget of € 5,000) and the space to be able to support a minimum of 10 clients in parallel and for a longer period of time.
- The Business Incubator management structure is independent from other entities.
- The Business Incubator is ready to commit to a longer-term collaboration with PUM, depending on the support needed to ensure its sustainability and self-supportiveness.

Eligible Vocational Institution have to adhere to the following criteria:¹⁶¹

- The Vocational Institution should have a linkage to the private sector (associations, groups of companies etc.). This indicates that 3 parties should be involved: the private sector, the school and PUM.

The application is assessed by the local representative. The representative fills out an assessment form about the client, which can sometimes include sector specific questions. Additionally, local representatives will contact applicants and ask them questions regarding additionality of PUM's services.¹⁶² Applicants are asked whether there are feasible alternatives for PUM's advice, and whether they are currently being supported by other similar organisations.

The assessment of the local representative is reviewed by the sector-, country- coordinator, and project officers. They assess the application based on whether or not they fulfil the criteria¹⁶³ of a PUM client, whether PUM has the expertise to support the applicants, whether PUM's advice is additional, whether PUM can provide the advisory mission (e.g. COVID-19 has led to some clients being rejected as their problem was not solvable through a Remote Coaching mission).

¹⁶¹ <https://www.pum.nl/en/get-advice>

¹⁶² PUM Additionality Questions, page 1

¹⁶³ PUM website (<https://www.pum.nl/en/get-advice#check-our-criteria>)

Selection process of experts

PUM is dependent on its expert for the quality and number of missions it can perform. Therefore, the recruitment of new qualified experts is crucial for the organisation. All experts apply through the PUM website, however, the PUM recruitment team actively promotes its expert positions through campaigns in specific trade magazines, being at different professional fairs and using its own PUM network to spread the new about their positions. In addition to this, PUM also has agreements with different private companies (e.g. Atos) offering their employees the opportunity to be a PUM expert. The most successful way of findings new PUM experts is through PUM's own volunteer network.

Eligible experts need to fulfil the following criteria:¹⁶⁴

- The applicant is no older than 68 years.
- The applicant has at least 5 years of work experience in the private sector.
- The applicant has an affinity with the developing country.
- The applicant has expertise and in-depth knowledge of their sector.
- The applicant is able to analyse a company.
- The applicant is fluent in English.
- The applicant is a Dutch national.

Experts apply to be become a PUM expert through the website of PUM. For an application they are required to send in a CV, their motivation for joining PUM, their sector of expertise and a photo of themselves.¹⁶⁵ During the application, the candidate has to indicate which sector he/she beliefs their specialty lies in.

Once a candidate has applied for a position as a PUM expert the selection process starts.

Previously based on the specialty indicated by the applicant, the application would be sent to the respective sector coordinator who would assess whether the skills of the individual are demanded by PUM clients and whether the person is a good fit for the organization. Other criteria which are looked at are the fluency in English (or other languages) and their digital dexterity. Interviewees mentioned that PUM is now working on a new process where the recruitment team is more involved in all stages of the selection process (reviewing of initial applications and interviewing experts) as they have better oversight of client demand across sectors. After the initial selection, applicants are asked to perform a KIT test¹⁶⁶ in which the applicant is asked questions about intercultural sensitivity, communication, building commitment and dealing with uncertainty. The applicants' performance on the test is not definitive for whether he/she will be accepted as an expert however, it is a good indicator for the PUM team.

If the applicants meet the above stated criteria, he/she will be invited for an interview with a member of the recruitment team and the sector coordinator. Here the final assessment is made on whether the applicant is a good fit for PUM. If successful, the applicant will start its pre-mission preparations by first attending an Onboarding day where they meet other experts and here from different speakers. Afterwards, experts attend a "Intercultural Advisory Skills" workshop. The workshop gives experts some training on how to give advice in an intercultural setting. Further,

¹⁶⁴ PUM website (<https://www.pum.nl/en/become-pum-expert>)

¹⁶⁵ Expert selection process document PUM

¹⁶⁶ Expert selection process document PUM

they are given a handbook with practical insights for their future missions. If the expert has been matched to a client, then he/she will be put into contact with the client and will be briefed by the sector and country coordinator.

In the past year, PUM has intensified its focus on recruiting more female experts. The interviewees mentioned that the “Gender and Diversity” workgroup at PUM focusses on such issues, and they have made a factsheet. The factsheet was sent to all female experts with the request to promote PUM in their own personal network. Additionally, the factsheet was published on multiple occasions on LinkedIn. The number of female experts has increased since 2006 but remains below 18 percent target of 2020 (now 17 percent of experts are female¹⁶⁷). Reasons given for this during interviews, is that many senior experts are male due to the societal norms of the past decades. Additionally, female experts are hard to find in some historically male dominated sectors. Moreover, the thought has been raised that some female experts do not apply to be a PUM expert due to the fear of traveling alone as a woman in developing countries. Nevertheless, it is one of PUM’s priorities to promote female entrepreneurship though both its experts and clients, which the interviewees further expressed as an aspirational goal is to grow the number of female experts to 30 percent within the next two years.

The expert pool is actively maintained by the recruitment team to ensure that PUM can respond to the demand of its clients. This year the recruitment team performed an in-depth expert pool assessment to see whether there are or will be bottlenecks in certain sectors. Further rules which upkeep the expert pool are; if an expert is over the age of 72 and if someone has not performed a mission in two (for male experts) or four (for female experts) years, they leave the expert pool. These rules have been more strictly reinforced in the past years leading to a reduction of experts of over 3000 people in 2017 to 1618 experts in June 2020. PUM experts have the ability to become “Silver Experts” if they have reached the age of 72, which allows them to remain in contact with the PUM network.

Matching

Client applications are matched to experts by the sector coordinator. Interviewees noted that in 2020, PUM made an extensive overview of the expert pool with the aim to facilitate the matching between clients and experts. Sector coordinators consult this overview when they receive client applications. One sector coordinator interviewee noted that, if multiple experts fit the description of the mission, that he chose experts based on when they had last performed a mission. The sector coordinator aims to find the best match by assessing which expert has the best suited skillset to support the client, which expert is available and when the expert last conducted a mission.

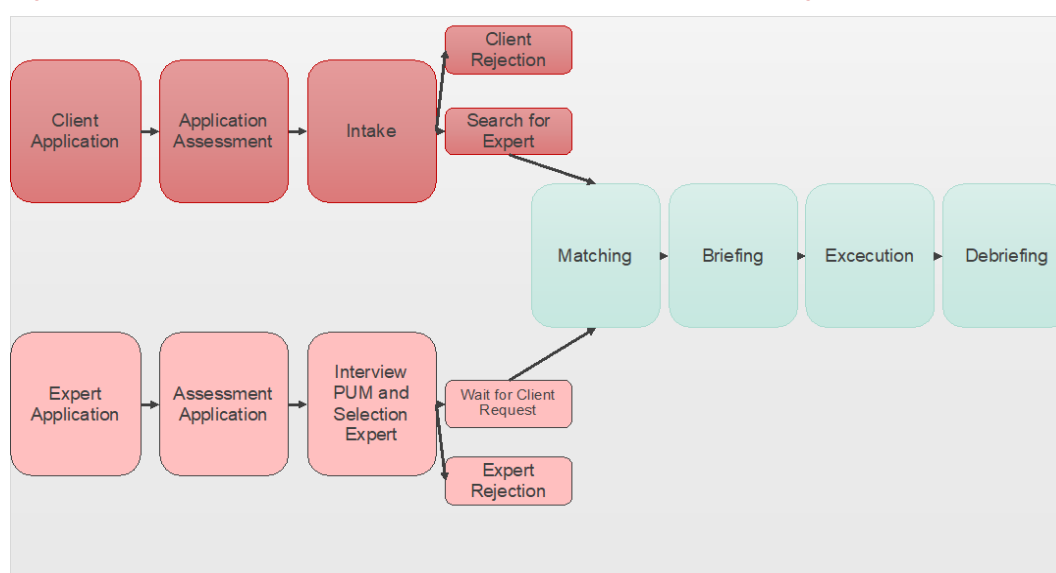
Generally, as PUM staff informed us, clients receive two expert CVs to pick from for their mission. Clients can review the CVs and then chose the expert they deem to best fit their business issue. Figure 3.3 highlights this process (see the light blue boxes), the figure further presents the client and expert application and selection process. It should be noted that for the purpose of the figure these two processes have been displayed as if they happen in parallel, however this is not the case and the processes are not related to one another.

¹⁶⁷ Preparation report PUM evaluation September 2020, page 18

If a match is found, the preparation for the missions starts. The expert will receive further information by the country and sector coordinator to prepare the mission.¹⁶⁸ After the preparation phase the PUM expert will execute the mission (be that giving on-site advice or remotely). Upon the completion of the mission, the experts have debriefing sessions with the country and sector coordinators and document their activities. These files can be used later if there is a follow-up mission by either the same expert or a different expert. Furthermore, after completion the client will be asked to report certain indicators (e.g. the quality of the expert) in a debriefing session and the client will be asked to fill in the PRIME survey.

After the mission, the clients and experts fill out a debriefing survey. In this survey, clients are asked about the suitability and quality of the expert. These results are also discussed with the expert in his/her own debriefing session. If clients express very negative results, this can result into PUM making an expert inactive. For example, an interviewee noted that in one instance an expert was made inactive due to excessive use of alcohol during the advisory mission. The decision on whether or not improper expert behaviour will result in the deactivation of an expert, is made by the sector- and country coordinator.¹⁶⁹

Figure B. 1 Overview of the Expert and Client Selection and the Matching Process



Source: SEO Amsterdam Economics based on Selection Process document, PUM Website and interviews with PUM staff

Design of support

PUM provides support through different channels. Prior to 2020, most advisory missions were on-site advisory missions, however, PUM also provided seminars, business links, grants and some remote coaching session. The assessment of what type of mission a client requires is based on the need the client outlines in his/her application. An assessment is made by the sector and country coordinator which type of support mission would best fit the client's needs.

¹⁶⁸ Expert selection process document PUM

¹⁶⁹ PUM has a Code of Conduct and a complaints procedure to address improper behaviour.

The duration and focus of a mission are decided prior to the start of the mission. These aspects are decided based on the problem the clients face by the sector coordinator and expert. The average duration of a mission is 2 weeks; however, a business link is 10 days, and the average duration of Remote Coaching is 6 to 8 weeks. If it is expected that the duration is less than 2 weeks for an on-site mission, PUM tries to combine activities for the expert to minimize travel costs.

Appendix C COVID-19 adjustments

The COVID-19 crisis has greatly impacted how PUM gives advice to its clients. The start of national lockdowns around the world and the halt of global air travel forced PUM to change its approach. Therefore, in response to the COVID-19 pandemic, interviewees noted that PUM organised five new workgroups to handle the effects of the pandemic on the workings of the organisation. The workgroups are the following:

- **The Remote Coaching workgroup**

Due to the global pandemic, providing on-site advice was halted and PUM had to switch towards an online platform. As Remote Coaching was never done on this scale before, the workgroup was charged with ensuring that all necessary documents were also applicable to Remote Coaching missions. Therefore, the workgroup adjusted the manuals, wrote-up a factsheet for experts with practical information, developed and introduced a workplan and made all Remote Coaching information accessible by publishing it on the PUM Sharepoint. The new workplan is a preparatory document where client and expert collaborate on writing down the aim of the mission. An overall response from the interviewees was, that this workplan has improved the level of preparation prior to missions for experts and clients greatly. This increased preparedness aids the advisory missions, therefore, the PUM team plans on keeping the practise of filling out a workplan prior to the mission post COVID-19.

- **The Webinar workgroup**

This workgroup was charged with ensuring a smooth shift between the normal seminars that PUM organised, to organising webinars. The team started in May 2020 and, from the interview it became clear that, it is still in its development stage. They have organised some webinars for experts, for example on how to give advice through Remote Coaching. Further, webinars for SMEs and local representatives have been organised in their respective countries with the aim to discuss topics of interest. This proves to remain challenging especially when multiple parties are involved and when parties have poor connection to the internet.

- **The Client Survey workgroup**

On the 11th June 2020, a survey was sent to over 4,000 clients informing after the effects of COVID-19 on their businesses. The response rate of the survey was 25 percent (within two weeks 1052 customers had filled out the survey) and 89 percent of respondents of the survey indicated that their business had been negatively affected by the pandemic¹⁷⁰. Further, 63 percent of respondents indicated that they were interested in a Remote Coaching trajectory (665 respondents). These results were given to the respective country teams, who ensured that local representatives communicated with clients who had indicated that they were interested in a remote coaching trajectory in a more formal matter. Then, assuming that the needed support was feasible for PUM remotely, a Remote Coaching trajectory was planned for the client. The results were also shared with the sector coordinators, so that they could check whether there was an extra need for services form specific sectors.

¹⁷⁰ PUM Analysis Need Assessment Survey, page 1

- **The Programmatic Approach workgroup**

This workgroup looked at what activities in which programmes could be done remotely. From the interview it became clear that this is a difficult process which the workgroup is still investigating in 2020. Further, some programmes have also indicated that their activities cannot be done remotely due to the nature of the work. Hence, these activities within programmes have been put on hold for the time being.

- **The Additional Funds workgroup**

The initial focus of this workgroup was to provide a clear overview of which extra funds PUM clients could potentially apply for. However, the workgroup found that this was a jumble of information, which was already quite clearly explained on other websites (e.g. the IFC website). Hence, to ensure that there was no duplication in effort, the workgroup focused its attention on setting up a “financial quick scan tool” which experts could use to go through the clients’ finances. This practise was originally done individually by expert, however, the quick scan tool provided experts with a more stylised instrument.

The COVID-19 pandemic has highlighted to PUM the advantageous of Remote Coaching.

The interviewees noted that remote coaching enables PUM to reach clients in areas which were previously deemed as unsafe (e.g., Mali) and has provided PUM with the ability to put more experts on one case, were the need to arise. Furthermore, as meetings are now done remotely, often more people can join in. The development of the workplan has also been beneficial as most missions now start-of more prepared than before.

Appendix D Role of local representatives

In 2020, PUM started implementing a change in the role of the local representatives. Prior to 2020, the main task of local representatives was to conduct business development: connect with potential new clients and encourage them to apply for PUM support. The remuneration system was therefore based on the number of clients brought in. Local representatives were reimbursed €400 per mission they had facilitated. This, however, resulted in an incentive to bring in as many clients as possible. It did not encourage local representatives to build long-term relationships with clients nor did it encourage them to be actively involved in each mission.¹⁷¹

In line with PUM's new focus on building economic clusters in its countries of operation, PUM enhanced the role of the local representatives to that of an "account manager". Rather than only focusing on business development (recruiting new clients), local representatives would also be responsible for building long-term relationships with PUM clients, and would more actively be involved in the planning, execution and follow-up of missions.¹⁷² With this change in the role of local representatives, PUM hoped to steer its organisation to a more results-oriented strategy that would achieve more impact (including indirect effects at the level of sectors/clusters).

The new role of local representatives required a new remuneration system. This new system, which has been implemented since September 2020, further signals PUM's dedication to an impact driven approach to its representatives. The new remuneration system consists of four parts; a monthly fixed payment of €100, a result based payment of €400 per successful completion of a mission, a day allowance if representatives help with programme development within their country or economic cluster analyses, and finally a claim to any residual expenses which may be incurred due to their work in programme development or economic cluster analyses (e.g. travel costs). The first part of the remuneration system was put in place to emphasise the importance of constant relationship building, both with the PUM client and with other sectoral stakeholders.

The new role of local representatives also required some local representatives to increase their skillset and knowledge. To facilitate this, the "PUM academy" planned to provide local representatives (at their own initiative) with extra training and information to improve their skills. As the change in the role of the local representative was expected to lead to a new dynamic in the country team, a conscious effort was made to ensure a smooth transition, with the help of PUM's HR department. The HR team was also asked to provide more guidance to country teams with regard to the process of hiring new local representatives, given higher skill requirements and costs.

An evaluation of the new role of the local representatives and their performance was scheduled to take place in 2021. Together with the country team, the HR team would assess whether the new role description of the local representatives is ensuring the desired effects and whether local representatives have made sufficient progress to fulfil the requirements of the new role. The aim was to conduct this evaluation on a case-by-case basis.

¹⁷¹ Preparation report PUM evaluation September 2020, page 39

¹⁷² Assignment PUM Representative, page 1

Appendix E Comparable organisations

This Appendix includes an overview of 7 organisations that can be considered comparable to PUM. We first provide an overview of these organisations: Agriterra, CBI, SEC SES, ECTI, SNV and VSO. We then compare some main indicators (e.g. sectors active, type of employees, countries active).

Agriterra is an international, not-for-profit agricultural network agency aimed at strengthening agricultural sectors in emerging and developing economies.¹⁷³ It was originally founded by Dutch farmers' organisations and cooperatives 20 years ago as an organisation for international peer-to-peer agricultural cooperation. Agriterra aims to strengthen farmer associations, make cooperatives bankable, and create farmer-led businesses, including by improving extension services to members and enhancing farmer-government dialogue.¹⁷⁴ It does so through mobilising the hands-on experience of the Dutch agricultural sector via its knowledge broker agency "Agripool:" a pool of hundreds of agricultural experts from the Netherlands (and other countries) who share their knowledge during advisory missions.¹⁷⁵ In contrast with PUM experts, Agripool experts are often still employed; hence their organisation needs to approve their involvement with Agriterra. Another difference with PUM is that the work of Agriterra experts is remunerated: after an expert has completed a mission, a lump sum payment is transferred to their respective organisation. Like PUM, Agriterra covers all travel costs.¹⁷⁶

CBI, the Centre for Promotion of Imports from developing countries, aims to contribute to sustainable and inclusive economic development in developing countries through the expansion of exports from these countries to Europe.¹⁷⁷ It does so by offering export coaching programmes to SMEs, providing technical support to BSOs, developing market information on export sectors, and involving policy makers and importers in programme implementation. There are three main differences with PUM: (a) CBI has an exclusive focus on exporting companies, while PUM also supports companies that produce only for the domestic market; (b) CBI conducts export coaching only in a programme setting, while PUM also provides stand-alone support; and (c) CBI experts are professional consultants who are paid market rates, and are recruited through a competitive tender process, while PUM experts are volunteers.¹⁷⁸

SNV, Netherlands Development Organisation, aims at reducing poverty in over 25 developing countries by focusing on three main sectors. It was originally established as the *Stichting Nederlandse Vrijwilligers* ("Foundation of Netherlands Volunteers") in 1965, under the Dutch Ministry of Foreign Affairs. At present, most of SNV's staff are paid sector experts who work together with global and national experts to focus on three main focus sectors: agriculture,

¹⁷³ <https://www.agriterra.org/why-specialist-in-cooperatives/>

¹⁷⁴ <https://www.agriterra.org/why-specialist-in-cooperatives/>

¹⁷⁵ <https://www.agriterra.org/unique-advice-shared-from-farmer-to-farmer/>

¹⁷⁶ https://www.agriterra.org/upload_directory/files/infographic%20Agripool%20def_English.pdf

¹⁷⁷ <https://www.cbi.eu/about>

¹⁷⁸ <https://www.cbi.eu/consultancy-assignments/tender-experts-international-and-local-business-export-coaching-and>

energy, and WASH (Water, Sanitation and Hygiene).¹⁷⁹ In 2019, SNV estimated to have aided the lives of 6.3 million people living in poverty, including through joint work with other stakeholders in their sectors.¹⁸⁰

SES, Senior Experten Service, is the German counterpart of PUM. It provides expert advisory missions aimed at strengthening SMEs, public authorities, professional and business associations, social and medical facilities, as well as vocational institutes in developing countries, as well as in Germany. In 2019, the SES expert pool counted 10,909 experts with expertise in 50 sectors. Like PUM experts, most SES experts are senior retirees with many years of experience in their sector. The average age of the experts was 70 years.¹⁸¹ Like PUM, SES is aiming to broaden its pool of experts by encouraging younger experts (30+ years old) to volunteer while taking some time off from their regular jobs.¹⁸² Also like PUM, the share of female experts is low, but slightly higher than at PUM: 22 percent in 2019.

SEC, Senior Export Contact, is a Swiss organisation that aims at promoting entrepreneurship in developing countries and Eastern Europe. It is funded by the Swiss Agency for Development and Cooperation (SDC), which like PUM works with volunteer senior experts who are often senior retirees with specific skills in certain sectors. The organisation is somewhat smaller than PUM, and operates in 21 countries across 18 industries.¹⁸³ In 2019, SEC experts conducted 127 missions, compared to 1710 missions for PUM experts.

ECTI, *Bénévolant Seniors de compétences*, is a French organisation that supports economic and social development in developing countries through expert advice. It is active in 28 developing countries and also conducts missions in France.¹⁸⁴ Like PUM experts, ECTI experts are retired senior experts in their sector, who provide on-site advice to clients. Its main international clients are vocational institutes and SMEs. ECTI's expert network contains 2,000 members who conduct over 1000 missions per year.¹⁸⁵

VSO, Voluntary Services Overseas, is an international organisation aimed at empowering communities in developing countries. It focuses on three main thematic areas (healthy communities, inclusive education and resilient livelihoods) in over 20 countries. Like PUM, the organisation is dependent on local and international volunteers who participate in setting up and executing projects. Unlike PUM experts, volunteers at VSO are not necessarily senior sector experts; rather, they are often volunteers from local communities.¹⁸⁶

¹⁷⁹ <https://snv.org/projects>

¹⁸⁰ SNV, 2019 Annual Report.

¹⁸¹ 2019 SES annual report, page 4

¹⁸² <https://www.ses-bonn.de/en/about-us/history>

¹⁸³ <https://seniorexpertcontact.org/en/sec-annual-report-2019/>

¹⁸⁴ <https://www.ecti.org/index.php/en/ecti-in-short/who-are-we>

¹⁸⁵ <https://en.calameo.com/read/00560890421ec58a0f7f2>

¹⁸⁶ <https://www.vsointernational.org/our-work>

Table E. 1 The 7 organisations all provide comparable expert advice to PUM, but with differing mission statements.

	Mission statement	Instruments
PUM	Helping to grow SMEs in developing countries and emerging markets, thereby creating a positive impact on the economy, environment and society.	Expert advice (on location or remote) to SMEs and BSOs through one-on-one missions, programmes, seminars, business links and grants.
Agriterra	Strengthening farmer ownership and stimulating economic growth for ambitious farmers worldwide, contributing to socio-economically strong and lively rural areas.	Expert advice and training.
CBI	Contributing to sustainable and inclusive economic development in developing countries through the expansion of exports from these countries to Europe.	<ul style="list-style-type: none"> - Export coaching programmes to make SMEs in developing countries export market ready - Technical support to business support organisations - Develop market information on potential export sectors in Europe - Inform and influence policy makers - Involve importers in the development and implementation of CBI programmes
SNV	Making a lasting difference in the lives of people living in poverty by helping them raise incomes and access basic services, through investing in three main sectors.	Expert advice, brokering, advocacy, fund management, results based financing, delegated management
SES	Contributing to the growth of SMEs, public authorities, professional and business associations, social and medical facilities and vocational institutes in developing countries and in Germany.	Expert advice and training
SEC	Promoting entrepreneurship through giving expert advice to SMEs and vocational training institutions in developing countries and Eastern Europe.	Expert advice and training
ECTI	Making projects economically and socially successful in 50 developing countries, through supporting SMEs and vocational institutions.	Expert advice
VSO	Providing lasting developmental change through volunteering in four main programmes in 20 developing countries.	Wide range of volunteer services

Source: SEO Amsterdam Economics based on the listed organisations' websites.

The organisations share similarities and differences. As shown in Table E.2, PUM, Agriterra, CBI and SNV are Dutch organisations and are all funded by the Dutch MFA. Further, SEC, SES and ECTI are PUM's counterparts in Switzerland, Germany and France, with similar focusses and approaches. All organisations are active in around 20 to 30 countries, except for SES which is active in 85 countries. Furthermore, most organisations focus on specific sectors or themes (e.g., health, education, agriculture, WASH).

Table E. 2 Overview of comparable organisations information

	PUM ¹⁸⁷	Agriterra ¹⁸⁸	CBI ¹⁸⁹	SNV ¹⁹⁰	SES	SEC ¹⁹¹	ECTI	VSO ¹⁹²
Start date	1978	1997	1971	1965	1983	1917	1974	1958
Head-quarters	NL	NL	NL	NL	Germany	Switzerland	France	UK
Main financier	Dutch MFA	Dutch MFA	Dutch MFA	Dutch MFA	German Federal Ministry for Economic Cooperation and Development (BMZ)	Swiss Agency for Development and Cooperation (SDC)	Private sector donors and foundations	Foreign, Commonwealth and Development Office (FCDO)
Type of experts	Volunteers	Paid	Paid	Paid	Volunteers	Volunteers	Volunteers	Volunteers
Type of services	Advice, training	Advice, training, extension services, policy dialogue	Advice, training, market analysis, policy dialogue	Advice, training	Advice, training	Advice, training	Advice, training	Advice, training
Target group	SMEs and BSOs	Cooperatives and farmer organisations	Export-oriented SMEs, BSOs, importers	Stakeholders in agriculture, energy, and WASH	SMEs, BSOs, , social & medical facilities, educational institutions, public authorities ¹⁹³	SMEs and vocational institutes	SMEs and vocational institutes	Communities
# Countries	35	21 country offices ¹⁹⁴	35	29 ¹⁹⁵	85	21	28 ¹⁹⁶	20
# PUM countries	35	14	22	16	32	9	23	15
# Sectors	41	14	14	3 themes	50	18	8	3 themes

Source: SEO Amsterdam Economics

CBI and PUM countries overlap in Africa but complement each other in Latin America.

As Table E3 shows, PUM and CBI offer their services in similar countries in Africa. Nevertheless, CBI is not active in the countries in Latin America where PUM is active and vice versa. For example, CBI is active in Costa Rica, Panama and Nicaragua and PUM is not. Furthermore, in Asia PUM is active in slightly more countries than CBI (e.g. Philippines, Sri Lanka, Vietnam).

¹⁸⁷ <https://www.pum.nl/en>

¹⁸⁸ <https://www.agriterra.org/discover-agriterra/>

¹⁸⁹ <https://www.cbi.eu/about>

¹⁹⁰ <https://snv.org/about-us/organisation>

¹⁹¹ <https://seniorexpertcontact.org/en/sec-annual-report-2019/>

¹⁹² <https://www.vsointernational.org/sites/default/files/2020-11/vso-annual-review-19-20.pdf>

¹⁹³ <https://www.ses-bonn.de/en/about-us/objectives>

¹⁹⁴ https://www.agriterra.org/upload_directory/files/Fact%20and%20figures%202019_def%282%29.pdf

¹⁹⁵ 2019 Annual Report, page 17

¹⁹⁶ 2018 Annual Report, page

Agriterra is active in fewer countries than PUM. Agriterra has 21 country offices, while PUM is active in 35 countries. PUM is active in MENA (e.g. Lebanon, Jordan and Morocco), while Agriterra does not have any country offices there. In both Asia and Africa, there is overlap between PUM and Agriterra countries, but on the whole PUM is active in more countries. However, Agriterra is one of the few organisations that is active in China.

SES is active in nearly all PUM countries and more. In Mali, Palestinian Territory and Suriname SES is not active while PUM is, however for all other PUM countries SES has a presence. Additionally, SES is active in a larger number of countries (85 countries in total). Unlike PUM, SES still has a presence in Europe and the Caucasus (13 countries), as it preformed 233 missions there in 2019¹⁹⁷. Moreover, SES has a larger presence in Africa and MENA (36 countries) and Latin America (16 countries) than PUM with more missions per country (707 missions in Africa and MENA and 272 missions in Latin America).

Only few SEC countries overlap with PUM countries. SEC is active in less countries (21) than PUM (35), and even though, there is some overlap (10 out of 21 countries) SEC is mostly active in different countries than PUM. SEC is for example active in Kosovo, Burundi, Lao People Democratic Republic, Macedonia and Mongolia while PUM does not have activities here. SEC had most of its missions in Nepal (45 missions)¹⁹⁸ and even though missions for PUM in Nepal only accounted for 5 percent of its total missions, this was still more missions (92) than SEC preformed there.

ECTI is active in all African countries in which PUM is active, as shown in Table E.3. ECTI has less of a presence in South East Asia and South America, whereas PUM does. Like Agriterra, however, ECTI is also active in mainland China.

PUM and SNV have some overlap in the countries they work in, however, this is not to great. As shown in Table E.3, countries such as Indonesia, Myanmar and Uganda are supported by both SNV and PUM. However, SNV decided to halt its work in Myanmar from 2020 onwards. Additionally, in 2019 SNV closed its branches in Bolivia and Peru, which resulted in the end of SNV's 50-year work in South America¹⁹⁹.

There exists some overlap in countries where PUM and VSO are active, as shown in Table D.3. The main differences between the two is that VSO is not active in Latin America and Eastern Europe, while PUM is are. However, VSO is active in more countries in Africa (e.g. Lesotho, eSwatini and Mozambique) in which PUM is not active.

¹⁹⁷ 2019 Annual report, page 9

¹⁹⁸ <https://seniorexpertcontact.org/en/sec-annual-report-2019/>

¹⁹⁹ SNV annual report 2019, page 35

Table E. 3 Overview of comparable organisations active countries compared to PUM countries

#	Country	PUM	Agriterra	CBI ²⁰⁰	SNV ²⁰¹	SES ²⁰²	SEC ²⁰³	ECTI ²⁰⁴	VSO ²⁰⁵
1	Algeria	✓	X	✓	X	✓	X	✓	X
2	Benin	✓	X	✓	✓	✓	✓	✓	X
3	Burkina Faso	✓	✓	✓	✓	✓	X	✓	X
4	Ethiopia	✓	✓	✓	✓	✓	X	✓	✓
5	Gambia	✓	X	X	X	✓	X	✓	X
6	Ghana	✓	X	✓	✓	✓	X	✓	✓
7	Kenya	✓	✓	✓	✓	✓	✓	✓	✓
8	Mali	✓	X	✓	✓	X	X	✓	X
9	Morocco	✓	X	✓	X	✓	✓	✓	X
10	Rwanda	✓	✓	✓	✓	✓	X	✓	✓
11	Senegal	✓	X	✓	X	✓	X	✓	X
12	South Africa	✓	X	X	X	✓	X	✓	✓
13	Tanzania	✓	✓	✓	✓	✓	X	✓	✓
14	Tunisia	✓	X	✓	X	✓	✓	✓	X
15	Uganda	✓	✓	✓	✓	✓	✓	✓	✓
16	Zambia	✓	✓	✓	✓	✓	X	✓	✓
17	Zimbabwe	✓	X	X	✓	✓	X	✓	✓
18	Armenia	✓	X	X	X	✓	X	X	X
19	Jordan	✓	X	✓	X	✓	X	X	X
20	Lebanon	✓	X	✓	X	✓	X	✓	X
21	Palestinian Territory, Occupied	✓	X	✓	X	X	X	X	X
22	Bangladesh	✓	X	✓	✓	✓	X	X	✓
23	India	✓	X	X	X	✓	X	X	X
24	Indonesia	✓	✓	✓	✓	✓	✓	X	X
25	Myanmar	✓	✓	✓	✓	✓	X	X	✓
26	Nepal	✓	✓	X	✓	✓	✓	X	✓
27	Pakistan	✓	X	✓	X	✓	X	X	✓
28	Philippines	✓	✓	X	X	✓	X	X	✓
29	Sri Lanka	✓	X	X	X	✓	X	✓	X
30	Vietnam	✓	✓	X	✓	✓	X	✓	X
31	Bolivia	✓	✓	X	X	✓	✓	X	X
32	Colombia	✓	X	X	X	✓	✓	✓	X
33	Peru	✓	✓	X	X	✓	✓	✓	X
34	Suriname	✓	X	X	X	X	X	X	X
35	Sierra Leone ²⁰⁶	~	X	✓	X	✓	X	✓	✓

²⁰⁰ <https://www.cbi.eu/about/cbi-countries>

²⁰¹ SNV Annual report 2019

²⁰² SES annual report 2019

²⁰³ <https://seniorexpertcontact.org/en/sec-annual-report-2019/>

²⁰⁴ Annual report 2018

²⁰⁵ <https://www.vsointernational.org/sites/default/files/2020-11/vso-annual-review-19-20.pdf>

²⁰⁶ As of 2021, PUM decided not to continue in Sierra Leone.

Appendix F Cooperation agreements

Programme	Main Donor	Country	Type of contract	Duration	Contract Value (in €)
Centres of Excellence India	MFA	India	-	01/01/2020 – 31/12/2022	64,252
ToT programme in Dinajpur: Dairy, Poultry and Fishery training	Netherlands Embassy in Bangladesh	Bangladesh	-	-	15,000
Clean up Ganges River	Solidaridad	India	Partnership agreement	Feb 2018 - 2021	41,087
Covid Response Remote Business Coaching	SPARK	Jordan	Pilot remote coaching	-	6,000
Agriculture	AMSCO moz	Mozambique	Cooperation Agreement	-	19,800
Liquid gold, Argan & Honey	TUI Care Foundation	Morocco	Grant Agreement	January 2018, February 2019 – March 2022	280,000
CCHO fund for education of entrepreneurs	CCHO	Tanzania	Grant Agreement	January 2019 – December 2020	40,000
ITC Gambia/YEP	ITC	Gambia	-	-	20,000
Tide II (Dairy)	SNV	Uganda	Cooperation Agreement	January 2020 – December 2023	9,998
Cooperate Volunteering	Atos Foundation	-	Business Circle	June 2018 – June 2020	10,000
Cooperate Volunteering	Achmea	-	Framework Agreement	-	20,000
ECG Ghana	St. Steunfonds Basiszorg	Ghana	Grant agreement	January 2019 – December 2020	33,950
HBF	Stichting Salamon's Hulpfonds	-	One-time donation	-	4,000
HBF	Stichting Neeltje 1938	-	Yearly donation	-	10,000
HBF	Anna Muntz Stichting	-	Yearly donation	-	5,000
HBF	Piet Clements	-	One-time donation	-	1,211
-	Technoserve	-	Framework Agreement	April 2018 – April 2020	6,600 per mission
Corporate Volunteering	Achmea	-	Framework Agreement	01/01/2020 – undetermined time	20,000



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