



Evaluation of PSD Apps and Toolkit

Final Report

seo • amsterdam economics



FINAL REPORT

January 2023

Authors

SEO Amsterdam Economics
MDF Training & Consultancy

Commissioned by

RVO

TABLE OF CONTENTS

1	<u>Introduction to PDS Apps/Toolkit</u>	A	Annex A: Portfolio Analysis and M&E Data
2	<u>Evaluation Methodology</u>	B	Annex B: Sample Project Review
3	<u>Findings PSD Apps/Toolkit</u>	C	Annex C: Survey Results
	<u>3.1 Relevance</u>	D	Annex D: Deep Dives Synthesis
	<u>3.2 Coherence</u>	E	Annex E: Deep Dives Country Reports
	<u>3.3 Effectiveness</u>		
	<u>3.4 Additionality</u>		
	<u>3.5 Sustainability</u>		
	<u>3.6 Efficiency</u>		
4	<u>Findings Impact Clusters</u>		
5	<u>Findings Orange Corners</u>		
6	<u>Conclusions & Recommendations</u> (incl. PSD Toolkit, IC, and OC)		

LIST OF ABBREVIATIONS

<u>AFD</u>	French Development Agency [“Agence Française de Développement”]	<u>MFA</u>	Ministry of Foreign Affairs
<u>AfDB</u>	The African Development Bank	<u>MIB</u>	Multiannual Interdepartmental Policy Framework [“Meerjarig Interdepartementaal Beleidskader”]
<u>BEMO</u>	Activity Appraisal Document [“Beslissingsmemorandum”]	<u>MMF</u>	Match Making Facility
<u>BHOS</u>	International Trade and Development Aid [“Buitenlandse Handel en Ontwikkelingssamenwerking”]	<u>MoU</u>	Memorandum of Understanding
<u>BSO</u>	Business Support Organisation	<u>MTR</u>	Mid-term Review
<u>DDE</u>	Direction Sustainable Economic Development [“Directie Duurzame Economische Ontwikkeling”]	<u>MVO</u>	Corporate Social Responsibility Netherlands [“Maatschappelijk Verantwoord Ondernemen NL”]
<u>DGIS</u>	Directorate-General for International Cooperation [“Directeur Generaal Internationale Samenwerking”]	<u>NL</u>	Netherlands
<u>DRF</u>	Dutch Resource Facility	<u>OC</u>	Orange Corners
<u>EKN</u>	Embassy of the Kingdom of the Netherlands	<u>OCIF</u>	Orange Corners Incubation Funds
<u>FDOV</u>	Facility for Sustainable Entrepreneurship and Food Security [“Faciliteit Duurzaam Ondernemen en Voedselzekerheid”]	<u>OECD</u>	Organisation for Economic Co-operation and Development-
<u>FDW</u>	Sustainable Water Fund [“Fonds Duurzaam Water”]	<u>-DAC</u>	Development Assistance Committee
<u>FMO</u>	Dutch Entrepreneurial Development Bank [“Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden”]	<u>ORIO</u>	The Facility for Infrastructure Development [“Ontwikkelingsrelevante Infrastructuurontwikkeling”]
<u>FNS</u>	Food and Nutrition Security	<u>PMEL</u>	Planning, Monitoring, Evaluation, and Learning
<u>G2G</u>	Government to Government	<u>PUM</u>	Programme Deployment Senior Managers [“Programma Uitzending Managers”]
<u>GAFSP</u>	Global Agriculture and Food Security Program	<u>PSD</u>	Private Sector Development
<u>IC</u>	Impact Clusters	<u>PSI</u>	Private Sector Investment Programme [“Private Sector Investeringsprogramma”]
<u>ICSR</u>	International Corporate Social Responsibility	<u>REN</u>	Renewal/ Renewable Energy
<u>IFC</u>	International Finance Corporation	<u>RVO</u>	Netherlands Enterprise Agency [“Rijksdienst voor Ondernemend Nederland”]
<u>K2B</u>	Knowledge to Business	<u>SDG</u>	Sustainable Development Goals
<u>K2K</u>	Knowledge to Knowledge	<u>SME</u>	Small and Medium-sized Enterprises
<u>MACS</u>	Multi-annual Country Strategy	<u>ToC</u>	Theory of Change
<u>M&E</u>	Monitoring and Evaluation		
<u>MENA</u>	The Middle East and North Africa		



Introduction

[Go to overview](#)

1. INTRODUCTION: SCOPE OF THE EVALUATION

RVO commissioned SEO Amsterdam Economics (SEO) and MDF Training & Consultancy (MDF) to carry out the end-term evaluation of PSD Apps and the mid-term evaluation of PSD Toolkit. The evaluation has three main objectives

1. Evaluate the extent to which the programmes have been effective in reaching their objectives (or are on track to do so).
2. Evaluate the effectiveness of the methods used.
3. Distil lessons learned and recommendations for the future.

The evaluation ran from March to December 2022 and covered the period from **January 2014 to October 2021**. The evaluation contained the following sub-evaluations:

- Final evaluation PSD Apps (2014-2018);
- Mid-term evaluation PSD Toolkit (2019-2021);
- Final evaluation 2g@there-OS (2012-2019).

The evaluation also covered Orange Corners and Impact Clusters as stand-alone programmes

1. INTRODUCTION: PSD APPS AND TOOLKIT

PSD Apps (2014-2018) supported Dutch embassies ([EKN](#)) in shaping and implementing private sector development ([PSD](#)) policies in qualifying countries. The specific goals of PSD Apps were:

- Strengthen the local business climate by taking away constraints for investment and trade;
- Strengthen the local private sector;
- Contribute to more impact, results and projects by [RVO](#) such as [ORIO](#), [PSI/DGGF](#), [FDW](#) and [FDOV](#), as well as other PSD implementers.

PSD Apps aimed to provide a flexible set of tools to match the embassies' support needs in different contexts.

- PSD Coaches supported embassies with PSD activities, and ought to match their needs for small PSD interventions through the modules provided by PSD Apps.
- PSD Coaches introduced embassies to the wider Dutch PSD offer, as embassies often lacked information on suitable PSD instruments inside and outside RVO, while synergies and complementarities among PSD instruments were not optimised.
- PSD Apps covered nearly 70 countries.

1. INTRODUCTION: PSD APPS AND TOOLKIT

PSD Toolkit (2019 - 2023) was created as the successor programme to PSD Apps. The goals of PSD Toolkit were formulated as follows (BEMO page 9):

- Strengthen the local private sector with - where possible - the use of Dutch knowledge and skills;
- Contribute to achieving more impact and better results of PSD programmes of RVO and other DGIS implementers.

This resulted in three outcome areas as defined in the following slides.

In addition, a PSD Toolkit project should contribute to at least one out of six objectives in the [DDE](#) PSD results framework (BEMO page 9).

- DDE 1: Improved Market Access and Sustainable Trade
- DDE 2: Adoption / Adjustment of laws, regulations, policy plans or development strategies
- DDE 3: Strengthened Economic institutions and Actors
- DDE 4: Improved access to infrastructure
- DDE 5: Improved access to finance
- DDE 6: Business development by investment or trade of local or Dutch companies



1. INTRODUCTION: PSD APPS AND TOOLKIT

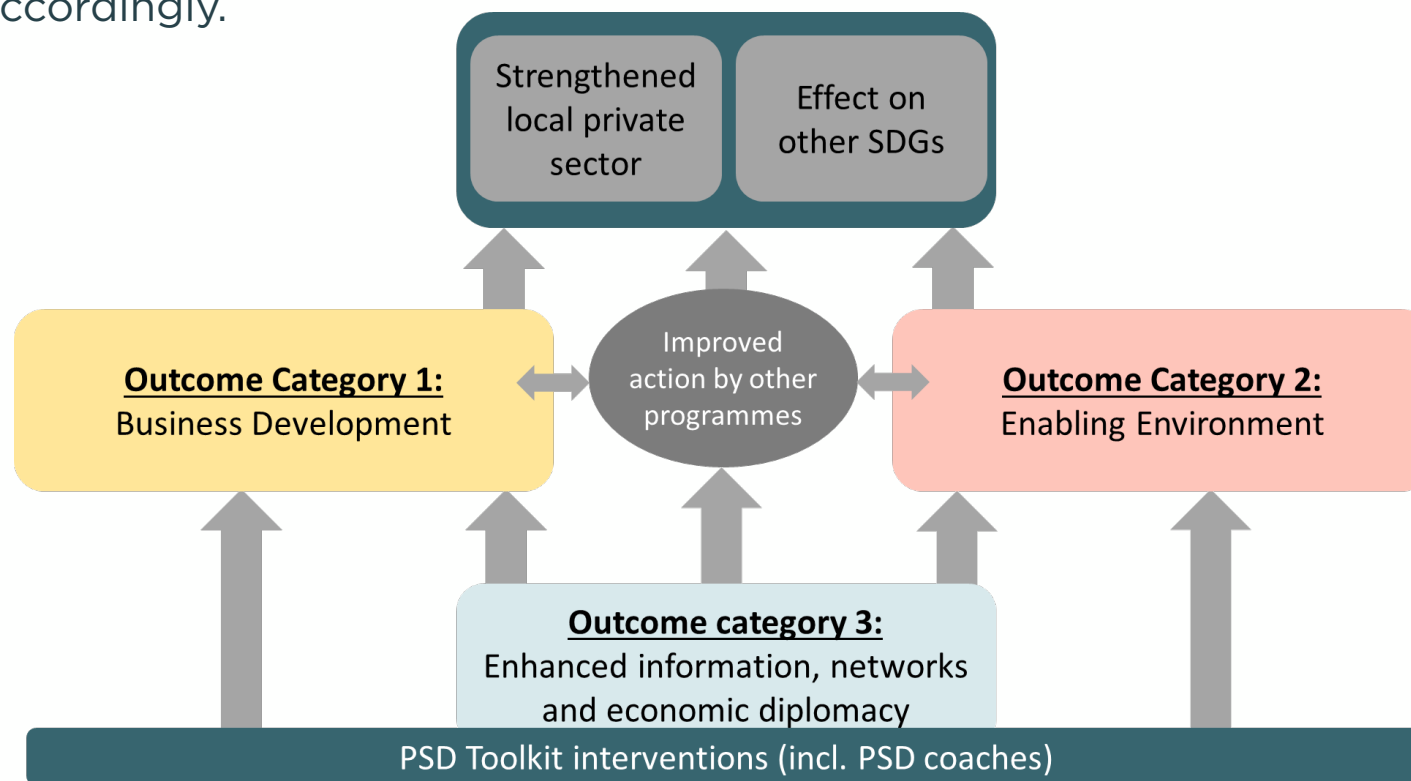
While PSD Toolkit follows a similar approach to PSD Apps, there have been shifts in **focus countries and themes**, reflecting recommendations from the PSD Apps mid-term review and changes in the Dutch government policies for PSD (reflected in the [BHOS](#) policy brief “Investing in Global Prospects”).

1. Stronger focus on [SDGs](#). PSD Toolkit integrates specific focus themes for Dutch development policy (food security, water, sexual and reproductive health and rights, security, rule of law).
2. Shift in focus countries toward Sahel, [MENA](#) and Horn of Africa; the PSD Toolkit country list was recently reduced to some 37 countries.

Both PSD Apps and PSD Toolkit were/are implemented by RVO on behalf of the Dutch Ministry of Foreign Affairs (DDE).

1. INTRODUCTION: PSD APPS AND TOOLKIT

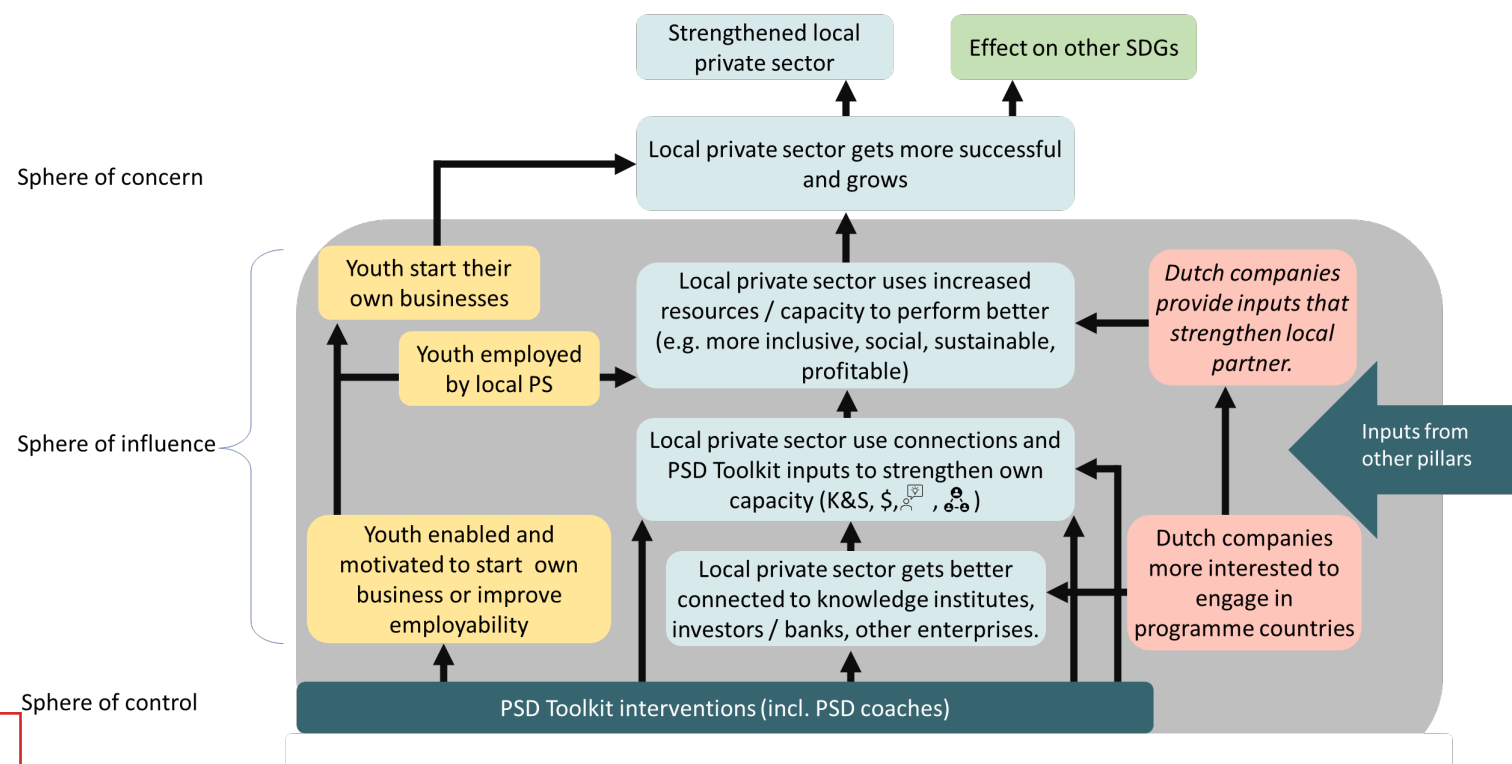
At the start of the evaluation a **reconstructed Theory of Change (ToC)** was developed in consultation with RVO staff, rearranging the three Pathways to highlight that category 3 outcomes contribute to outcomes in category 1 and category 2. The pathways of change of each outcome category are elaborated on the next slides distinguishing spheres of control, influence and concern, with the evaluation focusing on outcomes within the programme's sphere of influence. The evaluation findings will be used to assess the validity of the pathways of change in the ToC and recommend adaptations accordingly.



1. INTRODUCTION: PSD APPS AND TOOLKIT

Outcome Pathway 1 – Business Development

Local private sector is connected to other relevant actors (education institutes, banks / investors, other companies) with the intention of gaining access to new knowledge & skills, financing, ideas and joint ventures, which, when used, will lead to improved performance. Youth is trained / supported by PSD Toolkit interventions, in part to improve their employability and in part to motivate and enable them to start their own business. In addition, Dutch companies are considered an intermediary target actors through which PSD Toolkit aims to strengthen the local private sector, whereby Dutch companies first are stimulated to get engaged, and second to actually provide inputs (knowledge, technology, financing, etc.) to strengthen local private sector partners.



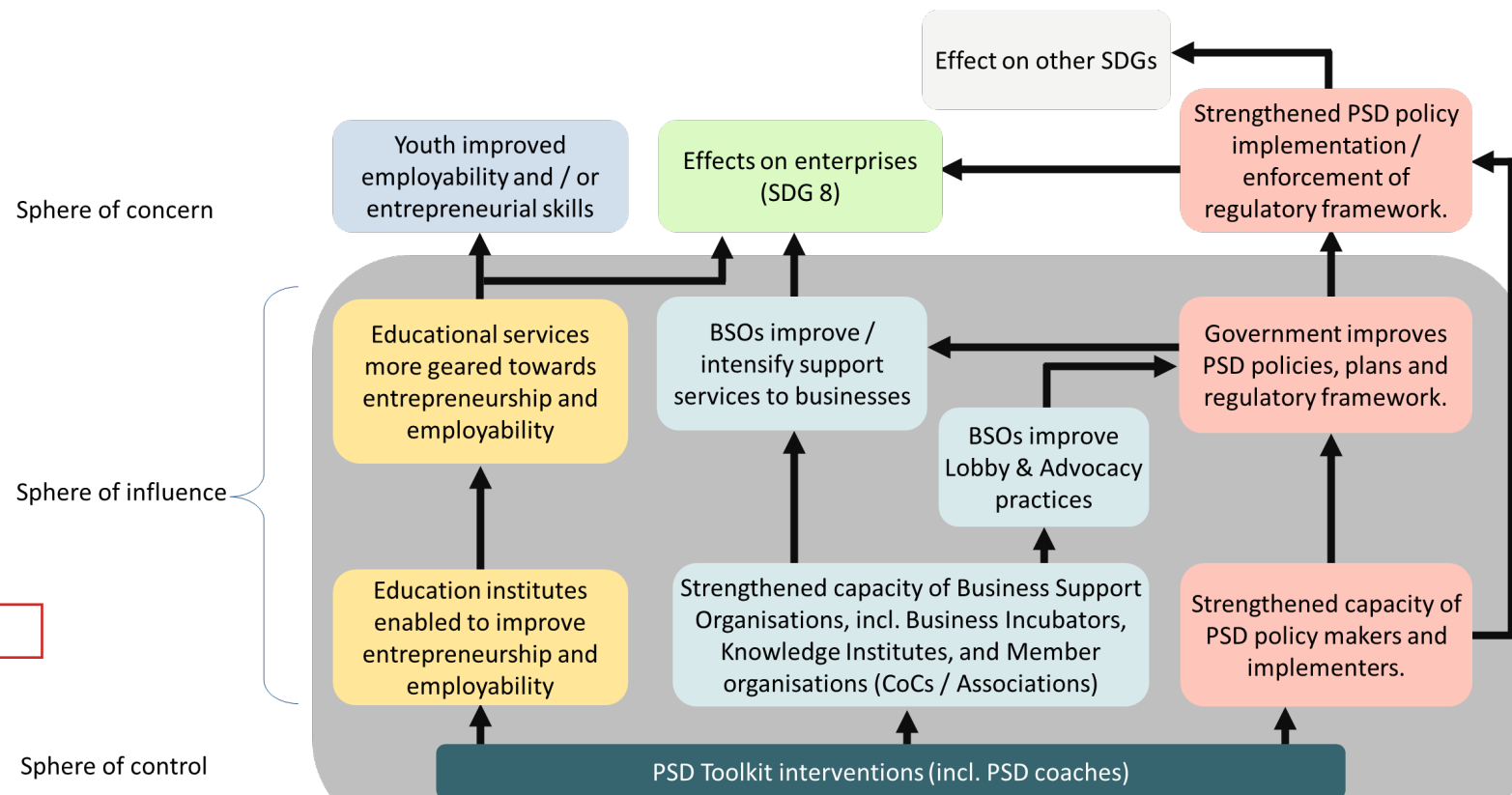
The different coloured indicate that these change pathways target different actors. Yellow = youth, Blue = local private sector, Red = Dutch companies.



1. INTRODUCTION: PSD APPS AND TOOLKIT

Outcome Pathway 2 – Enabling Environment.

PSD policy makers and implementers are strengthened, which is expected to have an effect on the laws, regulations, and policy plans (DDE indicator 2). Besides, the capacity of a variety of BSOs and member organisations are strengthened. Making use of this enhanced capacity, BSOs will improve their service delivery to businesses, while member organisations will improve their lobby & advocacy practices to influence the PSD-related legal and regulatory framework. Finally, education institutes will be enabled to better address entrepreneurship, enterprise development and /or employability in their programmes.



The different coloured indicate that these change pathways target different actors. Yellow = education institutes, Blue = BSOs, Red = government.

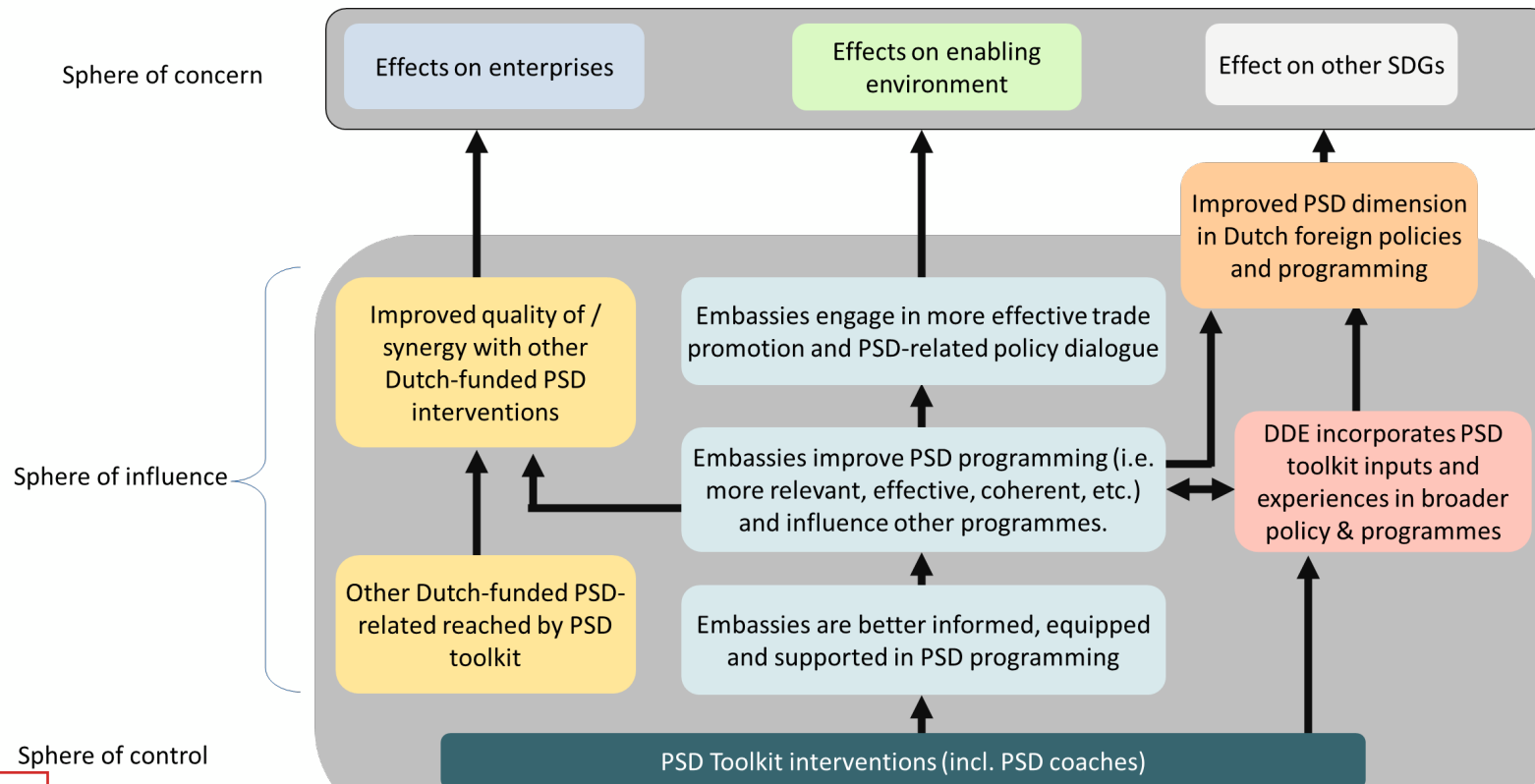
[Go to overview](#)



1. INTRODUCTION: PSD APPS AND TOOLKIT

Outcome Pathway 3 – Enhanced information, networks, and economic diplomacy.

The main aim here is to enable embassies to improve the quality of, and synergy within, Dutch-funded PSD-related programming, which would benefit the overall effectiveness of its economic diplomacy (trade promotion and PSD-related policy dialogue). In parallel, RVO programme staff / PSD coaches will share their expertise and experience with other Dutch funded programmes to further reinforce the quality of / synergy among Dutch-funded PSD interventions. In addition, PSD expertise, experiences and results will be exchanged with DDE to influence their broader policy and programming.



The different coloured indicate that these change pathways target different actors. Yellow = other NL-funded PSD interventions, Blue = embassies, Red = DDE.

[Go to overview](#)



1. INTRODUCTION: PSD APPS AND TOOLKIT

The PSD Toolkit team included PSD Coaches (performing various functions) and Orange Corners staff.

- 28 PSD Coaches (including a flexible team), five of whom double as regional coordinators. PSD Coaches are typically responsible for 1 or 2 countries (new country list, coaches used to cover more countries).
- Thematic specialists (focal points), in [ICSR](#), Gender, Climate, Circular Economy, Water, Youth, and Digitalisation, who support the PSD Coaches in their work, but without having powers of approval.
- 1 Manager for PSD Toolkit and the Impact Clusters sub-programme (see [section 4](#) for a description of IC).
- 1 Manager for the Orange Corners sub-programme (see [section 5](#) for a description of OC).
- 2 programme coordinators, one each for IC and OC.
- While the IC sub-programme is implemented by PSD coaches, OC has its own team of experts.
- The PSD Coaches' direct **counterparts are always the embassies**, and their contacts are typically embassy staff in charge of economic cooperation, private sector development, or agriculture.

1. INTRODUCTION: PSD APPS AND TOOLKIT

The roles of PSD Coaches were as follows, to:

- Develop, tender and monitor PSD Apps/Toolkit projects
- Serve as the first RVO contact point and sparring partner for embassies
- Provide advice and coaching to embassies on PSD-related topics and support on available Dutch PSD instruments
- Conduct network activities with PSD partners, implementers, and knowledge institutes in the Netherlands.
 - The role of the PSD Coach in so called “country teams” is to facilitate synergies and joint programming, also with non-PSD programmes and partners that are related (e.g., FNS, water, climate).

RVO, Embassies and other PSD programme recognise the PSD Coach as the “spider in the PSD web”. The PSD Coach links embassies, Dutch public institutions, local and international knowledge providers, and private businesses, meanwhile mobilising the vast assortment of RVO and Dutch PSD support instruments.

- The role of PSD Coaches to bring together PSD practitioners in the Netherlands (e.g., in RVO, MFA and external PSD providers such as [FMO](#) and [PUM](#)) was strengthened under PSD Toolkit. They now organise country meetings (“landentafels”) with colleagues from RVO, [MFA](#) and PSD partners, and advise embassies on their PSD plans, including the Multi-Annual Country Strategy ([MACS](#)).

1. INTRODUCTION: PSD APPS AND TOOLKIT

The core Apps / Tools were the following (with combinations of interventions possible):

- MMF (Matchmaking Facility - phased out in 2018)
- G2G (Government to Government)
- K2K (Knowledge to Knowledge)
- K2B (Knowledge to Business)
- NMTP (Netherlands Management Training Programme)
- Missions (e.g., incoming or outgoing trade missions, study visits, preparing for cooperation)
- Seminars, round tables
- Studies (e.g., scoping, market, feasibility)
- Fairs
- DRF (Dutch Resource Facility - phased out in 2018)
- OPL (training)
- LED (Leads for Local Economic Development - after 2015 absorbed in the other tools)
- OC (Orange Corners)
- IC (Impact Clusters)

1. INTRODUCTION: PSD APPS AND TOOLKIT

Intervention	# Apps	# Toolkit	# Apps + Toolkit	Average budget	% Total budget in database
Government to government	478		478	€ 71,992	31%
Orange Corners Innovation Fund		14	14	€ 1,064,459	13%
Studies	211	112	323	€ 35,667	10%
Impact Clusters	6	24	30	€ 352,179	9%
Capacity Building	29	78	107	€ 80,666	8%
Subsidies	30		30	€ 228,845	6%
Orange Corners Incubations Funds		22	22	€ 242,791	5%
Trade mission	113		113	€ 44,101	4%
Unknown (in project database)		57	57	€ 86,063	4%
Seminar and Study visits	119	46	165	€ 25,273	4%
Trade Fairs	31	5	36	€ 40,156	1%
OVG	28		28	€ 45,745	1%
Match Making Facility	141		141	€ 8,453	1%
Knowledge to Business		3	3	€ 240,371	1%
Trade Mission		20	20	€ 33,297	1%
Dutch Resource Facility	6		6	€ 66,448	0%
Netherlands management training programme	4		4	€ 27,192	0%
Total	1196	381	1577	€ 71,091	100%

[Go to overview](#)

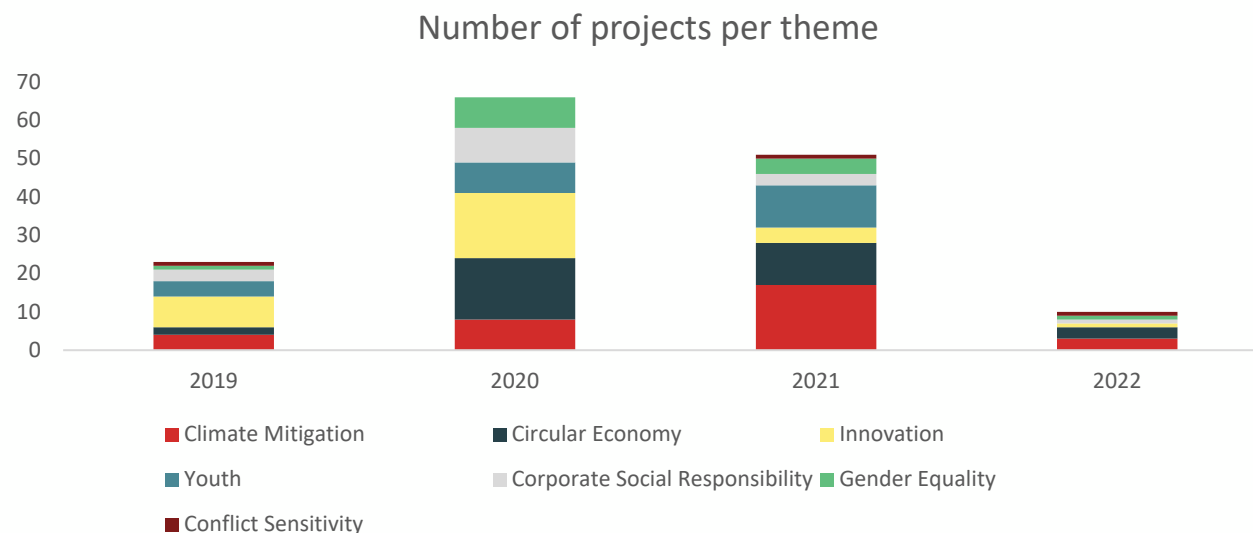
^[1] [The actual budget numbers are not included, considering that not all projects in the database have budget numbers, which may confuse the presentation of the total budget. \(2016-April 2022\)](#)

1. INTRODUCTION: PSD APPS AND TOOLKIT

The most common projects were G2G, namely 40% by number and 31% by budget, and studies, namely 20% by number and 10% by budget.

PSD Toolkit (not PSD APPS) had a number of cross-cutting issues and special themes it means to contribute to, although this is not obligatory for each and every project:

- Circular economy
- Climate mitigation/adaptation
- Conflict sensitivity
- Sustainable management water and coastline
- ICSR
- Gender equality
- Youth
- Innovation



Note: a project can be classified belonging to multiple themes

1. INTRODUCTION: PSD APPS AND TOOLKIT

PSD Apps and Toolkit did little external communication, since its users are considered to be “internal”, namely embassies. There is no PSD Toolkit page on the RVO website, and there is little outreach in social media. However, major outputs such as studies are available from the RVO website.

- Orange Corners does have a website and uses social media for added branding, as it directly appeals to external clients (including young entrepreneurs) and does active fundraising.

Compared to PSD Apps, PSD Toolkit pursued a stronger programmatic approach with attention to “systemic change” for increased impact. In line with the new DDE ToC, embassies develop programmatic thinking in their [MACS](#). Consequently, PSD Coaches give more attention to building synergies among various PSD actors, also in related areas of water, food security, etc. The programmatic approach is meant to make PSD programmes more coherent, effective, and thereby relevant.

- The Deep Dives, in particular Uganda and Nigeria showed this approach at work.
- Because of the programmatic approach, including more [G2G](#), [K2K](#) and IC projects, PSD Toolkit projects tend to be larger and have a longer time span than PSD Apps projects, hence fewer in numbers, less ad-hoc, and more integrated in overall PSD (or non-PSD) programmes.



Evaluation Methodology

[Go to overview](#)

2. METHODOLOGY AND INFORMATION SOURCES

What? Mid-term evaluation of PSD Toolkit and the end-term evaluation of its predecessor PSD Apps (incl. OC, IC)

Note: we use the term “PSD Toolkit” here to include PSD Apps, unless otherwise indicated

Why? Accountability and (especially) learning

How? Using the [OECD-DAC](#) evaluation criteria:

Relevance – Coherence – Effectiveness – Additionality – Sustainability – Efficiency

Two evaluation levels:

1. Programme level (full portfolio, 2014-2022)
2. Project level (Deep Dives, desk review of 121 projects)

Six key information sources:

1. Document review
2. Stakeholder interviews
3. Portfolio analysis ([M&E](#) data) (Annex A)
4. Desk review of 121 projects (Annex B)
5. Stakeholder survey (Annex C)
6. Deep Dives (Annex D+E)

2. METHODOLOGY AND INFORMATION SOURCES

Throughout the evaluation, we maintained the following definitions

Relevance

- In line with the Terms of Reference, we specifically looked at the relevance of PSD Toolkit for EKNs, the Dutch government (i.e., [DGIS](#)/DDE's policy framework), local stakeholders as well as recipients, and cross-cutting issues.

Coherence

- We separately assessed coherence within PSD Toolkit and within the wider Dutch PSD effort (**internal**), and coherence with non-Dutch funded PSD interventions in the same countries and sectors (**external**)
- In doing so, we generally assessed two main aspects of coherence:
 - Being *complementarity and synergetic* with other (Dutch or non-Dutch) PSD interventions;
 - Avoiding harmful or inefficient *duplication* or even *contradictory efforts*.

Efficiency

- The key aspects of efficiency assessed by the evaluation team were whether projects were on time (**timeliness**) and within budget (**cost-effectiveness**)
- The evaluation team also assessed the general management of projects as well as the conduct of stakeholders.

2. METHODOLOGY AND INFORMATION SOURCES

Throughout the evaluation, we maintained the following definitions

Additionality

- We made a distinction between **input additionality**: whether the interventions could have been paid and implemented through other funds, and **development additionality**: whether the interventions of PSD Toolkit resulted in better PSD interventions.

Effectiveness

- The effectiveness question is whether PSD Toolkit projects reached their intended **outputs and contributed to expected outcome** as defined in the “Adviesplan” and in line with the causal logic of the programme’s ToC. Given the nature of many PSD Toolkit projects, this is often limited to outputs (e.g., a report having been drafted and accepted), and not outcomes (e.g., capacity used, jobs created), that often transcend the PSD Toolkit project and may not be observable at the time of its completion.

Sustainability

- In the case of PSD Apps, we tried to assess the projects that were closed several years ago. For PSD Toolkit, this is reduced to the potential of having a sustainable impact.(i.e. “are the right mechanisms in place?”).



2. METHODOLOGY AND INFORMATION SOURCES

We assessed most criteria using all information sources, triangulated where possible.

- We assessed the **relevance, coherence, additionality and sustainability** of PSD APPS and Toolkit using all information sources
 - Desk research including the review of 121 sample projects (see Annex B); interviews with RVO staff, PSD stakeholders inside and outside of RVO, EKNs; the stakeholder survey (see Annex C); and the Deep Dives (see Annex D+E).
- We mostly assessed **Efficiency** through the desk research of 121 sample projects, interviews with PSD coaches and PSD stakeholders, the stakeholder survey and the Deep Dives.
- The **effectiveness** of PSD APPS and Toolkit was largely assessed through the review of the MEL data (see Annex A)
- **Where possible findings are triangulated** at different levels to minimise bias. Both **within information sources** (by guaranteeing data collection from different actors with different interests) and **across information sources**.



Findings PSD Apps/Toolkit

[Go to overview](#)

3. FINDINGS PSD TOOLKIT - OVERVIEW

3.1

Findings - Relevance

3.2

Findings - Coherence

3.3

Findings - Effectiveness

3.4

Findings - Additionality

3.5

Findings - Sustainability

3.6

Findings - Efficiency[Go to overview](#)

3.1



Findings – Relevance

[Go to overview](#)

3.1 – RELEVANCE: EVALUATION QUESTIONS

Evaluation questions as revised and presented in the inception report:

- **Relevance for EKNs:** *To what extent does the programme design (including project selection and approval processes) ensure relevance for Dutch embassies' multi-annual country plans?*
- **Relevance for MFA/DDE:** *To what extent does the programme design (including project selection and approval processes) ensure relevance for DGIS/DDE's policy framework?*
- **Relevance for programme countries:** *To what extent does the programme design (including project selection and approval processes) ensure relevance for business development in programme countries? (either directly or indirectly, via improvements in the enabling environment?)*
- **Relevance for Dutch companies:** *To what extent does the programme design (including project selection and approval processes) ensure relevance for Dutch companies.*
- **Relevance with regard to cross-cutting themes:** *To what extent have PSD Toolkit programmes included cross-cutting DGIS policy objectives for gender, climate and CSR?*

3.1 – RELEVANCE: EKNS

PSD Toolkit helped Dutch Embassies implement PSD programmes

- The evaluation (in particular the desk review, survey and interviews) showed that EKNS are often the **immediate recipients** of the information provided by Toolkit projects (e.g., scoping studies).
 - i.e., more than 60% of survey respondents deemed PSD Toolkit highly relevant to Embassies
- PSD Toolkit was designed to support Embassies in their **implementation** of PSD programmes. PSD Toolkit interventions were found to be aligned with the PSD programmes of the embassy MACS, although MACS are often quite broad (e.g., Vietnam).
 - In Uganda, for example, PSD Toolkit interventions address the MACS priority agriculture, some of which fill gaps not addressed by other EKN-funded large-scale projects, and support the embassy's FNS programme in a broader sense.

3.1 – RELEVANCE: EKNS

PSD Toolkit helped Dutch Embassies develop PSD programmes

- PSD Toolkit also helps **develop** PSD programmes. As the Deep Dives revealed, many Toolkit projects support the embassies in the formulation of their PSD programmes by providing advice (e.g., Burkina Faso, Vietnam), or undertake pilot projects that the Embassy can take over, replicate and upscale at a later stage. In some cases, PSD Toolkit helped EKNs to identify focus sectors in recipient countries.
 - In some new Embassies, e.g., Niger, Burkina Faso, PSD Toolkit was instrumental in developing the **multi-annual country strategy** as well as annual PSD action plans.
 - PSD Toolkit contributed to draft the MARS Sahel. The same happened in Jordan. Indeed, PSD coaches have among their tasks to support the embassy in strategy development (e.g., draft the PSD parts of the MACS), but the survey revealed that not all Embassies are in need of this.
 - PSD Toolkit also supports Embassies through its **trying-out role**: PSD Toolkit has an important role to identify and explore new ideas, opportunities and sectors in recipient countries that might be relevant.
 - In Nigeria initial interest in the seeds sector/horticulture sparked new interest for complementary agricultural sectors. In Vietnam too the Embassy made ample use of PSD Apps/Toolkit to explore / try out / scope ideas for cooperation.

3.1 – RELEVANCE: EKNS

PSD Toolkit supported the Embassy's Economic Diplomacy

- Furthermore, the desk study, interviews and Deep Dives revealed that PSD Toolkit may enhance the **visibility of the Netherlands**, which helps increasing the reputation of the Netherlands as reliable and credible PSD partner. These effects are not reflected in the original ToC.
 - For example, PSD Toolkit helps showcase Dutch capabilities in water management, agri-food, energy, and cadastre management, which are common subjects in PSD Toolkit. This may be part of ongoing PSD programmes, or sometimes PSD Toolkit interventions of an ad-hoc nature. While not always explicitly in line with the MACS, such ad-hoc actions are not necessarily irrelevant for local development.
- Finally, the desk review and the Deep Dives, among which the Morocco Deep Dive, revealed that PSD Toolkit and Orange Corners play a key role in the **Embassy's public relations**, hence its positioning in a competitive diplomatic landscape as PSD actions may help put the embassy in a positive spot-light.
 - This is also the reason why the selection of OC clients in Morocco reflects embassy priorities (e.g., [REN](#), water, agriculture), thereby assisting the embassy's positioning.

3.1 – RELEVANCE: MFA/DDE

PSD Toolkit was relevant to MFA/DDE as core goals are addressed

- Embassy PSD programmes, with PSD Toolkit support, typically address **core Dutch concerns** and feed result data into the DDE result framework (RBM):
 - DDE 1: Improved Market Access and Sustainable Trade
 - DDE 2: Adoption / Adjustment of laws, regulations, policy plans or development strategies
 - DDE 3: Strengthened Economic institutions and Actors
 - DDE 6: Business development by investment or trade of local or Dutch companies
- Many PSD Toolkit projects [+100] report on **DDE cross-cutting issues**. (See Annex A)
- PSD Toolkit annual reports suggest the programme is contributing to the Dutch “**Aid and Trade**” agenda, although this is no longer an explicit goal (it was in PSD APPS).
 - The Deep Dives Uganda, Vietnam and Nigeria clearly showed the involvement of Dutch companies as providers of knowledge, materials and equipment.
 - Impact Clusters in particular (see section 4) create the link with the Dutch private sector

3.1 – RELEVANCE: PROGRAMME COUNTRIES

Although PSD Toolkit matched national development needs, it did not always act on a local request

- Desk research and Deep Dives showed that PSD Toolkit projects were generally aligned with the **priorities of governments in recipient countries**. For example:
 - In Nigeria, the target intervention in seeds had been agreed with national government, which considered food security and promoting exports as a priority.
 - In Vietnam, Dutch-Vietnamese cooperation was formalised by an MoU on the Mekong Delta Agricultural Transition Programme.
 - In Uganda, the MACS priorities – for which Toolkit projects were relevant- had been set jointly with national government and local stakeholders.
- However, in other cases there was little evidence that PSD Toolkit, through the embassy, **acted upon a request** of the local government, local private sector or other local stakeholders,.
 - In Burkina Faso and Morocco, the projects reviewed for this evaluation were chiefly based on the EKN's own assessment of local needs, with local stakeholders involved only at a late stage.
 - This was also seen in many of the 121 projects that were researched using desk review.

3.1 – RELEVANCE: PROGRAMME COUNTRIES

- Around half of the survey respondents (strongly) agreed with the statement that PSD Toolkit was relevant for local governments and local populations in recipient countries.
- **EKN staff acknowledged that their own needs assessment was sometimes leading in demanding PSD Toolkit interventions, admitting that local stakeholders were typically involved at a later stage only, so as to avoid delaying the formulation process. PSD coaches are aware of this, but not always able to give sufficient push back.**
- **PSD Coaches noted that they were sometimes induced by EKNs (e.g. Ambassadors) or external actors (e.g. Landbouwraad, MVO NL) to pursue projects with lower or unclear development relevance.**
- Various sources suggested that the use of PSD Toolkit for potentially less relevant projects may be related to the reputation of PSD Toolkit as an easy instrument where everything is possible and money is plenty, hence available for ad hoc for actions that are not necessarily in line with the country strategy or Dutch (DDE) policies.

3.1 – RELEVANCE: PROGRAMME COUNTRIES

Many PSD projects addressed concerns of local private businesses

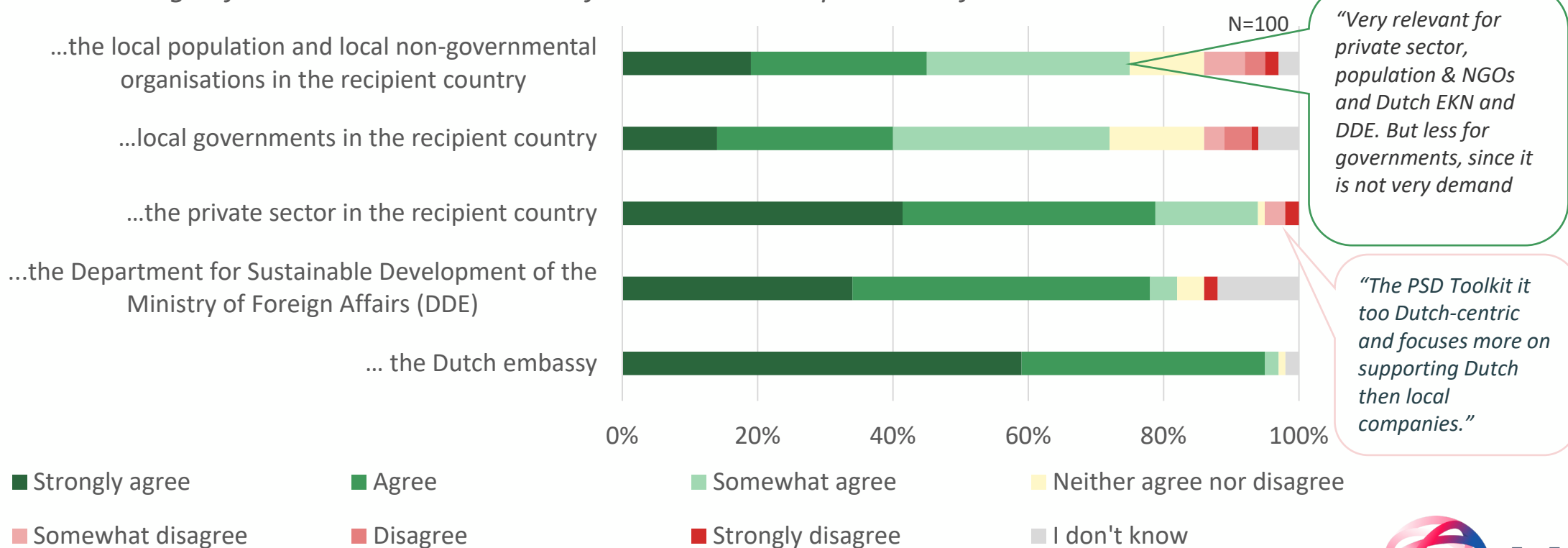
- Many PSD Toolkit projects **directly target local private businesses** (a quarter are in pathway 1), and all Deep Dives gave such examples.
 - This may involve training, matchmaking, and Impact Clusters.
- Enabling environment projects (about 20% are in pathway 2) are also meant to support private business.
- Around 80% of the Survey respondents (strongly) agreed with the statement that PSD Toolkit was relevant for the private sector in recipient countries.
 - Uganda: PSD Toolkit supported interventions are relevant for local agribusiness companies and address their needs, although local companies complain Dutch SMEs benefit more than local SMEs.
 - Vietnam: Demand for food safety is increasing; export promotion requires complying with EU regulations. Vietnamese companies know the Netherlands has relevant expertise to offer, while Dutch businesses are interested in entering the Vietnamese market.
 - Nigeria: PSD Toolkit supported the development of a Roadmap for the seeds sector and identified institutional (e.g., setting up quality controlling institutions/quality regulations) and knowledge gaps (e.g., quality testing). The use of inferior seeds is one of the causes of low agricultural productivity.
 - Burkina Faso and Morocco: following scoping studies and ecosystem mapping, both focussed on youth and women entrepreneurship and employment in sectors the embassy prioritises. But there is no evidence local government or beneficiaries asked for these interventions and were closely associated with programme formulation.

3.1 - RELEVANCE: PROGRAMME COUNTRIES

A majority of survey respondents saw the PSD toolkit as relevant for the needs and priorities of the various stakeholders involved, especially the Dutch embassy

Embassy/MFA staff, IC participants:

"The design of the PSD Toolkit is relevant for the needs and priorities of ..."



Note: [Click here to see that IC participants were more positive about the relevance for local private stakeholders](#)
[Click here to see that embassy/MFA staff were slightly more positive about the relevance for local private stakeholders](#)
 There were no large differences for the remaining sub-questions.

Go to overview



3.1 – RELEVANCE: DUTCH COMPANIES

In addition to the relevance for programme countries, we examined to what extent PSD Toolkit projects serve Dutch corporate interests.

- While the **Aid and Trade agenda** was important under PSD APPS, this was relaxed under PSD Toolkit (but will likely come back with new Dutch policies).
- PSD Toolkit interventions do not only serve local development, but may also serve **Dutch corporate interests**, and do so to a considerable extent. The desk review and Deep Dives identified cases where Dutch companies had a key stake in the project as suppliers of knowledge, equipment or materials.
 - Observed in all Deep Dives except for Burkina Faso
 - Observed in IC where the link between local and Dutch companies is often explicit and intentional
- PSD Toolkit often works in sectors where **NL has a strong reputation and comparative advantage**. National government may have sought out Dutch assistance for this reason. Dutch business may gain directly or indirectly.
 - E.g., seeds in Nigeria, dairy in Uganda, water management in Vietnam

3.1 – RELEVANCE: DUTCH COMPANIES

PSD Toolkit helped Dutch companies enter new markets

- PSD Toolkit interventions may also reduce **information constraints** to Dutch businesses, creating contacts and networks, resulting in Dutch investments in programme countries. Impact Clusters (ICs) are also important because they help Dutch companies enter new markets.
 - This is particularly true in large and emerging markets, such as Vietnam and Nigeria, where Dutch business would like to gain a foothold, while local businesses want to access Dutch know how, contacts and export markets.
 - In the Deep Dives Vietnam, Nigeria and Uganda PSD Toolkit projects involved or connected Dutch companies.
 - In Uganda, trade missions and fairs assisted participating Dutch companies in identifying relevant, reliable, and appropriate Ugandan companies with which to do business.
 - Impact Clusters (ICs) also helped Dutch companies **enter new markets**, for example in selling semen and feed, providing herd management software, and other services as part of the Dairy IC project in Uganda.

3.1 – RELEVANCE: CROSS-CUTTING ISSUES AND SDGS

To a limited extent, PSD Toolkit was relevant to the cross-cutting issues

- PSD Toolkit projects explore potential to integrate **social and/or environmental issues** like female entrepreneurship, land-ownership, circular economy, or renewable energy. Some projects make this a key theme.
- Examples can be seen in the Deep Dives.
 - Vietnam: Circular economy
 - Burkina Faso: Focus on female and youth entrepreneurship
 - Morocco: Environmental issues addressed by many OC participants
 - This is due to selection criteria that emphasise innovation and sustainability
- However, the interviews and survey do not recognise **PSD Toolkit as systematically relevant** to the cross-cutting themes – in many projects the central concerns to address are not linked to any of the cross-cutting issues.
- Furthermore, **the small budget** of PSD Apps/Toolkit projects often makes it hard to truly advance the cross-cutting issues, all of which are macro/societal by nature (see also the effectiveness section).

3.1 – RELEVANCE: CROSS-CUTTING ISSUES AND SDGS

To a limited extent, PSD Toolkit was relevant to the cross-cutting issues

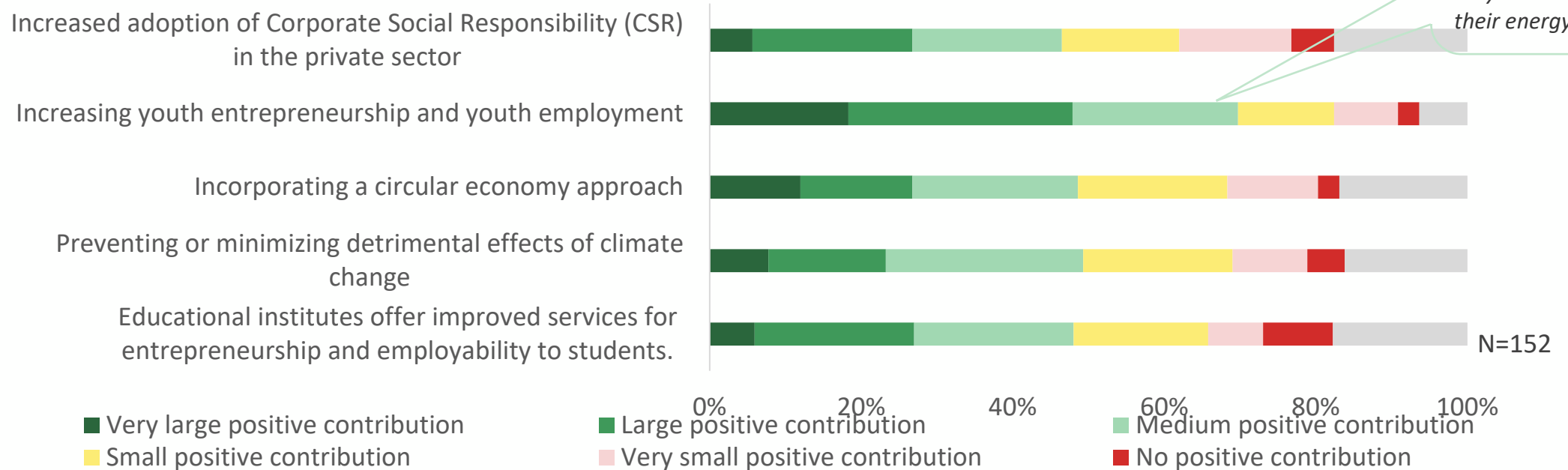
- Since the appraisal criteria for project development includes the cross-cutting issues, all projects mention how they integrate cross-cutting topics of gender, climate, and **corporate social responsibility (CSR)**. However, this, and CSR in particular, are often just minimum standards to adhere to.
- **PSD Toolkit contributes to many SDGs**, most immediately Gender equality (SDG 5), Decent work and economic growth (SDG 8), Sustainable production (SDG 12), but also Stronger institutions (SDG 16), Public private partnerships (SDG 17), Food safety and security (SDG 2 and 3), and several others.
 - The scale of the PSD interventions and the distance with SDG related change make it impossible to discern the significance of the contribution of the PSD Toolkit. It is, however, clear that PSD Toolkit is relevant for a wide range of SDGs, and the composition of the portfolio of PSD Toolkit interventions reflect that.

3.1 – RELEVANCE: CROSS-CUTTING ISSUES AND SDGS

Survey respondents were also moderately positive about PSD Toolkit’s role in cross-cutting issues

All To what extent do you think the PSD Toolkit, IC and/or OC programmes contributed to the following results in the recipient country?

“They work in countries where there is not else they can channel their energy to”



Note: IC participants and Dutch implementers were less positive about the impact on entrepreneurship and employability. There were no large differences for the remaining sub-questions.

[Go to overview](#)

[Go to conclusions on relevance](#)



3.2



Findings – Coherence

[Go to overview](#)

3.2 - COHERENCE: EVALUATION QUESTIONS

Evaluation questions as revised and presented in the inception report:

Internal coherence: *To what extent did the programme as a whole complement (and not duplicate or contradict) other Dutch government funded interventions in the same countries and sectors?*

External coherence: *To what extent did the programme complement (and not duplicate or contradict) other non-Dutch government funded PSD interventions in the same countries and sectors?*

3.2 - COHERENCE: SURVEY

Survey respondents saw PSD Toolkit, IC and OC as complementary to other PSD programmes and embedded in MACS. But overlap was not always avoided.

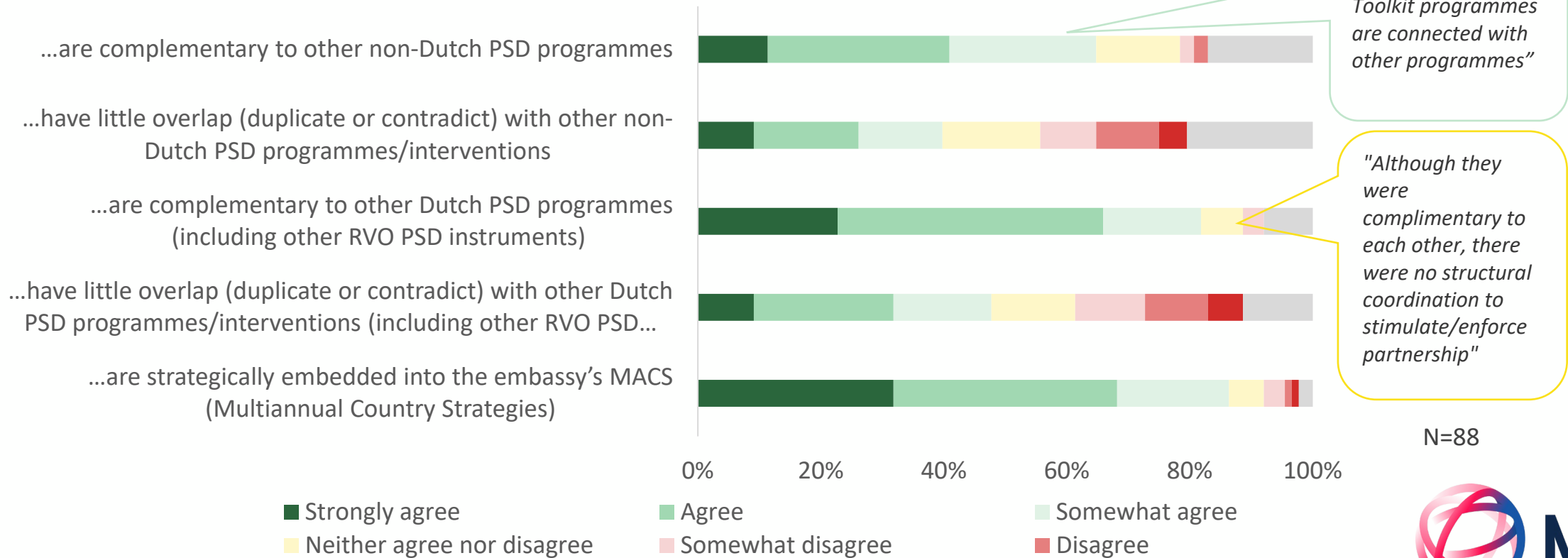
- Most survey respondents (80%) deemed PSD Toolkit **complementary** to Dutch PSD programmes and strategically embedded in the MACS, and to a lesser extent complementary to non-Dutch PSD programmes (see Annex C and next slide).
- However, about 20% of respondents detected **overlap** with Dutch and non-Dutch PSD programmes. Likewise, the desk research and Deep Dives discovered very little attention to other (non-Dutch) initiatives in the sector, including synergies with national government programmes.
- One of the respondents in the survey noted that “although projects were complimentary to each other, there was no structural coordination to stimulate/enforce partnerships”.
 - This matches the findings of the desk review and deep dives suggesting that Embassies often have incomplete information on what other donors do, suggesting **weak donor coordination**.

3.2 - COHERENCE: SURVEY

Survey respondents saw PSD Toolkit, IC and OC as complementary to other PSD programmes and embedded in MACS. But overlap was not always avoided.

Embassy/MFA staff, IC participants:

"The PSD Toolkit, Impact Clusters, and/or Orange Corner programmes ..."



[Go to overview](#)

Note: There were no large differences in answers between different stakeholder groups.



3.2 - COHERENCE: SAMPLE PROJECTS

The sample projects did not show strong synergies

- The sample of 121 PSD Toolkit projects shows a relatively low score on (internal) coherence.
 - More than 30% of the studied projects scored ‘negative’ on coherence, mostly because little was said in project documents about complementary PSD efforts.
 - *Explanation 1 (=measurement problem):* PSD coaches agreed that there was very little reference to preceding or following projects in end-memo’s (although such connections are often plausible). Therefore, it is very difficult to reconstruct connections among project plans and end-memos (see below section on “treintjes”).
 - See appendix B: follow-up, even though intended, is often unknown at project closure, or preceding and following projects are only vaguely mentioned and not clearly identified.
 - *Explanation 2 (=scope of PSD Toolkit):* The nature of many PSD Toolkit projects is to just to try out something, such as a “pre-identification” (e.g., new Sahel countries, Jordan, no MACS), without immediate synergies being sought. There are also many ad hoc projects (e.g., a training, a seminar). See the next slide.

3.2 - COHERENCE: THE NATURE OF PSD TOOLKIT

PSD Toolkit has moved from ad-hoc to a more programmatic approach for better coherence

- As mentioned in the previous slides, it is in the nature of many PSD Toolkit projects to be **fairly ad hoc**, just to try out something, a “pre-identification”, a one-time training, or a one-time mission or trade fair, and not necessarily immediately seeking synergies with other PSD interventions.
- Nevertheless, as mentioned under relevance above, over the years and going from PSD APPS to PSD Toolkit, in order to increase coherence, RVO has increasingly adopted a programme approach, and the impact clusters are an expression of this.
- RVO also prides itself on being able to establish **interlinked projects**, successively and in parallel (“treintjes”), often leading to a larger project by the Embassy or by another PSD partner, even another donor in some cases.
 - The Deep Dive Burkina Faso is such an example.

3.2 - COHERENCE: THE NATURE OF PSD TOOLKIT

PSD Toolkit lent itself to ad-hoc requests, but management load and coherence may have suffered

- The evaluation and Deep Dives revealed that programmatic coherence is easier to achieve in a **small country programme**, such as Burkina Faso, than in large countries with a broad private sector, such as Nigeria and Vietnam, where there is a lot more demand from various private and public sector participants who spot the very many opportunities that Dutch PSD instruments, including PSD Toolkit, present to them.
 - The Deep Dive for Morocco found PSD Toolkit, and indeed the entire PSD programme, to be scattered (according to the embassy), which can be partly explained by the fact that Morocco is eligible to many PSD instruments, and Moroccans take eager advantage. Hence, by their demand-based nature, RVO's PSD products, and this includes PSD Toolkit, easily lead to fragmentation, and this is not necessarily detrimental to developmental effectiveness.
 - However, it increases the management load on embassies. For this reason, PSD Toolkit undertook a series of sectoral studies to focus the Morocco PSD programme on a more limited number of themes.

3.2 - COHERENCE: EKN PSD PROGRAMME

PSD Toolkit was generally complementing the embassies' MACS

- The desk review showed that most 'advisory plans' indicate how the PSD Toolkit intervention fits into the embassies' **Multi-Annual Country Strategies** (MACS), and how it complements actions already ongoing or planned. This was confirmed in the survey.
- This either takes the form of PSD Toolkit **developing** PSD programmes and strategies (e.g., pathways 3 interventions), or **complementing** existing PSD programmes (chiefly pathway 1 and 2 projects).
 - The Deep Dive Burkina Faso is an example of the first, as PSD Toolkit provided essential inputs into the MARS Sahel (there was none before) and the embassy ToC, helping define a coherent PSD programme.
 - The Deep Dive Uganda is an example of the second, as many PSD Toolkit projects complemented existing work in the dairy sector.

3.2 - COHERENCE: EKN PSD PROGRAMME

PSD Toolkit helped make the Embassy's PSD agenda more coherent

- Thus, in all Deep Dives an important (potential) contribution of PSD Toolkit was to **make EKN's PSD agenda more coherent**, meaning help build programmatic synergies of either existing or new PSD programmes.
 - In both Burkina Faso and Morocco PSD Toolkit undertook studies with the explicit aim to enhance PSD synergies.
- A potential risk is that PSD Toolkit interventions are **only broadly coherent** (same sector but different sub-sector) and that synergies remain low.
 - In Nigeria, for example, we found PSD Toolkit operating in several agricultural sub-sectors simultaneously, which brings the risk that each of these are too small to be truly impactful.
 - Likewise, in Morocco PSD Toolkit sometimes undertook seemingly disconnected activities in the same sector, which lack of coherence the embassy recognised. As mentioned above, this is partly due to the demand-based nature of most Dutch PSD instruments.

3.2 - COHERENCE: RVO

PSD Toolkit broadly complemented the other RVO and Dutch PSD instruments

- The interviews, Deep Dives and survey showed PSD Toolkit **broadly complementing** and often catalysing other RVO-funded activities, including CBI, Drive, FDOV and DGGF.
 - In Uganda most PSD Toolkit projects are coherent with other RVO programmes in the same sector. For example, horticulture projects are connected to SDGP efforts and poultry, piggery, and dairy projects are connected to [FDOV](#) and (IFC) [GAFSP](#) initiatives.
 - More in general, PSD Toolkit in Uganda is linked with Food and Nutrition Security (FNS) interventions that contribute to the overarching country goal of poverty reduction.
 - In Morocco, however, the PSD programme including RVO instruments was lacking synergies as noted above.
- [More than 60% of survey respondents](#) “strongly agreed” or “agreed” with the statement that PSD Toolkit, ICs, and OCs are complementary to other Dutch PSD programmes (including RVO’s).
- However, only [30% of survey respondents](#) “strongly agreed” or “agreed” with the statement that PSD Toolkit, ICs, and OCs did not duplicate these same programmes.

3.2 - COHERENCE: THE ROLE OF “TREINTJES”

PSD Toolkit often operated at the origin of interlinked projects (“treintjes”)

- Many PSD Toolkit projects operate at the **early stages of developing PSD programmes** in embassies. These interconnected interventions may lead to sector-specific programmes.
 - The Burkina Faso Deep Dive revealed how this works. After six sequential PSD Toolkit interventions the embassy started its PSD programme under decentralised funding.
- Such “treintjes” are commonly **followed by interventions under RVO programmes or embassy decentralised budgets**. Links with Nuffic, FMO, CBI, Partners for Water, and PUM are made as well. In some cases, cooperation with foreign or multilateral agencies is established, which may take over a project idea (e.g., AfDB, AFD).
- **PSD Coaches are free** in the choice of instruments they recommend to the embassy – PSD Toolkit need not be used.
 - In Uganda, PSD Toolkit resulted in four Impact Clusters.
 - Some “treintjes” reached a dead-end, which is not necessarily negative as such projects shed light on directions not to take.

3.2 - COHERENCE: THE ROLE OF “TREINTJES”

The final development outcomes may eluded PSD Toolkit as it often had (or will have) exited when these reveal(ed) themselves

- As PSD Coaches and Toolkit often act at the start of the “treintje” and may no longer be involved when the full project roll-out takes place, **the full development results of PSD Toolkit and the work of coaches are often visible only when follow-up projects are completed.**
 - Thus, the Burkina Faso Deep Dive interventions undertaken by PSD Toolkit were effective in their stated goal, namely to define a PSD programme. The ultimate employment effects, however, are not knowable at this time.
- **Going from PSD Apps to PSD Toolkit, such interconnected projects have become more common, this in view of increased attention to a programme approach and coherence.**
 - In Nigeria, for example, PSD Apps mainly consisted of visits and scoping studies, while PSD Toolkit initiated some Impact Clusters.

3.2 - COHERENCE: THE ROLE OF “TREINTJES”

Some of the best connections were observed in core Dutch sectors

- Some of the strongest interconnected projects were seen in sectors where the **Netherlands has a comparative advantage** (see Annex A for Portfolio distribution), such as seeds in Nigeria, water management in Vietnam, agriculture in Uganda, and water, agriculture and REN in Morocco, for increased programme coherence, and probably relevance and effectiveness.
- In Nigeria and Vietnam, this selection was agreed with the local government as it reflected national needs, Dutch comparative advantages and Dutch companies' interest.

3.2 - COHERENCE: (EXTERNAL) WITH OTHER DONORS

Coherence with other donors was not evident, duplications exist

- The desk review and Deep Dives gave little sign of complementarities with external donors, sometimes even **national governments**. While this is explained by time pressure of embassies, it jeopardises national ownership, sustainability, even efficiency.
 - In the Deep Dives in Burkina Faso and Morocco local government was barely involved, even though PSD Toolkit interventions match national development priorities. This point was also made in the PSD Apps MTR.
 - In Nigeria, Uganda and Vietnam, however, EKN signed MoUs with national government on the priorities of Dutch assistance, aiming to complement existing national initiatives.
- There are signs of **duplication** of efforts with other (Non-)Dutch programmes and stakeholders sometimes shop around for support.
 - In Nigeria a host of donor agencies is active in the agriculture sector, and some duplication is inevitable (additionality).
 - In case of direct enterprise support conscious duplication of efforts with others occurred, in particular when promotion of Dutch economic interests takes precedence.
 - In Morocco OC beneficiaries opportunistically try their luck wherever they can and benefit from multiple SME support programmes and sources of funding.

3.3



Findings – Effectiveness

[Go to overview](#)

3.3 – EFFECTIVENESS: EVALUATION QUESTIONS

Evaluation questions as revised and presented in the inception report:

- Effectiveness – Main outputs and outcomes: *To what extent have main outputs and outcomes (as defined in M&E framework and ToC) been achieved, and what have been the contributing factors in different contexts?*
- Effectiveness – Interconnected projects: *To what extent have projects been followed up in “treintjes”?*
- **PMEL (See Annex A):** *To what extent do existing PMEL processes ensure effectiveness of programme interventions?*
- Effectiveness – ToC: *To what extent is the current Theory of Change consistent with DDE’s new PSD strategy?*

3.3 – EFFECTIVENESS: REVIEW OF MEL DATA AND SAMPLE OF 121 PROJECTS

According to MEL data Pathway 2 and 3 projects were usually effective and to a lesser extent Pathway 1 projects (see Introduction for the Pathways).

- The team reviewed effectiveness of (1,011) PSD APPS and (382) PSD Toolkit projects by exploring the RVO **M&E databases** (see Annex A). Only 12.6% of PSD APPS projects had output and outcome data (because RVO only started recording these in 2017), while this was just over 60% for PSD Toolkit (because of missing data and because of ongoing projects not yet reported on).
- According to RVO data, projects in impact Pathway 2 (business climate) and 3 (information, networks, and economic diplomacy) mostly **reached their targets**.

3.3 – EFFECTIVENESS: REVIEW OF MEL DATA AND SAMPLE OF 121 PROJECTS

Most projects in the sample were fully or partly effective

- In the desk review **sample of 121 projects**, most targeted multiple (PSD APPS) programme goals, namely to improve the business climate (84%), strengthen local private sector (62%), produce better PSD projects (68%) (the goals of PSD Toolkit were defined somewhat differently).
- According to RVO's own assessment, **36% of these projects were fully effective** in terms of reaching their stated goals, 37% partly effective (thus, not all goals fully achieved), 13% not effective (usually for not having been completed), and the rest did not provide such information as the endmemo did not provide effectiveness indicators, or was unavailable.

3.3 – EFFECTIVENESS: REVIEW OF MEL DATA AND SAMPLE OF 121 PROJECTS

Recording M& data has been a challenge

- The sample and M&E data review revealed that PSD coaches **sometimes struggle to find the right indicators (see Annex A)**, for example opting for outcome indicators that cannot be measured at project completion or which are methodologically too complicated.
 - This may contribute to them deciding not to complete the endmemo.
 - Particularly, M&E indicators for studies and G2G sometimes ask about outcome (or impact variables) whereas the action is mostly focussed on output variables (e.g., did the study come to a conclusion)
- We also found that studies regularly recommend **not to undertake follow-up**, but that can be a valid conclusion and does not invalidate the study's effectiveness.
- The desk review also revealed that 42% of projects marked some **cross-cutting theme** (e.g., Climate Mitigation, Corporate Social Responsibility, Gender Equality), but this was rarely the key focus of projects.

3.3 - EFFECTIVENESS: PSD TOOLKIT AND COACHES

PSD Toolkit was deemed effective by PSD stakeholders

The survey (see Annex C), and interviews with Embassies and PSD partners (other PSD instruments) inquired after the effectiveness of the PSD Toolkit instruments and PSD coaches in a broader PSD perspective.

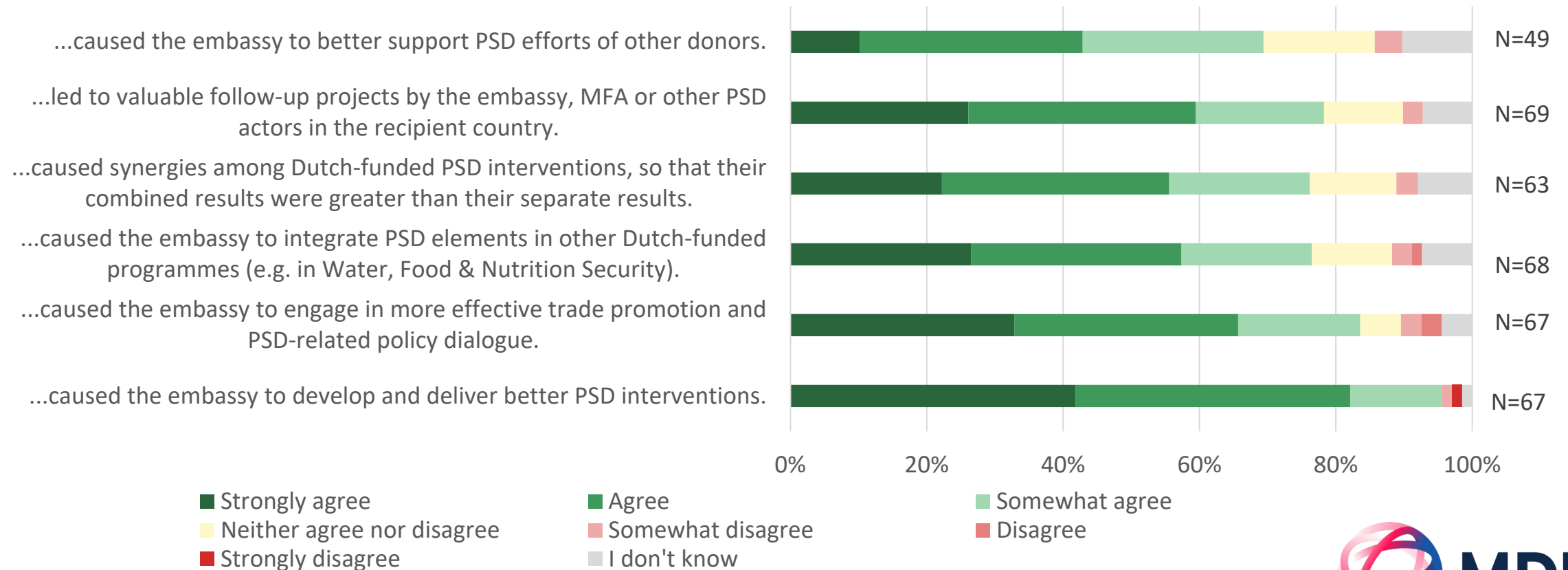
- Nearly 80% of respondents in the survey **deemed PSD Toolkit** effective in its output and outcome achievement. The indicators were also deemed to be well-defined, although some pointed out the methodological challenges as described in Annex A of this report.
- A great majority of survey respondents recognise the value of PSD Toolkit in **enabling the embassy** to develop better PSD programmes, and create synergies among Dutch PSD interventions.
- According to survey respondents, the largest positive impact was achieved in terms of increased **access to knowledge and increased capacity**, but mention was also made of connecting local businesses to markets, Dutch enterprises and investment. However, given the small size of projects, the magnitude of the impact also remains small.

3.3 - EFFECTIVENESS: PSD TOOLKIT AND COACHES

Survey respondents saw the PSD Toolkit as contributing to a more holistic PSD approach

Embassy/MFA staff:

The PSD Toolkit programme (including the support of the PSD coaches)...



[Go to overview](#)

Note: There were no large differences in answers for different stakeholder groups.



3.3 - EFFECTIVENESS: PSD TOOLKIT AND COACHES

The PSD Toolkit instruments complemented other (Dutch) PSD tools

- The **palette of PSD Toolkit instruments** is seen as appropriate and flexible. Budget is available so that does not delay the process.
- PSD Toolkit instruments also **complement** other PSD instruments that often have a more narrow mandate (e.g., eligibility criteria, country list).
- PSD practitioners and embassies do not recognise PSD Toolkit as particularly effective in stimulating the **enabling environment**, nor in the DDE cross-cutting themes.
- Likewise, only a minority of survey respondents recognised significant contributions from PSD Toolkit on PSD **related laws and policies** as well as local business support organisations, while they were only moderately positive of Toolkit's contribution to such issues as CSR, youth inclusion, circular economy and climate change.

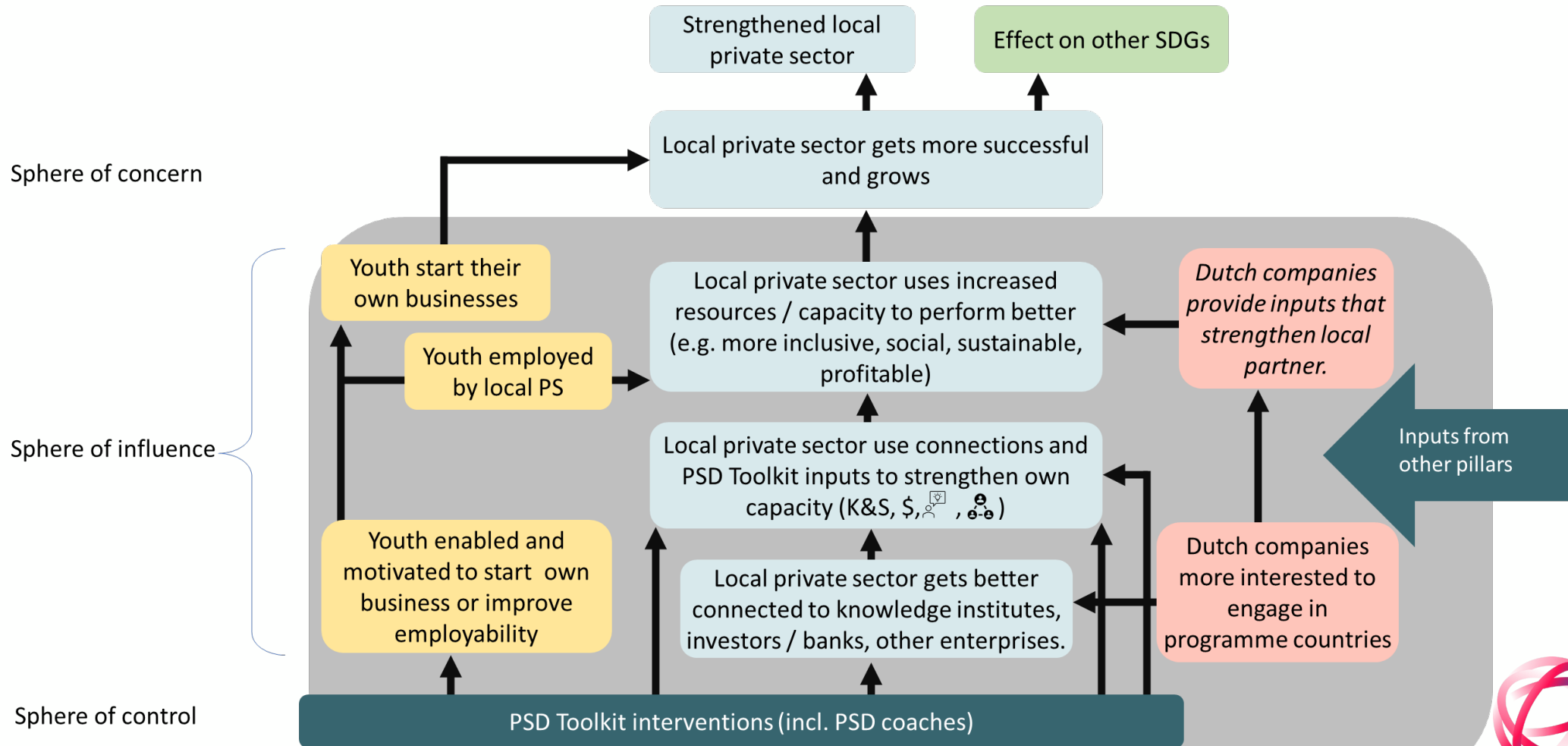
3.3 - EFFECTIVENESS: PSD TOOLKIT AND COACHES

PSD Coaches were strongly appreciated in the PSD community

PSD partners and embassies judged **PSD Coaches** most effective in the following activities:

- Providing **PSD expertise** to Embassies, serving as a PSD sparring partner, while at times coaches give useful pushback to unsuitable embassy plans.
- Contributing to PSD **project preparation** in Embassies.
- **Networking** capacity (e.g., “landentafel”), linking the PSD partners and Embassies, and linking Embassies to PSD instruments, thereby creating synergies and linkages among PSD interventions.
- Contributing to developing embassy **MACS**. However, a few embassies questioned the added value of PSD coaches with respect to ‘strategy development’.
- Nearly 90% of the survey respondents were highly positive about the PSD coaches (See Annex C).

3.3 - EFFECTIVENESS: OUTCOME PATHWAY 1 - BUSINESS DEVELOPMENT



[Go to overview](#)



3.3 – EFFECTIVENESS: OUTCOME PATHWAY 1 – BUSINESS DEVELOPMENT

While output achievement was effective, outcome effectiveness in Pathway 1 was harder to observe

- As earlier mentioned, the portfolio review, sample of 121 projects, interviews, survey and Deep Dives showed that **delivery of outputs / immediate outcomes** is quite successful, e.g., PSD Toolkit projects enabled businesses to be better connected (e.g., business networks), trained entrepreneurs, etc., even though the numbers reached are not always as high as intended and often too small to have wider impact.
- Survey respondents emphasize the positive [>50% “strongly agrees” or “agrees”] contribution to increased capacity, knowledge, and Dutch active interest for PSD in recipient countries whereas the perceived contribution is less for PSD profitability and access to finance in recipient countries.
- [M&E data suggest 84.1% of Pathway 1 indicators reach their defined targets.](#)

3.3 – EFFECTIVENESS: OUTCOME PATHWAY 1 – BUSINESS DEVELOPMENT

	Number of project-indicator observations	% of indicators reached their target
Pathway 1: Direct support of PSD	176	84.1%
Pathway 2: Enabling business environment	122	96.7%
Pathway 3: Networks and economic diplomacy	406	89.4%

The table on the left-hand side shows (i) the number of project-indicator observations and (ii) the % of indicators that reach their target. The results are decomposed along **Pathway 1** (Direct support of business development), **Pathway 2** (Enabling environment), and **Pathway 3** (information, networks, and economic diplomacy) indicators.

- All M&E indicators are classified contributing to a particular Pathway. “Number of jobs created” is an example of a Pathway 1 indicator whereas “Increased impact of an existing PSD project” is an example of a Pathway 3 indicator.
- The project-indicator observations measure the total number of M&E indicator datapoints that are available for all studied projects (e.g., there are 176 indicator observations for Pathway 1 indicators for all studied projects). The number of project-indicator observations is higher than the number of projects, because there are multiple indicators per interventions and per Pathway.

3.3 – EFFECTIVENESS: OUTCOME PATHWAY 1 – BUSINESS DEVELOPMENT

While output achievement was effective, outcome effectiveness in Pathway 1 was harder to observe

- Progress to **higher level outcomes** (use of new capacity, changes in jobs, exports) is observed in some projects (generally the larger ones), but this is hard to capture within the time of the PSD Toolkit intervention as such outcomes are often produced by follow-up projects (attribution problem).
- Nevertheless, some positive examples were observed, e.g.:
 - Uganda saw a significant increase in exports of dairy products (whereas it was an importer before), which can be attributed to a succession of Dutch programmes.
 - PSD Apps/Toolkit interventions that contributed to these results included trade fairs that introduced Dutch and local companies to explore the provision of Ugandan dairy farmers with processing machinery, knowledge transfer, the introduction of quality genetic material, feed with the appropriate nitrates, and management (grazing and disease control).

3.3 – EFFECTIVENESS: OUTCOME PATHWAY 1 – BUSINESS DEVELOPMENT

Little evidence of systemic impact on the sectorial level

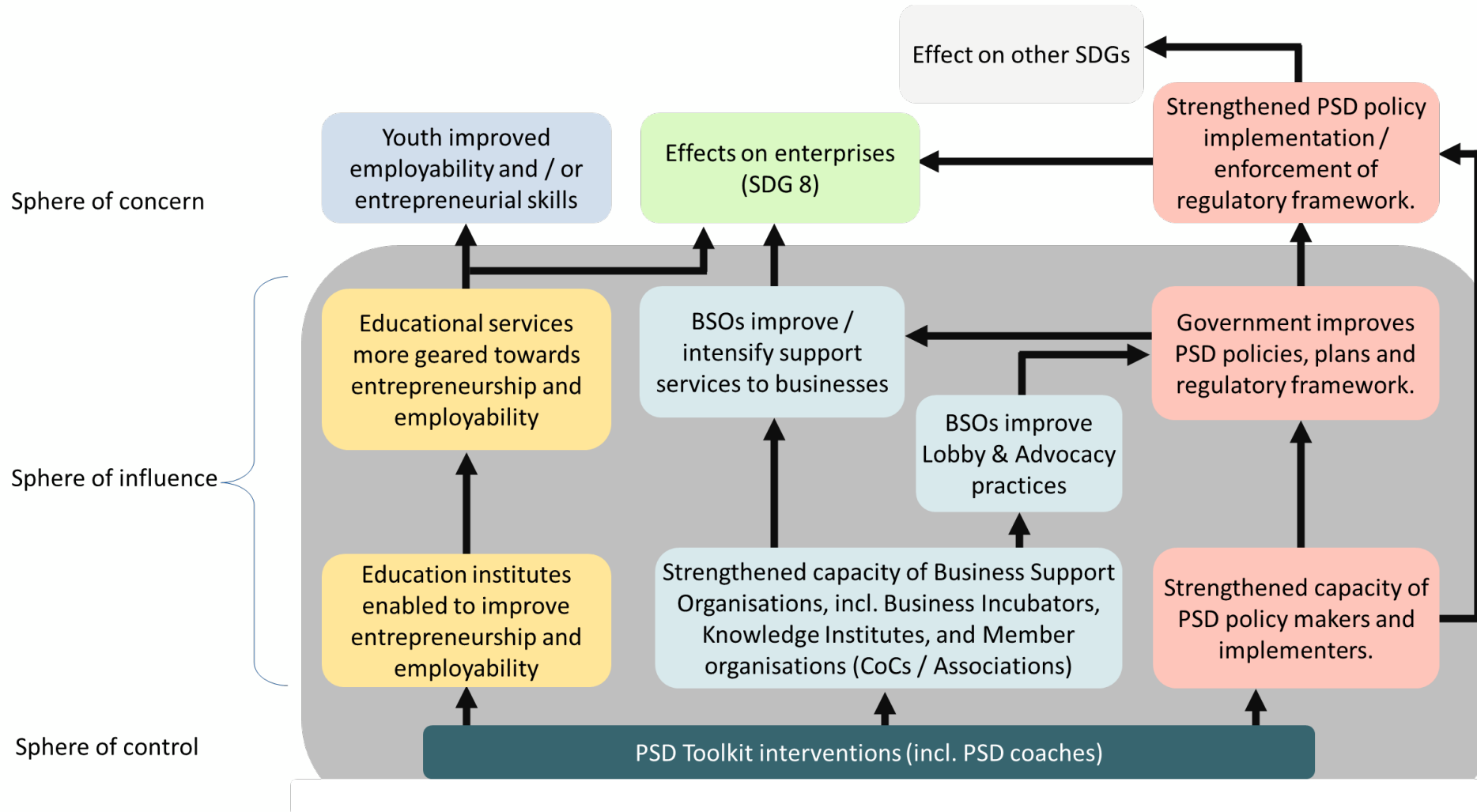
- The evaluation found **little evidence of systemic impact**, such as results achieved across the (sub-)sector, which stakeholders attribute to insufficient capacity to scale up successful interventions (e.g., in Nigeria there are still weak links in value chain and institutional support).
 - Uganda dairy is the main exception, but this was due to a concerted and long-term Dutch and local effort and PSD Toolkit only played a complementary role.
 - Nigeria horticulture shows promising results for having a lasting impact. The established roadmap has triggered institutional reforms, however these reforms need to be enforced to have a systematic impact. Furthermore, the scope of these reforms is limited and focuses on specific subsectors.
 - Methodological explanation:
 1. Spill-over effects of interconnected projects difficult to capture (see deep dive Uganda and Nigeria)
 2. Limited longitudinal M&E data available for projects (also to measure these spill-overs) (see M&E analysis annex A)
 3. Effectiveness is not well documented in endmemos (see sample project review annex B).
 - Programme-level explanation: PSD Toolkit interventions are invariably limited in scope and budget, in comparison to other PSD programmes, and not designed to help during the next stages of replication and upscaling after Toolkit's explorative role.

3.3 – EFFECTIVENESS: OUTCOME PATHWAY 1 – BUSINESS DEVELOPMENT

Interconnected projects were more likely to generate observable outcomes

- **Interconnected PSD Toolkit projects** (“treintjes”) are likely to generate more outcomes (eventually) as together they ‘*make more waves*’ and result in larger follow-up projects and trigger engagement from broader parties, including research institutes. But much of this is not currently captured in the M&E data of PSD Toolkit.
 - An example from Vietnam is the PSD Toolkit projects that resulted in the Vietnam Mekong Delta Agricultural Transition Programme (MDATP), including IC projects, specific interventions focused on cross-cutting issues (environment, land rights), and a PSD Toolkit financed coordinator who helped initiate and coordinate a broader set of PSD interventions (beyond PSD Toolkit).

3.3 - EFFECTIVENESS: OUTCOME PATHWAY 2 - ENABLING ENVIRONMENT



[Go to overview](#)

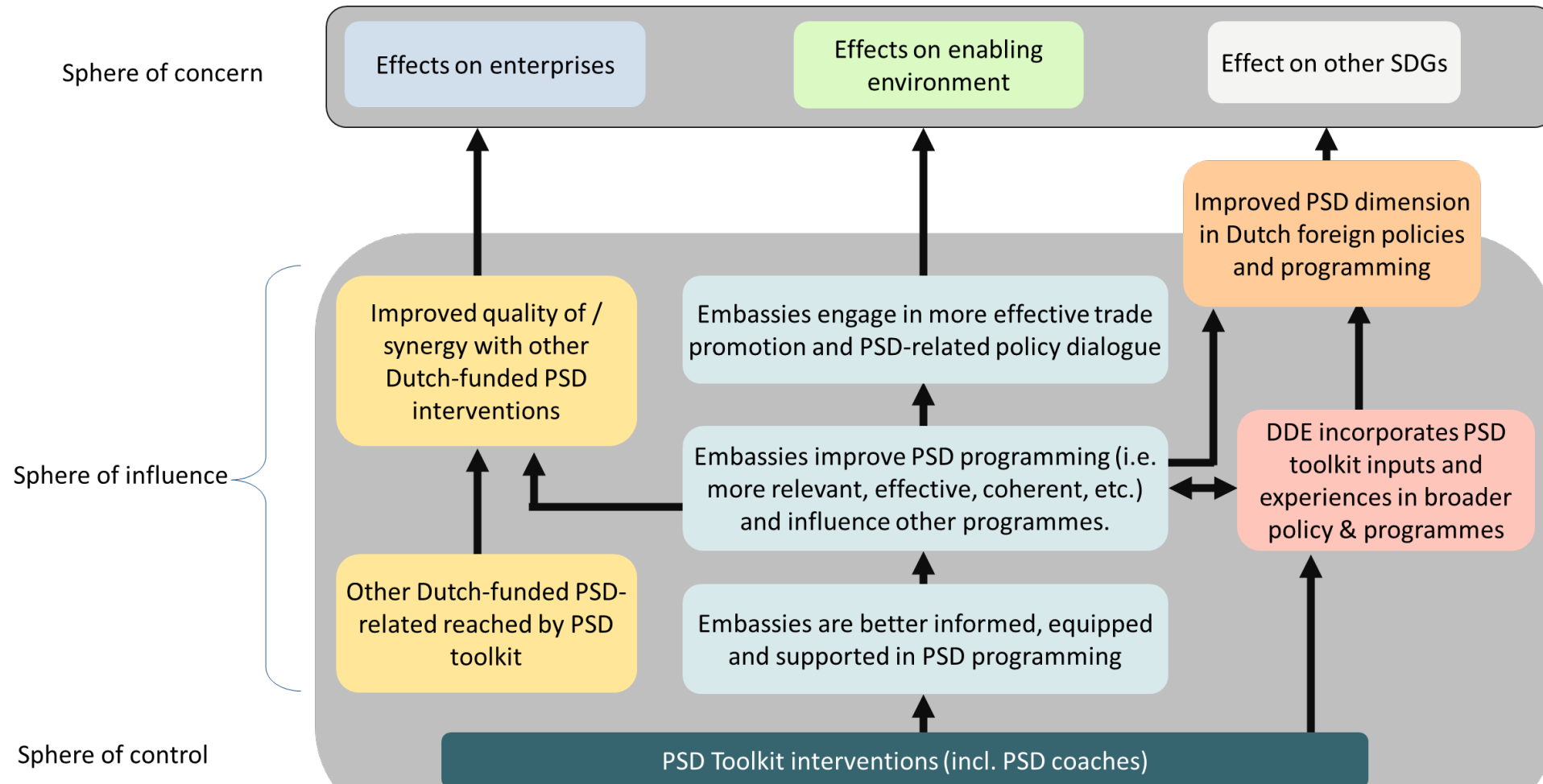


3.3 – EFFECTIVENESS: OUTCOME PATHWAY 2 – ENABLING ENVIRONMENT

Effects in Pathway 2 have been underwhelming

- Deep Dives, interviews and the review of 121 sample projects only showed a **limited role of PSD Toolkit in strengthening the PSD enabling environment**, having little effect at national level. None of the stakeholders recognised PSD Toolkit for its large role in the PSD enabling environment.
 - Only 20-30% of the survey respondents believe PSD Toolkit has a “(very) large” impact on creating a better regulatory framework and improving the capacity of BSOs and policy makers (see Annex C).
 - Pathway 2 projects tended to be small and represented a reduced share in the total PSD Toolkit portfolio. The sample project review confirms this finding. Although 96.7% of pathway 2 indicators reach their M&E targets, these targets tend to be illustrating the limited size of these interventions.
 - The lack of impact on the overall enabling environment was partly attributed to insufficient capacity (of PSD Toolkit and stakeholders themselves) to replicate and scale up successful interventions. In other words, projects in themselves were largely successful in achieving intended outputs but the extent to which this has had effects on government performance in PSD or the subsequent wider enabling environment is, understandably, outside the scope of the programme’s M&E framework as the contribution of an individual small-scale intervention is impossible to discern.
 - At sector-level, examples of contributions toward the enabling and regulatory framework were found in Burkina Faso (review regulations related to Youth entrepreneurship and ensure their application) and Nigeria (creation of a seed sector “roadmap” that initiated changes in institutions and legislation). However, lasting impact is hard to measure.

3.3 - EFFECTIVENESS: OUTCOME PATHWAY 3 - ENHANCED INFORMATION, ECONOMIC DIPLOMACY



3.3 – EFFECTIVENESS: OUTCOME PATHWAY 3 – ENHANCED INFORMATION, ECONOMIC DIPLOMACY

Pathway 3 was found to be the most successful and effective

- The evaluation suggests **pathway 3 was the most successful and effective**, enabling embassies to develop better, more relevant, coherent and impactful PSD programmes, while creating synergies among Dutch PSD interventions.
 - Pathway 3 projects (e.g., studies) make a significant part of PSD Toolkit in number and budget.
 - Pathway 3 projects are often found at the start of the programming/policy cycle, defining PSD programmes, or contributing to country strategies. Pathway 3 triggers larger (connected) interventions funded through other (Dutch) PSD instruments or Embassy decentralised funding, many of which are still on-going.
 - E.g., Deep Dive Burkina Faso, Vietnam
 - Pathway 3 enables embassies to try out intervention models they otherwise would not have.
 - E.g., women entrepreneurship training in Niger, wind energy in Vietnam
 - M&E results show that [89.9% of pathway 3 projects](#) reach their targets, notably in preparing for new PSD interventions, or in creating increased impact of existing PSD projects.

3.3 - EFFECTIVENESS: OUTCOME PATHWAY 3 - ENHANCED INFORMATION, ECONOMIC DIPLOMACY

Pathway 3 was found to be the most successful and effective

- Important in pathway 3 is the **role of PSD coaches**. Survey respondents consider the PSD coaches highly effective (>80% of MFA and EKN staff 'strongly agree' or 'agree') to create projects, synergies, and networks relevant for PSD (see Annex C).
- Deep dive results confirm the finding that the effectiveness of PSD coaches is high, particularly to **support EKNs** in the development of (more coherent) PSD programmes. Longer term involvement in, and therefore deeper understanding of, a particular country and close personal relations with relevant embassy staff are key factors of an effective PSD coach.
- Furthermore, deep dive findings show that PSD Toolkit enables relatively quick PSD Interventions that help EKNs with their PSD programming (see all deep dives).
- Stakeholders stress the role of PSD Toolkit and coaches as **information brokers**, connecting the Embassy and MFA with other PSD instruments, but also private sector in the Netherlands and programme countries, public institutes in the recipient country, and (non-)Dutch funding agencies.
- The involvement of PSD coaches, however, may go at the expense of empowering key staff in embassies.

3.3 - EFFECTIVENESS: CROSS-CUTTING ISSUES

- PSD Toolkit has increasingly started paying **attention to cross-cutting themes** (e.g., focus on youth, women, circular economy, CSR).
 - The youth employment theme, along with youth entrepreneurship, is core to Orange Corners.
 - The PSD programme in Burkina Faso (see Deep Dive) is built around this theme too.
 - Gender is a key component in some of the IC projects.
- However, interviews with PSD coaches and PSD stakeholders revealed that the cross-cutting themes are **not generally central concerns** in PSD Toolkit, and indeed in some cases should not as this is not the core objective of the project according to its ToC.
- There is a risk that cross-cutting themes are seen as a “**requirement**” without a clear assessment of their potential effectiveness. Therefore, this risk becoming a “must-have”, without their proper place in the project intervention logic.
- Given the **small budget** of most PSD Toolkit projects, it is hard to be really effective and impactful on cross-cutting themes, most of which aim and changes of a macro and societal nature.

3.3 - EFFECTIVENESS: CONSISTENCY PSD TOOLKIT TOC WITH NEW PSD STRATEGY DDE

PSD Toolkit ToC fitted well with DDE's new PSD Strategy, with the potential to help embassies implement DDE's strategy.

- The DDE long-term goals match the three **outcome pathways** of the PSD Toolkit ToC:
 - Pathway 1 “Stronger SMEs offering more and better work, contributing to sustainable economic development”
 - Pathway 2 “Improved enabling environment”
 - And Pathway 3 feeding into the other two pathways / goals.
- By being most visible and effective in pathway 3, PSD Toolkit is positioned at the very **beginning of DDE's ToC**, setting conditions at the start or tackling bottlenecks along the way to enable embassies and other Dutch PSD actors (e.g. business, research institutes) to successfully contribute to the direct outcomes in DDE's (new) ToC.
- A large distance remains between PSD Toolkit's work and DDE's ambitions to contribute to **systemic change**. Consequently, it will take some years to observe success of PSD Toolkit in catalysing systemic change.

3.4



Findings – Additionality

[Go to overview](#)

3.4 – ADDITIONALITY: EVALUATION QUESTIONS

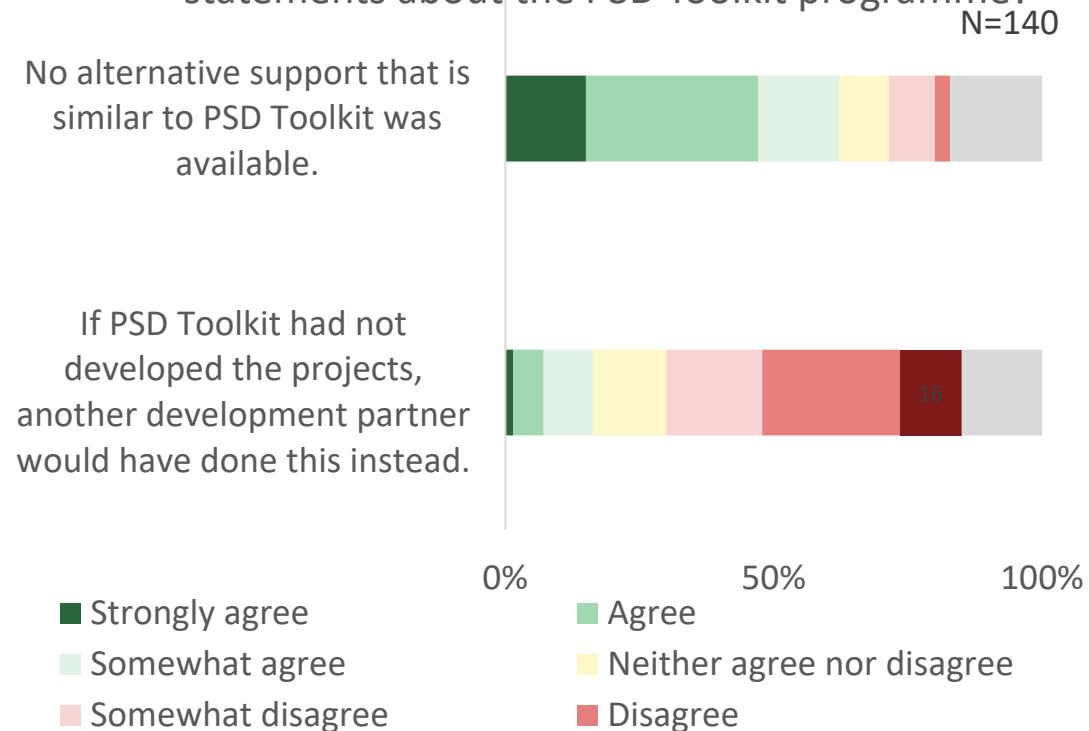
Evaluation questions as revised and presented in the inception report:

- *To what extent does the programme design (including project selection and approval processes) ensure that Apps/Toolkit projects are additional?*
- *To what extent has MFA's funding for Deep Dive projects been 'additional' (in terms of input additionality or development additionality) compared to other sources of public funding already available to Dutch embassies?*

3.4 – ADDITIONALITY: INPUT ADDITIONALITY

Embassy/MFA staff, IC participants, OC implementing partners, local implementing partners, other PSD service provider, RVO staff, Dutch implementing partner, others:

To what extent do you agree with the following statements about the PSD Toolkit programme?
N=140



- PSD Toolkit was additional, mostly in Pathway 3**
 - More than 50% of survey respondents “strongly agree” or “agree” with the statement that there was no alternative support to PSD Toolkit available.
 - Deep dive findings confirm the uniqueness of PSD Toolkit, particularly as it enables relatively small-scale and quick interventions to initiate or facilitate larger PSD interventions, in particular Pathway 3 activities.
 - Less evidence of input additionality in Pathway 1 and 2 as many donors are supporting the same SMEs.

3.4 - ADDITIONALITY: INPUT ADDITIONALITY

PSD Toolkit offered availability, flexibility and speed.

- Embassies are not short of money to undertake Toolkit-like interventions, but these funds are not immediately available and may require a more cumbersome approval and budget appropriation process (e.g., write a BEMO). The added value of PSD Toolkit, compared to the embassies' own means, is **availability, flexibility and speed**.
- Where the Embassy has delegated funds in ongoing programmes, such funds may be locked up in ongoing projects. Embassies are also under pressure not to do many small projects, and avoid fragmentation hence are dissuaded from trying out something small and new. **PSD Toolkit, by contrast, was designed for such small and new interventions.**
- Where Embassies have funds to spare, they may be unable to implement projects due to lack of **staff capacity, lack of contacts** with knowledge and service providers, or face regular staff changes that impede their capacity to execute projects with the same speed as RVO.
 - The Deep Dive Burkina Faso is a case in point, as there was only a small embassy office at the time of PSD Toolkit interventions.

3.4 - ADDITIONALITY: INPUT ADDITIONALITY

PSD Toolkit complemented other PSD instruments that may not have sufficient mandate to intervene

- Many interview respondents deemed the question of whether RVO or Embassy pays the project irrelevant as it is **Dutch funding** in any case. This may, however, also reflect a sense of opportunism in Embassies, some of which readily admitted that it is rather handy for them to shift some work to RVO.
- PSD Toolkit is also additional through its **wide assortment of intervention models as well as the wide country list**, although the latter has been much reduced lately. Of all PSD instruments, PSD Toolkit is the most flexible and can often act where others cannot (mandate, country list, budget).
 - **Counterfactual:** survey respondents in majority declared that in the absence of Dutch funding no other development partner would have taken on the responsibility instead.
- It may be concluded that the **role of PSD coaches and Toolkit is quite unique** and therefore additional to existing programmes.

3.4 - ADDITIONALITY: DEVELOPMENT ADDITIONALITY

The quality of PSD projects was improved by PSD Toolkit and coaches

- Involvement of PSD Toolkit and coaches results in **better PSD projects**.
 - Visible in all Deep Dives
 - Stressed in interviews conducted with other PSD instruments
 - Not only true for the smaller embassies, but also some large development embassies with PSD specialists in place
- PSD coaches bring in complementary expertise, including from other countries, and are **well-informed of the wider Dutch PSD offer** that can be mobilised, so help Embassies on the way in their search in the PSD forest.
- The RVO annual reports suggest that PSD Toolkit is most actively used by embassies that do not (yet) have decentralised budgets. Such embassies value Toolkit for its capacity to support their **economic diplomacy** through PSD actions, but also to prepare for decentralised programmes in PSD later on.

3.4 – ADDITIONALITY: DEVELOPMENT ADDITIONALITY

The quality of PSD projects was improved by PSD Toolkit and coaches

- The Deep Dives (e.g., Nigeria, Vietnam, even Morocco) suggest that development additionality is enhanced where PSD Toolkit capitalises on **Dutch comparative advantages**, for instance in water management, wind energy or agricultural transition. These are sectors in which the Netherlands is better able to support than other donors.
- It is concluded that the *adviesplan* needs to more clearly explain why (for reasons of additionality) PSD Toolkit must undertake a project, which will also help PSD Coaches give push-back where the Embassies' requests are not additional.
- Although PSD coaches are supposed to review additionality prior to agreeing to a project, the desk study of 121 sample projects rarely revealed they do. As far as the question was asked, it is **not documented** and we have little evidence that it got much attention.

3.5



Findings – Sustainability

[Go to overview](#)

3.5 – SUSTAINABILITY: EVALUATION QUESTIONS

Evaluation questions as revised and presented in the inception report

- **Sustainability measures:** *To what extent has the programme taken measures to ensure sustainability of inputs, outputs, and outcomes?*
- **Sustainability monitoring:** *To what extent has the programme monitored and reported on upscaling and replication, including follow-up financing?*

3.5 – SUSTAINABILITY

- The sustainability of inputs, outputs and outcomes was assessed through all available information sources and research methods.
- The evaluation also assessed the scope of PSD Toolkit to have **systemic impact in the long term**.
 - In terms of monitoring data, little information on long-term impact was available.
 - Due to their character, individual PSD Toolkit projects by themselves cannot be expected to have systemic PSD impact at the sector level (let alone national level).
 - However, Toolkit projects are more likely to have systemic impact in three cases:
 - In case Toolkit projects are linked to, or followed up by, other projects (“treintjes”).
 - In case of very large Toolkit projects, including Impact Clusters.
 - In case Toolkit projects have an impact on making the entire PSD agenda of EKN’s more relevant, additional, or coherent.
- While RVO provided information on Toolkit project linkages, the monitoring and reporting of such linkages, upscaling and replication, including follow-up financing, could be further improved.

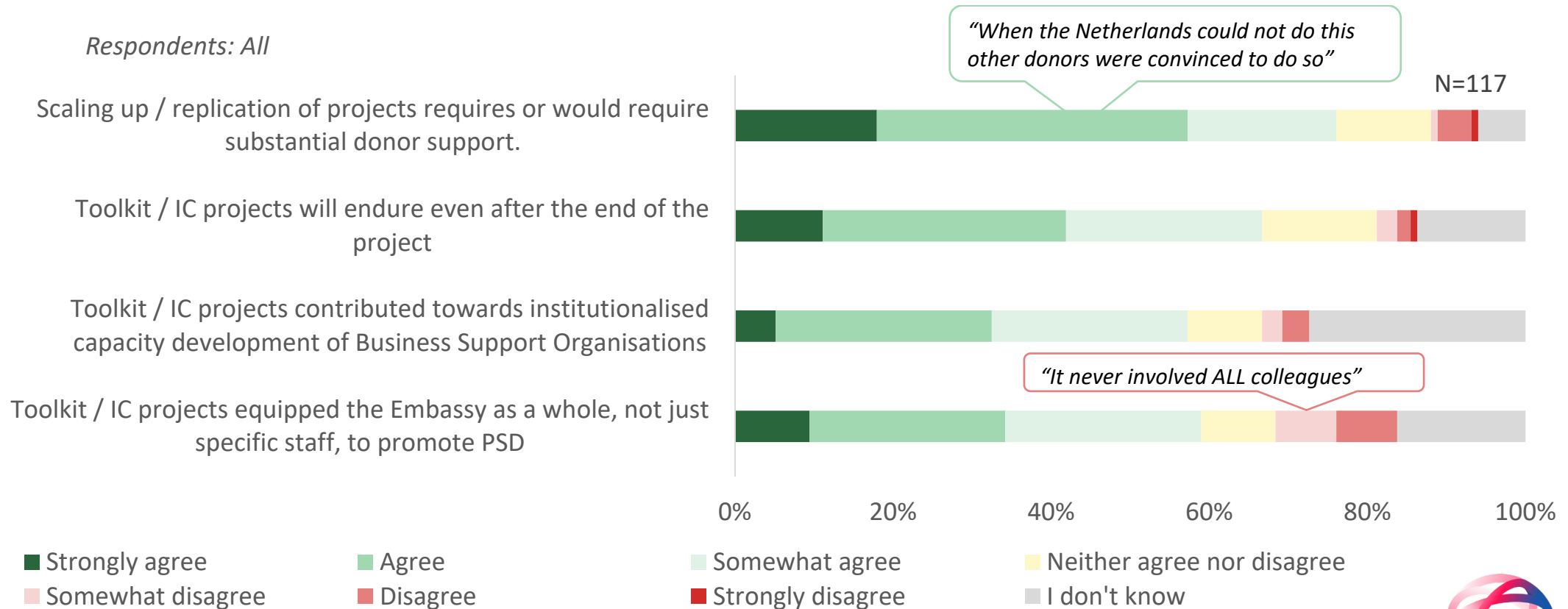
3.5 - SUSTAINABILITY

The project reports, sample projects and survey suggested limited sustainability thus far

- The **PSD Toolkit annual reports** contained little information about the sustainability and long-term results achieved by PSD Toolkit under Impact Pathways 1 and 2. The most relevant measure of sustainability of Toolkit interventions in Pathway 3 is the extent to which there is meaningful follow-up to a Toolkit intervention.
- The desk review of 121 **sample projects** revealed that only a minority of them considered opportunities for sustainability, and few translated these into concrete actions that ensured the sustainability of the project through follow-up actions.
 - However, in many cases such actions may not have been known and decided when the PSD Toolkit intervention ended (e.g., Burkina Faso), while some PSD Toolkit projects were stand-alone activities (e.g., a training or seminar) with no intended continuation.
- In the survey, only 40% “strongly agreed” or “agreed” that PSD Toolkit had a lasting impact, and only 30% (strongly) agreed that PSD Toolkit contributed to institutionalised capacity development.
 - This may have to do with the nature of many projects, as many are one-off activities (training events, seminars) or early-stage studies.

3.5 - SUSTAINABILITY

Survey respondents did not strongly consider Toolkit/IC results as sustainable, but more strongly agreed that follow-up support was required for scaling up and replication



[Go to overview](#)

Note: There were no large differences in answers between different stakeholder groups.



3.5 – SUSTAINABILITY

The Deep Dives provided examples of PSD Toolkit leading to follow-up actions and sustainable impact

- The likelihood that a PSD Toolkit project has sustainable impact increases if there is a **follow-up PSD project** (from PSD Toolkit, other Dutch or non-Dutch PSD instruments, or private sector initiatives).
 - The PSD Toolkit team's intensified efforts to interlink Toolkit projects have already contributed to improving the likelihood of sustainable and systemic impact.
 - However, the extent to which there is follow-up (from PSD Toolkit, other PSD instruments, or private sector initiatives) is not yet systematically monitored or reported.
- The Deep Dives provided many examples that such follow-up is happening, e.g.:
 - Scoping studies leading to new projects or investments;
 - Match-making and trade missions leading to new and lasting connections;
 - Training and coaching leading to capabilities being strengthened and practised.

3.5 - SUSTAINABILITY

- When projects focus on sectors in which the Netherlands has a **comparative advantage**, the likelihood of follow-up through private sector initiatives from the Netherlands increases.
 - The Deep Dives from Nigeria, Uganda and Vietnam all provided examples of cases where PSD Toolkit interventions led to Dutch business activity and public-private partnerships
 - An interesting example was the Nigerian-Netherlands Seeds Partnership, which may well provide the basis for lasting business collaboration, hence sustainable provision of seeds.
- However, the Deep Dives also revealed that PSD Toolkit interventions often initiate such collaboration, but are not engaged in the necessary **scaling-up phase**, hence may exit too early for sustainability. PSD Toolkit only rarely contributes to systemic change.
 - The repositioning of the Ugandan dairy sector from importer to exporter is such a rare example, and PSD Toolkit contributed to this along with other EKN and RVO interventions. However, even in this case stakeholders were hoping for continued Dutch support.

3.5 – SUSTAINABILITY

- As noted earlier, PSD Toolkit projects (e.g., studies) sometimes result in a “no-go” **decision** (e.g., because the proposed intervention is found not to be relevant, effective, or additional)
 - In such cases, the absence of follow-up could actually mean that the intervention was effective (and the fact that a ‘negative advice’ was followed up by ‘zero action’ can be seen as a sustainable result)
- Many stakeholders recognised that PSD Toolkit **helped EKNs as a whole**, and not just their PSD staff, to become more aware of PSD needs and pursue more PSD activities.
 - For example, some EKNs were transitioning from Aid to Trade, and had become more attentive to business leads.

3.6



Findings – Efficiency

[Go to overview](#)

3.6 – EFFICIENCY: EVALUATION QUESTIONS:

Evaluation questions as revised and presented in the inception report:

- **Actual efficiency:** *To what extent were timelines and budgets for Deep Dive projects implemented according to plan?*
- **Perceived efficiency:** *To what extent do stakeholders consider Apps/Toolkit processes to have been timely and cost-effective?*

3.6 – EFFICIENCY: GENERAL FINDINGS

PSD Toolkit was generally regarded as having an efficient instrument and team

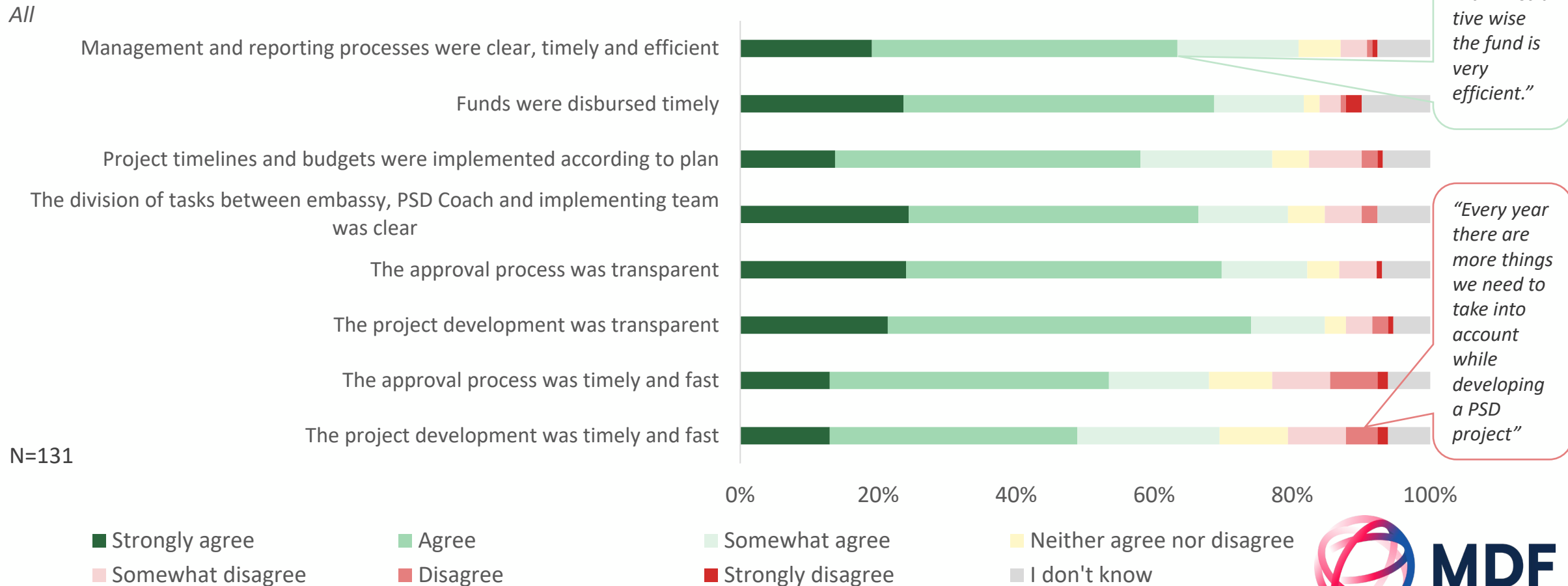
- RVO coaches in their advisory plans (*adviesplannen*) and **end-memos pay little attention to analysis of efficiency**, and documentation rarely mentions efficiency constraints beyond delays or budget.
 - For example, little is said about the cost-effectiveness of interventions (cost of outputs) or value for money (value of outcomes), and no cost-benchmarking takes place.
 - Neither the advisory plan nor the end-memo contains an efficiency section.
- Only 20% of end-memos mention efficiency issues, mainly implementation delays and budget overruns.
- Interviews with embassies and PSD stakeholders, however, generally recognise the PSD Toolkit instrument and team to be efficient, namely **responsive, quick, flexible to evolving needs**, with projects generally well-conducted.
 - PSD coaches helped to quickly link requests/issues to instruments (e.g., Deep Dive Vietnam, Burkina Faso, and Nigeria).

3.6 – EFFICIENCY: GENERAL FINDINGS

- Survey respondents largely (> 50-70%, depending on the question – see next slide and appendix C) agreed that the PSD Toolkit programmes were efficiently implemented, although some delays and budget issues were reported by RVO and OC staff. In the comments some respondents indicated dissatisfaction with the timeliness of the project development and approval process.
 - This was also brought up in the Deep Dive Uganda.
- Some embassies felt that the **monitoring and management burden** can be heavy, with lots of information being asked (by RVO). Furthermore, with each passing year the management and information load has increased, which some deem disproportionate to the (small) size of most PSD Toolkit projects.
- Survey respondents also noted that the earlier-mentioned cross-cutting issues may burden project efficiency (see Annex C).

3.6 - EFFICIENCY: GENERAL FINDINGS

Respondents largely agreed that the programmes were efficiently implemented. However, some respondents indicated dissatisfaction with the timeliness of the approval process.



Go to overview

Note: [Click here to see that OC implementing partners and RVO staff were most sceptical about the orderliness of timelines and budgets.](#)
 There were no large differences for remaining sub questions.

3.6 – EFFICIENCY: APPROVAL PROCESSES

PSD Toolkit approval was light to RVO standards

- The PSD Toolkit approval process is **light and efficient** compared to other RVO instruments that often involve long and complex decision processes.
 - The survey only recorded few complaints on the decision times.
- The request for a project is expected to **emanate from the embassy**, although in some cases the PSD Coach or other individuals played a role in project identification. The request must fit into the embassy's MACS or annual plan. For larger and complicated projects external experts inside and outside RVO may be consulted, including the RVO's thematic focal points.
- Once the Embassy and PSD coach have agreed on the “*adviesplan*”, which may incorporate contributions of thematic experts in the PSD Toolkit team, the approval of the **regional coordinator** is sufficient to launch the project. Thus, no complex procedures involving a sequence of approval steps and documents are required, with the exception of the largest projects.

3.6 – EFFICIENCY: APPROVAL PROCESSES

The PSD Toolkit approval process was appropriate for such small sized projects

- This apparent lightness of the approval process is in part explained by the **small size** of PSD Toolkit projects, between EUR 20,000 and EUR 500,000, where most are below EUR 100,000 (See Annex A).
- We have no indication that a heavier procedure would be required for reasons of quality control.

3.6 – EFFICIENCY: IMPLEMENTATION

PSD Toolkit projects were generally implemented efficiently, although more complex projects (may) faced constraints

- PSD Toolkit projects were mostly delivered **on time and within budget**.
- Small PSD Toolkit projects with **straightforward deliverables** with short timeframe (e.g., studies, trade missions or exposure visits) encountered few complications and were generally completed on time.
- Projects that depended on **cooperation of others** (e.g., coaching of enterprises or capacity development of govt) were less likely to meet original targets in terms of timeliness and reach.
- A core cause of efficiency is the fact that the instruments can be **mobilised at short notice** as no BEMO is needed to secure approval and budget.
 - Although the PSD coach must write an ‘advisory plan’, this is generally concise while PSD Toolkit budget is already available.

3.6 – EFFICIENCY: COST EFFECTIVENESS

It was efficient for embassies to involve the PSD coach, but not all embassies had staff capacity for efficient follow-up

- RVO taking part in PSD work on the embassies' behalf constitutes an element of efficiency – **PSD coaches may do it more efficiently than the embassy's own staff could.**
 - Thus, PSD coaches and Toolkit developing and implementing embassy PSD programmes may be less costly than embassies hiring a full complement of PSD experts.
- Efficiency is affected by the **quality and quantity of existing embassy staff.** Embassies with staff limitations may have more need for PSD Toolkit, but at the same time may make it less efficient (and effective) due to weak follow-up.
 - Some of the new countries mentioned in the latest BHOS policy brief initially lacked sufficient staff capacity, and this was visible in the Burkina Faso Deep Dive.
 - Some embassy staff are considered highly proactive, while others are not.
 - There are also countries on the country list without an embassy, and these are generally less-active users of PSD Toolkit.
 - Some embassies suffer from recurrent staff changes, with negative results for PSD programmes.

4



Findings – Impact Clusters

[Go to overview](#)

4. FINDINGS IMPACT CLUSTERS - OVERVIEW

4.1

[Findings IC - Synopsis](#)

4.2

[Findings IC - Relevance](#)

4.3

[Findings IC - Effectiveness](#)

4.4

[Findings IC - Additionality](#)

4.5

[Findings IC - Sustainability](#)

4.6

[Findings IC - 2g@there](#)

4.1



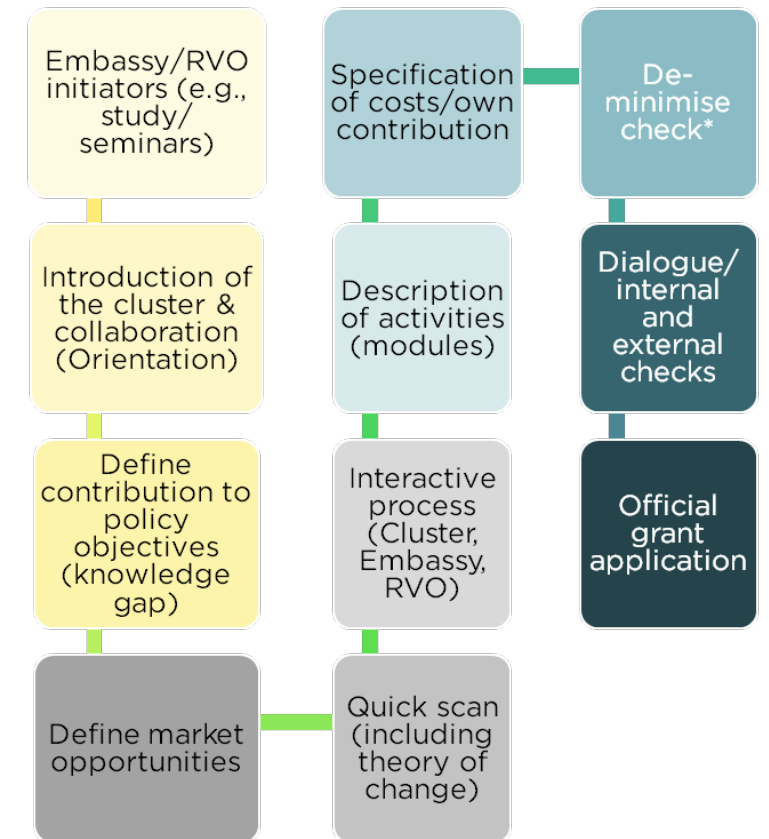
IC Findings – Synopsis

[Go to overview](#)

4.1 – IC FINDINGS: SYNOPSIS

- IC projects are a follow up of 2g@there programme. The module started in 2016 to increase opportunities for successful entrepreneurship in a particular sub-sector or value chain with the introduction and application of new knowledge, skills, and technologies.
- IC is a collaboration module designed to provide multiannual support to groups of businesses (and knowledge institutions/NGOs) that see specific opportunities in a market/sector combination and that can contribute to local PS development. At the same time, IC help Dutch companies to do business internationally in developing markets.
- Each IC consists of at least 4 companies and 1 or more additional sector stakeholder (e.g., an NGO, (local) government, knowledge institute, general consultancy firm). An IC is led by the main applicant (“penvoerder”), which can be one of the companies, a (local) consultant, an NGO/an independent Netherlands-based organisation.
- Each IC is expected to contribute to an increase in trade and investments in developing countries by the Dutch and local private sectors and strives to cover:
 - Demonstrating a new proven technology, capital asset/service
 - Knowledge transfer and capacity building (e.g., training, education, “train-the-trainer”, curriculum development)
 - Coordination (secretary = ‘penvoerder’)
 - Supporting studies (bottlenecks, baseline, M&E)
 - Coordination (presentations and campaigns about project results)

Key process steps in IC project development



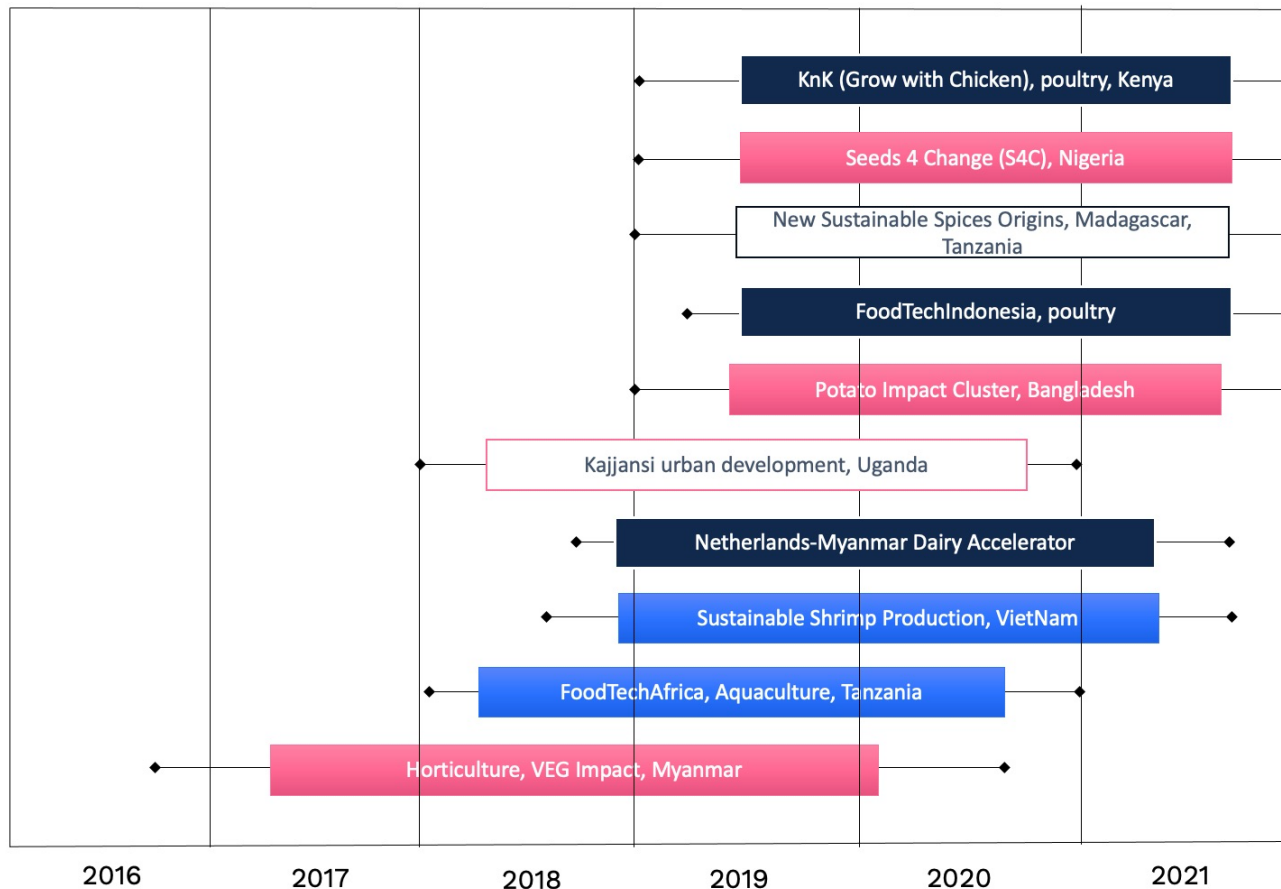
4.1 – IC FINDINGS: SYNOPSIS

- In March 2022, there were 10 finalised and 20 IC projects under implementation, 30 in total. From these, only 3 officially finalised
- After its first project in 2016, IC projects had a relatively long start-up period caused by the time required to arrive at a solid consortium and a lead partner. Thus, IC programme spent 2017 developing 7 and selecting 5 projects. The pace of facilitating IC project development took up as 7 new IC projects were funded per year in 2019, 2020, and 2021.
- IC module thus far was/is active in 16 countries, in half of which multiple ICs are/have been implemented. Uganda is the country with the highest number of ICs (4), followed by Bangladesh (3), Nigeria (3), and Vietnam (3).
- IC projects vary in duration from 1.5 to 4 years, with an average subsidy budget of €455,000.
- 47% of IC projects are in agriculture sector (from which 70% in horticulture) and 33% - in livestock (from which 70% in poultry). Other IC are in aquaculture, water management, urban development, and tourism.

Countries	2016	2018	2019	2020	2021	2022
Bangladesh			1		1	1
Benin				1		
Egypt				1		
Ghana		1			1	
Indonesia			1			
Ivory Coast				1		
Kenya			1			
Myanmar	1	1				
Niger					1	
Nigeria			1		2	
Rwanda				1		1
South Africa					1	
Tanzania		1	1			
Uganda		1	1	1		1
Vietnam		1		1	1	
Zimbabwe				1		
Multi countries			1			
Grand Total	1	5	7	7	7	3

4.1 – IC FINDINGS: SYNOPSIS

Impact Clusters (IC) module was evaluated separately as one of the more specific tools in the PSTK, from which 10 IC projects were studied in depth (from these 3 are also part of Deep Dives in 3 countries)



IC-specific evaluation questions are answered based on

- Desk parvorder study of
 - All IC projects, DDE policies and MASPs/MACSS (relevance)
 - In depth study of 10 IC projects that are either finalised or on the final stage (all other evaluation questions)
 - MTR and available lessons from 2g@there projects (questions on learning)
 - RVO project online database
- Interviews with 4 PSD Coaches, Team Manager PSD, 6 IC project coordinators (9 IC projects)
- More information about 3 IC projects as a part of Deep Dives
 - Nigeria (1, in the list of 10),
 - Uganda (1 additional to the list), and
 - Vietnam (1, in the list of 10)

[Go to overview](#)

Source: RVO Apps internal database, presented end dates per project documentation, which do not take into account actual projects' closing dates

4.2



IC Findings – Relevance

[Go to overview](#)

4.2 – IC FINDINGS: RELEVANCE

Priorities and policy framework of DDE/DGIS

- The goals of all IC projects are linked to the PSD-development priorities of DDE/DGIS as described in two out of three key objectives of the policy document “A World to Gain: A New Agenda for Aid, Trade and Investment”: (1) to promote sustainable and inclusive economic development worldwide, and (2) to facilitate business of Dutch companies abroad. IC projects are implemented in connection with other EKN/DDE/DGIS-supported projects that also cover the third objective: eradicate extreme poverty in a single generation.
- The overall goal and funded activities of IC module are a relevant translation of the one of the two-pronged approaches to PSD of DGIS, i.e., focus on stimulating entrepreneurship by supporting both local and Dutch companies in doing business, thereby boosting local economies, and increasing sustainable trade.

Priorities within MACSs*

- Almost all IC projects address EKN priorities as specified in multi-annual country strategies (MACS)
- All IC projects in 13 out of 15 countries are in line with MACSs although in Indonesia and Myanmar IC projects started before the current MACSs. As for 2 remaining countries,
 - IC in South Africa is likely to be in line with one of the MACS priorities
- 2 out of 3 IC in Uganda are in line with the current MACS. 1 falls outside of the current strategy timeline

Priorities in SME development/PSD in Deep Dive countries

- All 3 IC projects in Nigeria: (1) Seeds 4 Change (S4C) Impact Cluster (2019-2021); (2) Insects Cluster Nigeria (2021-2024); and (3) Livestock Transformation Impact Cluster (2021-2023) are in line with PSD priorities of Nigeria MACS 2019-2022
- 2 out of 3 IC in Uganda are in line with the current Uganda MACS 2019-2022. Kajjansi urban development impact cluster (2018-2020) is not but it has started before this strategy was made
- All 3 IC projects in Vietnam: (1) Sustainable Shrimp Production (2018-2021), (2) Sustainable Shallot Value Chains (2021-2024), (3) Quality Improvement Tropical Fruit (2020-2023) are in line with PSD priorities of Vietnam MACS 2020-2023

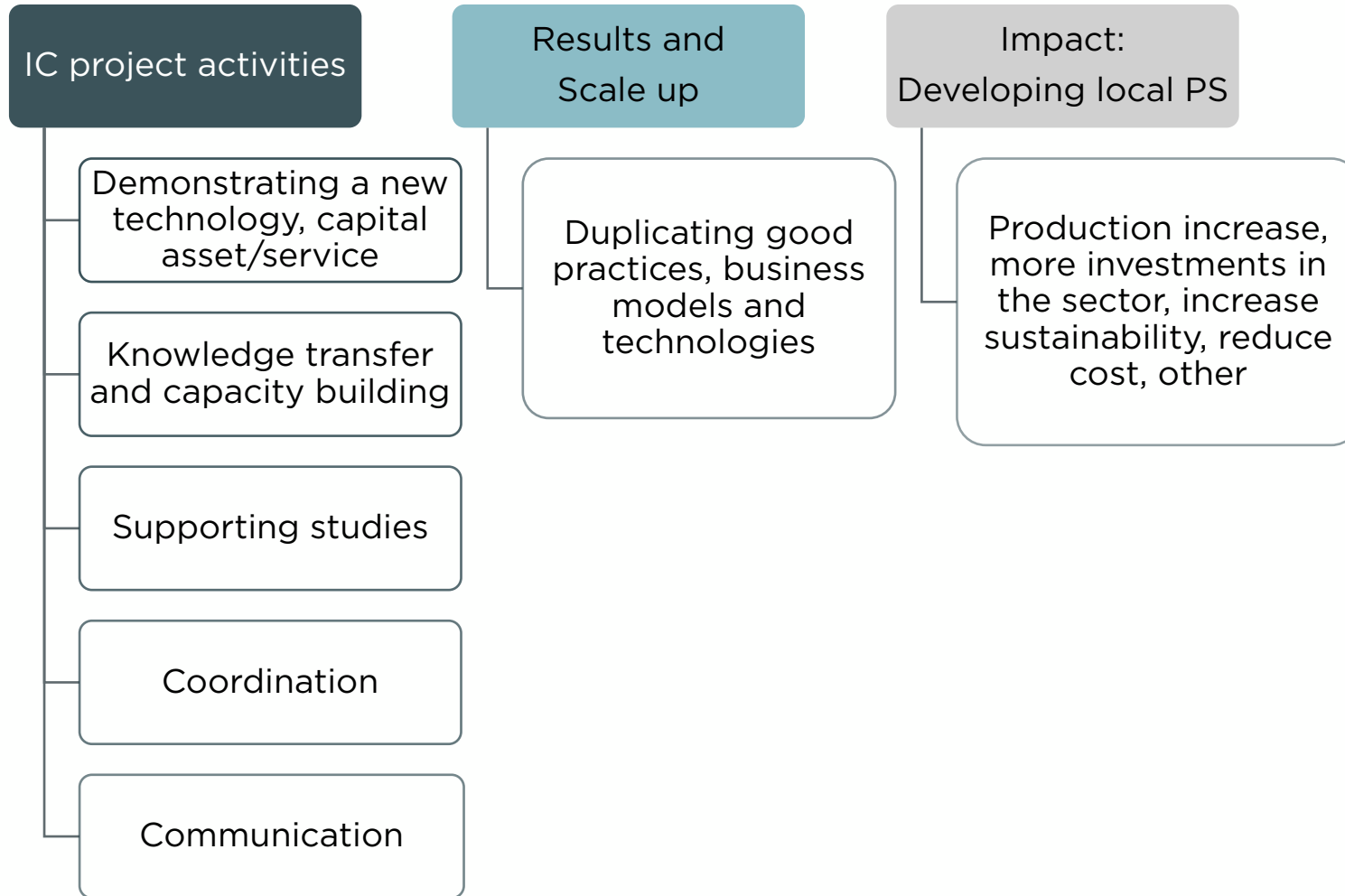
4.3



IC Findings – Effectiveness

[Go to overview](#)

4.3 - IC FINDINGS: EFFECTIVENESS



- This chain is made - based on description of the IC module - by evaluators for purpose of explaining relations between different level of the studied IC project results
- It stipulates, in broad brushstrokes, that key activities/modules of IC projects are designed to result in scaling up demonstrated good practices, business models, or introduced technologies, which - in turn - contribute to the development of local private sector
- In the following section, the emphasis is on the immediate results (outcomes) following the IC project activities

[Go to overview](#)

4.3 – IC FINDINGS: EFFECTIVENESS

- Every IC project includes a Training of Trainers (ToT) component and substantially accomplishes its target. Most of the time, projects even reach beyond than they were originally planned to. Only a small number of projects, however, can track the number of farmers or professionals trained by trainers (ToT), as gathering this information is not part of the project's scope.
- The size of results of capacity development through on-the-job training, TOTs, learning by doing, and online courses (adjusted during Covid-19 pandemic) is shown in the table below. Three finished projects have reported this data.

IC project	PSD 7a: # people trained						PSD 7b: # people reached
	SME entrepreneurs or employees			SME entrepreneurs or employees, trainers			workshops, seminars, meetings other
	Total	% female	% youth	Total	% female	% youth	
VegImpact Myanmar	7800	40	80	25	50	80	10.000
Aquaculture Tanzania	414			24	40	65	390
Kajjansi Urban Development Uganda	-	-	-	-	-	-	223
Total	8214	40	80	49	45	72,5	10.613

4.3 – IC FINDINGS: EFFECTIVENESS

In **horticulture** projects:

- Farmers who participated in crop trials adopt good agricultural practises (GAPs) after being persuaded by an increase in production, a decrease in post-harvest loss, and an improvement in the quality of produce.
- Reportedly, this number increases as farmers showcase their higher harvests e.g. VegMyanmar, Potato Bangladesh and S4C Nigeria.

In **fishery and poultry** projects:

- Local SMEs and markets have grown as a result of the introduction of know-how and inputs suitable for both shrimp farming in Vietnam and fish farming in Tanzania.
- Additionally, IC projects create a strong platform for information dissemination.

In **spices** for EU export (export market development) project:

- Spice growers create higher-quality produce for export, but few are eager to hold out for longer-term returns and instead prefer to sell their goods to local or regional buyers.

In **urban development** project:

- Local businesses adopt an innovative strategy to create, design, and prototype locally tailored solutions to the most pressing urban development challenges.

4.3 – IC FINDINGS: EFFECTIVENESS

In **horticulture** projects:

- In value chains where both harvesting and storing are targeted, demonstration is effective for adopting a GAP; however, this takes time; Participating farmers in the Potato Bangladesh IC failed to harvest more during the first season because they neglected to apply a GAP. This was altered in the second season with improved yield.

In **fishery and poultry** projects:

- Dedicated work with a selected local partner, ongoing technical on-the-job support, and local presence of both the coordinating partner and the main exporter are among the success factors here. Demonstrating well-equipped and managed farms is effective in persuading farmers to adopt the introduced innovations.

Horticulture, fishery and poultry projects

- run more smoothly when introducing inputs and know-how while importing equipment makes projects more challenging because of import restrictions and local market constraints that substantially impede implementation.

In **spices** for EU export (export market development) project:

- There are significant obstacles to envisioned spin-offs due to legal and other local PS dynamics, such as a lack of physical transparency and incentives to choose longer-term gains over short-term ones.

In **urban development** project:

- Scaling up IC projects becomes difficult as well-designed solutions face limited financial backing in the post-project period, i.e., when early stage dept/risk capital is unavailable (known "valley of death" in the business cycle).

4.3 – IC FINDINGS: EFFECTIVENESS

IC projects	Demonstration	Knowledge transfer and cap.dev.	Studies	Results
VEG Impact Myanmar	Input: seed varieties 4 crops Know how: storage systems	Participating farmers learn by doing GAPs of growing new varieties of onion, tomato, and improving technology of mun bean sprouting	Potential for export to regional markets	Demonstrated increased yield, reduced post-harvest loss, improved quality Farmers working on model farms convinced in using GAPs
Potato Bangladesh	Input: seeds Equipment: Dutch sorting, grading, packaging and storage equipment	Learning by doing to participating farmers: waiting to harvest first season unsuccessful, second season - successful	Feasibility assessment of the new storage business model	A combination of the high-quality seed potatoes from the Netherlands and improved practices => higher yields and to improved the storability => increased productivity and net farm income
New Sustainable Spices Origins (NOSS) Madagascar and Tanzania	Know how: focus on quality improvement and assurance of export-oriented spices	Training manuals for cardamom and cinnamon grower farmers in Madagascar and Tanzania and introduction of quality standards for adoption by Tanzania Bureau of Standards	-	No progress in Madagascar; 50% of the consortium partners buying more products from Tanzania and all satisfied with the quality.

4.3 – IC FINDINGS: EFFECTIVENESS

IC projects	Demonstration	Knowledge transfer and cap.dev.	Studies	Results
Seeds 4 Change (S4C) Nigeria	Input: seeds for 5 vegetable crops	Training of vegetable grower farmers on demonstration farms in crop cultivation practices	Market study	Number of interested farmers increased
FoodTechAfrica: Sustainable Aquaculture Tanzania	Equipment: recirculating aquaculture systems, water holding equipment Input: Tilapia genetic material	On-the job training, workshops and online materials for fish farmers, visits to a newly built training facility	Market study, aquaculture genetics, import barriers,	Technologies from NL well-suited for fish farming in Tanzania, local business (Big Fish) grown, local market developed, solid foundation for spreading the knowledge
Sustainable Shrimp Production Viet Nam	Input: probiotics products Know how: introduction of a nursery phase to the production process	Sessions to local stakeholders in a specially constructed centre, combining training facility, a shop and a service lab, all locally managed. Plus, knowledge transfer videos on use of probiotics for Vietnamese shrimp sector stakeholders	Market studies, localisation search, antibiotic and probiotics market study	Increased usage of introduced products in the Vietnamese shrimp sector positively =>improve performance, increase health, reduce disease pressure => sustainable shrimp sector development

4.3 – IC FINDINGS: EFFECTIVENESS

IC projects	Demonstration	Knowledge transfer and cap.dev.	Studies	Results
Kajjansi Urban Development Uganda	Know how: design of (1)Plastic waste mngm and recycling, (2)food logistics and (3)spatial design and urban planning.	Training sessions, summer schools, participation in the process of prototyping urban development solutions	Market and case studies	Successful local business active in recycling (although Dutch partner pulled out) Sustainability approach adopted by Kampala municipality
Food Tech Indonesia	Equipment: Broiler and layer demonstration farms (automatised feeding, ventilation, lighting, etc systems)	Online training (by Aeres) in different aspects of broiler and layer management	Study of all regulations, market study, localisation search, business case	Farms are constructed and functioning as models
Kukua na Kuku - KnK (Grow with Chicken) Tanzania	Equipment: broiler and layer demonstration farms (systems)	Training of extension services workers and farmers (by Aeres) visiting training centre from Moshi and Dar es Salaam regions	Training needs assessment and poultry health study	Both layer and broiler farms built and equipped; Videos, tweets, other social media posts developed and published promoting the nutritional benefits of poultry products

4.4



IC Findings – Additionality

[Go to overview](#)

4.4 – IC FINDINGS: ADDITIONALITY

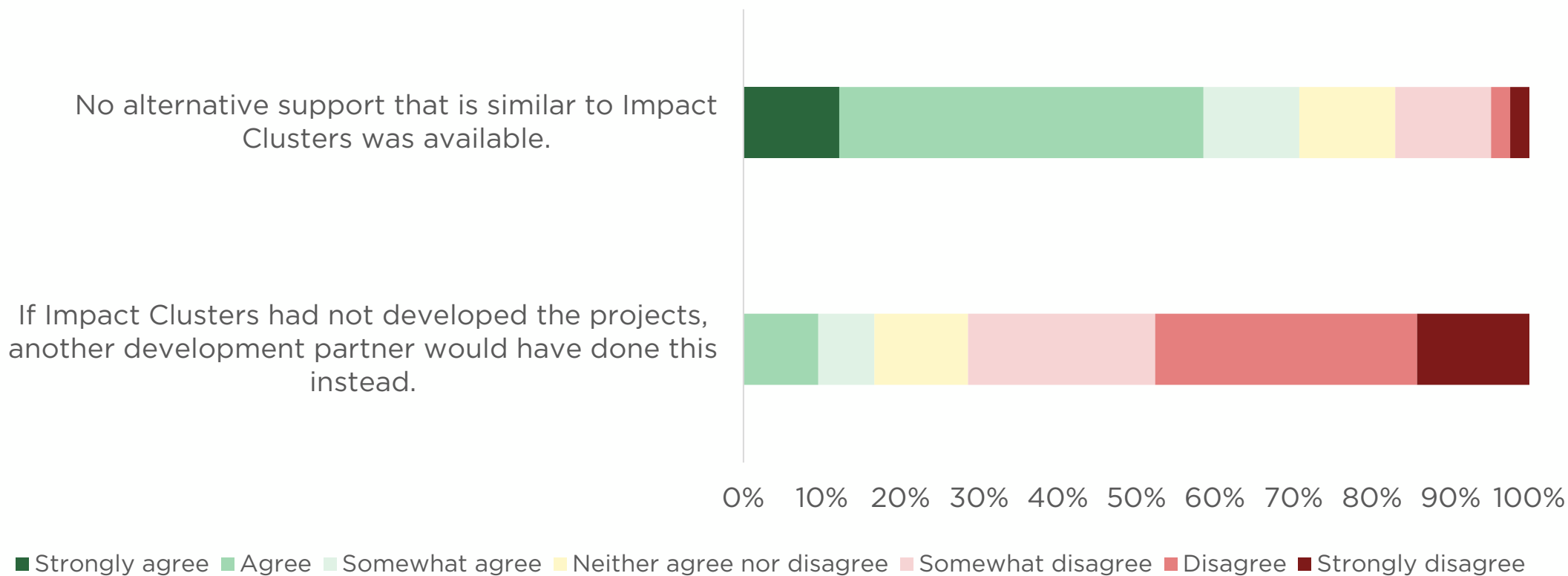
- Majority of survey respondents believe that no alternative support similar to IC was available with 30% (strongly) agreeing and 5% somewhat agreeing to this statement. 12% believed that depending on the sector, there are other opportunities for this type of support or there would be (e.g. developed by other donors) if IC module was not offering it, whilst around 12% did not see the additionality of the IC support. The remaining respondents refrained from answering the question.
- When the issue is posed in another manner “had IC project not being developed, would another development partner have done it?”, only 11% (strongly) believe that another development partner would have completed the task had the IC project not been developed. Even more respondents (25 percent [strongly] agreed and 12 percent somewhat agreed) thought that the gap would not have been closed with another initiative. Around half of the respondents refrained from answering this question again.

“Working in public private partnerships is rather unique. Most other donors have money for either development aid or trade promotion. We facilitate the private sector to make the first steps in a new market with co-funding by the companies themselves and that ensures long term commitment in case the project is a success, as well as transfer of technologies and knowledge that is different when given by companies to companies with an interest in the business case”

“...no other instrument would have picked up activities with an Netherlands consortium”
Survey respondents

Source: survey responses specific to IC projects

4.4 - IC FINDINGS: 2G@THERE



Source: survey responses specific to IC projects

[Go to overview](#)



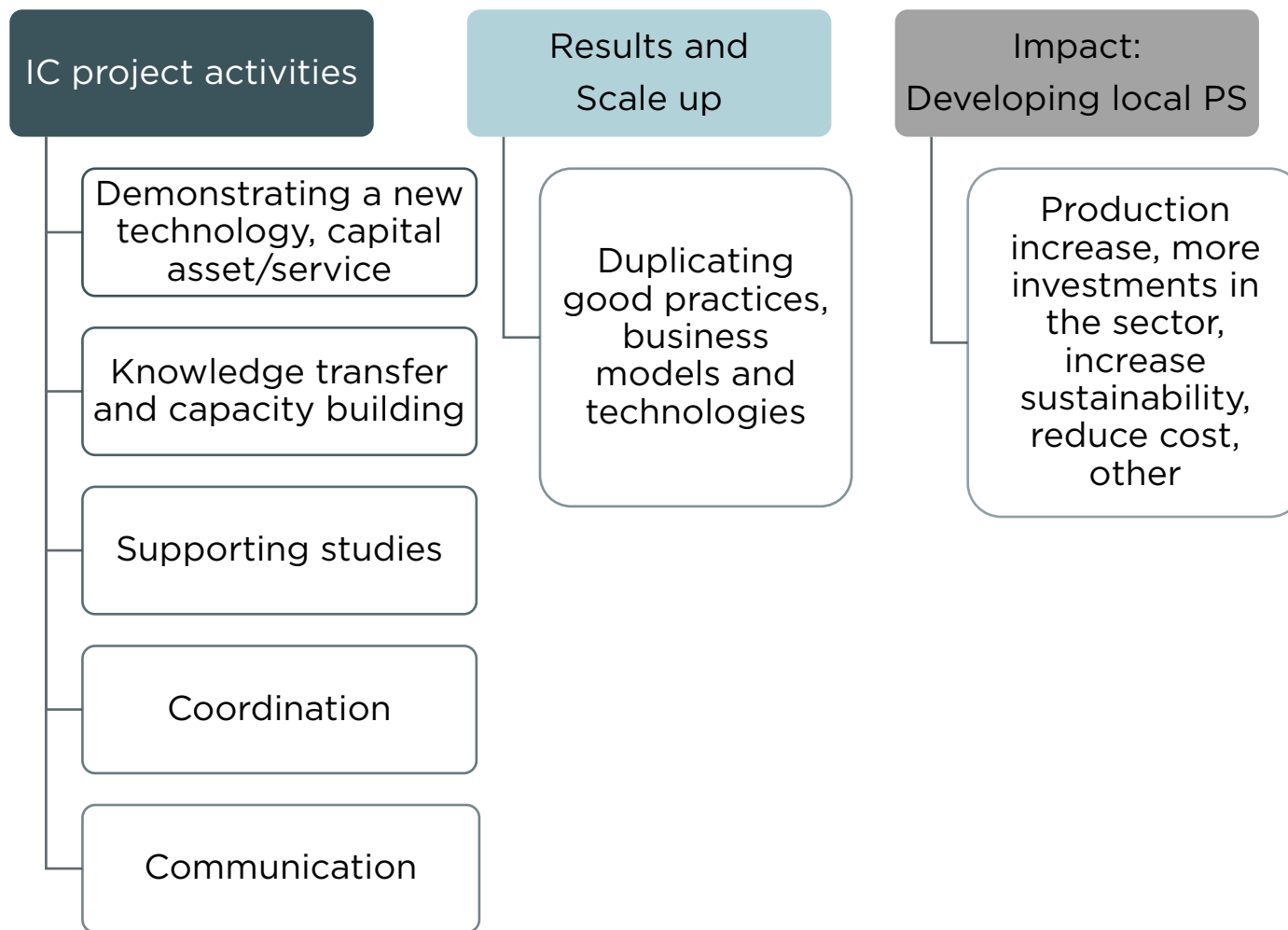
4.5



IC Findings – Sustainability

[Go to overview](#)

4.5 - IC FINDINGS: SUSTAINABILITY



- This chain is made - based on description of the IC module - by evaluators for purpose of explaining relations between different level of the studied IC project results
- It stipulates, in broad brushstrokes, that key activities/modules of IC projects are designed to result in scaling up demonstrated good practices, business models, or introduced technologies, which - in turn - contribute to the development of local private sector
- In the following section, the emphasis is on the ultimate level of results (impact) following the immediate results of IC project activities

4.5 – IC FINDINGS: SUSTAINABILITY

It must be acknowledged that IC projects are created to fit a specific context, with a specific combination of partners in many nations at various levels and sectors, which makes it challenging to identify universally applicable, general criteria for sustainability.

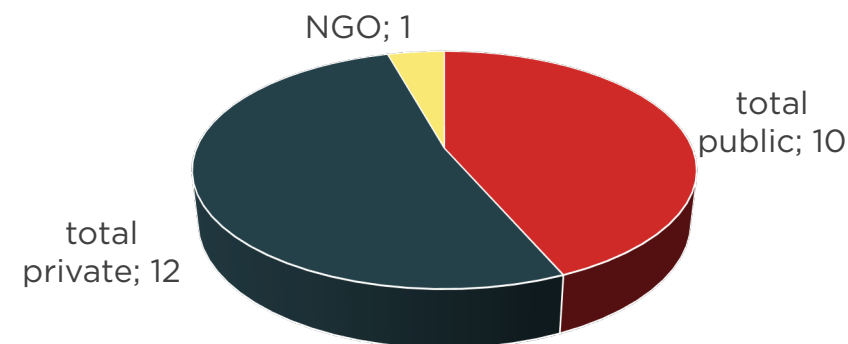
Additionally, there aren't enough completed or closed IC initiatives and the Covid-19 outbreak has disrupted the majority of them, making it challenging to make a conclusive statement on the conditions that ensure sustainability.

That being said, among the specific factors ensuring the sustainability of many studied IC project results are

- Profitability of local businesses. i.e., local SMEs that profit from production increase and/or reduced cost of production/distribution due to introduced good practices, business models, and technologies
- Own/local contributions in terms of land/equipped demonstration sites (production, storage), labour, and coordination (farmer groups)
- Linkages with larger-scale projects ensuring connection with sector-wide developments e.g. Dairy Uganda, S4C Nigeria, Shrimp Viet Nam

- Established partnerships with Dutch and regional companies for profitable business and trade relations. Indeed, the majority of the IC projects studied form additional partnerships in beyond the initial project partnership (detailed in the application). These are mostly B2B, with a few PPPs added to the mix. Below data reported by closed IC projects

PSD 1a: # parties formally starting a business collaboration and/or partnership, end of project data (3 closed projects)



Source: interviews with PSD coaches and project coordinators of 9 IC projects

4.5 – IC FINDINGS: SUSTAINABILITY

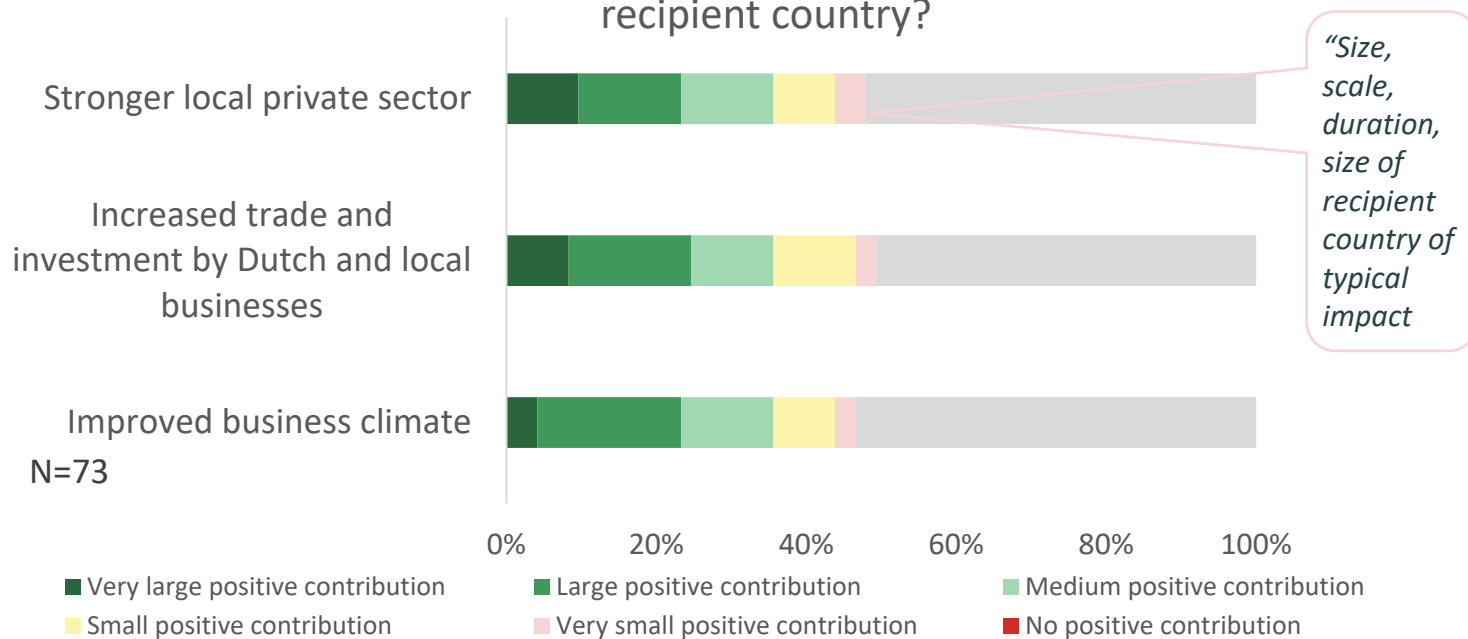
- At least 3 of the 10 completed IC projects have documented data on increased trade and investment in a targeted sector/farmers level, i.e.:
 - Veg Myanmar IC project: 400 smallholder farmers linked to value chain, with median difference in crops % in demo farmers' yield and/or income compared to non-demo farms increase of 150%;
 - Sustainable Aquaculture Tanzania IC project: TilAqua moved production of fingerlings to Tanzania;
 - Shrimp Vietnam IC project: TopsyBaits experienced strong sales growth in Vietnam and has a local distributor in Vietnam (more specific estimations of increased trade are expected in 2023);
- Due to the nature of IC projects, these data only demonstrate sector change rather than reliable data on project contributions.
- Even with limited data, most stakeholders agreed that when combined with other DGIS/EKN initiatives, such as dairy agribusiness in Uganda, horticulture agribusiness in Nigeria, and aquaculture agribusiness and trade in Vietnam, IC has the potential to "open up" a sector for local PSD.

4.5 – IC FINDINGS: SUSTAINABILITY

Around 50% of surveyed IC participants and EKN/MFA staff think that IC projects' positive contribution to the local PSD, increased trade & investment by Dutch and local businesses as well as improved business climate was (very) large. Around 20-25% believe that contribution to these goals was medium and only 25-30% that it was (very) small.

Embassy/MFA staff, IC participants:

To what extent did IC contribute to the following results in the recipient country?



N=73

■ Very large positive contribution
 ■ Large positive contribution
 ■ Medium positive contribution
■ Small positive contribution
 ■ Very small positive contribution
 ■ No positive contribution

■ I don't know

Source: Evaluation survey responses

Quote on IC projects reaching objectives: *"they are Topsy Baits not linked only to PSD Toolkit and/or coaches. Knowledge transfer (capacity and educational) are the strongest contributions. Law and policymaking is a much broader area where I see a limited (but positive!) result. An example is on bilateral export certification (veterinary, phytosanitary)".*

Quote on the extent IC projects contributed to local PSD: *"relatively easy to use instrument that fits very well the embassy transition 'aid to trade'. Onion, potato and poultry were set up through IC modality and is a great way to do PSD whilst exposing Dutch companies to the Bangladesh market."*



[Go to overview](#)

4.5 – IC FINDINGS: SUSTAINABILITY

Among reported **catalytic effects**, the main ones are:

- Spurring growth of local businesses e.g. Big Fish in Tanzania and ShrimpVet in Vietnam
- Strengthening work of the sector-specific coordinating bodies/meetings, e.g. with the Vegetable Sector Acceleration Taskforce in Myanmar,
- Improving sector coordination by liaising with relevant ministries/governing bodies e.g. Tanzania Bureau of Standards (NOSS)
- Stimulating partnerships beyond national level e.g. partnership TipTopp in India and Indonesia, as a direct follow up from ShrimVietnam IC project.

Quote on systemic impact: *“fund size will always be at odds with impact: in a country like Bangladesh you cannot expect to achieve systemic change with relatively small projects.”*

Among key **remaining hindrances to local PSD** are:

- Smallholder farmers are extremely hesitant to co-invest beyond their farm(land) e.g. in transportation of their produce
- In countries where aid relationships (development cooperation projects) are dominant, local partners see imbalance in (partially) subsidising only Dutch IC participants activities
- Size, scale, duration, size of recipient country, of typical impact cluster project limits these outcomes
- Most importantly, IC are “bridges” and “instigators” of the private sector development and while they might succeed, a necessary debt capital should be available to see longer-term and scaled up results

4.6



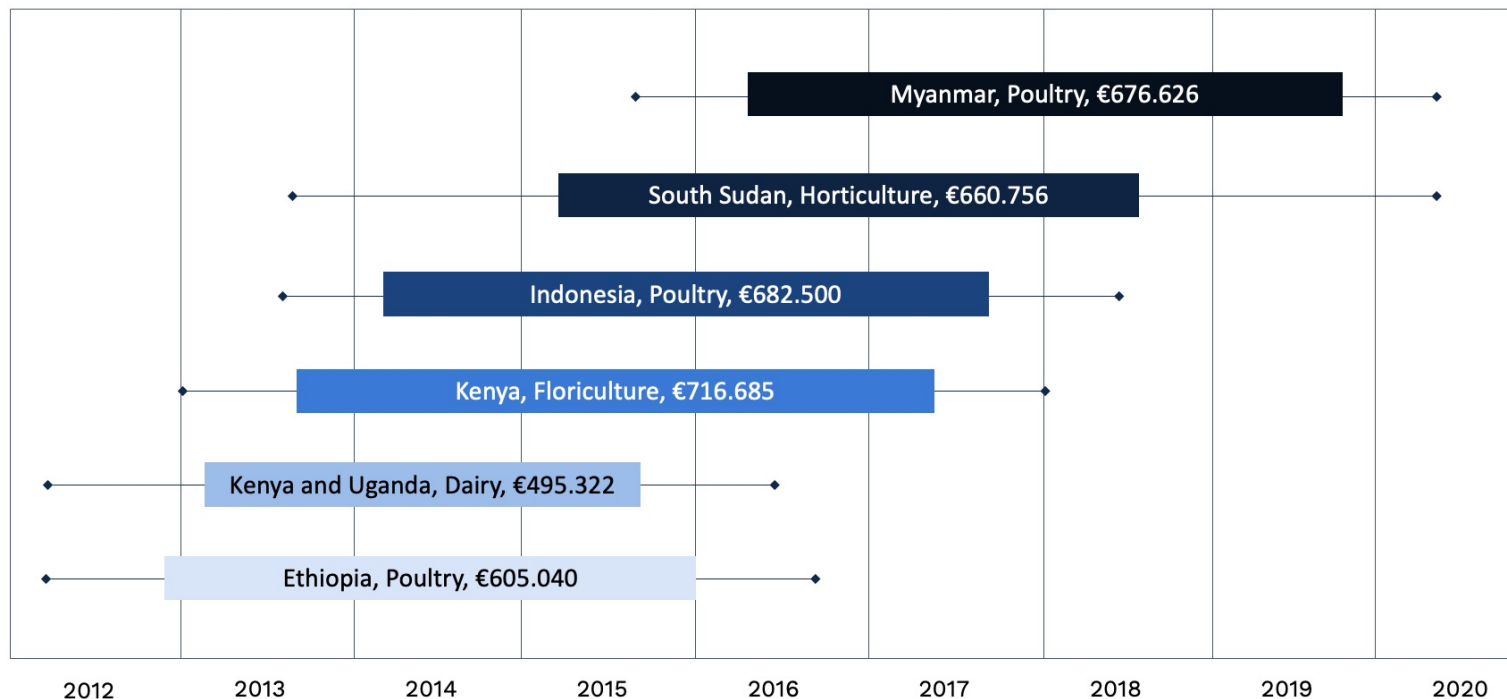
IC Findings – 2g@there

[Go to overview](#)

4.6 – IC FINDINGS: 2G@THERE

Here RVO chose to invite selected organisations and companies in its network to develop proposals for 2g@there-OS instead of publishing calls for proposals

2g@there-os pilot programme in nutshell



- Since 2012, 6 main projects were implemented as the 2g@there-OS pilots in agriculture and livestock (dairy and poultry)
- Programme covered 6 developing countries: Ethiopia, Indonesia, Kenya, Myanmar, South Sudan¹, and Uganda
- Budgets of these projects ranged from around 500 to over 700K Euros with an average duration of 4 years

[Go to overview](#)

[1] The project in South Sudan was relocated to Sudan due to the local conflicts
Source: RVO internal documents on 2g@there-OS project



4.6 – IC FINDINGS: 2G@THERE

Review of the 2g@there-OS pilot programme concluded that the most important asset of the pilot programme is the cluster approach. It promoted double give-and-take

1. between peers in the cluster in the Netherlands, and
2. between the cluster in the Netherlands and the cluster in the target country.

Among other innovative features of 2g@there-OS were:

- a) the aim to realise synergy between aid and trade,
- b) the focus on 15 partner countries only, and
- c) co-creation of proposals with the applicants.

Next slides list lessons from mid-term report (MTR) of the 2g@there-OS pilot programme and reflection on these lessons from today's perspective. These findings answer an evaluation question "to what extent are lessons learnt from 2g@there implemented and used to improve the process and effectiveness of IC projects? "

Source: MTR of 2g@there-OS pilot programme

[Go to overview](#)



4.6 – IC FINDINGS: 2G@THERE

Involvement of local partners from the start may be difficult, but local representation and a balanced partnership are essential. Make the appointment of a residential representative a required condition

- Upon learning from the first pilot projects that local commitment is important, RVO has required a MoU with local partners for the most recent 2g@there-OS project (2014). Despite this effort, this lesson was not translated into a required condition and PSD Coaches looked for different ways to ensure local representation of IC project, especially of coordinating function.
- Given the inclusion of local representation on the list of IC projects' success factors, it may still be a relevant, if not necessary, condition for a successful IC project.

Partners should be complementary and not competing as this reduces open exchange and cooperation

- Many projects were indeed formed by partners who complemented each other by heading different components of a value chain. In such setup, the advantage of having complementary partners is indeed high because it's more conducive to free exchange of information (no strict guarding of competitive advantages)
- The fact that RVO Coaches approached this lesson with intelligence—considering whether it would work in a specific IC setup rather than treating it as a rigid rule—allowed for situations like S4C Nigeria, where a collaboration between multiple suppliers of the same knowledge/inputs does not prevent an IC project from succeeding because the market is big enough to accommodate everyone.

Include a separate phase for identifying local partners and exploring their problems, followed by a go/no go decision on project continuation

- Was not taken on board for all projects. According to coordinators of IC projects, the lesson is crucial, especially considering in addition a finding from Deep Dive Uganda on a balance in supporting Dutch and local private sector actors

4.6 – IC FINDINGS: 2G@THERE

Involve knowledge institutes as external advisors during the start-up phase

- Appeared only selectively relevant. E.g. in IC projects where more practical knowledge was needed at a farm/company level, which required on-the-job capacity development such as improving fish farming practices of Big Fish in Aqua Tanzania IC project, a peer-to-peer coaching of a local company was more beneficial than involving knowledge institute.
- Involving knowledge institutes as a link to scaled up knowledge transfer remains relevant and a part of the start up phase e.g. in almost relevant instances PSD Coaches inquire if there is a local collaboration possible with local knowledge institutes for the students to use the model farms or include them in ToTs. IC projects learnt that, wherever possible, required knowledge gaps are best closed by local partners as it was done with a Vietnamese lab in Shrimp Viet Nam IC project

Explore the interest among stakeholders for establishing an on-line platform to share information, news items, best practices, business opportunities, other

- As the information, news, opportunities are specific to each project, sharing across the projects is deemed unnecessary by all interviewed respondents. This is especially true considering time investment needed
- Respondents are also doubtful if other similar attempts of communities of practice for companies e.g. within SDGP and FDOV are considered useful.

5



Findings – Orange Corners (OC)

[Go to overview](#)

5. FINDINGS ORANGE CORNERS - OVERVIEW

5.1

[OC Findings - Synopsis](#)

5.2

[OC Findings - Relevance](#)

5.3

[OC Findings - Effectiveness](#)

5.4

[OC Findings - Additionality](#)

5.5

[OC Findings - Sustainability](#)

5.6

[OC Findings - Efficiency](#)[Go to overview](#)

5.1



OC Findings – Synopsis

[Go to overview](#)

5.1 – OC FINDINGS: ABOUT ORANGE CORNERS

Methodological approach;

The OC findings presented below are based on desk-study, interviews with RVO's OC staff, whilst drawing on the survey and deep dive findings in Morocco. In addition additional data collection related to OC performance in five case countries was undertaken: Angola, Cote d'Ivoire, Iraq, Mozambique and Sudan (as illustrations of OC performance, not as individual country analysis).

The Orange Corners Programme is carried out by RVO as a separate module under the PSD Toolkit. The programme was introduced in 2016 with the aim of supporting aspiring youth entrepreneurs to bring innovative business ideas into practice. By supporting young entrepreneurs, the programme aims to increase opportunities for young people and to support the local economy. The programme has its own dedicated staff, monitoring framework, website, and marketing.

The Orange Corners programme follows an “ecosystem approach”. This means that the programme not only focusses on youth entrepreneurs themselves, but also the broader private sector ‘ecosystem’.

This includes the private sector, knowledge institutes and governments. Orange Corners engages with these actors in different ways, both through its incubator programme (for instance involving local companies to fund and support the incubator programme), but also through G2G and K2K interventions. These supporting instruments are developed with YEET/PSD Toolkit, based on challenges identified by OC. The action plan for Orange Corners is based on an extensive ‘ecosystem mapping’ exercise.

As of 2022, there are 18 Orange Corners projects in 14 countries in Africa and the Middle East. The programme started as an incubation programme focused on youth entrepreneurs in South Africa. After the success of the programme in South Africa the programme was expanded to 13 more countries. New Orange Corners projects are usually initiated after interest from Dutch embassies and are closely linked to the embassy.

5.1 – OC FINDINGS: ABOUT ORANGE CORNERS

Since the beginning the core of the Orange Corners programme has been the incubator programmes for youth entrepreneurs. Orange Corners supports local service providers (LSPs) to set up incubator programmes, in which every six months cohorts of 15 – 25 potential entrepreneurs are selected to work on their business idea. Participants have weekly sessions in which they develop their idea. This includes training sessions, networking events, masterclasses, and business development support.

In 2019 the Orange Corners Innovation Fund (OCIF) was added to the programme with the aim of increasing access to finance of participants, as this was found to be one of the main constraints for youth entrepreneurs. OCIF seeks to increase the ability of OC entrepreneurs to (further) develop their business ideas. OCIF consists of two tracks:

1. Track 1: A monthly allowance (grant) for all participants in an OC incubator programme (up to € 5,000 total), as well as funding for developing a prototype (prototype voucher).
2. Track 2: A “soft loan” (part loan, part grant) of max € 50,000 for start capital for promising businesses. The funding includes milestones and technical assistance.

Currently there are OCIF funds available in 9 Orange Corners project locations. RVO initially selected local fund managers to carry out the OCIF funding on a pilot basis. In 2021 RVO selected fund managers in a tender.

5.2



OC Findings – Relevance

[Go to overview](#)

5.2 – OC FINDINGS: RELEVANCE

Relevance of OC for the strategic plans of the embassies and DGIS/DDE

The relevance of OC was assessed by looking at the activities of OC in relation to a) the *policy priorities of DDE/DGIS*, b) the *activities and multi-annual plans of the Dutch embassies*, c) *the local private sector*, and d) *the challenges and constraints faced by youth entrepreneurs*.

Relevance for EKN: The relevance for the EKN is regarded as the degree to which the OC is in line with embassy strategy, embassy involvement, and other benefits for the embassy.

- *Embassy strategy:* The embassy strategies in most OC countries make clear reference to supporting either youth unemployment, or youth entrepreneurship (or both) as an objective (for instance, in MACS). As such OC fits in with the strategic objectives of embassies. In some cases, the embassy strategies refer to OC as the main instrument to reach these goals (for instance, Cote d'Ivoire, South Africa). The deep dive in Morocco noted that OC was start of the embassy focus on youth entrepreneurs.

- *Embassy involvement:* The expansion of OC was driven by EKN demand. Although, RVO actively approached embassies asking if they were interested. The embassy is supportive of the programme in all countries we looked at. Embassy involvement and capacity is required to set up and implement the OC programme. However, the extent to which the programme is central to EKN strategy varies. This can be caused by shifting priorities or limited capacity. This leads to differing levels of embassy involvement and engagement. For instance in Cote D'Ivoire the embassy works closely with OC to implement OC projects, whereas shifting priorities in Egypt led to less engagement.
- *Network and economic diplomacy :* OC is seen as an effective tool for the embassy to engage with policy makers and other local stakeholders, for instance through events organized by OC.
- *Dutch image:* The OC incubators are closely linked to EKN and the Netherlands in general.

Conclusion: The OC programme is relevant for embassy strategy and is closely aligned with the embassy.

5.2 - OC FINDINGS: RELEVANCE

Relevance of OC for the strategic plans of the embassies and DGIS/DDE

Relevance for DGIS/DDE: the relevance for DGIS/DDE is regarded as the degree to which OC is in line with target countries and the DDE ToC.

- *Countries:* The OC countries are in line with the new MFA policy note “*doen waar Nederland goed in is*”. All OC countries are on the PSD country list. Three countries are in the list of countries with a broad development relationship, one country has a development relationship with specific objectives, eight countries are so-called combination countries (development and trade).
- *Themes:* The OC programme is explicitly aimed at youth entrepreneurship. This is in line with the DDE ToC which includes supporting youth entrepreneurs as an outcome, and less poverty and inequality amongst youth as an impact.
- *Enabling environment:* The interventions of OC are aimed at improving the start-up infrastructure. This is in line with the objective to improve the enabling environment for SMEs in the DDE ToC.

Conclusion: The OC programme is aligned with the focus countries of Dutch policy, as well as the ToC of DDE.

5.2 – OC FINDINGS: RELEVANCE

Relevance of OC for youth entrepreneurship and youth unemployment

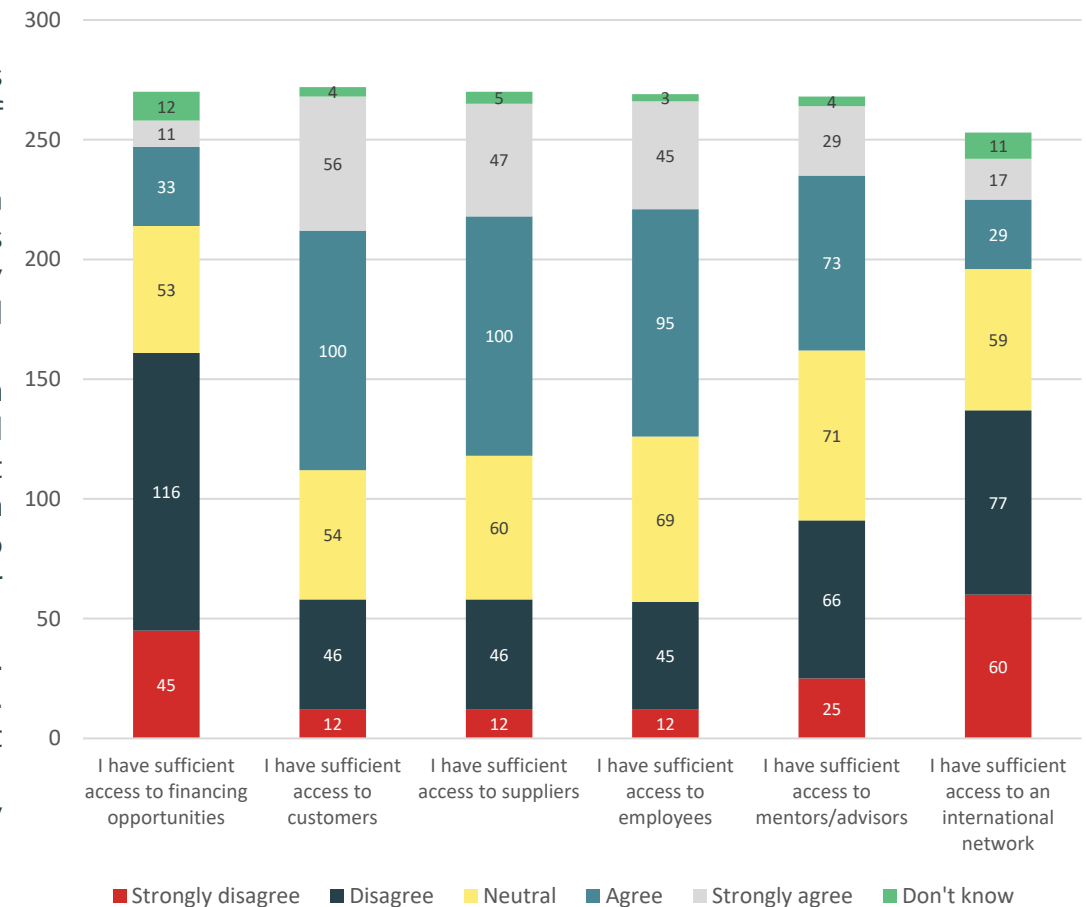
Relevance for local private sector (enabling environment).

The relevance of OC for the local private sector and youth entrepreneurs was assessed by looking at the degree to which the projects addressed needs of these target groups, as well as obstacles faced by the target group.

- **Ecosystem mapping is used to identify obstacles for youth entrepreneurs and start-ups.** The ecosystem mapping identifies gaps between formal education and practical entrepreneurship, difficult policy environment, access to finance, role models, ‘entrepreneurial culture’, and support for start-ups.
- **Relevance of OC for youth entrepreneurship is strong:** OC incubation projects address obstacles in entrepreneurship education, entrepreneurial culture and service provision for start-ups, mainly through outreach at universities, workshops, masterclasses, trainings and the incubation programme. Other interventions are aimed at increasing entrepreneurship in education, access to finance, and promote entrepreneurship as a career option.
- **Relevance of the programme for youth unemployment is more limited.** Youth unemployment is one of the main reasons for undertaking OC. However, the programme does not explicitly target youth unemployment as it is aimed primarily at supporting young entrepreneurs.
- **Access to finance is largest obstacle for OC participants** (see figure). By providing early-stage financing, OCIF is relevant for youth entrepreneurs.

Conclusion: the OC programme is in particular relevant for (aspiring) young entrepreneurs but less for tackling youth unemployment in general. Adding OCIF has added to the uniqueness and relevance of the OC programme.

[Go to overview](#)



5.3



OC Findings – Effectiveness

[Go to overview](#)

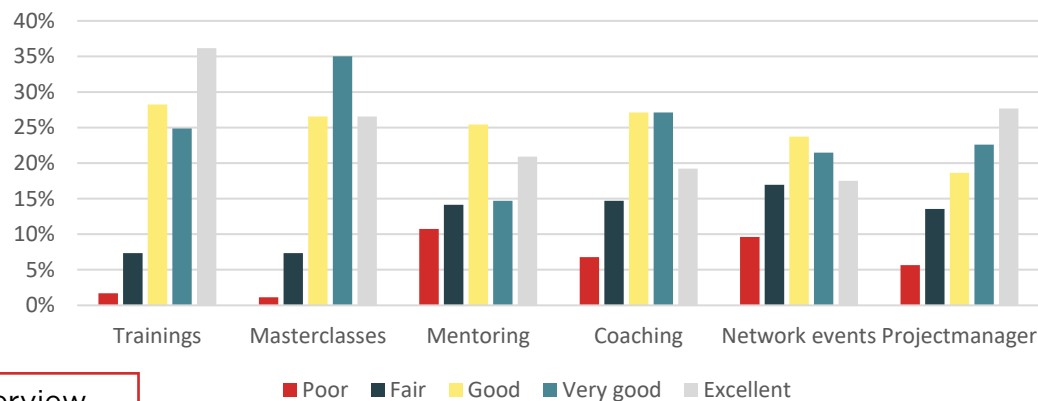
5.3 – OC FINDINGS: EFFECTIVENESS

Orange Corners Incubator programmes

Incubation programme: Through OC there are currently 18 incubation programmes in 14 countries. A total of 603 participants ‘graduated’ between 2018 and 2021 (M&E survey). OC incubation programmes include outreach to universities to promote entrepreneurship, network events, masterclasses, community outreach events and workshops. In total activities organized by incubator reached over 24,000 participants. We assessed the effectiveness of the incubation programme by looking at the main outcomes – improved business skills and network, employment and businesses started.

- **Rating of OC incubation programmes:** In the M&E survey participants are asked about their rating of different programme components. Training, coaching and masterclasses are rated most strongly. Ratings are more mixed for mentoring and network events (see figure below).

How do you rate the programme (N=177), M&E survey



[Go to overview](#)

- **Employment:** For the 119 participants who responded to both the baseline and endline M&E survey, 58% indicated they had employees at the time of the baseline, and 70% at the time of the endline. For this group, the average number of employees was 2.2 employees per respondent at baseline, and 3.9 per respondent at the time of the endline (= 77% increase), so employment increased but not necessarily among young people.
- **Contribution of OC to business skills and growing business:** In the post incubator survey participants are asked to what extent different OC elements helped to increase business outcomes (See figure on next page). The most successful outcomes were business skills (agree 36%, strongly agree 52%), improve ‘entrepreneurial mindset’ (agree 35%, strongly agree 53%) and expanding network (agree 41% strongly agree 36%). According to the survey the programme the following were less helpful: expanding international network and the role of the mentor in growing their business.
- **Stakeholder survey:** OC had the largest positive impact on youth entrepreneurs improving their skills and networking, and increased capacity of LSPs, according to surveyed OC LSPs and embassy / MFA staff (see figure on next page).



5.3 – OC FINDINGS: EFFECTIVENESS

Orange Corners Incubator programmes

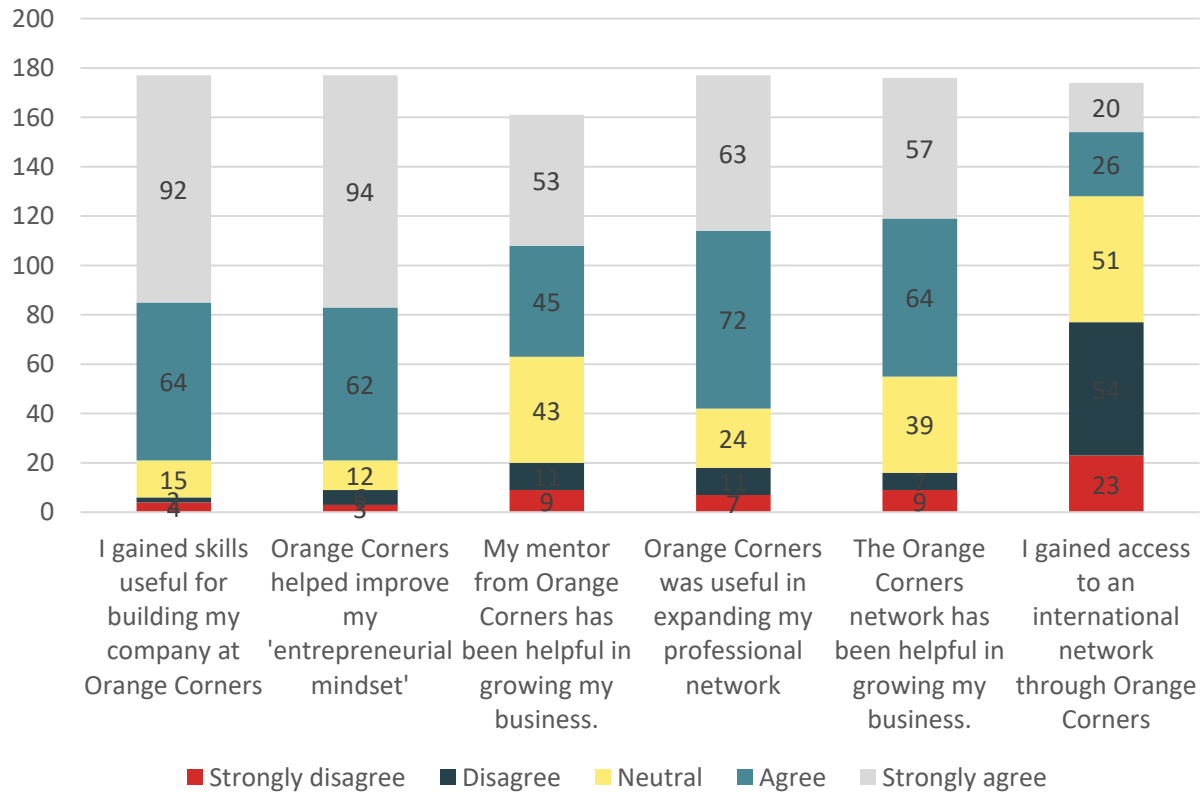
Promoting entrepreneurship: In most cases the incubation programmes focus on the first phases in the start-up lifecycle. Apart from the start-up incubator, this includes ‘activation’ of potential entrepreneurs by organizing events, activities and student ambassadors in universities. These serve both to promote entrepreneurship amongst students, as well as to promote the OC incubator programme.

OC incubators have an extensive selection process. The selection process for participants in the incubators in most cases includes an online application, pre-screening, a multi-day bootcamp, a video pitch, interview and selection by an independent jury. The programme has been successful in creating a pipeline of participants, though the quality of participants is sometimes regarded as a problem.

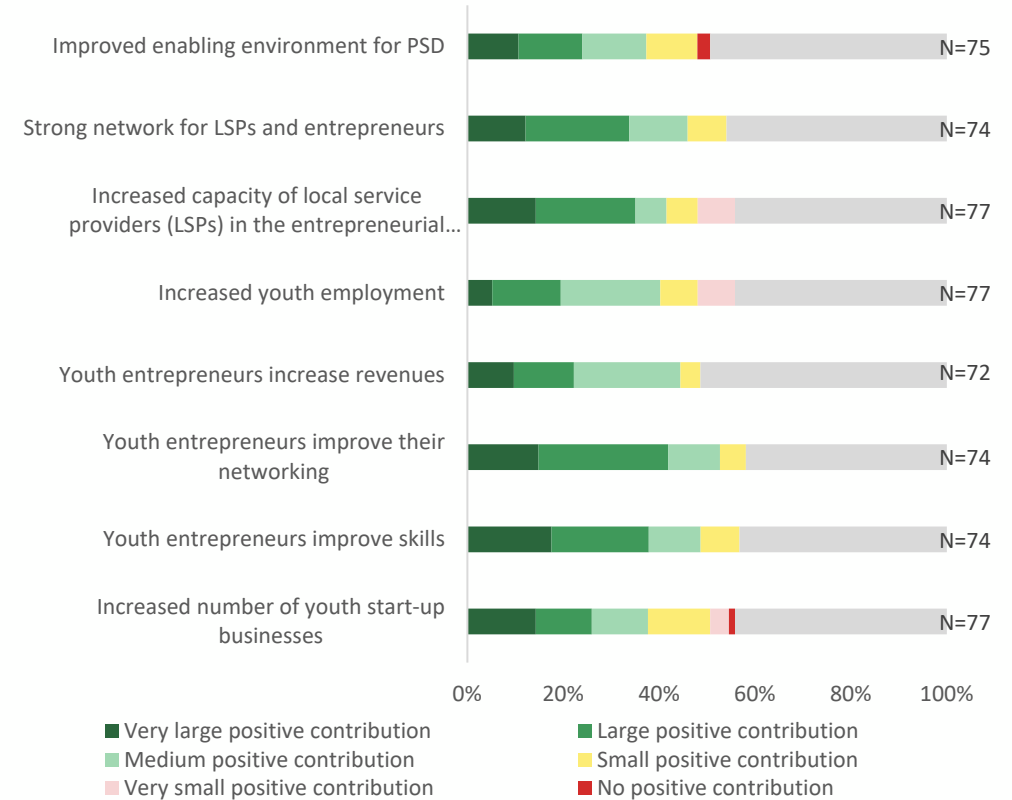
- In total 14,451 (37% female) entrepreneurs applied for the programme, of these 896 were selected (43% female), on average 6%. There are large differences in ‘competition’ for places. In Ghana just 2% of applicants was selected (85 out of 4,974). In upper Egypt 41% (88 out of 214).
- The profile of participants differs per country and depends on factors such as the maturity of the start-up ecosystem, what is considered a ‘young’ entrepreneur, and sector focus. Programme is tailored by LSP to local context. The Morocco deep dive noted that EKN priorities appear to enter strongly the selection process (sector focus).
- Reaching out specifically to women through partnerships with dedicated groups and associations helps to increase female applications (Sudan, Cote d’Ivoire).
- Bootcamps are effective in identifying participants with most drive and commitment to the programme. This effects participation rates. For instance, OC Mozambique saw a large increase in drop-outs after bootcamps were not possible during COVID restrictions. After bootcamps were reintroduced drop-outs decreased from 28% to 6%.

5.3 - OC FINDINGS: EFFECTIVENESS

How did OC contribute to your business? M&E survey



To what extent do you think the Orange Corners programme contributed to the following results of private sector actors in the recipient country?



[Go to overview](#)



5.3 – OC FINDINGS: EFFECTIVENESS

Orange Corners Innovation Fund (OCIF)

OCIF: The pilots in 7 countries are regarded as successful by RVO. OCIF is expanding to 9 countries. New countries are still starting up. In total OCIF funded 203 OC participants in track 1 (monthly allowance + prototype voucher), and 89 in track 2 (starting capital promising companies).

OCIF encourages participants to more actively participate in the incubation programme: In a survey amongst 167 OCIF recipients, 81% respond that they participated more actively because of OCIF funding. OCIF funding is also a major reason for participating in OC (see figure).

OCIF increases the effectiveness of the incubation programme: The experience in Mozambique is that participants are also more committed to actively developing their business. The deep dive in Morocco noted that OCIF was one of the main drivers of effectiveness for the interviewed companies.

OCIF is effective in supporting companies to grow their business: Some results from the survey set out by RVO amongst OCIF recipients:

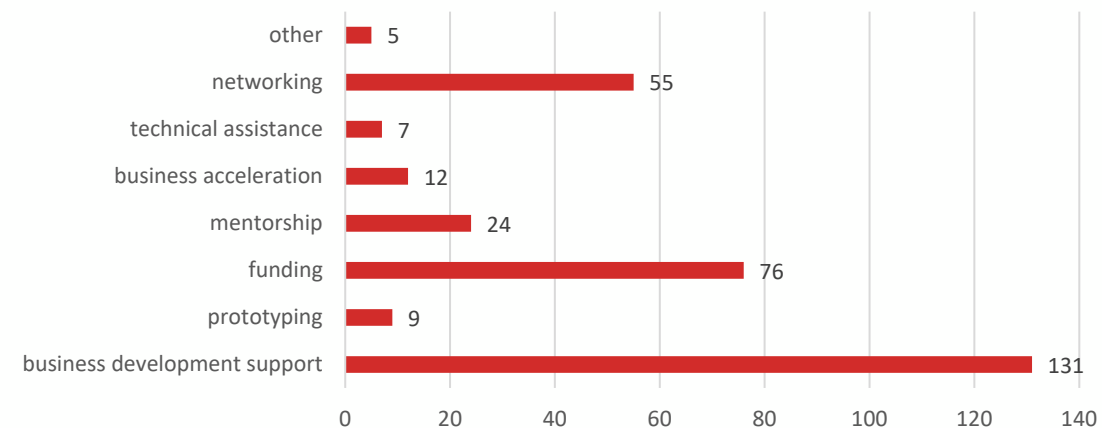
- Participating businesses created 106 jobs since OCIF funding.
- 70% of respondents think their business has developed positively since OCIF funding.
- 14% got additional loans after OCIF, 12% attracted equity financing, 30% received grants after OCIF funding.
- 52% used OCIF funding for purchasing equipment.
- For OCIF recipients, financing remains the main obstacle for growing their business further.

The causality among these outcomes is less clear in the survey (OCIF versus OC incubator?). However, the Morocco deep dive concluded that OCIF was an important factor in reaching these results.

Number of OCIF recipients.

	Track I			Track II		
	M	F	Total	M	F	Total
Cote d'Ivoire	56	30	86	8	6	14
Ghana	0	0	0	23	12	35
Morocco	13	9	22	4	1	5
Nigeria	29	30	59	14	7	21
Senegal	2	0	2	4	3	7
Sudan	22	12	34	4	3	7
Total	122	81	203	57	32	89

Reasons to participate in OC, RVO survey amongst recipients (n=167)



5.3 – OC FINDINGS: EFFECTIVENESS

Ecosystem approach

Ecosystem approach: The ecosystem approach means that the programme tries to partner with relevant actors in the ‘entrepreneurial ecosystem’, identifying ‘leverage points’, and implementing targeted interventions to contribute to improving entrepreneurship and the enabling environment. The ecosystem approach takes shape through a so-called ‘Eco-system mapping’ and action plan, which sets out key challenges, leverage points and actors in the local entrepreneurial ecosystem. The action plan includes a list of interventions which are relevant for the country. *It is unclear to what extent the action plan is regarded as a checklist (projects to be completed), or a menu (select what is opportune, or possible).* Furthermore, projects are sometimes started through embassies, local partners, or local governments when opportunities present themselves.

The incubator programme forms the central Pathway of the ecosystem approach. The programme provides physical presence in the countries and is the flagship project. Through the incubation programme OC can build up a network, open doors with other partners and policymakers, and set up new projects. Projects outside of the incubator are sometimes carried out under the OC flag, but not always by the LSP.

Supporting and complementing the incubator programme: Partly the ecosystem approach is implemented through the incubator programme, with interventions aimed at strengthening, or complementing the incubator approach. Good examples are the focus on access to finance through OCIF (aimed at OC incubator participants), private sector involvement in the incubator programmes, and outreach and promotion of entrepreneurship amongst students at partner universities. *These interventions increase the reach and effectiveness of the OC incubator programme.*

Enabling environment: On the other hand, OC has also implemented projects which are broader than the incubator. This includes projects such as co-create my city (aimed at Dutch and local students solving local challenges with decision makers), supporting business angel networks, creating curricula in entrepreneurship for universities, supporting the creation of start-up acts, and creating information tools for start-ups and young entrepreneurs. Effective examples of projects include support for the DRC start-up act, supporting business angel networks in Angola, and the roadmap to start-up in Iraq. Projects are coherent with the incubator programme through either the ‘activation phase’ of entrepreneurs (for instance K2K), or growing businesses after the incubation phase (for instance, angel finance networks).

5.3 – OC FINDINGS: EFFECTIVENESS

Ecosystem approach

There was a clear effort towards creating an ‘ecosystem approach’. With the new ToC (2020) the ecosystem approach has gained a new impulse, with more new projects being started. However, the approach is not as developed in all countries. Important factors for a successful ecosystem approach are:

- ***Embassy participation:*** Active embassy participation is seen as a success factor in the OC programme through acquisition of private sector funding, participation in events/activities, reviewing and setting up project plans, eyes and ears on the ground, and finding partners. Limited embassy engagement makes it harder to start projects and leads to less activity in a country.
- ***The quality of the local partner:*** A good quality local partner (LSP) is seen as a major success factor. Both because the LSP can help spot opportunities and develop plans, but also because it frees up capacity from OC staff, if LSPs can effectively carry out the incubation programme relatively independently. The most important factors for a good partner are a strong network, drive, and understanding of the objectives of the OC programme.
- ***OC staff capacity:*** team members usually have 3 countries, there is not always capacity to develop projects.
- ***Opportunities in a country:*** based on leverage points identified, additionality, and the country context.

5.4



OC Findings – Additionality

[Go to overview](#)

5.4 – OC FINDINGS: ADDITIONALITY

Additionality of the OC programme

Additionality: We assess the additionality of OC in three ways: a) input additionality (Do OC activities overlap with the existing initiatives in the local context), b) development additionality (Do these interventions create changes that would have otherwise not occurred or occurred later/less effective?), and c) are there any catalysing effects due to the Orange Corners activities?

Incubation service providers: In most countries reviewed there are other providers offering incubation and training services for young start-ups. However, the 'ecosystem mapping' finds that either the quantity and/or quality of these providers is often low. However, the maturity of these services differs per country.

In fragile contexts the input additionality of OC incubators is larger: For instance, in the context of Sudan OC is the only incubator present (at the time of the ecosystem mapping). Whereas many other donors halted programmes in the country, OC (through the LSP) continued delivering the incubator programme.

The ecosystem approach increases additionality of the programme: Especially with regards to projects aimed at the incubator programmes. The inclusion of OCIF and private sector partners provides participants with services not offered by other providers.

Most participants in incubators have not participated in similar programmes before: In the baseline M&E survey participants were asked if they had participated in similar programmes previously. 60% indicated they had no previous experience. 30% had participated in trainings/workshops. Only 5% had previously participated in an incubation programme.

5.4 – OC FINDINGS: ADDITIONALITY

Additionality of the OC programme

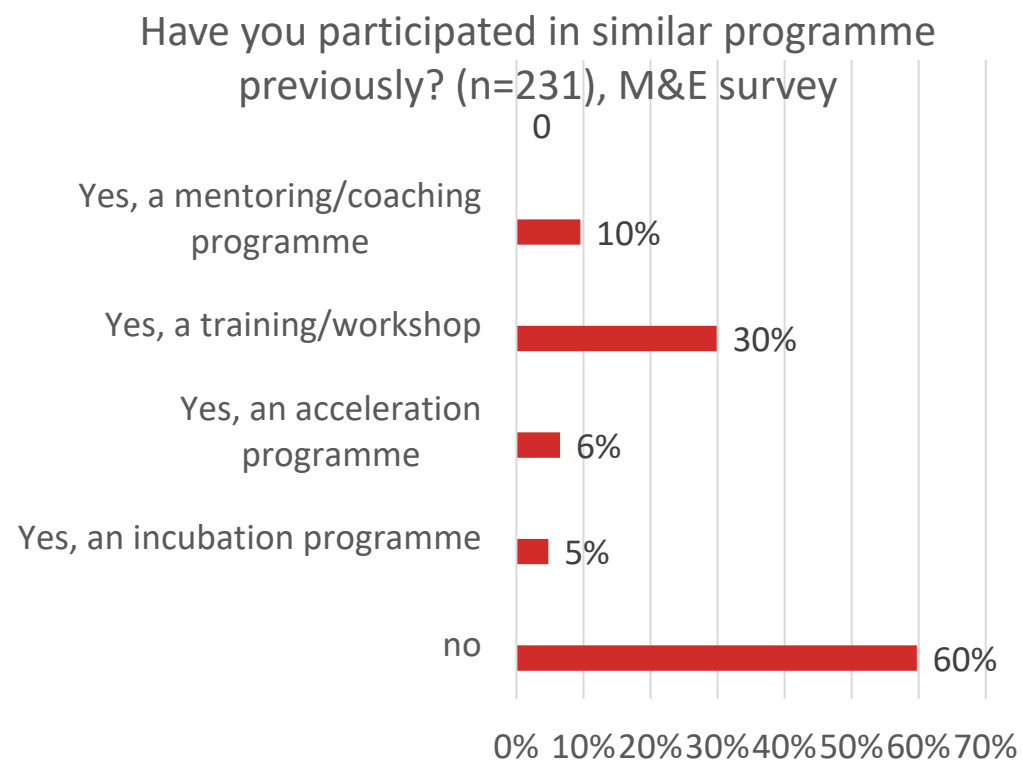
The survey amongst stakeholders showed mixed views with regards to the additionality of Orange Corners. 33% of respondents at least ‘somewhat agree’ that there is no alternative similar to OC available, whilst 18% at least ‘somewhat disagree’ with this statement. Mixed results are not surprising given the diverse settings in which OC operates. 20% of respondents at least ‘somewhat agree’ that other development partners would have carried out the project (versus 28% at least ‘somewhat disagree’).

Selection of entrepreneurs: The deep dive in Morocco for OC noted that OC participants likely would have gotten where they are now without OC, be it a lower pace. Interviewed participants were relatively strong. However, OC (and especially OCIF) sped up their development by one or two years. The selection criteria were quite restrictive and led to the selection of top-level entrepreneurs, leading to the question if the programme would have been more additional for other types of participants. On the other hand, in other countries it is noted that getting good-quality participants is sometimes a problem.

Catalysing effect: In different OC countries there is a movement towards increasing the geographic coverage of the incubator programme. In Sudan the LSP in Khartoum financed a second OC in the country. Morocco sports OC is funded for 25% by the local partner. In other countries there is also a drive towards geographic expansion, for instance through online/hybrid incubators (Mozambique, Ghana), and because of requests of EKN. However, these are funded through the regular OC subsidy.

5.4 – OC FINDINGS: ADDITIONALITY

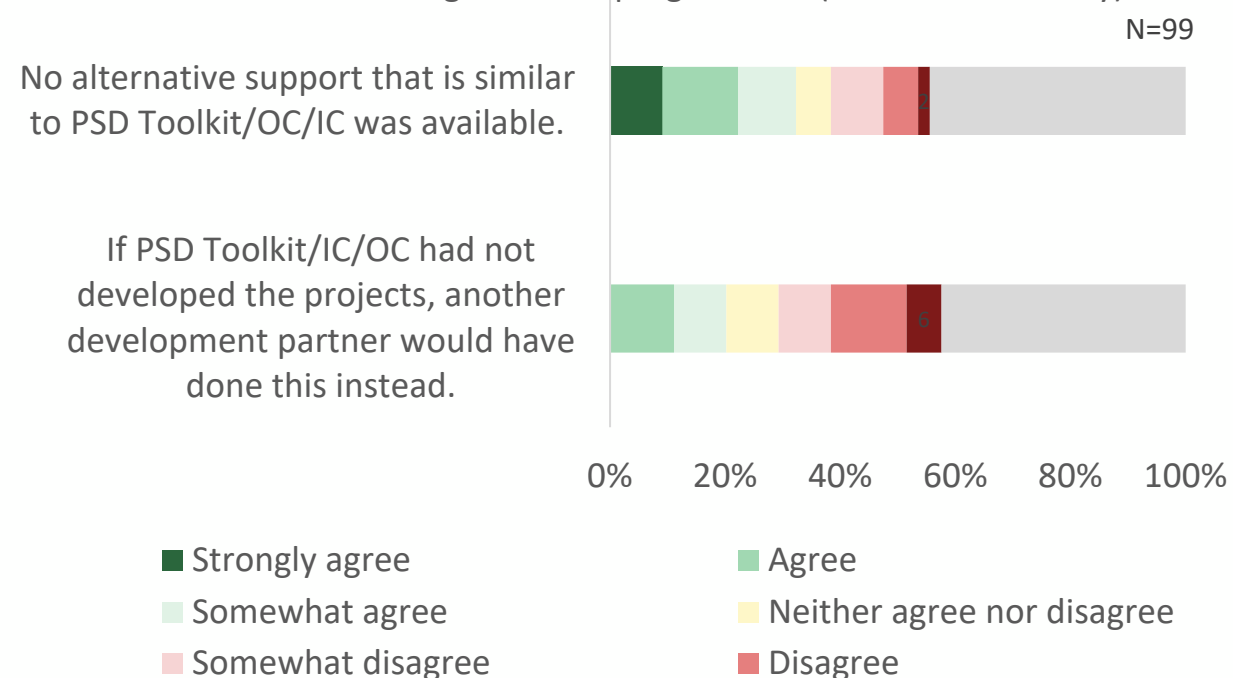
Additionality of the OC programme



% do not add up to 100%, as respondents can indicate more than one category

[Go to overview](#)

To what extent do you agree with the following statements about the Orange Corners programme? (stakeholder survey)





5.5



OC Findings – Sustainability

[Go to overview](#)

5.5 – OC FINDINGS: SUSTAINABILITY

Sustainability of the OC programme

Sustainability of the OC incubator programmes: OC is seen as a PPP programme. The programme actively seeks out private sector contributions, both financial and in-kind. The programme has managed to secure € 430,000 per year in private sector funding. Mostly from Dutch MNEs, or large local companies. OC also receives in kind contributions. In kind contributions take form of participating in masterclasses, providing coaching and mentorship to incubates, and participating in selection of participants. Most contributions come through the network of EKN. This is an important contribution of EKN. Successful fundraising by LSPs is limited. In the stakeholder survey LSPs indicate they are seeking private sector financing but need more support to continue after funding ends. The deep dive in Morocco noted that without RVO funding the OC programme will likely not continue.

It is unlikely that OC incubators will be completely financed by private sector parties: In interviews with OC staff they indicate that it is not feasible for OC to be financed independently from RVO/EKN. It is noted that incubators in the Netherlands are often subsidized as well. However, greater private sector participation is seen as desirable. This would give the LSP more independence, whilst the OC linkage to the EKN as ‘Dutch’ brand should be maintained. Increasing external finding from private sector or other donors requires attention for fund-raising capacity among local partners. RVO is already looking at ways to improve this in its next programme phase.

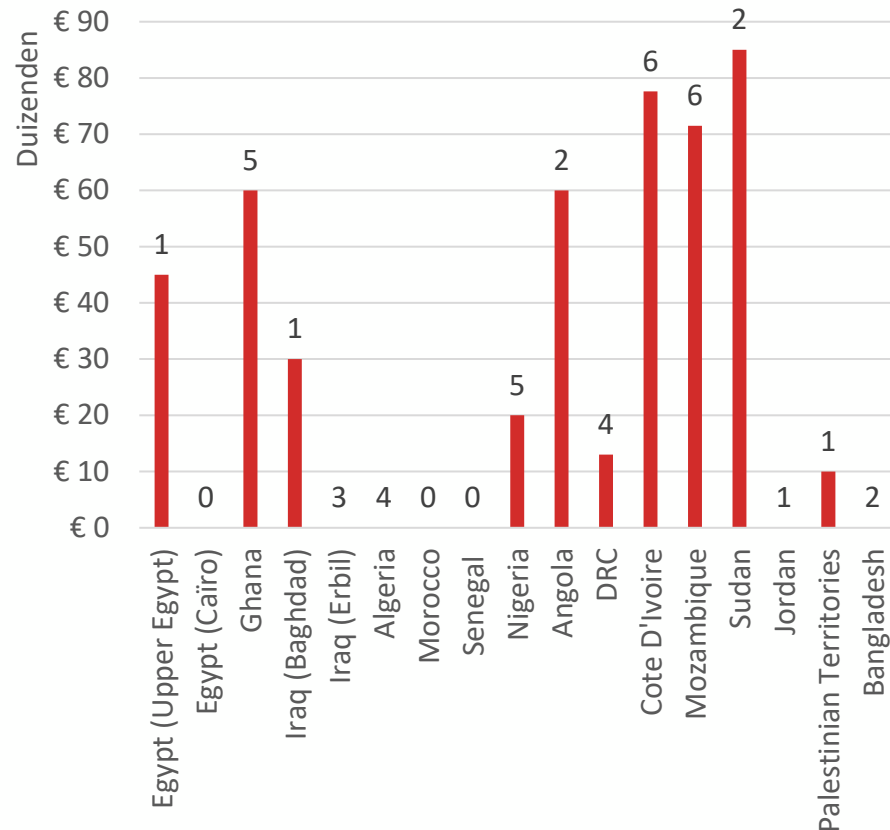
Data from the M&E follow up data are limited but show that results at company level are sustainable: There is only limited data available from follow-up surveys (one and two years after the endline). Data is available from the one-year follow-up survey for 32 participants, all from Mozambique. 75% of respondents report that they are currently still working on (starting) their business (though for only a third of these it is their main source of income). The survey shows an increase in employment with the baseline. In the follow-up survey 38% of companies indicated they had paid employees, compared to just 6% at the baseline. Total employment was 38 versus 7 at the baseline. 81% of respondents (strongly) agreed that the OC network helped them grow their business. 94% of respondents (strongly) agreed that they gained useful skills to build their company.

The Morocco deep dive concluded that most of the businesses are probably sustainable, and some may have large potential including on export markets.

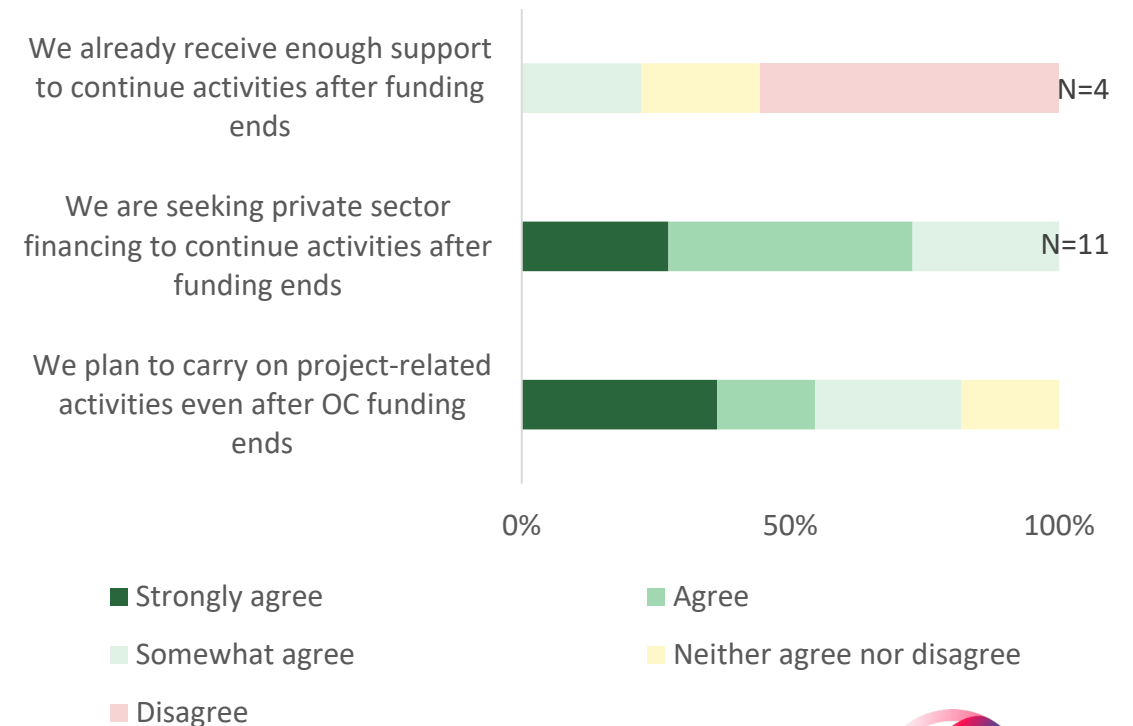
5.5 - OC FINDINGS: SUSTAINABILITY

Sustainability of the OC programme

Private sector contribution (Euro per year) -
number of partners above bars



To what extent do you agree with the following
statements about the Orange Corners programmes?,
stakeholder survey



[Go to overview](#)

5.6



OC Findings – Efficiency

[Go to overview](#)

5.6 – OC FINDINGS: EFFICIENCY

Efficiency of the OC programme

Breakdown of OC programme costs: The figure on the next page shows the breakdown of the costs of the OC programme. The figure excludes a handful of projects financed by EKN budgets. Also, some projects are carried out by LSPs and are included in the OC subsidy. According to a listing of OC related projects received from RVO, the total programme costs are € 16.9 million. The largest share of costs are for OCIF (52%) and OC incubation programmes (39%). This includes the subsidies for LSPs, as well as other costs such as legal advice, starting capital, consultancies, and ecosystem mapping.

Reviewed OC incubators are implemented within budget. Due to COVID-19 LSPs spent less than planned due to events and activities being rescheduled. However, there are some instances where starting programmes was less efficient. For instance, in Morocco development of OCIF was halted (after the subsidy was partly spent) due to legal issues and had to be restarted with a different partner.

PMEL: OC has a system in place for monitoring results to implement evidence-based working, including:

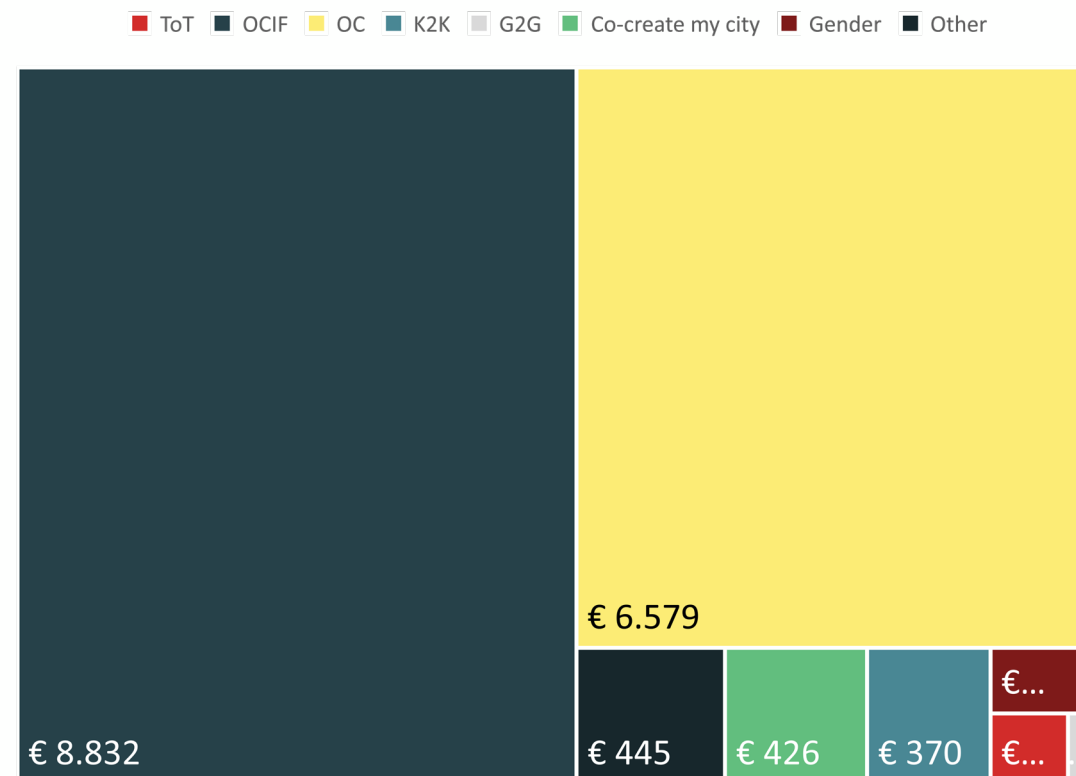
- **Incubation surveys:** The incubation surveys are an effective tool to follow the progress of the programmes. LSPs report survey results and suggest improvements for areas where results are behind. OC country officers indicate that they use the survey data to keep track of the programmes and to discuss progress with the LSPs. However, the survey data is less effective in measuring results on employment, and results after completion of the programme. Response rates drop sharply during and after the programme (pre survey 444, end of programme 177, post programme 33).
- **Community of practice:** Orange Corners has a platform in place through which LSPs from different countries exchange experiences, challenges and lessons learned with each other. In the so-called ‘community of practice’.
- **Regular meetings between RVO, LSPs and embassies:** There are regular (monthly) meetings between different partners. During the meetings, the progress of the programme is discussed, as well as developments in the countries.

5.6 – OC FINDINGS: EFFICIENCY (2/2)

Efficiency of the OC programme

PMEL: OC has a system in place for monitoring results to implement evidence-based working:

- **Quarterly and annual reporting of LSPs:** LSPs provide annual and quarterly reports which include extensive reflections on what outcomes were reached (through the survey), what went well, and what can be improved. These lessons are actively implemented. There is clear evidence of continued learning and improvement.
- **Ecosystem mapping:** The ecosystem mapping forms the basis of interventions in a country. The new proposed format for the mapping exercise makes it more systematic. Updating it every two years means that better monitoring of the role of OC within the ecosystem is possible.
- **Enabling environment:** However, MEL is less extensive for enabling environment projects and the ecosystem approach. OC has developed a MEL plan which addresses these issues, by defining output and outcome indicators, and bi-annually updating and improving the ecosystem mapping exercises. The new framework also includes more qualitative data from incubators through group interviews after each cohort.





Summary

Conclusions & Recommendations



6. CONCLUSIONS & RECOMMENDATIONS - OVERVIEW

- 6.1 [Conclusions - Relevance](#)
- 6.2 [Conclusions - Coherence](#)
- 6.3 [Conclusions - Effectiveness](#)
- 6.4 [Conclusions - Additionality](#)
- 6.5 [Conclusions - Sustainability](#)
- 6.6 [Conclusions - Efficiency](#)
- 6.7 [Conclusions - IC](#)
- 6.8 [Conclusions - OC](#)

- 6.9 [Recommendations PSD Toolkit](#)
- 6.10 [Recommendations - IC](#)
- 6.11 [Recommendations - OC](#)

[Go to overview](#)



6.1



Conclusions - Relevance

[Go to overview](#)

6.1 – CONCLUSIONS ON RELEVANCE

PSD Toolkit projects had been broadly relevant for national PSD priorities, but their relevance for Dutch embassies (economic diplomacy) sometimes dominated

- **Relevance for national PSD priorities:**
 - PSD Toolkit projects were broadly in line with **national PSD priorities**.
 - PSD Toolkit projects were not always demand driven (based on a local request).
 - This was also concluded by the PSD Apps MTR
 - It is often the embassy's interpretation of local needs, which allows for a rapid response but carries a risk of embassy bias (which the PSD coach can help mitigate).
 - PSD Toolkit interventions **addressed economic, institutional, and knowledge gaps in recipient countries.**
- **Relevance for Dutch embassies:**
 - PSD Toolkit interventions usually supported **Multi-Annual Country Strategies (MACS)**, and sometimes even helped to develop MACS.
 - PSD Toolkit played and can play an important role in helping to **develop and implement** PSD programmes.
 - PSD Toolkit also helped embassies explore new ideas for PSD programming.
 - PSD Toolkit strengthened the embassies' economic diplomacy / PR, putting the embassy in a positive spot-light.
 - PSD Toolkit often helped showcase Dutch competences (e.g., in water, agriculture).
 - Some OCs were selected partly for economic diplomacy reasons rather than for addressing urgent PSD gaps for those target groups that need it most (e.g., Morocco).

6.1 – CONCLUSIONS ON RELEVANCE

PSD Toolkit projects were often relevant for Dutch companies but less for the cross-cutting goals including Sustainable Development Goals (SDGs).

- **Relevance for Dutch companies:**
 - Interventions regularly focus on sectors in which the **Netherlands has a comparative advantage**, thereby indirectly using relevance for the Dutch private sector as selection criterion.
 - In some PSD projects **Dutch companies had a key stake** as suppliers of materials or knowledge.
 - Observed in all DDs, except Burkina Faso
 - PSD Toolkit interventions may **decrease information constraints and improve networks** for Dutch companies to do business or invest in the recipient country.
 - Therefore, PSD Toolkit has incorporated the recommendations of the MTR of PSD Apps to focus on sectors where Dutch expertise is relevant.
- **Relevance for cross-cutting goals and SDGs:**
 - PSD Toolkit explores potential for / stimulates cooperation on **social and/or environmental issues**. However, this is limited by the small budget of PSD Toolkit projects, and it is not recognised as particularly relevant to the cross-cutting themes.
 - PSD Toolkit interventions address Gender equality (SDG 5), decent work and economic growth (SDG 8), sustainable production (SDG 12), with the aim to contribute to a wider set of SDGs (e.g., food safety and security (SDG 2 and 3), stronger institutions (SDG 16) and public private partnerships (SDG 17), as well as other SDGs in some projects.

6.2



Conclusions - Coherence

[Go to overview](#)

6.2 - CONCLUSIONS ON COHERENCE

PSD Toolkit was internally coherent and initiated interconnected interventions.

- PSD Toolkit created **interlinked projects ("treintjes")**:
 - PSD Toolkit made substantial efforts to link PSD Toolkit projects to each other via interconnected interventions. This was shown to enhance programmatic synergies.
 - However, there were also examples of PSD Toolkit interventions reaching a dead-end (e.g., dead end scoping studies). Dead-ends are not negative per se as they inform RVO on feasible project solutions, and future actions (not) to undertake.
- Furthermore, there are still many ad hoc / stand-alone projects (e.g., a training, seminar, event), although this was more common in PSD Apps than in PSD Toolkit.

6.2 - CONCLUSIONS ON COHERENCE

PSD Toolkit was coherent with embassy and other (RVO) programmes.

- Coherence with **embassy programmes**:
 - PSD Toolkit interventions are largely **complementary** to actions already ongoing or planned for the Embassies' PSD programme.
 - Moreover, PSD Toolkit projects are often designed to **improve the coherence** of Dutch PSD interventions in the country, not limited to RVO.
 - E.g., scoping studies that are the basis for interconnected projects that include interventions beyond PSD Toolkit.
 - E.g., studies specifically intended to enhance programmatic synergies
 - Deep Dives Burkina Faso and Morocco
- Coherence with **other RVO projects**:
 - In most DD countries, PSD Toolkit-funded PSD interventions are **coherent and mutually reinforcing with other RVO-funded activities**.
 - PSD Toolkit projects regularly catalyse or complement projects from CBI, DRIVE, FDOV, etc
 - There is little sign of coherence with **other donors**, sometimes not even local government. In case of direct enterprise support conscious duplication of efforts with others occurred when promotion of Dutch economic interests takes precedence.
 - However, some Deep Dives revealed MoU with government (Uganda, Vietnam, Nigeria)

6.3



Conclusions - Effectiveness

[Go to overview](#)

6.3 – CONCLUSIONS ON EFFECTIVENESS

Most PSD Toolkit projects were fully or partially effective in RVO's assessment.

- M&E improved from PSD Apps to Toolkit, with improved M&E data coverage. However, gaps in M&E reporting remain.
- See Annex A
- According to RVO's own assessment, only 1/3 of Toolkit interventions were considered **fully effective**, which is low considering the often small and straightforward nature of these projects.
- 1/3 are partially effective, and the others either not effective or missing the end-memo
- **End-memos are of limited quality and use:**
 - End-memos are of **variable quality**, and are regularly not produced at all
 - Reason: not all PSD coaches and regional coordinators take the end-memo seriously as they do not see its value
 - As a result, end-memos cannot (yet) be used for analysis of effectiveness or lessons learned
- **The current M&E system does not allow for systematic analysis of the effectiveness of PSD Toolkit**
 - M&E indicators are not always well defined or operationalised, contributing to **reporting fatigue** by PSD coaches (See Annex A for examples to improve)
 - There are cases of **double counting** of results both internally and externally (e.g., with follow-up projects)
 - **M&E data are only reported at project completion.** Intermediate results are not reported; not even for large or multi-year projects
 - **M&E data are not automatically linked to financial data** (databases are not merged)
 - Would allow for value of money analyses (e.g., which projects do most with one (additional) euro).
 - **Many missing data** in M&E databases
 - No clear demarcation mechanism exists to determine (e.g., > €50,000) for which projects M&E data will be obtained.

To conclude, MTR recommendations (of PSD Apps) to construct a more informative and efficient M&E system have only been partly incorporated.

[Go to overview](#)



6.3 – CONCLUSIONS ON EFFECTIVENESS

Pathway 1 (direct support of Private sector) and Pathway 2 (enabling environment) were mostly effective at delivering outputs and short-term outcomes. Contributions to higher level outcomes remained small or unclear.

- Pathway 1 projects were mostly effective at delivering outputs and short-term outcomes for PSD actors, e.g.:
 - Improving the capacity of trained entrepreneurs or farmers
 - Connecting PSD actors, e.g., through business networks
- **Less evidence that Pathway 1 effectively contributed to higher level outcomes** (e.g., use of capacity, increased jobs, expanded exports)
 - Scale of projects typically too small
 - Contributions to higher level outcomes was difficult to capture (attribution problem)
 - A notable exception was the dairy sector in Uganda, where Toolkit contributed to a succession of Dutch PSD projects that helped turn the country from a dairy importer to a dairy exporter
- Pathway 2 projects were typically too small and spread out over various sectors to have a **significant long-term effect** on strengthening the enabling environment.
 - Pathway 2 projects are relatively small and spread out over sectors but in themselves were largely successful in delivering intended outputs.
 - The significance of their contribution to higher level results (e.g. actual change in government performance or institutional frameworks) is out of the embassy's scope, difficult to measure, and likely to be small given the limited scale and spread of these interventions. This means that limited (documented) evidence is available that confirms effectiveness at higher outcome levels.
 - The lack of progress was also attributed to insufficient capacity (of PSD Toolkit and stakeholders themselves) to replicate and scale up successful interventions.

6.3 – CONCLUSIONS ON EFFECTIVENESS

PSD Toolkit **was effective** to deliver outputs in the area of information, networks, and economic diplomacy (Pathway 3).

- PSD Toolkit was seen as most effective for the following:
 - Enabling embassies to develop better, more relevant, coherent and impactful PSD programmes, creating synergies among Dutch PSD interventions. This includes both the development of **PSD projects** and programmes (e.g., Burkina Faso), and providing PSD inputs into the **MACS** for those embassies that want this (e.g., MARS Sahel and MACS Jordan).
 - Triggering larger (interlinked) interventions funded through other (Dutch) PSD instruments.
- PSD Coaches were seen as most effective in the following activities:
 - Providing PSD expertise
 - Networking capacity (e.g., *landentafel*)
 - Contributing to project preparation
 - Linking embassies to PSD instruments
 - Creating synergies and linkages between PSD interventions
 - Contributing to developing embassy MACS
 - Serving as PSD sparring partner
- However, a few embassies questioned the added value of PSD coaches with respect to ‘strategy development’.

6.3 – CONCLUSIONS ON EFFECTIVENESS

The Theory of Change related to pillar 1 and 2 following from pillar 3 remains largely valid as overall conceptual framework, but PSD Toolkit priorities working on particular change actors.

- PSD Toolkit efforts in Pillar 1 directly target private enterprises and entrepreneurs but at limited scale.
 - Training projects, exposure visits, trade missions contributed to improved connection and capacity of selected local enterprises. These results go hand in hand with increased connections and interest of directly involved Dutch companies.
 - Except for OC programme, change in performance of these enterprises is outside scope of PSD Toolkit's M&E system.
 - Scale of interventions too small to justify investments in effect measurement at broader private sector level.
 - OC targets primarily young entrepreneurs and less youth employability.
- PSD Toolkit efforts in pillar 2 are many but too scattered to have measurable effect on the enabling environment for PSD:
 - OC effectively is a business incubation programme itself, and not a programme that strengthens other BSOs (but does offer a model for replication).
 - Many projects aim to strengthen capacity of PSD policy makers and implementers, but in different ways (research, TA in policy advice, training, exposure visits) and scattered over many sectors.
 - Effects in terms of improved govt. performance outside scope of PSD Toolkit's M&E system, though some evidence is found in terms of adapted PSD regulations and programming related to specific sub-sectors.
 - Scale and coherence of interventions too small to expect significant change in the overall enabling environment for PSD.
 - Number and scale of interventions directed at education institutes relatively small, while effects on wider effect on education services are (logically) not captured.

6.3 – CONCLUSIONS ON EFFECTIVENESS

Validity of Pillar 3 of the ToC most obvious in the PSD Toolkit interventions and actual results but changes in the reputation of the Netherlands as business partner were not explicitly considered.

- **PSD Toolkit makes extensive efforts in support of Dutch embassies in programme countries.**
 - Embassies regard and use the PSD Toolkit programme to improve their own PSD programming but also to strengthen reputation of the Netherlands as trade / business partner, which is not part of the current TOC.
 - Embassies, with the help of PSD Coaches, deliberately seek and establish connections with other NL-funded and non-NL funded PSD instruments.
 - PSD toolkit programme helps strengthen the reputation of the Netherlands, represented by the embassy, as long-standing and credible partner in PSD, but not reflected in the current ToC.
 - Reputation / standing of the Netherlands facilitates confidence and credibility of the embassy to take part in PSD policy dialogue.
 - Overall, the PSD Toolkit programme makes a significant contribution to a potential increase and actual improvement of the PSD dimension in Dutch foreign policies and programming both in the Hague (through DDE) and in programme countries (through embassies).

6.3 – CONCLUSIONS ON EFFECTIVENESS

PSD Toolkit was partly recognised for its capacity to contribute to cross-cutting issues

- PSD Toolkit is increasingly paying attention to **cross-cutting themes** (e.g., focus on youth, women, circular economy, CSR).
- **Youth employment and youth entrepreneurship are well covered by PSD Toolkit** (especially Orange Corners):
 - OC projects are primarily effective in supporting starting young entrepreneurs, less in youth employment and in changing eco-systems.
 - PSD Toolkit can help identify countries for which PSD programmes should be focused on youth employment (e.g., Burkina Faso - see Deep Dive)
- **Gender** is a key component in many Toolkit projects, especially IC projects.
- **CSR** in PSD Toolkit has served more as a minimum standard than as a goal in itself.
- Most projects are not assigned a cross-cutting theme in the M&E system (only 60 or so per year).
- **Focusing on themes that are not yet well addressed by others is effective** and can have important demonstration effects.
 - In Morocco, for example, the focus on youth entrepreneurship is not original/additional, but the focus on renewable energy solutions and circular economy in horticulture can potentially be transformative (see Deep Dive)
- There is a **risk that including cross-cutting themes is seen as a ‘requirement’** without a clear assessment of their potential effectiveness:
 - For example, training 20 female entrepreneurs in a culturally conservative country is unlikely to be transformational.
 - But piloting innovative REN technology in Morocco might.
- Thus, the inclusion of cross-cutting themes needs to **logically fit into the ToC** of the PSD intervention, not be a mere box to tick in which the case the project would better do without.

6.4



Conclusions - Additionality

[Go to overview](#)

6.4 – CONCLUSIONS ON ADDITIONALITY

PSD Toolkit was **additional** to other interventions

- The **role of PSD coaches and Toolkit is quite unique** and therefore additional to existing programmes. The added value of PSD Toolkit, compared to the embassies' own means, is availability, flexibility and speed, as well as their knowledge, experience and contacts in PSD.
 - (input additionality)
- PSD coaches are **knowledge brokers** and often identify intervention opportunities (also using funds from other programmes)
- PSD Toolkit **complements other PSD instruments** through its wide mandate, palette of services, and country list
- PSD Toolkit and Coaches lead to better PSD programmes
 - (development additionality)
- Interventions regularly focus on **sectors in which the Netherlands has a comparative advantage**.
 - In these sectors, the Dutch private sector is in theory better able to provide support (development additionality)
- However, the **additionality** is somewhat **hampered** by the same factors that reduce relevance.
 - I.e., PSD Toolkit might be providing interventions that someone else is providing (= lack of input additionality), and that turn out not to be (most) relevant
 - Interest in Dutch economic competitiveness taking precedence over development interests.

6.5



Conclusions - Sustainability

[Go to overview](#)

6.5 – CONCLUSIONS ON SUSTAINABILITY

The Toolkit team's efforts to interlink PSD Toolkit projects have increased the likelihood of sustainable impact, but the extent to which there is follow-up (from Toolkit itself or other PSD initiatives) is not systematically monitored.

- There is little information about the sustainability of long-term results achieved by PSD Toolkit under Pathways 1 and 2.
- The most relevant measure of sustainability of Toolkit interventions in Pathway 3 is the extent to which there is meaningful follow-up.
 - The likelihood that a PSD Toolkit project has sustainable impact increases if there is a follow-up PSD project (from Toolkit, other Dutch or non-Dutch PSD instruments, or private sector initiatives).
 - If projects focus on sectors in which the Netherlands has a comparative advantage, the likelihood of follow-up through private sector initiatives from the Netherlands increases.
- The Toolkit team's intensified efforts to interlink Toolkit projects have already contributed to improving the likelihood of sustainable and systemic impact.
 - However, PSD coaches and embassies differed in the extent to which they made deliberate efforts to stimulate or enable such follow-up (interconnected) projects.
 - The extent to which there is follow-up (from Toolkit, other PSD instruments, or private sector initiatives) is not systematically monitored.
 - If Toolkit projects lead to insights that do not justify further investments / follow-up (e.g., because the intervention area is found not to be relevant, effective, or additional) this is also meaningful.

6.6



Conclusions - Efficiency

[Go to overview](#)

6.6 – CONCLUSIONS ON EFFICIENCY

PSD Toolkit approval and mobilisation processes were seen as efficient, but monitoring and management was seen as a burden

- Many stakeholders valued PSD Toolkit for its **speed and flexibility**, in particular its ability to quickly and flexibly respond to evolving needs.
- The approval process was seen as **light and efficient**, compared to long and complex approval processes of other RVO instruments.
 - Usually, approval only required (a) agreement by Embassy and PSD coach on advisory plan (“adviesplan”); (b) approval of the regional coordinator. (sometimes incorporating contributions of thematic experts)
 - Only a few complaints in the survey on lengthy approval
- PSD Toolkit can be mobilised at short notice, without a policy memo (BEMO), while budget is available.
- However, monitoring and management of PSD Toolkit projects was often seen as a **burden**.
 - With each passing year, the management and information load increased, which some deemed disproportional to the (small) size of most PSD Toolkit projects

6.6 – CONCLUSIONS ON EFFICIENCY

Project implementation was generally timely and cost-effective

Efficiency of implementation:

- Toolkit projects were **mostly delivered on time and within budget** (unless dependent on cooperation of others).
- Small Toolkit projects with straightforward deliverables with short timeframe (e.g., studies, trade missions or exposure visits) encountered **few complications and were generally completed in time**.
- Projects that depended on cooperation of others (e.g., coaching of enterprises or capacity development of govt) **were less likely to meet intended targets** (timeliness or outcomes).

Cost effectiveness:

- PSD coaches can be a cost-effective way to provide PSD services to embassies:
 - PSD coaches offer services to Dutch embassies that are likely less costly than if embassies were to hire specialised staff to do it.
 - However, this depends on the quality and quantity of existing embassy staff, combined with their workload. Embassies with staff limitations may have more need for PSD Toolkit, but at the same time may make it less efficient (and effective) due to weak follow-up.

6.7



Conclusions – Impact Clusters (IC)

[Go to overview](#)

6.7 - CONCLUSIONS: IC

1. The IC module is a **relevant** and useful tool for bridging knowledge gaps or local market development gaps in a particular sub-sector/value chain, as a follow-up to market/explorative studies of specific PSD needs.
2. Introduction of new knowledge, skills, and technologies/know how through demonstration - a key element of IC module - is an **effective** way of contributing to local PSD initiatives that are oriented at scaling up of the introduced innovations. The scale of spin-off from IC-project-supported SMEs is sector-specific and depends on how capital-investment-sensitive the demonstrated knowledge and technologies are.
3. IC projects' scope and budget are - by design - too small to significantly contribute to the changes aimed at by EKN, i.e. **increased trade and investment** in selected sub-sectors or value chains. However, IC projects are undoubtedly making strong contributions to the relevance, effectiveness, and coherence of EKNs' PSD agendas.
4. The IC module is **additional** to other tools as it uniquely addresses a need to make tailored projects fit specific PSD "blockage" or catalyse local PSD development in a particular sub- sector or value chain.
5. Just as for the 2g@there-OS pilot programme, the best feature of IC projects remains **peer-to-peer exchange**. In addition, EKNs stress that the best feature of IC projects is its flexibility, i.e., designing each IC project in a way that best fits the identified market gap or opportunity.

6.8



Conclusions – Orange Corners (OC)

[Go to overview](#)

6.8 – CONCLUSIONS: ORANGE CORNERS

Conclusions on relevance

Relevance: *The OC programme is relevant for embassy strategies, with its goal of supporting youth unemployment and youth entrepreneurship. The expansion of OC was demand driven (by embassies), following promotional efforts by RVO), and the OC programme is closely linked to the embassy. In practice all embassies support OC, but active involvement varies based on shifting policy priorities and capacity. Active embassy involvement is seen as a major success factor for the programme. The OC programme is relevant for DGIS/DDE as the programme focusses on relevant countries and outcomes for the DDE ToC. The OC programme is relevant for youth entrepreneurship, but less so for youth unemployment. Interventions focus mainly on entrepreneurship, and less on creating employment opportunities for youths. The ecosystem mapping exercise is useful in focussing the OC interventions in more relevant areas.*

6.8 – CONCLUSIONS: ORANGE CORNERS

Conclusions on effectiveness

Effectiveness: *The OC programme has been effective in setting up OC programmes in 14 countries (in 18 separate programmes).* Local service providers have successfully created a pipeline of young start-ups, with 14,451 applicants and some 900 participants. The incubators contribute most to increased ‘business skills’, developing an ‘entrepreneurial mindset’ and increasing the network of participants. The programme is likely to contribute to job creation as participating enterprises reported a 77% increase in employment in the endline survey. *OCIF is an effective addition to the OC programme.* The fund increases the active involvement of participants in both the incubator, as well as their own business. The funding allows participants to grow their business. Financing is regarded as the main obstacle.

There is a clear effort into creating ‘ecosystem approach’. However, the approach is not as developed in all countries. The incubator remains the core pathway of the OC programme, while related ‘enabling’ interventions (for instance OCIF, private sector involvement, K2K, student ambassadors) have contributed to the success of these incubators. The programme has also carried out projects aimed at the broader enabling environment that were largely effective in delivering expected outputs but their contribution to an improved business climate for starting entrepreneurs could not be ascertained. Active collaboration with EKN, strong service providers and sufficient capacity at RVO to guide and facilitate OCs are seen as success factors in the effectiveness of the OC programme (best practice).

6.8 – CONCLUSIONS: ORANGE CORNERS

Conclusions on additionality and sustainability

Additionality: *The results on the additionality of the programme are mixed.* In most countries reviewed there are other organisations providing incubation and coaching services. However, the ecosystem mappings note that the quantity and quality is often low. Furthermore, OC offers services others do not. Especially with regards to private sector involvement and OCIF – these are clearly additional. In fragile context such as Sudan the additionally is more clear, with OC being the only comparable programme operating. *Some catalysing effects were found* in the form of LSPs who (partially) funded expansions into other regions, such as in Sudan and Morocco.

Sustainability: *Based on follow-up M&E survey data from Mozambique and the Morocco deep dive we can conclude that results from the incubator programme for participants are sustainable.* There are positive results for the number of participants still working on their business, employment increases, and perception on contribution of OC to business skills, business growth and network. Although the OC programme has been successful in attracting private sector financing in several countries, the programme is still heavily dependent on RVO funding. *It is not likely that OC can continue completely independently with private sector financing.* However, due to Dutch interest in the OC programme (alignment with Dutch reputation, embassy), some continued involvement is regarded as desirable.

6.8 – CONCLUSIONS: ORANGE CORNERS

Conclusions on efficiency

Efficiency: The largest share of OC programme costs goes towards OCIF and incubation programme. These are implemented within budget and on time. However, there are some instances where starting the programmes was less efficient. For instance, in Morocco development of OCIF was halted (after the subsidy was partly spent) due to legal issues, and had to be restarted with a different partner. *The programme has an effective MEL structure in place for incubators/OCIF.* Through participant surveys, regular contact between stakeholders, a regular community of practice meeting, and reporting from LSPs. However, MEL can be improved for enabling environment projects and the ecosystem approach as a whole. OC has developed a MEL plan which addresses these issues, by defining output and outcome indicators, and bi-annually updating and improving the ecosystem mapping exercises.

6.9



Recommendations PSD Toolkit

[Go to overview](#)

6.9 – RECOMMENDATIONS: OVERVIEW

Seven recommendations to improve the relevance, coherence, effectiveness, sustainable impact, and additionality of PSD Toolkit.

- **Recommendation 1:** Reconfirm PSD Toolkit as an **ODA programme** that first and foremost aims to address the PSD needs of programme countries.
- **Recommendation 2:** Position and promote PSD Toolkit primarily as a **Pathway 3 facility** to make Dutch embassies' PSD agendas more relevant, coherent, additional, and impactful.
- **Recommendation 3:** Develop a **more streamlined PMEL system** that stimulates learning and captures minimal required accountability-oriented information.
- **Recommendation 4:** Further increase coherence by deliberately pursuing and supporting **complementary interventions within selected sub-sectors to create a more comprehensive effort towards systemic change**.
- **Recommendation 5:** Seek sustainable impact by deliberately considering, and where relevant, **follow-up actions** to PSD Toolkit projects and by better monitoring whether follow-up is happening.
- **Recommendation 6:** Do not treat cross-cutting themes as an obligatory box to tick, but should be done only if there are important PSD-related bottlenecks for specific groups (e.g., women or youth) or if significant demonstration effects can be expected by focusing on these groups
- **Recommendation 7:** Adapt the PSD Toolkit ToC to reflect the above adaptations including clear articulation of where PSD Toolkit intervenes.

6.9 – RECOMMENDATION 1: TREAT PSD TOOLKIT AS ODA

To improve ODA relevance, reconfirm PSD Toolkit as an ODA programme that first and foremost is aimed at addressing the PSD needs of programme countries.

- Reconfirm that national ODA relevance is always the key priority.
 - Maintain that “strengthening the local private sector” remains the primary objective as the programme is funded by ODA funds - *where possible* - using Dutch knowledge and skills.”
 - Involving and strengthening Dutch companies is a nice ‘bonus’ but should not be the dominant criterion for selecting or approving PSD Toolkit projects (which are funded by ODA resources).
 - The fact that ODA-relevance takes priority should also to be reflected in the MACS.
- “Doing what the Netherlands is good at” is still valuable
 - In line with the new strategy for foreign trade & development cooperation, PSD can still prioritise (sub)sectors where the Dutch private sector has a clear comparative advantage
 - Involving Dutch companies should only be done when (a) the project addresses countries’ PSD priorities; (b) Dutch interventions have strong development additionality; and (c) are coherent.
- Further increase PSD’s focus on specific countries and sectors with the highest PSD needs (in line with the ministry’s new strategy and DDE’s emphasis on systemic impact).
 - Focusing on fewer countries/sectors increases the chances of having systemic impact.

6.9 – RECOMMENDATION 1: TREAT PSD TOOLKIT AS ODA

To improve ODA relevance, reconfirm PSD Toolkit as an ODA programme that first and foremost is aimed at addressing the PSD needs of programme countries.

- **Strengthen the role of PSD coaches in assessing local relevance.** Using more strict ODA criteria for local relevance, rather than ad hoc interpretations of local needs, will help to empower PSD coaches to make PSD Toolkit interventions more relevant.
 - Having a clear set of relevance criteria will also help to resist potential (mis-)use of PSD Toolkit for isolated and ad hoc projects that may not be the most relevant for the country.
 - Apart from MOFA/DDE policies, these relevance criteria may differ from country to country, based on MACS priorities, for example local business development, youth employment, women entrepreneurship, potential for Dutch partnerships, sustainable business, just to name a few.
 - While ad hoc projects can sometimes be useful to conduct as pilot projects (e.g., to test the potential effectiveness and additionality of conducting larger projects in this area), they too will need to be assessed on alignment with ODA criteria and national PSD needs in a broader sense.
 - While the PSD section of the MACS remains leading in the relevance test, any new PSD orientations and demands by national government or PSD stakeholders may be considered, and PSD Toolkit offers the requirement flexibility for this.

6.9 – RECOMMENDATION 2: FOCUS ON PATHWAY 3

Position and promote PSD Toolkit primarily as a pathway 3 facility to make Dutch embassies' PSD agendas more relevant, coherent, additional, and impactful

- **Position and promote PSD Toolkit** more deliberately as a Pathway 3 (embassy-focused) facility through which (larger) PSD efforts and partnerships can be explored and catalysed with relatively small investments.
- **Provide direct support to enterprises (Pathway 1) or government entities (Pathway 2)** only if these interventions are designed as pilot projects to e.g. assess how to make Dutch embassies' PSD agendas more relevant and impactful (Pathway 3).
- **Consider treating the OC programme as the independent PSD instrument it already is**, complementing rather than being part of the PSD Toolkit programme. The core of the OC programme directly targets individual entrepreneurs and makes OC clearly more than a pilot project to improve NL-supported PSD efforts but a real 'pillar 1' programme that can and should be called upon to complement the more catalytic / supporting PSD toolkit efforts.
- **Continue linking IC projects clearly to other PSD Toolkit projects** (in Pathway 3), thereby ensuring that it addresses bottlenecks in specific priority (sub)sectors for Dutch PSD support.
- **Encourage PSD coaches to focus (even) more on catalysing other PSD instruments**, e.g., if Pathway 1 and 2 pilot projects are successful in yielding new PSD opportunities

6.9 – RECOMMENDATION 3: STREAMLINE PMEL SYSTEM

Streamline the PMEL system by requiring less accountability-oriented information about project completion and more learning-oriented information about follow-up and synergy effects, especially for (clusters of) Pathway 3 projects.

- **Use a limited set of ‘SMART’ M&E indicators** (in accordance with DDE standards) that can be unambiguously determined at project ending for accountability and learning.
 - For Pathway 3 projects, this will often be limited to output indicators that can easily be determined (e.g., did the scoping study lead to any conclusions?).
 - Streamlined M&E indicators reduce efforts for the PSD coach and creates ‘head space’ to focus more on learning (see chapter on M&E data for concrete recommendations).
- **Introduce annual country reports** to enhance internal learning (by coaches/embassies), by:
 - Describing key ‘change areas’ – possibly using Outcome Harvesting principles - and the way these changes affect relevance, coherence, and likelihood of sustainable impact. Examples of change areas are changes in activities of development partners, political developments, national initiatives, etc.
 - Reporting on project outcomes and the way PSD Toolkit projects are interlinked and catalysed follow-up.
- In addition to individual projects indicators, **gather M&E data of clustered interventions** (e.g., treintjes).
 - Instead of reporting M&E indicators on smaller interventions for which outcome/impact indicators are not available, focus on reporting the effectiveness/impact of such clustered interventions.
 - Reduces the risk of double counting in M&E statistics (if correctly treated in M&E database)
 - Makes it easier to classify projects as a cross-cutting themes (e.g., for smaller projects it might be difficult)
 - Allows for more robust analyses on effectiveness and impact of projects (e.g., being able to capture economies of scale/scope in M&E indicators which is harder for individual projects).

6.9 – RECOMMENDATION 3: STREAMLINE PMEL SYSTEM

Streamline the PMEL system by requiring **less accountability-oriented information** about project completion and **more learning-oriented information** about follow-up and synergy effects, especially for (clusters of) Pathway 3 projects.

- **Start to systemise results:**
 - Develop SMART indicators (See Annex A for some examples).
 - Complete the End-Memo on a systematic basis, proportional to the size and importance of the project, analytical, and focusing on lessons learned.
 - Ask PSD Coaches at year-end to summarise the results and lessons learned in their country through an analytical annual report (short, focus on higher level results, what works well and what does not).
 - Analyse PMEL data and PSD coaches' annual reports to detect patterns (when nr. of observations is large enough).
 - Develop into a “lessons learned” paper or briefing note that is shared broadly with (new) staff.

6.9 – RECOMMENDATION 4: SEEK SYSTEMIC CHANGE

Aim for systemic change by deliberately considering and supporting complementary and synergetic interventions in focus countries and focus sectors

- Consider and support complementary and synergetic interventions that target different dimensions of systemic change. An example could be using the 'FIETS' model to categorise interventions according to Financial, Institutional, Environmental, Technical and Social aspects. This categorisation can help getting an overview of which dimensions of systemic change are covered and where gaps remain that need to be addressed further (by PSD Toolkit or other programmes, as relevant).
- Focus on the most ODA-relevant countries with the highest PSD needs aligned to emerging DGIS policies.
 - This will improve relevance, internal coherence and the likelihood of sustainable impact.
- Focus on priority sub-sectors with the highest PSD needs – ideally being rather specific sub-sectors in which the Netherlands has a comparative advantage (e.g., agricultural transition, water management)
 - This will improve relevance, internal coherence, and the likelihood of sustainable impact.
- Sharpen approval requirements in advisory plans ('advisory plans') to justify that the proposed PSD Toolkit intervention is:
 - Relevant, efficient, and additional to other PSD interventions (in case of Pathway 1 and 2 projects), which is best measured by tracking follow-up PSD interventions financed by the host government or other instruments / donors.
 - Contributes to making Dutch PSD interventions more relevant, coherent, and sustainable (in case of Pathway 3 projects)

6.9 – RECOMMENDATION 5: AIM FOR FOLLOW-UP

Further stimulate sustainable impact by aiming even more deliberately for follow-up action to PSD Toolkit projects, and by monitoring and reporting this follow-up

- **Continue to encourage PSD coaches and embassies** to interlink Toolkit projects as much as possible (except in case of scoping studies to explore new areas of interest)
- **Promote the formation of (in)formal institutions** to stimulate sustainable impact of interconnected projects. The establishment of the Nigerian-Netherlands Seed partnership is an excellent example that can serve as best practice (although being premature (*see Deep Dive Nigeria*). Of course, such partnerships are challenging to form and sustain, therefore it would be best to closely monitor the developments in Nigeria to use as insights elsewhere in the future. In the meantime, promote the exploration of new partnerships to try things out and examine what works best (as experiments to promote sustainability).
- **Improve monitoring and reporting** on the occurrence and results of this follow-up (see recommendation 3), also for cases where a decision is made not to follow up (e.g., in case of negative recommendations coming out of a scoping study or pilot study).
- **Conduct selected ex-post studies** (e.g., 3-5 years after completion) to assess the long-term outcomes to which a set of interlinked PSD Toolkit projects contributed (and which other PSD interventions they catalysed), with the aim of learning how to best achieve systemic impact.

6.9 – RECOMMENDATION 6: CROSS-CUTTING THEMES

- **Cross-cutting themes should not be seen as an obligatory box to tick, but should be central and logical to the project design and its ToC.** For example, projects should not focus on women or climate issues because this is seen as a 'requirement', but rather, because it is an important part of the ToC.
- **The relevance of focusing on a cross-cutting theme should be justified based on its relevance (i.e., potential impact).** For example, a case should be made that focusing on women or youth (a) addresses important PSD bottlenecks (e.g., if access to finance for women or youth is particularly low), and/or (b) because an important transformative effect is expected that could lead to replication and upscaling (for example, working with women in a sector that is traditionally dominated by women could have an important demonstration effect on others in the sector).
- **CSR in the PSD Toolkit should be more than just a minimum standard.** That is, the focus should not be on 'do no harm' but rather on achieving impact in this area.

6.9 – RECOMMENDATION 7: ADAPT TOC TO RESHAPED PROGRAMME

- Retain the logic that improved PSD programming (current pillar 3) feeds into change processes towards a strengthened private sector and an improved enabling environment for PSD, but illustrate these as subsequent results in a causal chain and not as distinct pillars suggesting separate intervention strategies.
- Consider projects directly working with private sector (former pillar 1) and government capacity development (former pillar 2) as explorative, illustrating that they are meant to increase the knowledge base about how to stimulate and strengthen PSD through private and public sector.
- Let the ToC be clear on how the PSD Toolkit is expected to be positioned in the Aid-to-Trade agenda, especially in combination countries, by including change pathways related to Dutch private sector as deliberate intentional or unintended side-effects.
- Ensure the ToC remains actor-based, so it is clear to which actor a change relates, and with whom the PSD Toolkit does work directly or indirectly. Reference can be made to other programmes working with specific target groups (e.g., OC with young entrepreneurs) to highlight the intended coherence with other key PSD programmes that are assumed to complement PSD Toolkit.
- Determine and illustrate what part of the ToC can and will be sensibly covered by the PSD Toolkit's M&E system (i.e., more than direct results / outputs, but outcomes only to the point where PSD Toolkit is expected to make a significant contribution).

6.10



Recommendations Impact Clusters

[Go to overview](#)

6.10 – RECOMMENDATIONS IC: WHAT ARE THE BEST PRACTICES AND LESSONS LEARNED?

Recognizing that IC projects are designed to address specific market/knowledge gaps makes lessons context-sensitive. Nonetheless, the following overarching lessons can be drawn from the studied IC projects:

1. **Ensure that coordination function is fulfilled locally at the start or throughout the project duration through various arrangements** if coordinator does not have a local representation. Local presence/experience of project coordinator in the same country and same sector was frequently mentioned success factor. On a related note, if and when Dutch partners establish/find local representation, it was regarded as a strong sign of sustainable project results.
2. **Keep facilitative/enabling role of PSD coaches and IC coordinators while among competencies of a coordinator prioritise their business acumen and sectoral/country knowledge** There are two key “pins in the network”/“spiders in the web” who are crucial for the success of an IC project: (1) PSD Coach who makes initial connections between potential partners and (2) IC Coordinator on whom project partners rely to connect and get to the finish line.
3. **Incorporate a study of import-export rules into the project design.** Many projects involving the import of capital-intensive inputs (e.g., equipment) became complicated due to the lack of a preliminary study of import-export rules.

6.10 – RECOMMENDATIONS IC: WHAT ARE THE BEST PRACTICES AND LESSONS LEARNED?

- 4. Include finance needs to invest in business development post-project in either project design or after mid-term analysis of sustainability.** Projects that required additional investments (e.g., computers to use farm management software) or dept capital to invest in post-development/prototyping had more difficulty achieving the desired results and/or having a solid foundation for their sustainability. This would imply for RVO to include the analysis on the degree to which project beneficiaries will need dept capital to invest in post-development/prototyping and additional activities for project partners to explore (local) access finance or linkages to larger-scale development-oriented programmes.
- 5. Put additional efforts in finding compensation for the involvement of NGOs and knowledge institutes.** The planned contributions of NGOs and knowledge institutes did not materialise to the desired extent. Several such organisations found it difficult to add work to existing programmes, despite having aligned goals with an IC project.

6.10 – RECOMMENDATIONS IC

1. General

- a) **Keep** the IC Module and its core feature focusing on the **exchange of knowledge and technology among peers** (B2B).
- b) **Hold regular exchanges** between PSD Coaches and Coordinators to learn lessons and use these for getting a new generation of PSD Coaches fully on board and skilled in managing flexibly the design and implementation of IC projects fitted to diverse contexts

2. Design phase

- a) **Retain flexibility** of IC project design to make it fit-for-purpose addressing market opportunities/gaps in diverse contexts, i.e., keep minimum amount of mandatory rules for setting up an IC project and guiding notes on sector-specific success factors, based on lessons learned
- b) **Intensify** effort in **ensuring local representation** from the beginning of the project. This might require separating the design phase from the rest that includes securing a local representation of coordination mechanism with no go decision when such representation is not guaranteed or putting project on hold until it is
- c) **Consider raising share of project budget** or making other arrangements for compensating heightened coordination and M&E efforts as well as inputs of knowledge institutions/NGOs

6.10 – RECOMMENDATIONS IC

3. Implementation phase

- a) **Keep flexible management** of the cluster by continuing to focus on project objectives rather than activities. If the design phase is separated, keep implementation phase to 3 years as these are needed for fuller adoption of introduced innovations and efforts to ensure sustainability of results beyond project duration
- b) **Consider supporting local partners** in taking on risk-investment, especially when capital-intensive technology is a part of the IC set up. To increase likelihood of sustainability of IC project results, towards the end of an IC project, link (local) project partners to larger-scale development-oriented programmes or financial institutes/ventures.
- c) **M&E specific recommendations:** in addition to end-of-project PSD results information on particular KPIs (related to different reporting requirements between and to the different departments of the Dutch Ministries)
 - Include a component for collecting post-project data on success factors and the degree to which SMEs and other non-demonstration farms have adopted new technologies. Analyse the required and sufficient conditions for an effective uptake/catalytic effect of IC projects by breaking down this data by sector and context (such as fragile/aid relations, combination relations, and trade relations),
 - Examine whether and what trade and business information the IC project participants are prepared to share and gather this data for analysis and reporting on (balanced) benefits of IC projects to local and Dutch SMEs

6.11



Recommendations Orange Corners

[Go to overview](#)

6.11 – RECOMMENDATIONS OC

- Keep concentrating on business incubators as central Pathway in the OC programme but ensure that the eco-system mapping periodically and adequately identifies and prioritises positively and negatively contributing factors in the business climate for starting (young) entrepreneurs. The embassy and PSD coaches can then address these broader eco-system issues in their PSD related policy dialogue / economic diplomacy efforts rather than financing these enabling interventions.
- In the understanding that stimulating youth entrepreneurship remains the primary objective of the OC programme, **ensure selection criteria that prioritize participants from marginalized groups** that have less easily access to, and therefore a stronger need for, support, over ‘high-potentials’ that are likely to find their way to alternative support mechanisms. This also implies **prioritizing OC in the 22 developing countries mentioned in the ministry’s latest policy document.**
- Only continue in / expand OC to the so-called combination countries based on clear and increasing **cost-sharing** from private sector, other donors and participants themselves. This means accepting that different selection criteria will be applied that prioritize for instance high-potentials, while the contributions of the OC programme are earmarked for particular (marginalized) target groups that are in more need for support.
- **Continue OCIF and other enabling interventions that help the effectiveness of the incubators** but ensure that improving participants’ capacity to access finance remains a core element of incubation programme, including connection participants to other sources of financing.
- **Reformulate the ToC to reflect the central role of the incubator programme within a broader eco-system approach** as suggested above, whilst specifying where the Netherlands intends to support in what way (financing, capacity building, policy dialogue/economic diplomacy).

6.11 – RECOMMENDATIONS OC

- **Stimulate leveraging third party financing:** Currently, acquisition of private sector financing is largely done through EKN. Look for ways to increase private sector financing, for instance by supporting and developing capacity of LSPs to successfully raise funds, approaching private sector sponsors for specific activities (instead of the entire programme), and exploring other funding sources such as funds and other donors.
- **Support and encourage LSPs to experiment with delivery models to increase the geographic coverage of the OC programme:** Currently the scope of the incubators is limited by geography. They are aimed at specific regions – both for logistical reasons, as to focus OC projects. However, there is broader interest to participate. Supporting alternative delivery options (online, hybrid, Caravanne) will increase the reach of OC.
- **Improve response of M&E incubator participants survey:** Review ways to increase the response to the M&E surveys (especially the endline survey). For instance, through making it a requirement for OCIF funding, interviews by LSPs, or shortening the survey.
- **Periodically send out the OCIF recipient survey:** The OCIF survey contains useful information from recipients of the funding (outside of M&E indicators provided by implementing partners), which can be used to further improve the programme.