Udenrigsudvalget 2008-09
URU alm. del Bilag 215
Offentligt

MINISTRY OF FOREIGN AFFAIRS
Danida

Evaluation

Private Sector Development Programme

2001/1

Ministry of Foreign Affairs
Danida

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File No. 104.X.50.Eval.
October 2001

Development Associates A/S
Planning, Monitoring and Evaluation

October 2001

Production:	Evaluation Secretariat, Ministry of Foreign Affairs
Cover photo:	Ernst Tobisch
Design:	Designgrafik, Copenhagen
Print:	Nielsen & Krohn, Copenhagen

ISBN:	87-7964-111-3
ISSN:	1399-4972

This report can be obtained free of charge by contacting:

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The report is printed on Agrippina Star paper and the cover is printed on Invercote, a fully coated folding boxboard. Invercote is manufactured without the use of chlorine.

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List of Abbreviations

CTA	Chief Technical Advisor
DFID	Department for International Development
DI	Dansk Industri/The Confederation of Danish Industries
DK	Denmark
DKK	Danish Kroner
ERSAP	Economic Reform and Structural Adjustment Programme
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HVR	Håndværksrådet/The Danish Federation of Small and Medium-Sized Enterprises
IDA	International Development Agency
IFU	Fund for Industrialisation in Developing Countries
ILO	International Labour Office
IMP	Industrial Modernisation Programme
LFA	Logical Framework Analysis
MPI	Ministry of Planning and Investment
NGO	Non-Governmental Organisation
PS	Private Sector
PSD	Private Sector Development
PSF	Private Sector Forum
SME	Small and Medium-Sized Enterprise
SOE	State-Owned Enterprise
SPS	Sector Programme Support
TSA	Tjenesten for Sektorfaglige Anliggender/Technical Advisory Service
UNIDO	United Nations Industrial Development Organisation
US	United States
USAID	United States Agency for International Development
VCCI	Vietnam Chamber of Commerce and Industry
WID	Women in Development

Executive Summary

The Programme

The Private Sector Development Programme (the Programme) is part of Danish development assistance and is therefore subject to the general development objectives: poverty reduction; gender equality; environmental protection and democracy. These objectives are to be achieved by contributing to economic growth and social development through facilitating business-to-business co-operations between private companies in the developing countries and Danish companies.

The Programme was initiated in 1993 with a three-year test period (1993-1996) in India, Ghana and Zimbabwe. The total budget for Phase I was DKK 180 million. An "enabling environment" component was part of the original design.

A second phase, for a five-year period (1996-2001) was approved in 1996, adding three new countries, Uganda, Vietnam and Egypt and abolishing the "enabling environment" component. The total budget for Phase II was DKK 853 million, of which DKK 103 million were for administration of the Programme. In 1999, the Programme was expanded to cover an additional five countries, i.e. Bolivia, Mozambique, Nepal, Nicaragua and Tanzania. Later same year Bangladesh replaced India as a Programme country.

Business-to-business co-operations are supported with technical assistance and finance for the partners to initially visit each other, for special studies required for assessing the scope of the co-operation and for subsequent feasibility studies. A start-up facility can also be provided to further prepare the partners´ co-operation and for initial technology transfers of up to DKK 0.5 million. Further support can be received under a Partnership project facility, typically up to DKK 3 million.

A PS-Secretariat in the Ministry of Foreign Affairs has the overall management and implementing responsibility. PS-Coordinators manage the PS-Units located at the Danish Embassies in Ghana, Zimbabwe, Vietnam, Egypt, Bangladesh and Uganda.

Development Associates A/S was commissioned to undertake the evaluation, the purpose of which is "..to assess implementation processes and to document results of the Programme..". Three countries were selected for field studies, Ghana, Egypt and Vietnam. The evaluation was undertaken during the period January through March 2001.

Conclusions

Overall Conclusion

In the perspective of the current design the Programme is reasonably successful. It is in general effectively implemented within the designed framework by a competent and dedicated staff. The Programme has succeeded in establishing itself as a recognised part of Danish development assistance and it appears to be highly appreciated by private enterprises, in Denmark as well as in the host countries.

However, the design is very narrowly focused on individual private business-to-business co-operations with limited concern for broader aspects of development of the private sector as a whole and for the role of private sector development in overall growth and development of the respective countries. Consequently, the development impact of the Programme is limited and less than optimal.

Conclusions along these lines are also arrived at in other studies, i.e. in a recent worldwide study by Canadian International Development Agency and in a study of a corresponding EU programme in Egypt. A recent report from the Danish Centre for Development Research also points towards similar conclusions.

Direct Programme Results

The Programme promotes and facilitates the business activities of Danish companies in the developing countries concerned. These countries are generally not the preferred countries for Danish private foreign investments. In spite of this, the Programme has succeeded in attracting a number of Danish business activities to these countries. The focus is on establishing Partnerships between a Danish and a local private company which are long term, mutually binding and commercially viable co-operations, involving transfer of technology to the local partner. The evaluation estimates that, in total, some 90 such Partnerships have been established by the Programme during Phase I and II.

In addition the Programme has financed a number of projects which do not in themselves entail a longer term mutual commitment. These projects have, however, facilitated transfer of specific technologies over a limited time period and are thus also results of the Programme. Some 115 such technology transfers have been implemented in total, in addition to the approximately 90 longer term and mutually more binding Partnership projects.

During Phase I a number of "enabling environment" projects were also financed under the Programme. Some of these are still in operation and some have been added during the second phase of the Programme. The "enabling environment" component of the Programme was cancelled after a 1995 Review, except for the loan facility, implemented in Ghana and Zimbabwe only. The Programme facilities have also in Phase II been used e.g. to support co-operations between local and Danish private sector support institutions, i.e. "twinning arrangements".

Impact Assessment

Development impact of the Programme has been assessed at three levels: The immediate objective is improved local partner businesses, which is assumed to contribute to the intermediate objective: Private sector development, which in turn is assumed to contribute to the development objective of promoting sustainable and socially balanced economic growth.

In terms of the immediate objective, the Programme has been reasonably successful. The co-operations established have in general resulted in relevant technologies being transferred from the Danish to the local partner. Technology transfer is defined to include not only specific technical aspects, but also to a large extent organisational, marketing and management aspects. This has contributed to important improvements for the local businesses, though many of these face also other constraints limiting the effects and longer term sustainability of the technology transfer. From the point of view of the local partner the Programme, however, appears rather successful.

In contributing to the overall development of the private sectors of the respective countries, the Programme is less successful. There are clear direct positive effects on employment and foreign exchange earning in a number of the individual local companies. There are also important cases of improvements in environment and gender aspects in partner companies. However, the project portfolios are generally somewhat dispersed with the projects thinly spread over many types and sub-sectors. There are very few synergy effects in the portfolios. Opportunities for demonstration and dissemination of experience, of providing "good examples" etc. are typically not exploited. Spin-off effects on other parts of the private sector are thus very limited.

The contribution to growth and social development is furthermore limited by a lack of concern for the type of private sector development required. Job creation and international competitiveness are important for a socially balanced economic growth to take place. Lack of priority criteria implies, however, that the project portfolios are less than optimal in these respects. Also the segments of the private sectors being supported are not necessarily those segments which have the highest growth potential or which would contribute most to socially balanced growth processes. The types of enterprises which are supported under the Programme are e.g., not in all cases among the small and medium sized. In the respective countries, there is no clear relation between this sector and the support portfolios of the Programme.

Positive effects on gender, environment and participation are observed in several projects. They follow from the individual technology transfers and are not the result of a systematic approach or policy in these areas. There is no explicit strategy for how to approach these concerns in the contexts of the individual countries.

Towards a New Programme Design

The conclusions above suggest that continuation of the Programme should be conditional on a major re-design to give it a clear development profile. Chapter 5 presents the evaluation findings in this respect, which are broadly in line with Danida's new Action Plan for Business Sector Development. A new design must consider the appropriateness of the objectives and strategy in the contexts of the individual countries. It needs to include possibilities for a broader and integrated support to private sector development i.e. "enabling environment" components. More instruments should be available. A review of the current organisation and management is also required. Chapter 5 gives details concerning the recommendations made below but does not claim to be exhaustive.

Recommendations

It is recommended that Danida takes action towards:

The Programme Re-Designed

- *Programme to become spearhead* for Danish private sector support in countries where the Programme is well established. Though the Programme shall not itself address all constraints, it shall ensure that the Danish support provided in these countries is within a comprehensive private sector support framework.

- *Country strategies* to be developed for each of these countries as a means to designing the Danish support in relation to potentials and constraints for private sector development and in coordination with other donor support.

Objectives and Strategy Re-Considered
- *Objectives reformulated*, to include private sector development and overall development objectives and to ensure that the Programme has a clear development profile.
- *Strategy formulated*, to reflect the new design. The "from below" and business-to-business approach shall be maintained, but in a broader private sector development perspective.

Enabling Environment Support Re-Introduced
- *Private sector institutions*, supported to enable them to assist local private businesses, relieving the PS-Units from part of their present activities in this respect.
- *Training institutions*, supported to ensure sustainability and dissemination of effects. This can be visualised in sub-sectors, where a number of projects are implemented.
- *Labour market institutions*, supported to ensure appropriate labour market developments. Experience from individual business-to-business co-operations which are "good examples", to be disseminated.
- *Financial institutions*, supported in country specific context of financial system. This is to address an often very important constraint of lack of long-term investment capital.

More Support Instruments
- *Preparatory facilities expanded*, to include enabling environment and context analyses, for developing the country strategies and to design the specific instruments in the respective country contexts.
- *Start-up facility reviewed*, to ensure adequacy and flexibility.
- Partnership support reviewed, to ensure adequacy and flexibility, building on past experience of the Programme.
- *Loan facility in all countries*, designed as support to, and in the context of, existing systems and in accordance with the Danida "Guidelines for Support to Financial Services".
- *New instruments developed*, as part of overall Programme design for new intervention areas, but specifically designed for the respective countries in the country strategies.

Organisation and Management Reviewed
- *PS-Coordinators*, broader responsibilities towards private sector development and for ensuring the development profile of the Programme in the specific country context.
- *Outsourcing*, of parts of PS-Unit activities, e.g. to private sector institutions which provide private sector support of similar nature.
- *Consultant support reviewed*, to strengthen the project preparation process in order to increase the efficiency of the "dialogue" between the partners concerning the nature and modalities of co-operation.

1. Introduction

1.1. Background

This report is the result of an evaluation study of the Private Sector Development Programme under Danish development assistance to developing countries. The study was undertaken in the period January through March 2001.

The Evaluation Team wishes to express its appreciation of the courteous and efficient assistance received from the PS-Secretariat, the PS-Coordinators, staff of the PS-Units and the staff of the firms and institutions interviewed. The views expressed in this report are those of the Evaluation Team and thus do not necessarily correspond to the views of the governments of the respective countries or of the Danish Ministry of Foreign Affairs.

The PSD Programme

The Private Sector Development Programme (the Programme) was established in 1993 in the three countries – Ghana, India and Zimbabwe – for a three-year test period. The total budget for the three countries was DKK 180 million. Towards the end of the first phase in 1995, a review was undertaken. The review recommended an extension and expansion of the Programme.

Based on these recommendations, Phase II of the Programme was approved for a five-year period (1996-2001) with a total budget of about DKK 853 million, of which DKK 103 million were for the administration of the Programme. At the same time, the number of countries included in the Programme was increased to include Egypt, Uganda and Vietnam.

A second review was undertaken in 1999. A further expansion of the Programme was recommended and five new countries were included, Bolivia, Mozambique, Nepal, Nicaragua and Tanzania. Later in the same year Bangladesh was included as a replacement for India.

The purpose of the Programme is to contribute to economic growth and social development through support to the establishment of business-to-business co-operation between private companies in the developing countries and Danish companies.

Establishment of business-to-business co-operations is supported with technical assistance and finance for the companies to initially visit each other, for special studies required for assessing the scope of co-operation and for subsequent feasibility studies. A start-up facility is also available to the partners to further prepare their co-operation and for initial technology transfer. Further support can also be received under the Partnership project facility.

A PS-Secretariat at the Ministry of Foreign Affairs in Copenhagen has the overall management of, and responsibility for, implementing the Programme. In each of the original Phase II countries (with India replacing Bangladesh) there is a PS-Unit, headed by a PS-Coordinator. In addition there is an agreement with the Association of Danish

Industries (DI) and the Federation of Small and Medium-sized Enterprises (HVR) for providing assistance to the matchmaking procedures. There are also funds allocated for hiring external consultants (national and international) to assist with the project preparatory work.

PS-Coordinators are employed on a contractual basis. They generally have a technical or financial background and experience of private business operations in developing countries.

Purpose of Evaluation

In connection with the approval of Phase II, it was decided that an evaluation should be undertaken towards the end of the period. Hence this evaluation was undertaken.

It should be emphasised that an evaluation is different from a review. Generally, the latter focuses on effectiveness of implementation and design relative to the specific objectives of the project or programme concerned. These objectives are not normally questioned as part of a review, whereas evaluations typically go a step further. An evaluation will normally assess the impact of the project or programme in relation to the broader objectives underlying development assistance. Hence an evaluation can question whether the specific objectives of the project or programme are relevant and whether the implementation and design are effective in relation to the development objectives of Danish development assistance.

The specific purpose of the evaluation is formulated in the Terms of Reference (attached as Annex 1) as "…to assess implementation processes and to document the results of the Programme in order to provide background information for expanding or revising the Programme."

This formulation is interpreted to entail that the impact of the Programme shall be assessed against the objectives for Danish development assistance as well as against the specific objectives of the Programme itself.

1.2 Approach and Methodology

The study has been undertaken in three main phases, partly overlapping, because of the tight time frame for completing the study. The first phase was a desk study phase, during which the material available in the Programme files in Copenhagen was scrutinised and analysed. During this phase, an "Issues and Methodology Paper", outlining and discussing issues, approaches and methodologies, was also drafted.

A second phase comprised the fieldwork in the three countries selected: Ghana, Egypt and Vietnam. These three countries were selected because they have relatively large project portfolios, which make impact assessments meaningful. Furthermore, the three countries are from different parts of the world and they illustrate the spectrum of differences in the countries in which the Programme is implemented. During this phase, the deskwork was continued in each of the three countries since as a considerable part of the relevant information is only available in the PS-Units of the respective Embassies. In each country visited a debriefing note was drafted and discussed with the ambassador, the PS-Unit and with embassy staff. Staffing and itineraries for the country fieldwork are to be found in Annex 2.

The last phase is the synthesis, analysis and reporting phase. The core team and particularly the coordination team have been responsible for drafting this evaluation report. Informal contacts and discussions with the PS-Secretariat have been part of this process as have the discussions undertaken during the fieldwork, in which representatives of the PS-Secretariat have participated as resource persons.

Evaluation Approach

The evaluation results presented in the following chapters are mainly based on the assessments and analyses of the implementation of the Programme in the three selected countries: Ghana, Egypt and Vietnam. In each of these three countries, a sample of start-up facilities and Partnership projects has been selected for deeper analysis and interviewing during the fieldwork phase. The total number of these two categories of projects in all the countries currently included in the Programme, as well as the sample numbers, are shown in Table 1 below:

Table 1: Project Sample and Total Projects Approved

Pr. 21 Dec 2000. Phase I and II.

Countries	Start-up facilities		Partnerships	
	Sample	Total	Sample	Total
Bangladesh	0	3	0	2
Egypt	7	19	7	14
Ghana	7	41	10	30
India	0	23	0	51
Nepal	0	1	0	-
Mozambique	0	2	0	1
Tanzania	0	-	0	2
Uganda	0	33	0	9
Vietnam	18	54	10	20
Zimbabwe	0	32	0	28
Total	32 (15%)	208	27 (17%)	157

Source: PS-Secretariat

For each project visited during the fieldwork, a "Project Profile" has been produced. This has formed the basis for the analyses of the effects of the Programme on the projects sampled in each country. This sample information has been supplemented with information contained in similar profiles (though with less information) for the remaining parts of the project portfolios in these countries. Thus some of the results, particularly those based on qualitative assessments, are based on the project samples whereas the statistical information provided in the following is often based on the full project portfolio of the respective country.

In selecting the project samples in the three countries, efforts were made to cover broadly different types of co-operation and different sectors. These analyses and selections were made as part of the deskwork phase. Establishing the basic information contained in the projects profiles, for projects not included in the project samples, was part of the deskwork that continued the fieldwork in the respective countries.

Assessment Methods

The methodology used for assessing impact is basically the "cause-effect chain" method. This method requires a specification of the "objectives hierarchy" and an identification of assumptions, which are judged crucial for one step in the chain to lead to the next. Assessments of the validity of these assumptions are then made. The objectives and assumptions used are outlined and discussed below.

Potentially crucial assumptions were identified as part of the deskwork and this has guided the fieldwork. The list of such assumptions is large and, in practice, some turn out to be more relevant than others. Country differences are clearly also important in this context. Under the general guidance mentioned above, each country team has made its own assessment of which assumptions were the most relevant in the specific country context. Assessing the validity of the assumptions has also been undertaken by the country teams, supplemented by the observations of the coordination team.

The interviews undertaken with the individual firms in the project sample are the main basis for these assessments. In addition, a number of interviews were conducted by the social anthropologist of the coordination team in all three countries. These focused on social aspects and training and covered firms which have received the three different types of support i.e. study visits, start-up facilities and Partnership projects. Though those interviewed were primarily managers, some employees were also included. General information about the private sectors and of the support of other donors was also collected. Furthermore, statistical analyses pertaining to the part of the portfolios which are not part of the project sample in the respective countries, provide supporting data for the assessments.

In assessing the effect of the sample projects six basic criteria have been used, though not to the same extent in all three countries, because of the different contexts and conditions. The criteria are:

- employment generation
- foreign exchange earnings
- technology relevance
- environmental improvements
- sustainability
- additionality

The first two criteria are considered key constraints in most developing countries and the evaluation supplements the analyses of the project samples with an analysis of the whole project portfolio in each of the three countries. This analysis assesses the likely positive net contribution to job creation and increased international competitiveness of the private sectors and is based on an assessment of the types of technology being transferred under the Programme.

Technology transfer is the essential component of the expected contributions of the Programme to improved businesses of the local partners. Relevance of the technology is assessed both in relation to the individual local partner businesses and in relation to the sector/industry and country as a whole.

The environmental improvement criterion focuses on the environmental effects of the new technology. The assessment relates to external as well as working environment. In many cases the new technology affects both and it is often impossible to assess these two aspects separately.

Sustainability concerns primarily sustainability of the technology transfer. It is generally judged on the basis of financial performance of the improved business of the local partner firm. Information on this has not been readily available in all countries, however, and there is a large element of judgement involved.

Additionality is also a difficult criterion to use. It refers to the question of whether observed effects on local firms have been caused by the Programme. There are cases where the co-operation would have taken place also without Programme support. In such cases the Programme has not had impact. Though difficult to apply, the criterion is important, as the Programme is intended as an incentive to firms, which would not otherwise establish co-operations in these countries.

The six criteria covers the nine aspects mentioned in the Terms of Reference under Scope of Work. The "enhanced competence" and "savings in production inputs" are essential elements in assessing the relevance of technologies being transferred. The two environmental aspects are combined, as mentioned above, for practical reasons. The "spin-off" effects is not specified as one specific criterion, but these effects are assessed as part of the impact assessment.

Objectives and Assumptions

Though there are various formulations of the objectives of the Programme, contribution to economic growth and social development by the establishment of long-term Partnership co-operation is the basic idea.

For an impact assessment to be made, using the above-mentioned method, a hierarchy of objectives needs to be established. In what follow, the development objective that reflects overall Danida objectives, is taken to be "a contribution to a sustainable and socially balanced economic growth process". The immediate objective is specified as "improved business of local partner". In addition to these two objectives only an intermediate objective of "private sector development" is specified. The output or direct results of the Programme are "Partnerships established".

This is a very general objectives hierarchy and the assumptions are correspondingly general but indicates three levels in the impact assessment.

The first level is the immediate objectives level. It concerns impact on the individual firms in the host countries that are engaged in co-operation with a Danish partner, and supported with either a start-up facility or a Partnership project (or in a limited number of cases, both). For this support to have positive impact at this level, crucial assumptions relate to effects on turnover, production costs or, more generally, to profitability. There are similarly important assumptions relating to effects on employees' occupational health and safety; working conditions; environment; gender aspects and participation in decision-making.

At the next level, the intermediate objective level, the general assumption is that improved local partner businesses automatically imply private sector development of the respective countries. This assumption is not universally valid. What is good for an individual company is not necessarily good for the country as a whole. Furthermore, one cannot in general assume that the aggregate effect of a number of individual projects is equal to the sum of the individual effects. Externalities, spin-off or dissemination effects are examples of effects, which are not captured, in a simple summing up. Thus, the extent to which the Programme contributes to the development of the private sector needs more analyses than that of the benefits to individual companies.

Finally, there is a general assumption that private sector development will contribute to the growth objective specified above. This assumption is not automatically valid either. There are aspects of private sector development, related first of all to equality and social dimensions, which do not emerge sui generis in a market economy.

1.3 Organisation of Evaluation Report

Chapter 2 of this report is devoted to an analysis of the Programme in terms of its direct results, i.e. the establishment of business-to-business co-operations. It gives a description of the Programme in the three countries visited and a summary of the overall number and forms of co-operations established under the Programme.

Chapter 3 is the impact assessment chapter, undertaking the assessments indicated above at the three objective levels. This Chapter thus purports to be the chapter which assesses the development impact of the Programme. This is done in terms of the objectives hierarchy specified above and appears to be in accordance with the general specification of the Programme's own objective.

Chapter 4 identifies a number of issues related to the design and implementation of the Programme.

Chapter 5 discusses the evaluation findings in the perspective of a proposed future re-design of the Programme.

2. Direct Programme Results

2.1. The Programme in Ghana

Private Sector Prospects and Constraints

Since the Programme started in Ghana in 1993 the industrial sector and the manufacturing sector in particular, has experienced a low rate of growth. The macro-economic environment for private sector development has become less conducive. Government's increasing domestic borrowing has resulted in crowding out private investments and bank interest rates are now around 50 per cent.

The financial sector has thus not been in a position to provide the private sector with short or long-term credit. From the end of 1999 to the middle of 2000, the exchange rate of cedi to dollar more than tripled. This hit the whole industrial sector hard. The steep depreciation further fuelled the inflation rate, now reaching 40 per cent per year. For example, prices of manufactured goods have tended to increase more than food items. With an overall low rate of growth in the economy, the relative price increase in manufactured goods has further depressed domestic demand for these goods.

There has been some liberalisation of the economy and policy efforts have been made to stimulate non-traditional exports, particular in the "Green Gold" sectors related to agriculture. Industrial development continues to be dominated by import substitution and is heavily dependent on imported raw materials and equipment. Institutional reforms in port handling and custom free zones have had some impact. But both domestic and foreign investment in the private sector remain low.

The rather slow private sector development, particularly in the manufacturing sector, means that the actual number of firms in the organised manufacturing sector is low. Figures from the VAT-register suggest that there are only around 1700 to 2000 firms. Although the Programme is not confined to the manufacturing sector, this nevertheless suggests that the number of potential Ghanaian Partnership firms is very limited. Some of the largest manufacturing companies are foreign multinationals. Ownership of medium to large scale firms is, in some basic industries, dominated by the Lebanese and Indian communities.

Infrastructure for private sector development in Ghana has improved over the years particularly in the transport sector. It is better than in some other African countries. However, the infrastructure is still very fragile and causes serious production problems for private firms in areas such as electricity and water supply and the provision of telecommunication services.

The institutional and regulatory framework is also often quite cumbersome for private business. But, for trade and industry, there have been efforts towards capacity building and improved efficiency in the bureaucracy. There often appears to be a lack of coordination, sound administrative procedures and equipment to undertake efficient monitoring. Harbour administration has improved. But other public services and regulatory institutions do not appear to be much client-oriented. Corruption is also said to spread. However, independent of macroeconomic conditions, there are several areas in which institutional improvements could be made that would facilitate private sector development.

Until late 2000, the Government was not particularly friendly to domestic private sector entrepreneurs. Their businesses could be rather arbitrarily affected. Private business owners tended to lower the political risk by spreading their investments. The new president and his government are expected to be more private sector friendly. But first of all they have to take rather unpopular budgetary policy measures to give room for more private sector investments.

Other donors than Danida have provided substantial support to private sector development in the past (including the World Bank and the United States Agency for International Development (USAID)) and some is still ongoing (USAID and the Department for International Development (DFID)). Support is typically in the form of projects providing more or less comprehensive packages of assistance to SME development.

The experience of past private sector assistance is not encouraging as the impact seems very limited. This appears to be due primarily to two factors: the deteriorating macro-economic situation and the political climate. Though some improvements are noted (e.g. increased exports), Ghana's productivity levels are still very low and labour skill levels need substantial upgrading in many areas.

Several donors are committed to continued support to private sector development. With the new Government, the general conditions for private sector development are expected to improve. The support will be of the same general nature as indicated above. The specific form of the Danish business-to-business approach is a unique form of donor support in Ghana. Some other donors do, however, have certain instruments which are somewhat similar.

Programme in Context

Ghana was included in the first phase of the Programme (1993-96). In addition to the business-to-business grant facilities, the Programme included a loan component and support to enabling environment activities. In the second phase, support has only been given to one enabling environment activity: that between the Federation of Danish Industries and the Association of Ghana Industries.

The approved allocations for start-up facilities and Partnership projects in Phase I, were DKK 2.6 million and DKK 27.6 million respectively. In Phase II the approved allocations to projects have been DKK 93.6 million. Detailed figures are given in the table below.

Table 2. Ghana: PS-allocations (approved grant (loan)

	Phase I		Phase II	
	Number	DKK 1000	Number	DKK 1000
Partnerships	10 + 1 extension	27,560	20 + 2 extensions	75,800
Start-up facilities	6	2,570	35 + 1 extension	17,760
Total	16 + 1 extension	30,130	55 + 3 extensions	93,560

Source: PS-Unit Ghana

Support has been given to 197 partner visits, 50 feasibility studies and 30 special studies.

The allocations for Ghana in Phase II amount to about 21 per cent of the total allocations made under the Programme. However, the figures for Ghana include the amounts allocated under the loan facility, which is only implemented in Ghana and Zimbabwe.

Disbursement for Phase II has been DKK 72 million but have varied in recent years as follows:

Table 3. Ghana: Programme Disbursements 1998-2000

	1998 DKK 1000	1999 DKK 1000	2000 DKK 1000
Visits (Ghana + DK)	976	989	1,349
Special + feasibility studies	2,609	2,454	3,191
Marketing of the Programme	95	54	47
Consultant fees	386	597	927
PS-Projects (Start-up and Partnerships)	11,882	21,301	14,536
Total	15,948	25,395	20,050

Source: PS-Unit Ghana

The figures in the table do not include staff salaries and current costs of the PS- Unit funded by the Programme. Furthermore, consultant expenditures in Denmark to start and prepare projects in Ghana are not included. While there has been a tendency for preparatory activities and consultancy to increase, the disbursements to projects – that is, i.e. start-up facilities and Partnerships – have fluctuated. Danida's total disbursements in Ghana, including the Programme, were DKK 308 million in 2000. Hence the Programme constitutes around 6-7 per cent of project disbursements.

Sectorwise, there is some concentration on the fishery and wood/furniture industries. But, as the following table shows, the projects have been spread over many sectors:

Table 4. Ghana: Approved Projects. Phase I & II

Sector	Start-up facilities No.	Start-up facilities Grant DKK 1000	Partnerships No.	Partnerships Grant DKK 1000	Total No.	Total Grant DKK 1000
Agro-industry	3	1,500	2	14,290	5	15,790
Transport infrastructure	4	2,000	3	12,040	7	14,040
Fishery	4	1,960	6	14,390	10	16,350
Wood & furniture	8	4,000	5	14,940	13	18,940
Pharmaceutical	1	500	1	5,790	2	6,290
Enabling environment	1	500	6	17,130	7	17,630
Others	17	8,380	7	26,270	24	34,650
Total	38	18,840	30	104,850	68	123,690

Note: In cases where the partners have received grants for both Partnership and start-up facility, the sum of the two is placed under Partnerships

Except for a few cases, partners in Ghana are small and medium size firms. Taking into consideration the depressed situation in the private sector, only a couple of the largest firms can be assumed to acquire the technology on commercial terms. With the availability of the loan facility to fund equipment investments, the input of the Programme has, in a large number of cases, played a dominant role for the firm's production capacity and financial situation.

The Danish partner profile also varies. But with a couple of exceptions, it is dominated by very small or medium size firms. Most of these firms have not selected Ghana as a location for strategic reasons but, given PS support, consider Ghana to be an interesting business opportunity. In a number of cases, projects have evolved out of older Danish business interests in Ghana that had suffered under the economic depression.

Under both the start-up facilities and Partnership projects there are cases in which, shortly after approval, projects have been cancelled or co-operation has been terminated after funds have been utilised and investments made. Generally speaking, the reasons for this are invalid assumptions or disagreements between the partners. This has in some cases resulted in substantial investments lying un- or underutilised. Joint ventures have to, a large extent, been used as a form of long-term co-operation. But, in both phases, experience shows that such projects can also fail.

There has been 41 start-up facilities approved and 17 of these are ongoing. Of the rest, three have continued into Partnership projects while another three are applying for such and are included in the Partnership pipeline. Some of the remaining have been fully implemented; occasionally with some continued partner contact. Others have been cancelled after approval.

The Loan Facility

In Ghana, a number of loans have been provided to Partnership projects. But repayment has been very bad. Loans are handled by the PS-Unit and disbursed from the embassy.

The loans are then given over to a bank, which against a fee shall collect repayments. Funds collected are to be paid in to the Treasury, as Danida funds are grants to the Government. The fact that the funds are known to be government or donor money is one reason why repayment performance is so bad. The bank can take legal action against defaulters. But that is a costly affair, likely to involve a loss for the bank. The bank's interest in pursuing such strong measures is thus limited.

Administration

The PS-Unit is located in the Danish Embassy where the PS-Coordinator is assisted by a project officer, an assistant project officer and a secretary who is occasionally shared with the Embassy. The unit has a heavy administrative burden running the Programme and has to respond to a very large number of external enquiries. Local consultants are extensively used, both in the preparation and monitoring of activities. Close links are maintained with external institutions of which, in particular, Empretec – support institution for SME development – has been involved. Presently the unit has a workload above its capacity level. This results in an administrative bottleneck.

The PS-Coordinator finds that there has been a learning process over the years in which careful planning and Partnership commitment is increasingly emphasized. By the end of 2000, the project pipeline contained 32 projects of which several fall within the "Green Gold" sectors which now includes agro-processing projects. The Coordinator, however, finds that there is no reason to exclude good projects that fall outside these sectors.

2.2. The Programme in Vietnam

Private Sector Prospects and Constraints

Since independence in 1945, Vietnam has followed a socialist path according to which the public sector is the centre of society. During 1960-80, heavily influenced by Chinese and Soviet policies, the Vietnamese Government tried to eliminate the private sector. Government policy started to change after the introduction of the Doi Moi (Renovation) in the late 1980´s, and gradually became more positive to private sector development.

Even though Vietnam remains dominated by large state-owned enterprises (SOEs), especially in what is seen by the Government as "strategic" sectors such as heavy industry, private sector development is rapidly increasing in most other sectors. Despite widespread red tape, the private sector has manifested its role as a leader in economic development, enjoying high output growth rates.

Until recently, problems have been considerable for joint ventures with foreign partners. Until 1999, many foreign partners of larger joint ventures tried to either withdraw or to take over the business totally. This was mainly a consequence of difficulties in reaching a common understanding of, and practice in, business operation and financial manoeuvres. As a direct consequence of this, the Danish Embassy did not actively promote Danish company involvement in joint ventures. This has, naturally, had an effect on the development of equity-based Partnerships under the Programme. The foreign business climate is now improving, and a major Danish-financed joint venture will be carried out under the Programme in 2001. It is expected that two more joint ventures will be eligible for support in 2001.

In the private sector, trade policy and baking, the government's ongoing reform measures have picked up momentum. A more liberal Enterprise Law came into effect in 2000, generating a strong response from the private sector in terms of new registrations. With international assistance, a detailed SOE reform plan has been developed and has now been submitted to the leadership for approval. However, based on past experience, the reform is likely only to proceed at a slow and cautious pace.

The reform momentum has also profited from the fact that normalisation of US trade relations now only awaits the US Government's ratification. A stock exchange opened in Ho Chi Minh City in August 2000. Finally, it is likely that, as from 2001, communist party members are officially allowed to own and operate private enterprises.

After a few years of slow growth, mainly as a consequence of the Asian financial crisis, Vietnam is now enjoying higher and industry-led growth rates of 6-8 per cent. It is forecasted that Foreign Direct Investment (FDI) is expected to be at levels comparable to the pre-crisis figures; there will be increasing export growth (27 per cent) and zero inflation as a consequence of falling food prices. Interest rates are down at 7-8 per cent and, compared to the last decade, credit supply seems a less serious constraint.

Thus the macroeconomic framework is now increasingly positive to private sector development. Although private sector development remains constrained by lack of management and international marketing skills, Vietnam's labour force is well educated, entrepreneurial, and hard working, and wages are competitive.

The Programme in Context

The Programme in Vietnam started early 1997. Approvals and disbursements are as follows:

Table 5. Vietnam: Approvals and Disbursements. Phase II

	Total			Sample		
	No.	Approved DKK 1000	Disbursed DKK 1000	No.	Approved DKK 1000	of which SOEs
Visits to Vietnam	166	3,035	2,503			
Visits to DK	99	2,135	1,934			
Special studies	43	5,999	5,482			
Feasibility studies	39	9,508	8,779			
Start-up facilities	54	26,387	21,905	18	8,941	10
Partnerships	18	40,292	17,211	*10	25,005	5
Total	419	87,356	57,813	28		

Source: Annual Report of the Programme

**) Six of the visited Partnerships have also made use of the start-up facility*

As the total number of matchmaking activities indicates, interest in the Programme has been considerable. A relatively large number of start-up facilities suggests that the Programme and

Danish companies have preferred to test co-operation possibilities before engaging in more formalised co-operation agreements. However, only seven of the 54 start-up facilities have so far developed into Partnerships. A high proportion of the Partnerships (10) were approved in 2000, illustrating the fact that, to reach final project stage, the programme process takes time, and that only after three years of operation do "real" projects start to materialise.

Given the somewhat special circumstances of the Vietnamese economy, Danida chose a broader definition of the private sector and allowed SOEs to participate in the Programme in Vietnam. As a consequence, the Programme in Vietnam was promoted as a business development programme during the first years i.e. not solely directed at the private sector. This is partly because a programme targeting only private companies was judged to be politically sensitive. It was also anticipated that there would be positive externalities in the private sector as a result of this support and that successful SOEs would be more likely to be privatised. About half of the projects visited were SOEs.

Table 6. Vietnam: Sectoral distribution of PS-projects

Sectors	Start-up facilities	Partnerships	Total
Seafood and marine	15	5	20
Wood processing	5	-	5
Textile and garment	4	3	7
Tourism	2	1	3
Manufacturing	11	3	14
Consulting	7	4	11
Water supply	4	1	5
Other	6	3	9
Total	54	20	74

The largest sectoral concentration in Vietnam has been in the seafood and marine sector, with 15 start-up facilities and five Partnerships. Manufacturing (mainly in light metal industry) and consulting (mainly in water supply, environment and ship design) are also two large Programme sectors. The PS-Coordinator is presently working to develop a pipeline in the plastic and IT sectors.

44 start-up facilities that expired in 2000 or earlier have recently been closed down by the PS-Coordinator. In addition, two Partnerships were cancelled in 2000 due to poor performance. This leaves 10 ongoing start-up facilities and 16 ongoing Partnerships.

The Vietnamese Government is not directly involved in the implementation of the Programme. The Ministry of Planning and Investment (MPI) is not involved in the Programme because Danida wanted to underline the business-to-business character of the Programme. Thus there is limited dialogue with the government on the implementation issues.

The Programme has tried to build up co-operation with a number of organisations and institutions. Traditionally, all organisations are government-controlled and financed. Yet many institutions and organisations are now gradually enjoying a higher level of independence and increased PS co-operation with such institutions and organisations is becoming more meaningful. One important exception is the Vietnam Chamber of Commerce and Industry (VCCI) which, by private sector participants, is considered to be a government-appointed representative of the business sector.

Another body is Vicoopsme (Vietnam central council of Co-operatives and SMEs), who represents co-operatives and small and medium private enterprises. The organisation is bureaucratic and has limited capacity. The German Technical Co-operation Agency (GTZ) established a project called "Promotion of Small and Medium size non-state Enterprise" at Vicoopsme in 1995. But after several years of operation, GTZ had to withdraw their private sector programme from Vicoopsme and set up an independent office and staff in 1999. This decision was made as a consequence of the weak performance of Vicoopsme and coordination problems between the counterparts.

There is very little outsourcing of Programme activities in Vietnam. Since November 1999 there has been considerable improvement in procedures for approval and in the monitoring of the projects, so the need for outsourcing seems to be limited.

There is a well-developed co-operation between Danida's sector programme support to Vietnam (in agriculture, water/sanitation and fishery) and the Programme. Especially in fishery, the Programme has supported several partners that were identified during the sector programme support. Even though the Programme portfolio at the time of the evaluation did not include any agricultural projects, there is now a pipeline in that sector.

Also for the mixed credit facility in Vietnam, the Programme has supported parallel activities using the start-up facility, mainly in training activities for improving tender preparation and evaluation skills.

Through separate funding, Danida is supporting the development of the private sector in the following projects:

- Support to the Privatisation Process in Vietnam (DKK 39 million)
- Support to the Private Sector Forum (PSF) Secretariat (DKK 100,000)

In addition, the Embassy is using its own grants to finance institutional development in one of the main PS sectors, garment and textiles. The embassy is providing support to the project "Capacity Building of a Textile and Garment Association in Vietnam", supplemented by a study currently being undertaken on potential improvements in external environment, working environment and productivity in the garment and textile sector.

2.3. The Programme in Egypt

Private Sector Prospects and Constraints

Since 1991, the Egyptian Government has undertaken an Economic Reform and Structural Adjustment Programme (ERSAP) that has achieved remarkable results in terms of macroeconomic stabilisation, correction of price distortions, financial liberalisation and gradual removal of trade barriers. Growth in real GDP has steadily accelerated from barely positive rates before 1991 to 6.5 per cent in 1999. The budget deficit decreased from 20 per cent of GDP in 1989 to approximately one per cent in 1999. Inflation has been reduced from levels typically around 20-30 per cent in the 1980s to only a few per cent by the end of the 1990s. Despite the signs of recession witnessed in the last few months and the fluctuating relationship between the Egyptian pound and the US dollar, to which it is pegged, there is no question that ERSAP has been a move in the right direction.

Despite the success of the ERSAP, several constraints exist that tend to impede private sector development in Egypt. These constraints include entry regulations; bureaucratic government systems; the commercial judicial system; tax administration systems and generally the delays in introducing new legislation which would further enhance private sector development. One final constraint is that the "jurisdiction" for private sector issues is spread over an array of public officials and institutions, none of which is directly responsible for the whole private sector development package. This makes enhancing private sector efficiency through technological innovation; a market-sensitive labour force; education; improved corporate management and higher market viability more difficult to achieve.

Private sector development is at the heart of Egypt's economic reform programme. The main objective of the programme is to change from a centrally planned, public sector dominated economy towards a competitive market-based economy in which the private sector is to play the leading role. Micro and small enterprise development is seen as the main vehicle for solving Egypt's unemployment problem, which is believed to be the most pressing problem at the present time. It is estimated that the private sector will have to increase its annual employment rate by at least 50 per cent just to keep the unemployment rate constant (currently ranging between eight per cent and 10 per cent). However, at the present time, small and medium enterprises, and especially small ones, have great difficulty accessing institutional finance. Banks are generally reluctant to lend to these enterprises especially on long-term basis. Banks request collateral requirements that are impossible for such enterprises to meet, thus hindering their growth potential.

Donors other than Danida have supported private sector development in Egypt. The Social Fund for Development is funded by grants and long term loans from 18 different donors – with the biggest shares coming from the World Bank / International Development Agency (IDA), the EU and the Arab fund – is the most significant contributor to private sector development. It is the only institution directly addressing the issue of credit accessibility of small enterprises.

The EU also has a Private Sector Development Programme operating in Egypt, which was started around the same time as the Danida supported Programme. The EU programme consists of six components: Export Development, Business Upgrading, Business Co-operation, Business Training, Institutional Development and a Euro-Information Centre. Its scope is designed to be much wider than that of the Danida Programme. The EU is also involved in the preparation of the Industrial Modernisation Programme (IMP), which is a visionary Egyptian national initiative, strongly supported by the EU. Its goal is to enhance and consolidate the role of Egyptian industry and manufacturing in the global economy. Institutions such as the United Nations Industrial Development Organisation (UNIDO) have plans for supporting private sector development in Egypt. But, once again, their programme is waiting for the much bigger IMP to take shape before they can see their role.

The Dutch government has a number of projects targeting private sector development in Egypt. These include a programme for retired senior executives to offer consultancy services to Egyptian companies or to a group of companies. Like the Danida Programme they promote three-four joint ventures per year on a tendering basis between Dutch and

Egyptian companies. The USAID is targeting private sector development in Egypt through two programmes – the Small Enterprise Development Programme and the Import Commodity Programme.

The Programme in Egypt

Since the start of the Programme in late 1996, a total funding commitment of DKK 51 million has been made. Support has been given to 162 partner visits – mainly from Denmark to Egypt (124). This indicates considerable initial interest among Danish companies. The Programme management considers it a serious problem and challenge to translate this initial interest into more long-term Partnerships. The Programme has initially been targeting large, well-established companies in Egypt as potential partners for Danish companies. It was believed important to develop a number of successful Partnerships, which could pave the way for greater interest among Danish companies.

The present pipeline indicates a change in the focus of the Programme to medium size companies which would potentially have a higher developmental impact. However, it may prove more difficult to find Danish partners to engage with medium size companies in Egypt. Given the budget commitment of DKK 15 million in 2001 and 2002 respectively – up from DKK 8.5 million in 2000 – the focus on medium size companies represents a major challenge for the Programme. The Programme may eventually be forced to consider approaching large and well established Egyptian companies in order to secure sufficient interest among Danish companies.

The Programme does not target specific sectors, but is generally available for companies from all sectors in Egypt. As can be seen from the table below, the Programme covers more than seven different sectors, with the industrial sectors being the largest recipient of support. This is not surprising, considering the level of industrialisation in Egypt and the possibilities these sectors offer Danish companies for targeting the Egyptian and regional markets and for building up strategic manpower resources bases.

Table 7. Egypt: Approved Projects by Sector. Phase II

Sector	Start-up facilities		Partnerships		Total	
	No.	Grant DKK 1000	No.	Grant DKK 1000	No.	Grant DKK 1000
Agro-industry	3	1,500	3	6,033	6	7,533
Energy/Environment	3	1,294	1	1,425	4	2,719
Textile			2	5,982	2	5,982
IT	1	500	1	2,775	2	3,275
Transport	1	500			1	500
Industry	5	2,489	5	12,793	10	15,282
Tourism			2	4,656	2	4,656
Others	2	990			2	990
Total	15	7,273	14	33,664	29	40,937

Note: In cases where the partners have received grants for both Partnership and start-up facility, the sum of the two is placed in the cell: Partnership co-operation

There have been a total of 19 start-up facilities and four of this type of collaboration has resulted in the formation of more long-term Partnerships. Clearly, some of the other start-up facilities may eventually also lead to the establishment of a Partnership type of relationship between the Egyptian and the Danish company. However, no firm indications were established to quantify such a future development during the field assessment. The total number of Partnerships established is 14 as shown in the table above. Some of these Partnerships are established with the aim of training Egyptian personnel and/or providing technical assistance. Once this has been accomplished, the Partnerships may not necessarily continue. Other Partnerships have been established with the clear strategic objective by both partners to enter into a long-term relationship or to continue an already established collaboration agreement using the Programme to facilitate training and technology transfer.

In the cases of long-term Partnerships the main motive of the Egyptian partners is often to get access to technology – and often advanced technology – in Denmark in order to compete in the local, regional as well as in the European markets. For the Danish partners several cases were observed in which the Danish companies wanted to improve access to markets in the Middle East region, to outsource production in areas such as engineering and computer programming and in other cases to establish suppliers of inputs to manufacturing and production in Denmark.

2.4. Conclusions: Direct Programme Results

Programme Statistics

A break down of the financial support of the Programme is given in Table 8 below.

Table 8. PSD Programme: Approved Projects Ultimo 2000. Phase I and II

Countries	Preparation Activities*		Start-up facilities		Partnerships		Total	
	No.	DKK 1000	No.	DKK 1000	No.	DKK 1000	No.	DKK 1000
Bangladesh	46	3,720	3	1,500	2	6,480	51	11,700
Egypt	200	9,699	19	9,226	14	31,711	233	50,636
Ghana	263	16,158	41	19,255	30	94,531	334	129,944
India	117	8,029	23	10,652	51	82,342	191	101,023
Nepal	4	60	1	500	-	-	5	560
Mozambique	4	494	2	989	1	2,525	7	4,008
Tanzania	9	931	-	-	2	5,459	11	6,390
Uganda	214	11,726	33	15,695	9	26,078	256	53,499
Vietnam	293	19,802	54	26,336	20	44,198	367	90,336
Zimbabwe	182	11,208	32	15,447	28	91,477	242	118,132
Total	1,382	81,827	208	99,600	157	384,801	1,697	566,228**

** Includes visits, special studies and feasibility studies.*
*** The figures for the preparation activities in Phase I are not included.*
Source: PS-Secretariat

Table 8 shows three categories: visits (both ways), special studies and feasibility studies taken together is the first category. Start-up facilities comprise the second category and Partnership projects the third. The first category encompasses the preparatory work of identifying potential partners, matchmaking arrangements and studies needed to judge the scope and viability of intended co-operations.
Partnership financing is the final support to a co-operation, after which the partners are supposed to be on their own. The start-up facility is intended partly as a preparatory facility, partly as a project in itself.

Long-Term Partnerships

Table 8 shows that a total of 157 Partnerships were established in Phase I and II. The fieldwork undertaken reveals, however, that this figure needs to be modified. A number of the Partnerships in the table are not business Partnerships in the sense of a long term, mutually committing co-operation between business partners. Of the total Partnerships established in the three countries in which fieldwork was undertaken about 55-60 per cent of them were of that nature. The remainder were either cancelled, not commercial co-operations, enabling environment projects or they were of a less committing nature, involving an agreement only to transfer a specific technology without further commitments or co-operation between the two parties. The figures for the three countries are:

Table 9. PSD Programme: Partnership Projects by Type

Type of Partnership	Ghana Phase I	Ghana Phase II	Egypt Phase II	Vietnam Phase II	Total	Per cent
Cancelled	3	4	1	3	10	16
Enabling environment	4	2			6	10
Joint Venture	2	5	5	1	13	21
Non-joint venture long term co-operation	-	5	5	13	23	36
No or little long term co-operation	1	3	3	0	7	11
Other*	-	1		3	4	6
Total	10	20	14	20	63	100

** Partnerships, where it is highly uncertain if they will ever be implemented.*
Furthermore it includes the PSD Office in Ho Chi Minh City

As can be seen from Table 9, the most committing form of co-operation, the joint venture form, is only a small proportion of total Partnership projects. Furthermore, in Egypt, the category includes joint ventures which were established prior to the Programme, and most of the joint ventures in Ghana are controlled by the Danish partner. The largest group are the co-operation forms which include license production and/or marketing agreements or similar mutually committing agreements, which may or may not be of a long-term nature.

Taking the two latter groups as long term business Partnerships, Table 9 shows that 57 per cent of all projects listed as Partnerships are long-term types of business co-operation.

To the extent that the portfolios of the three countries visited are representative of the total portfolio, shown in Table 8, the total number of business Partnerships established would rather be around 90 in all of the countries taken together and not 157 as Table 8 shows.

Total Number of Projects

If the start-up facilities, which are projects in themselves, are included, the total number of projects is considerably larger than the around 90, which are longer term, mutually committing business Partnerships. The number of start-up facilities, which are projects in themselves is, unfortunately, unknown. However, judging from the start-up facilities in the samples in the three countries visited during the evaluation, as well as from scrutiny of the Embassy files, the number is estimated at around 50 per cent of all start-up facilities. From Table 8 it can be seen that this estimate will mean that some 100 projects are to count as results in addition to the about 90 long term Partnerships. To these figures should be added those projects, registered as Partnerships in Table 9, but not counted as the long term Partnerships. These amount to around 10 per cent of the total number of Partnerships, or some 15 Partnerships.

Table 8 further shows that 10 per cent of all projects, registered as Partnerships are enabling environment types of co-operations. This means the total number of projects of this type would be around 15.

From these calculations and estimates it appears that the total number of projects – counting both the long term Partnerships, the less committed Partnerships, the start-up facilities, which have financed specific, time limited technology transfers and the enabling environment arrangements – add up to about 200 projects in total for Phase I and Phase II together.

3. Impact Assessment

This Chapter 3 evaluates the Programme against the overall objectives for Danish development assistance, poverty reduction and the crosscutting concerns, gender equality, environmental sustainability and democracy. Different types of assistance will have impact in these respects in different ways by different "cause-effect chains" through the objectives hierarchy specified.

The assessments below relate to the specified three objectives levels: The impact on the local partner firms, the impact on the private sector as a whole in each of the respective countries and the impact on the growth and development processes in these countries. Thus, the main questions asked are: To what extent has the individual, local company benefited from the co-operation with a Danish partner, to what extent have these projects, taken together, contributed to develop the private sector of the country and to what extent has this again contributed to the growth and development processes. The development impact is the impact on the development objective, assessed as the combined impact through all three levels, from the immediate objective over the intermediate objective to the ultimate development objective of economic growth and social development.

3.1 Improving Partner Firm Businesses

The purpose of establishing Partnerships between a local and a Danish firm is to improve the overall business of the former. The most obvious type of improvement for a private business is a sustainable increase in its profitability. The Programme intends to achieve this by transferring technologies and skills, assuming that this will lead to lower costs and/or higher production and sales for the local partner, either in the existing operations or in a new business set-up.

Technology and skills are to be interpreted in a broad sense to include production organisation, work procedures, quality control, marketing and management. Improving the businesses of the local partners in these more general ways are among the benefits that one could expect from the Partnership co-operations in addition to the more specific technology and skills benefits.

One could also imagine that the Programme could contribute to improve business standards along lines practised in Denmark. This could be in terms of workers participation, gender issues and environmental concerns and more generally of working conditions and modern business management.

For each of the three countries in which fieldwork was undertaken, each local partner firm in the selected sample was visited. Through interviews and observations, attempts were made to identify effects, which could be attributed to the support received from the Programme. Clearly, a number of different effects are a priori possible, but the evaluation has focused on those, which are related to the technology transfer in the broad sense, assumed to be the essential feature of the Programme. Some observations of effects on the environment, including working environment, on gender and on worker-management relations, were also possible.

The effects identified are somewhat different in the three countries, as these countries have quite different contexts for the Programme. The sections on each country below present the findings, which are combined to the impact assessment at the level of the individual local partner companies.

Ghana

17 firms were visited in Ghana. They represent 21 Partnership and start-up facility projects – as some have been involved in more than one – out of a total number of 66 business-to-business co-operations for both phases. Some partners had started co-operation very recently and the performance could not yet be assessed. One co-operation was cancelled right in the beginning and in two cases major Partnership conflict arose after production equipment had been installed but before full-scale production had started.

A main result from the project visits is that there have been several successes with respect to technology transfers; training, technical assistance and equipment supply to local partner firms. In 13 out of 14 cases the achievement of project objectives with respect to technology transfer was assessed as medium or high.

The loan facility – used in 19 Partnerships – has financed both new and second hand equipment acquired from or with the help of the Danish partner. With the additional training and technical assistance the result of second hand equipment supply has often been a significant improvement in potential productivity. The local partners have generally been satisfied with the level of technology and the equipment found appropriate for their conditions. In several of the visited firms production has been reorganised and workshop facilities improved. Training seemed to have inspired production managers as well as staff. Management and marketing had improved where long-term management support – most often in joint ventures – had been provided. Training in Denmark was highly appreciated but often felt too short.

In some cases it appeared that the local partner was not very clear about the nature and amount of training and technical assistance that the Danish partner had invoiced the Programme. There are five cases where equipment has been installed but where the capacity is seriously under-utilised. This includes cases where the local partner has not been fully satisfied with the supplies and/or the Partnership co-operation.

The successful technology transfer has not necessarily lead to a satisfactory economic performance of the companies. Out of 13 companies only four companies were about breakeven or were making a profit while the rest were making losses. In five cases production was in its initial stage with expected deficits but with prospects of making profit later. The rest were, however, apparently in serious troubles. The slow economic growth combined with high interest rates and foreign currency values have brought several partner firms in great difficulties. The reasons for the unsatisfactory performance should be seen in relation to the unfavourable external factors. However, there were also cases where the performance is a result of inefficient management, insufficient marketing efforts and serious disagreement between the partners.

The Programme has in some cases with its financial and technical support rescued firms that were otherwise threatened by bankruptcy. Often this kind of support has been provided through joint venture arrangements with substantial management input. For most of the visited joint venture firms the Danish partner is in a controlling position.

The relationships to the local owner-cum-manager appear rather sensitive and decisive for successful firm performance. Despite apparent partner commitment some of the most prominent failures have been organised as joint ventures.

From the sample firms a couple of female managers have received training. In almost all cases except for the pharmaceutical industry, is there a total dominance of male labourers in the projects. Many companies do not have facilities to employ female labour staff although some managers find that females would be more suited for the production tasks. In one case about 200 women have been organised as independent small sales outlets. They have got an earning opportunity although the competition is very tough. The effect is unexpected and has come up as a result of the difficulties to get market access.

An environmental impact assessment is a prerequisite for a PS-project and the environmental facility has been widely used resulting in significant improvements of waste disposal and safety conditions at the work place. One newly approved project is a private environmental project. If the project becomes successful it will have a significant environmental impact. It is also clear that there is still room for environmental improvements, which largely will depend on upgrading the regulatory framework and the physical public infrastructure. The Environmental Protection Agency approves the impact assessment, which in most cases materialises in the form of an environmental action plan.

In the organised urban industries labour is unionised and has rights under ruling labour laws. Management labour relations depend much on the individual situation but there are examples from the joint ventures where the relations are particularly good as a result of a new and visible Danish management style and extension of staff benefits.

Vietnam

A total of 22 projects were visited in Vietnam, of which 12 were start-up facilities and 10 were Partnerships. Of those 10 Partnerships, six had previously made use of the start-up facilities. Most of the projects were still ongoing or only recently finalised and the impact was in some cases difficult to determine.

Except for a few outstanding cases, Vietnamese partners' direct financial gains as a consequence of the Programme support were found to be limited. This can be explained partly by limited marketing capacity of the Vietnamese firm. Another reason is that it takes time for a product to establish a market and for other project objectives to be achieved. As a consequence, it is the impression that future financial impact, including indirect effects, is likely to be significantly higher. The fact that many projects are still only in the start-up phase must also be taken into consideration when assessing financial impact and efficiency of Programme.

The majority of visited projects were found to have medium to high technology relevance to the Vietnamese partner business involved. Only in one case was the technology transferred found irrelevant, and in four cases the technology was not novel to the Vietnamese firm. Vietnamese partners usually demonstrate a high level of technology absorption and application in both short term and long term.

In most visited projects, Vietnamese firm's organisation and management capacity has also been built up, to varying degrees, though. In eight out of 22 projects, there has been a high degree of capacity building. In six cases, there seems to have been little or no capacity building and capacity building seems to be positively linked to technology relevance.

A crucial capacity in the Vietnamese context, which seems to have developed as a direct consequence of the Programme, is international marketing skills. The Vietnamese partners unambiguously stated that their knowledge of and capacity in dealing with international partners has improved considerably. Also, several Vietnamese firms have participated in Danish fairs, thus gradually being exposed to foreign markets.

So far, only a very limited number of projects visited have resulted in a formal and binding long-term arrangements, like e.g. joint ventures. For the remaining projects there is only found a vague willingness – and scope – for formalised further co-operation. This is, however, mainly an indication of the need for further private sector development, and should as such not be taken as an indication of poor Programme impact.

No direct targeting of gender issues were found in the projects visited. A few of the projects have a positive impact on women's economic and social status, mainly through increased employment of women specifically and through capacity building of female management staff (garment and ceramics). Many managers of Programme supported projects are women and thus also recipients of training. By improving women's opportunities to find employment and receive training, the Programme contributes to the improvement of women's position in Vietnamese society.

None of the projects are assessed to have a negative gender impact. The positive effects are somewhat coincidental as none of the projects specifically aims at creating positive gender effects.

The environment facility has only been marginally utilised in Vietnam so far, but it is utilised to an increasing extent. According to the Danish Embassy, the goal is to include measures to improve the working environment in all larger supported Partnerships based on production.

Some projects focus on improving occupational health but generally, there is limited documented focus on environmental aspects in project implementation. Out of 22 projects visited, six are found to have a positive effect on the internal and/or external environment, mainly in garment and seafood. None are considered harmful to the environment. A number of projects focus on environmental consulting and environmental awareness building of the management.

None of the projects were directly addressing the democratisation issue, but improved management skills, often those of Danish tradition, might improve workers' participation.

Egypt

Since its inception the Programme has aimed at establishing a number of success stories of Partnerships targeting large, well established Egyptian companies in order to stimulate a higher interest among Danish companies for participating in the Programme beyond the company visit phase. These cases have to a large extent developed successfully to the benefit of both partners and have contributed to improved performance through technology and skills transfer.

The Programme has supported the establishment of a total of 14 Partnerships. Four are in the form of joint ventures which, given the financial commitment, must be considered as long-term in nature. Of the four joint ventures two are working successfully, one project has been less successful and one is presently put on hold due to legal disputes. Four other long-term Partnerships have been established within the textile, agro-industry, and manufacturing sectors. Finally, six Partnerships have been established with a focus on providing training and technical assistance. Clearly some of these Partnerships may eventually also lead to more long-term engagements.

Generally speaking, for most of the projects included in the sample of 14 Programme projects, the technology and skills transfer has been found to be relevant and effective. As the Programme is fairly new in Egypt it is not possible at this stage to assess the long-term impacts it will have on the established Partnerships, but technologies were generally found to be relevant to the individual partner companies.

Most of the companies interviewed highly appreciated the access to the Danish technology and the skills available within Danish companies. In some cases, the Danish technology was desired because it was found to be the most advanced and most appropriate for the Egyptian companies. In a few cases, the Danish technology was assessed by the Egyptian partner not only to be the most efficient available but also to be price competitive – a winning combination. For the well-established and large companies the technology available in Denmark was known to the Egyptian partner either from established relations with the Danish partner or the knowledge was acquired from the market – often from searches on the internet. In other cases, the Egyptian partner had been approached by a potential Danish partner through the Programme, or through participation in the TechChange events.

It is, however, also the impression that in several cases the mode of technology and skills transfer is quite costly and not cost efficient. Some of the training programmes designed involve a lot of travelling between Egypt and Denmark and as it involves staff from ongoing concerns, it is often done over short periods of time in order to minimise effects on the operations. But it is also affecting the impact on the actual skills transfer. Technical assistance in the form of providing Danish staff to work with and train Egyptian staff over a longer period is another way of approaching technology and skills transfer – similarly Egyptian staff may be seconded to work with the Danish company in Denmark. This may be considered a more appropriate and solid way of ensuring and enhancing the transfer of know-how.

Several Egyptian partners expressed that they preferred this model of technical assistance and on-the-job training in Egypt to training programmes in Denmark and, that it would add more value to the process in Egypt and probably be more cost efficient. Obviously, it may in some cases be advantageous to combine the two approaches. The technical assistance model does, however, have its constraints in terms of the Danish partners – and in certain cases the Egyptian partners – being willing and able to free the required resources over longer periods.

The proportion of male workers to female workers fluctuate widely in Egypt subject to the nature of the business, some industries are heavily male oriented while others rely very much on female workers (e.g. steel industry vs. textile industry). Female staff was observed on all levels in the organisations visited from shop floor to director positions. It is the impression that female staff has equal access to training in Egypt as well as overseas. There is little doubt that women play an important part in private sector development in Egypt.

A number of the Programme projects are aiming directly at introducing cleaner technology and are expected to have a positive impact on the environment. In other projects, the environmental aspects are integrated elements of improving production and manufacturing processes. The exchange visits as well as the technical assistance and training programmes by the partners also enhance awareness about environmental improvements that may be introduced as part of the Partnerships. The environmental facility of the Programme has, however, not been widely used in Egypt.

In terms of working environment a number of the companies visited clearly had benefited from interacting with the Danish companies in terms of improved work practices, workers health and safety standards. A construction management company visited had adopted an operation manual from the Danish joint venture partner, which had a significant component on health and safety measures for construction sites.

There are no direct elements of the Programme that are addressing issues relating to democratisation such as workers participation and rights. However, through the technical assistance and training programmes more awareness of these issues may be introduced to management and staff and indirectly influence management styles and practices.

3.2 Private Sector Development

The second level of assessment concerns the impact on the private sector as a whole in each of the countries. The main question is here: Will the establishment of a number of individual business-to-business co-operations contribute to private sector development?

Ghana

There is a sector concentration for the project portfolio in Ghana (Partnerships and start-up facilities) on fisheries (13 projects), wood and furniture industry (13 projects), and transport and infrastructure (7 projects). The rest is spread over a broad number of other industries. There are very few in textiles and garments and in agro-processing of which none are based on domestic raw materials. In addition there are six enabling environment projects. Looking at the pipeline, projects in the Green Gold sectors, Ghanaian priority sectors based on natural endowments, are more pronounced than they have been in the past.

The ownership structure vary, but for the larger projects there is a tendency to see the equity joint-venture form applied, and in most cases the foreign partner – often Danish – has the controlling part of the shares. On the side of the Ghanaian partner firm, earlier Danish business interests can be traced in the cases of the firms emerging from the old Danafco company.

Efforts to establish linkages between the PS supported companies are made. In the two sectors with most projects, fishery and wood and furniture, there appear to be little co-operation or synergy, however. The Ghana-Denmark Business Club open to companies that have business relations with Denmark constitutes an active forum for business co-operation and networking where most of the PS supported companies participate. The PS-

Coordinator and the Danish Embassy staff are very actively involved in the Business Club and also more generally with other private sector business associations and in public private sector promotion agencies in Ghana. The broad involvement of the PS Programme in enabling environment activities has also strengthened the Programme's institutional linkages. The PS Programme is therefore well known in Ghana and has a broad network of contacts. However, besides routine contacts there does not seem to be much active co-operation between the various donors supporting private sector development in Ghana.

With respect to broader Programme impact, the improved technologies transferred to the local companies do not in general appear to have resulted in visible increases in profitability. Using financial performance of the companies as an indicator for returns on invested capital (i.e. economic growth), the information received from the visited companies indicates that the impact so far has been limited.

Table 10 summarises impact assessment based on visits, interviews and other available material from the 17 selected firm co-operations.

Table 10. Ghana: Impact Indicators for Sample Firms

Impact indicators	High	Medium	Low	No information *
Employment generation	1	5	7	4
Foreign exchange earnings	1	5	7	4
Technology relevance	6	3	7	1
Environmental improvements	7	2	4	4
Sustainability	4	3	5	5
Additionality	7	8	1	1

** Cases where production has not yet started or the project is not active*

Overall, the employment generation effect in the visited firms has been limited. The introduction of new technology and efficient management is often labour saving, and therefore a positive net employment effect will accrue mainly in an expanding market situation. The depressed business situation and the project's orientation towards a confined domestic market have not been conducive for employment generation. In some cases the PS-support has probably saved jobs that would otherwise have disappeared. Although the number of jobs may actually have decreased in these firms, the employment effect is here assessed as medium because the co-operation has probably preserved jobs. One project in the sample has had a significant high and unexpected impact on the employment of women. A large number of women have been employed as independent sales outlets for the company.

There are very few examples of successful export oriented projects in the sample as well as in the portfolio as a whole. In a few cases local raw materials in the wood industry are being processed and value added increased. In one case a company has produced a new product based on local raw materials and developed by a national research effort.

The projects are primarily focused on the domestic market. For the furniture projects in the sample, the expected export earnings have not materialised, mostly because of low quality and productivity and a lack of marketing channels and efforts. In the fishery sector too, export expectations have not materialised. Generally, the projects in this sector have not been very successful and many of them have been cancelled or prematurely terminated. The fishery sector in Ghana is primarily directed toward the domestic market and imports, and it is a complicated sector with many actors and interests involved.

The expected export opportunities mentioned in the project documents have often not yet materialised. This includes expected export to neighbouring markets where the economies are also depressed and demand sluggish. There has been some import substitution in a number of cases. But the foreign currency impact is often likely to be marginal because the local production is heavily import dependent. The low productivity of the domestic industry, including the lack of large-scale production benefits, results in low efficiency of protected import substituting projects and low foreign exchange savings.

While the technology provided has a potential positive impact on the individual company, its relevance at industry and country level must be related to the generation of additional production, the novelty of the technology in the industry and the contribution to national development objectives. For the 17 firms visited, six were in this respect assessed to make a high and seven a low contribution, while three were placed in between. High technology relevance mainly occurs when the product technology is new to the domestic market and generates consumer benefits, environmental improvements or value adding linkages. Where the technology or product is not new, firms struggle to gain market shares from other suppliers in an often highly protected domestic market.

There is no close relationship observed between technology relevance and the performance of the firms. In several cases, the projects receiving a highly relevant technology the production has not taken off commercially and, therefore, there had been little contribution to economic development.

The positive environmental impact has primarily taken place in relation to the working environment in the production plants. Here, new machinery arrangements, machinery safety devices, ventilation and other measures have improved internal working conditions. Planned project activities in particular also include measures of external environmental improvements.

Assessment of the sustainability of the impact of technology transfer is based on a judgement of the ability of the firm to sustain its activity in its current management and resource situation. Those with high sustainability transverse the different types of projects. Those in which sustainability prospects are "medium" include some companies, which at present are in financial difficulties. Those with low sustainability are projects operating at very low capacity levels, often with broken Partnerships. Such projects will not generate savings for reinvestments and continued production.

Impact may also be sustained independently of the individual firm. However, the focus of the project portfolio on consumer goods and import dependent production makes effects transferred through supplier linkages limited. It could also be assumed that new capabilities gained by labour and management will be sustained if employed elsewhere in the economy. However, there are few examples and very little record of trained people working elsewhere.

Finally, the additionality of the visited PS projects is mainly judged high to medium in the sense that most of the firm co-operations are not likely to have taken place without the support from the PS Programme. In the medium cases the assessment is that the local firms might in any case have done something to acquire improve technology and increased efficiency but not to the same extent as with the PS Programme assistance.

Vietnam

Employment generation is probably the single most important macro-level factor in the Vietnamese context. A rapidly growing population (about 2 per cent p.a., equivalent to some 1.5 million new entrants to the labour market annually) puts emphasis on the employment issue. The labour market comprises the main comparative advantage, providing cheap and well-educated labour, also when compared to other Asian countries.

There is a positive direct effect on employment in most of the Vietnamese firms visited. Seven projects have a high employment effect, nine have a medium effect and six have little or no effect. The most significant effects are found in the wood processing, seafood and ceramic sectors. In addition to the direct effect on the firms involved, indirect and positive effect on the macro-level as a consequence of horizontal and vertical linkages is very likely, especially in the seafood, garment, and ceramics sectors. This further improves the employment effect. Also relevant to the employment issue is the fact that most of the additional employment in the seafood, garment, and ceramic sectors is directed towards women.

Table 11. Vietnam: Impact Indicators for Sample Firms.

Impact indicators	High	Medium	Low
Employment generation	7	9	6
Foreign exchange earnings	14	5	3
Technology relevance	12	5	5
Environmental improvements	6	9	2
Sustainability	15	3	4
Additionality	16	2	4

Moving away from a very isolated, centralised, and technologically backward economy, and at the same time loosing many of its traditional trade partners (the former Soviet Union and other communist countries), the generation of foreign exchange remains to be of macro-level importance, not at least politically. A high share of the projects visited is likely to contribute positively to foreign exchange earnings as a consequence of the Programme. While three are considered as import substituting and 11 are directly aimed at the export market, six projects are import dependent, but only one of these is not also at the same time export oriented. Another important parameter here is the increased internationalisation of the Vietnamese companies involved. Through exposure to the Danish partners in specific and to international markets in general, the Vietnamese companies are gradually getting acquainted to international business culture, language, management, and organisation. This is indeed a pressing need in Vietnam, illustrated by the fact that the main reasons for poor project performance were quoted to be that of poor intercultural skills and/or lack of management and marketing skills.

Macro-economic linkages are also found to further increase foreign exchange earnings. As an example, the garment sector is now searching for possibilities in domestic textile production, partly as a result of increasing awareness of the benefit to be achieved by gradually moving away from CMT (Cutting, manufacturing and trimming, almost entirely based on imported materials) to SOD (Sourcing from own design).

Another example is the seafood sector where increased value added and thus increased foreign exchange earnings is the consequence of a higher rate of domestic processing, making the products ready for international consumers.

This change of production methods is closely related to technology relevance at macro-level. A number of the firms visited stated that Danish technology is very advanced but also extremely expensive. Without the hardware funding of the Programme they would not have been purchasing Danish technology and equipment. The technology may therefore not be the most appropriate in the short run. In the longer run, positive effects in terms of profitable "ways of doing" might be achieved, however, in an industrious and business-minded society like the Vietnamese.

Even though it was stated in Section 3.1 that the direct environmental impact was found to be rather limited at firm level, it is the impression that the Programme is contributing to increased awareness of environmental issues at both local and at national levels, not at least as a consequence of the observed synergy between the Danida supported fishery sector development programme and the Programme. During a textile and garment seminar, the Evaluation Team experienced openness about environmental problems in one of the projects.

As none of the firms visited are believed to have financial difficulties that would threaten their survival, sustainability in the Vietnamese context is solely related to that of achieved objectives, i.e. whether the Vietnamese companies are geared to make good future use of the assistance. As a direct consequence of the high technology absorption capacity, sustainability is deemed to be very high in Vietnam (18 projects, or 80 per cent, are judged to have medium to high sustainability).

Out of the 22 projects visited, the support to 16 is considered to constitute a high degree of additionality. Four projects have little or no additionality. In this respect, the Programme in Vietnam can be characterised as mainly supporting activities that would not have been established without the support. One reason is that most Danish or for that sake smaller international companies do not find it worth the risk to cooperate with and/or to invest in Vietnamese SMEs.

An important aspect in terms of macro-level private sector development is the fact that Danida allowed the Programme to include SOEs. Only nine out of 22 projects visited are considered genuine privately owned and run companies. The rest are considered SOEs, autonomous SOEs or SOEs under privatisation/equitisation. It is not clear whether – prior to the new PS-Unit management in 1999 – there was an underlying strategy in approving these SOEs with regard to their readiness to be equitised or privatised. It is questionable whether support to SOEs has in the past actually been promoting private sector development. There is an emerging private sector, but linkages between the Programme and this sector seem so far limited (expect maybe for the garment sector).

It should be noted that, since November 1999, only a single, genuine SOE has been approved for Programme support and there is a very clear focus on support to private companies and to SOEs that will soon be privatised. This is promising in terms of private sector development profile of the Programme in Vietnam.

Egypt

Section 3.1 addressed the issue of how the impact on the Partnerships surveyed has contributed to improving company profitability mainly through transfer of technology and skills, training and access to new markets. The impact was also assessed for the 12 companies out of the sample of 14 companies in terms of the six impact criteria used. Two companies could not be analysed as they were both shelved, one was not feasible, and the other was abandoned by the Egyptian partner. Of the 12 companies analysed, six were in the pipeline and six were either ongoing or completed. For the six pipeline cases the analysis and assessment had to be based on information available in the project files such as the applications, feasibility studies, project documents and on data and information obtained from the Egyptian partners. For the six ongoing or completed cases the analysis and assessment was also based on observations made at the project sites and on data and information obtained from the companies. In several cases the Danish partner was also interviewed.

Table 12. Egypt: Impact Indicators for Sample Firms.

Impact indicators	High	Medium	Low	No information
Employment generation	2	3	7	-
Foreign exchange earnings	4	2	6	-
Technology relevance	7	5	-	-
Environmental improvements	3	3	6	-
Sustainability	5	-	1	6
Additionality	4	4	4	-

Egypt recognises it has to modernise its industrial structure, improve efficiency and competitiveness, and catch up with the growing trend in globalisation to provide sustainable, long term growth rates. The new partnership agreement with the EU will play a key role in this regard, as are similar agreements with Tunisia, Morocco, Jordan, Turkey, and Israel as part of the Europe-Mediterranean trade arrangements.

As can be seen from the table the most significant impact for the companies in the sample has been in the area of technology transfer, which clearly indicates that Egyptian industries are responding actively to this new challenge for modernisation and improved competitiveness. An important observation is that the Egyptian partners have in all of the seven high-cases actively sought the Danish technology. Even in one case, an IT project, the Danish technology was found not to meet the expectations of the Egyptian partner, who eventually abandoned the Partnership. This keen interest in new, state of the art technology has secured that it is addressing the need for modernisation at a level, which will enable Egyptian companies to take full advantage of the new trade arrangements with EU. Such introduction of new and frontline technology could, if demonstration mechanisms were in place, serve as important models for companies in addition to those participating directly in the Programme.

In the sample, the most significant direct effect on employment generation has been within construction management and one of the pipeline projects may generate several workplaces within organic farming. In seven of the other cases the Partnerships have been in the form of improving and/or expanding existing operations and has as such only generated few new jobs. On the other hand, these Partnerships may have secured jobs, which could otherwise be lost due to increased competition mainly from the EU. As part of the new EU partnership agreement, trade barriers between Egypt and Europe are likely to be dismantled. This will obviously represent new export opportunities, but it will also result in increased competition in the domestic markets.

The above mentioned change in the trade relations with the EU could also partly serve as an explanation why only half the Partnerships in the sample portfolio were assessed as having high-medium foreign exchange earnings. With a population of almost 70 million and a real GDP growth rate of around 5 per cent, the domestic market is important for the majority of Egyptian industries and has to be protected in the new competitive environment. Hence, many Egyptian industries, including most in the sample, are consolidating their competitive position in the domestic market and at the same time preparing for the prospects of improved access to the European market.

Several of the companies in the sample are manufacturing companies with limited direct impact on the external environment as the operations, also before the Partnerships, are not causing significant pollution in terms of sewerage, noise or air pollution. There is an increased awareness in Egypt about the negative effects of pollution and environmental regulations are expected to be more stringent enforced in the future. This is also reflected in that, three out of six of the new Partnerships in the pipeline are assessed to have high environmental impact. Positive impact was observed on the working environment in several of the companies visited. However, only in one case was the impact intentional. In the other cases, it can be considered as an unintended positive effect from visiting Danish companies and from Danish staff working along with Egyptian counterparts.

The issue of sustainability has been difficult to assess in the Egyptian context. First, the Programme in Egypt is fairly new with limited historical data to analyse. Second, many of the Partnerships represent improvements and/or additions to existing operations within large Egyptian companies and as such it is difficult to analyses the sustainability in isolation of the overall company performance. But generally, the sustainability is assessed to be high in five out of the six ongoing or completed cases mainly due to the high degree of technical relevance. However, one joint venture Partnership in the sample was found to suffer from marketing, operational and financial difficulties. The feasibility study, which formed the basis for approving the project, was of such a poor quality that it should have been rejected. Furthermore, the modality adopted for transfer of technology from the Danish partner to the Egyptian partner was found to be ineffective, inefficient, and very costly. The project should never have passed the appraisal stage.

In terms of additionality, several of the partners interviewed stated that they would have developed the Partnerships without the assistance from Danida. In some cases, this was due to the fact that the partners were already operating in a partnership arrangement. In other cases, the partners had a clear strategic motive for the partnership, which was not influenced by the availability of funding from the Programme. Hence, it cannot be said that the Programme has had a significant developmental impact in these cases. Support from Danida has, however, enabled implementation to be faster, smoother, to increase the scope of transfer of know-how and with fewer risks for the two parties. However, in addition to financial resources, these projects have also consumed administrative and management resources of the Programme, resources which otherwise could have been directed towards other activities.

The main beneficiaries of the Programme have been the participating companies. The project portfolio is dispersed over more than seven different sectors and no synergy effect between the different projects was observed. The impact of the Programme intervention is limited to the participating companies and their close environments.

The spin-off effects of the Programme are generally narrowed to the local community in which the participating companies operate. Increased employment has a number of obvious spin-off effects resulting from economic activity such as improved nutritional, health, and safety standards, improved access to education and training etc. Introduction of cleaner and safer technology is also having positive effects on the local community.

Spin-off effects relating to non-participating companies are considered very limited. There is no structured mechanism in place for sharing lessons learned using existing institutions such as the Federation of Egyptian Industries, businessmen and investors associations, training institutions etc. It is, however, the impression that companies, to a limited degree, share information about their experience with the Programme and some new partners have been introduced to the Programme by word of mouth. On the other hand, technology issues are being treated as company secrets and they cannot be expected to be spread by word of mouth. The wider dissemination of modern and competitive technology, cleaner and safer technology, improved systems for health and safety standards for workers etc. must be addressed at an institutional level.

The Programme has worked very independently of other donors and other organisations supporting private sector development. No institutional arrangements have been formalised except for the Development Assistance Group subgroup on private sector development. Ad hoc arrangements do take place with a number of donors and other institutions for programme coordination and promotion. It cannot be said that the Programme has had an impact on the general development of the private sector in Egypt. Interaction with the Federation of Egyptian Industries, businessmen and investors associations, training institutions, etc. has only taken place on a limited ad hoc basis and mainly in connection with the launch of the Programme. The Programme in Egypt has clearly had a strategy of developing and implementing Partnerships, and consequently has invested most of its time and resources in this area.

In addition to the Programme, Denmark also contributes to private sector development in Egypt through the Fund for Industrialisation in Developing Countries (IFU) and through the Mixed Credit facility. In a few cases, the Programme is being supplemented by one of these instruments and in one project, it is planned to apply all three instruments. It appears that the scope for applying a cocktail of the three private sector development instruments would be very attractive to Egyptian and Danish enterprises. But as for the Programme, the other two programmes are not widely known in the Egyptian business community.

There is little doubt that the Programme in Egypt could in the future contribute to the development of the private sector on a broader scale and as such widen the impact of the Programme. A broader approach to private sector development would also reduce the dependency on the interest of Danish firms to participate in the Programme, which today is considered a constraint in reaching the established targets. And it would allow the Programme to focus on achieving an overall objective of broad-based economic development using the private sector as a key instrument.

The EU is also supporting private sector development in Egypt through its Private Sector Development Programme. The programme was reviewed late 2000 and the evaluation team has, after the completion of its fieldwork, been given access to a summary of the review report. The recommendations of that review are in accordance with key findings of this evaluation.

Smaller enterprises are not as much in focus as they should be and credit is assessed as a constraint of overwhelming importance. Furthermore, it was found necessary to secure “territorial outreach” by involving an Egyptian “stakeholder institution”. Sufficient impact can only be achieved by having such an operational counterpart institution, which in Egypt could be either the Social Fund for Development (SFD) or the Small Enterprise Development Organisation (SEDO), according to the review.

3.3 Economic Growth and Social Development

The promotion of sustainable and socially balanced economic growth in each of the programme countries is the ultimate objective of the Programme. In relation to the objectives hierarchy used for the impact assessments, the main question here is: Assuming that the Programme has contributed to private sector development, does private sector development then lead to the intended growth and development processes?

Clearly, this depends on the type of private sector development being promoted. Many of the criteria used in the preceding section on private sector development indicate the type of private sector development required. Some of the key questions have therefore already been dealt with to some extent in the preceding section. There are, however, some additional issues and analyses concerning which types of private sector developments contribute to the intended growth and development processes. These are taken up below.

They relate to both main aspects of the processes. First, the question of the contribution to economic growth and the extent to which this contribution is towards a sustainable process. Second, the question of whether social development is also promoted. This relates to the cross-cutting concerns of Danish development assistance.

Sustainable and Socially Balanced Economic Growth

All types of private sector developments are not equally good from the point of view of contributing to economic growth, equality and sustainability of the growth process. For example, increased profitability in the sector creates the basis for increased private investment and hence for economic growth. But these results may not materialise and even if they do, this may not necessarily lead to a socially balanced growth process. Similarly, a private sector with high employment creation and foreign exchange earnings makes high contributions to both equality and sustainability of growth. As these examples indicate, there are clear “cause-effect chains”, from the individual company level, through the private sector as a whole, to the growth and development aspects of the Programme support.

Though the issues concerning the role of private sector development are obviously different from country to country, two appear to be rather general: the high rate of unemployment and the lack of international competitiveness. Thus, priority should be given to businesses, technologies and skills which contribute to increasing employment in the private sector as a whole and/or which increase international competitiveness and hence either reduce imports or expand exports.

With respect to employment, it should be noticed that Danish technologies are generally less labour intensive than the technologies they replace in the individual local firms. Thus, employment in the individual firm will decrease unless the technology introduced makes the firm more competitive, so that it can increase production and hence employment sufficiently to compensate for the less labour intensive technology. Whether employment in the sector as a whole increases will further depend upon the market in which the product of the firm is sold. If it is the domestic market, the improved business of the company may reduce the market for other domestic companies. The overall employment effect may hence vanish or even be negative, if the market is not expanding.

If the technology introduced to improve an existing business enables it to expand exports, the chances are much greater that the technology leads to increased employment. This is particularly so, if the technology is based on processing local raw materials. The local production of such raw materials would then also increase, creating a further positive employment effect. In such cases the new or improved technology would also increase the international competitiveness of the private sector in the country and contribute to foreign exchange earnings.

If, on the other hand, the technology introduced concerns a product which is sold on the domestic market and is based on imported raw materials, the new technology leads to foreign exchange use rather than to savings or to foreign exchange earnings. And the chances that such technology contributes positively to reduce unemployment are, as mentioned above, small.

The following table indicates the extent to which the Partnerships and start-up facilities in the three countries visited belong to one or the other of the categories mentioned:

Table 13. Total Numbers of Projects Distributed by Market and Input Categories

Partnerships & Start-up facilities	**Input**								
	Ghana			Egypt			Vietnam		
Market	Local	Import	Total	Local	Import	Total	Local	Import	Total
Domestic market, no import substitution	19	15	**34**	12	2	**14**	31	8	**39**
Domestic market, import substitution	4	14	**18**	4	2	**6**	2	1	**3**
Export	9	-	**9**	8	-	**8**	17	5	**22**
Total	32	29	**61**	24	4	**28**	50	14	**64**

Note: The table includes only projects for which this classification is meaningful i.e. excludes, for example, enabling environment projects

The table includes all Partnerships established in the three countries, not only those visited during the fieldwork. As the table shows, technologies focusing on domestic market products are the dominant technologies in the portfolios in all three countries, although export oriented technologies weigh relatively heavily in Vietnam. The Vietnamese portfolio is also less import dependent than the Ghanaian portfolio, and in Egypt even more so. Though there can be positive benefits from projects focusing on the domestic markets, the contribution from the projects to the key aspects of job creation and international competitiveness are not maximised.

Statistics of the type found in the above table are unfortunately not available for the Programme as a whole. A similar assessment can therefore not be made for the other countries under the Programme. To the extent that the three countries visited are representative for the countries in the Programme, the total Programme impact is less than it could be, if project portfolios were more optimal.

As this analysis shows, not every technology transfer has a clear positive impact on the development of growth promoting private sectors. Lack of concern in the Programme for the content of the Partnerships being supported thus reduces the impact relative to what that impact could have been with a more selective approach.

Similarly, it cannot be assumed that transfer of technology in itself will automatically lead to new or improved businesses. The uncertainty, mentioned above, concerning effects on profitability, is evidence that factors other than low productivity hamper private sector development. Lack of access to credit, particularly to long-term credit, is a severe constraint in developing the private sector in two of the three countries visited. Lack of access to extension and other forms of support should also be mentioned as important constraints in some countries.

Moreover, the specific business-to-business form of technology and skills transfer supported by the Programme, can have limited impact on general technology levels. The skills being transferred in the business-to-business concept can be too specific to be of much use outside the specific production processes in which the technology is being used.

The fact that the portfolios to a large extent consist of relatively dispersed and isolated projects furthermore limits the impact from synergy effects. Also, even if some of the projects could have useful demonstration effects, opportunities for spreading the effects are generally not pursued by the Programme.

An important observation of the present evaluation is also, that there appears to be very limited concern in the Programme about the ultimate aims of the support. The focus is very narrowly on getting the individual business-to-business co-operations established. A general lack of broader development perspectives means that the Programme appears relatively isolated from institutions and development agents dealing with these broader aspects. This, combined with an unwillingness to consider issues related to optimality of the project portfolios, lead to these portfolios being somewhat arbitrary and dispersed in relation to development potentials and constraints of the respective countries.

Lack of priority criteria also means that the support is not necessarily concentrated in the sectors with the highest growth potential. The Programme does not have such criteria and the project portfolios thus have less than optimal impact in terms of the growth objective.

Likewise, there is little concern in the Programme on the issue of whether it is supporting the small and medium sized enterprises within the private sector. This sector is emphasised in the private sector development programmes of many other donors. It is often believed to have a great growth potential and to provide an important basis for a broad based growth and development process. Though the Programme does have small and medium sized enterprises in its portfolios, there is generally no perception in the Programme about its role in relation to development of this part of the private sectors. For example, few attempts are made to establish linkages from the Danida-supported local companies to this segment of the private sector.

Gender Aspects

The Programme is per design not a WID-programme and it does not offer any specific tools for improving women's socio-economic conditions. It does however, have positive impact on women's conditions in cases where women receive training or when jobs are created for women. In general, such positive effects appear somewhat coincidental as the Programme will tend to follow 'the norms of the country'. This means, that whether jobs are created for men or women depends on the whether the company and sector in question is dominated by male or female labour. Similarly, whether men or women receive training, depends on the gender-divided employment-structure of the specific company.

There are several cases in all countries where the Programme has had positive effects on women's conditions and socio-economic status. These are projects where women receive training, where their working environment is improved or where jobs are created for women. Such positive effects often accrue from co-operations within the textile industry where women make up a large part of the work force.

Women´s conditions are generally influenced by the management-labour relations in the partner firms. There were partner companies where new Danish management styles were visible and workers had gained more influence on their work place. But there is nothing in the present design of the Programme which seeks to prevent situations like the one found in one factory. In this instance, the Programme financed training of a large group of unskilled female workers which resulted in an increase in productivity of

50 to 75 per cent. The female workers, who were the cause of the productivity raise, had not received any benefits from the project in terms of higher wages or more influence.

Labour Rights

The Programme is not designed to address issues of labour rights as such. But it is specified in the PS-Guidelines that, in order to receive Programme support, ILO conventions have to be implemented as part of conditions governing the …"working environment, the employment of pregnant women, shift work, free association, a minimum wage, the prohibition of discrimination, the employment of children, etc".

In practice, however, companies did not seem to be fully aware of the content of the ILO conventions and of the conditions in this respect for obtaining support under the Programme. In the present design and implementation of the Programme there is no focused concern for transferring Danish traditions for labour rights and democratic practices in the work place. It is left to Danish managers and employees whether they will attempt to transfer such values and ideas.

Environmental Aspects

Under the Programme partner companies can receive support for improvements of external and working environment. The PS Guidelines recommend that environmental issues be taken into considerations at the earliest possible stage in project planning and included in either a feasibility study or in a special environment study. The PS Guidelines offer checklists for the design of environmental action plans and recommend ongoing evaluation of improvements as well as well-defined indicators to measure these. At this design-level, the Programme seems to attach the necessary priority and to offer suitable tools to introduce improvements of working environment in partner companies. In the actual implementation of the Programme, however, project documents often mix up improvements of working environment with improvement of external environment and it can be difficult to trace the cost of environmental improvements in the budgets.

There were many cases in which improvements in working environment had been successfully introduced: improving standards of work safety, air-pollution, ventilation, noise-protection etc. There were also some cases in which employees worked under poor conditions with very high noise levels, high temperatures, humidity, bad working postures etc. even in well managed companies. This is an area where development has just begun and which needs more and focused attention. PS-officials stated that often working environment measures had to be introduced 'through the back-door' when confidence in the Programme and in the Danish partner had been established.

In most developing countries there is generally a low awareness among company owners and managers of the importance of maintaining a good working environment and keeping good standards of occupational health and safety. Hence, there is a great overall need for programmes aiming at improving the working environment in local factories.

The extent of the use of the environmental facility of the Programme varies from country to country. In an 'old' PS-country, like Ghana, it has been widely used and has achieved good results. In the new countries the use of the environment facility is less widespread. External environmental improvements are – like improvements in working environment – an integral part of the new technology introduced. There are also projects which are in themselves focused on external environment improvements. Also, a number of projects can be characterised as "cleaner technology" projects. Moreover, where environmental improvements are in focus in the technology transfer, positive effects in terms of trained manpower are also found.

3.4 Conclusions: Impact Assessment

The impact of the Programme has been assessed at three levels: The immediate objective is improved local partner businesses, which is assumed to contribute to the intermediate objective: private sector development, which in turn is assumed to contribute to the development objective of promoting sustainable and socially balanced economic growth.

Improving Partner Firm Businesses

In terms of the immediate objective, the Programme has been reasonably successful. The co-operations established have in general resulted in relevant technologies being transferred from the Danish to the local partner. Technology transfer is defined to include not only specific technical aspects, but also to a large extent organisational, marketing and management aspects. This has contributed to important improvements for the local businesses. Benefits also accrue to workers, including female workers, in a number of the individual projects.

However, there are constraints facing local businesses which, in some cases, reduce the benefits of the improved technology. Lack of access to long term, venture capital or to local institutional support are among such constraints. For example, lack of access to capital is often a constraint which entails that the local firm finds it difficult to fully exploit the new opportunities resulting from better technology. The effects on profitability are also uncertain in many cases, making the sustainability of technology achievements uncertain.

Private Sector Development

The Programme has been much less successful in contributing to the overall development of the private sectors of the respective countries. Effects in this respect have been limited and lower than optimal. The Programme is open to all sectors and types of businesses (except for an obvious negative list) and the resulting project portfolios are not optimal. Positive direct effects on employment and foreign exchange earning are noticed, however, in a number of the individual local companies. There are also important cases of improvements in environment and gender aspects in partner companies.

The individual project portfolios are generally somewhat dispersed, providing limited opportunities for exploiting synergy effects. Opportunities for dissemination of experience, for demonstrating "good examples" etc. which could give spin-off effects on other parts of the private sector, are generally not exploited. The emphasis of the Programme is on the individual business co-operations, not on the private sector as a whole.

Economic Growth and Social Development

When assessing the contribution of the Programme to promotion of sustainable and socially balanced economic growth, the focus of the evaluation has been on the extent to which the Programme supports those parts of the private sectors which are most important in this respect. Generally, the Programme appears to pay very little attention to the issue. The lack of priority criteria for the selection of projects supports the conclusion that there is limited development impact at this level. The Programme emphasises foreign exchange earnings/savings and employment creation. In this respect, important individual project effects are recognised. However, the compositions of the project portfolios do indicate that the ("macro") effect for the sector as a whole is less than it could be had there been a more optimal composition of the project portfolios.

The segments of the private sectors being supported are not necessarily those segments which have the highest growth potential or which would contribute most to a socially balanced growth process. The types of enterprises which are supported under the Programme are not in all countries from the small and medium sized sector. In the respective countries, there is no clear relation between this sector and the support portfolios of the Programme.

In terms of a socially balanced development, the Programme has achieved many varied and good results in regard to the cross-cutting concerns and it has demonstrated that it can have substantial impact on these areas.

A key conclusion of the assessment is, however, that the positive results appear to be of a somewhat coincidental nature. This does not mean that the PS-coordinators do not attach importance to the concerns. On the contrary, they look very positively at potential co-operations if they e.g. hold the promise of creating work places for women or improve upon polluting technologies. However, whether work places are created for women or not, and whether polluting technologies are replaced depends upon the types of business co-operations that are actually established. Neither gender, environment nor workers rights are key criteria for supporting or rejecting potential partnerships.

The first priority of the PS-programme is the establishment of commercially successful business-to-business co-operations. Then secondly, one attempts to introduce and develop a range of social and environmental improvements within the co-operation. The coincidental impression arises from the fact that presently the Programme is not attempting to gain the largest possible impact from the improvements achieved within the individual projects. There are no means in either the design or in its implementation of spreading positive results to other companies through demonstration effects of "good examples", or giving systematic support to relevant organisations, such as womens organisations, labour unions and environment agencies. The Programme is not utilising its potential fully and it could have a much larger impact.

4. Programme Design and Implementation

4.1 Promotion and Awareness of the Programme

The Programme has established a contact network with hundreds of Danish enterprises, thereby creating awareness in the Danish business community about the business opportunities in developing countries. A number of activities are undertaken in this respect and this appears to have created more attention towards private investment opportunities in the Danida programme countries.

Study visits and TechChange Arrangement

One of the first activities in the matchmaking process, after company profiles have been approved and selected, is the first meeting between two potential partner companies. This meeting might take place in a TechChange in Denmark or the Danish company might visit the potential partner company at its location. In all three countries visited, company owners and managers were interviewed about their experiences with TechChange arrangements and study visits.

A general finding is that all were very satisfied with their visits to Denmark and with the services and general dedication they had met from the staff at the PS-Secretariat. There were some complaints that the Danish companies selected in TechChange arrangements were not informed about the Programme and also some regrets when visits did not result in any further co-operation.

However, it was striking that many companies (especially from Vietnam) were very good at 'getting something' from their visits, even when these visits did not result in Partnerships. They extracted useful knowledge from factory visits which subsequently improved their own production, their negotiations of trade orders and other business connections. Companies invited to Denmark to meet with potential partners or to participate in TechChange arrangements could benefit from having a programme set up for them, including factory visits and other activities relevant to their field.

Information about Partner Companies

Many companies, especially in Vietnam, expressed a need for a website where potential Danish partners are described. This would enable them to make contact themselves and facilitate the search for potential partners. A website would help those local companies which generally have the lowest failure rate within the Programme i.e. those with ideas and with the capability to take independent initiatives.

However, if the lack of partners is due not to lack of information, but to a reluctance on behalf of Danish companies to enter into unknown markets, a website will not achieve much. Moreover, a website increases the risk of misuse of the Programme. In the long term though, the demand for a website is likely to increase from precisely those types of companies that the Programme most wishes to address.

4.2 Facilitating Private Sector Development

The focus of the Programme is on supporting the establishment of Partnerships i.e. commercially viable business-to-business co-operations, in which the partner firms are mutually committed to a long-term co-operation. The support instruments (including the loan facility only implemented in Ghana and Zimbabwe) are intended to facilitate the establishment of such Partnerships and in this way contribute to the development of the private sector of these countries.

The Partnership concept mentioned above comprises the basic principles on which actual implementation is based in all countries. There are no further rules, regulations or guidelines of the Programme with respect to which types of Partnerships are priorities for support, except for an obvious negative list. The resulting project portfolios are thus to a large extent determined by the process that occurs in the actual implementation of the Programme.

The resulting portfolios have quite different characteristics, involving marked differences in impact in terms of both private sector development and of contributions to economic growth and social development. In trying to answer the question of how the development impact of the Programme might be increased, it is therefore important to look into the implementation process and analyse the factors at work in determining the portfolio compositions.

The PS-Secretariat and the PS-Units in the respective countries play very important roles in guiding Programme implementation. There are clearly differences between the three PS-Units in the three countries visited and experience concerning the implementation processes is also different. These differences do, to some extent, reflect the marked differences between countries and of the contexts in which the Programme is to be implemented.

The interests of firms in the host countries in participating in the Programme are obviously also a major factor in determining the actual portfolios, as are, of course, the corresponding interests among Danish firms. The wider interest and participation of the institutions of the respective “business communities” are also important factors.

In assessing the degree of impact, the Evaluation Team has identified a number of issues relevant for the scope for increasing impact. These are discussed in the sections below.

Subsidisation and Market Distortions

Strategical considerations on when and under what conditions public funds can be used to subsidise private businesses are not found in the Programme. Supporting the private sector with public funds is subsidisation in one sense or another. It is therefore to be justified in terms of achievements of public goals. In this particular context, these goals are expressed in the development objective of contributing to a sustainable and socially balanced economic growth process.

Support provided to private businesses under the Programme is thus a legitimate use of public funds only to the extent that the support contributes to this objective i.e. has overall development impact as discussed in Chapter 3. Furthermore, the support should be provided in such a way that it does not distort private, commercial incentives and it should be instrumental in achieving the goals.

In cases where the two partners have no mutual commercial interest, apart from appropriating public funds, the funds spent are wasted. This is also the case when the co-operation would have taken place even without the support of the Programme. There are projects in the portfolios of the three countries visited which are of these types. This shows that the “screening”, which takes place as part of the actual implementation process, is an important activity of the PS-Units. However, cases of inappropriate uses of funds are relatively few and cannot be completely avoided. Recording and sharing experience would, however, help increase the efficiency of the Programme in these respects.

The requirement of the Partnership concept, that the co-operations shall be commercially viable, is intended to ensure that supporting individual business co-operations does not hamper private business incentives. Adhering to this principle without screening – from the viewpoint of the development perspective – can hamper the development impact. Bias in the portfolios towards business co-operations aimed at the domestic market reduces the impact in terms of socially balanced and sustainable growth. It would, for example, be difficult to justify further support to any new venture which would only add further additional suppliers to already competitive and non-expanding domestic markets. These issues point towards a need for establishing criteria for which types of Partnerships are priorities for support.

Characteristics of Partners

It is also a requirement of the Partnership concept that the two partners establish a new or improved business activity. There has to be a genuine and legitimate interest on both sides in establishing a co-operation on some business activities which, as mentioned above, have to be commercially viable (apart from the support from the Programme).

It is, of course, not a legitimate interest only to exploit the availability of grant financing, even if that interest is mutual. The interests have to be to the benefit of a business venture, requiring resource commitments of the two partners. This should be visible in a clearly formulated plan on the basis of which the interests of both parties can be assessed.

The project documents do not, in general, provide this information. It has in some cases been difficult to clearly identify the interest of the local partner and the Danish partner often takes the lead in the co-operation. This indicates that the benefits of the co-operation may not always be shared as equally as intended.

Closely related to this is an issue concerning the size of the partners. There are a number of cases in which both partners belong to the segment of larger firms in their respective countries. This tends to reduce impact, as many of the activities financed in a project undertaken by two large partners, are activities which these partners would have undertaken even in the absence of the Programme. In cases where the Danish partner is large, but the local firm small, the interest of the Danish firm in engaging in the type of commitment required by the Programme, would often be relatively little. In some of these cases, however, very useful transfers of technology might take place, but most likely through the Danish firm selling its specific services (technical assistance and training) rather than through other more long term, binding arrangements.

The experience seems to indicate that a combination of small to medium sized Danish companies with medium to large local companies, are most successful – other factors being equal. It should, however, be emphasised that “size” is not an easy concept in either a Danish context or in the context of the private sectors in developing countries. Obviously, objective size criteria such as employment, capital, etc. will be different in different countries.

The above issues indicate a need for some guidelines as to what can or cannot be financed under the Programme. Such guidelines should be clear to all involved in the implementation process and they should lead to an improvement in the screening procedures.

Sector Priorities

No criteria concerning sector choices are generally applied in the screening. The Programme is in principle open to business ventures in all sectors (apart from the negative list). Looking at the actual project portfolios, the results of this principle are also quite visible. To a large extent the portfolios have the characteristic of being a collection of rather dispersed and “isolated” projects. This reduces the scope for exploiting synergy effects.

In countries with large project portfolios there is, however, a noticeable tendency for “clusters” of projects to develop within certain sectors or sub sectors. This greatly increases the scope for the Programme to have impact not only at the individual business level, but also for the private sector as a whole. The integration of projects horizontally as well as vertically also increases the scope for the Programme to provide support at a more general level for a number of projects taken together.

Using the sector priorities as a criterion of eligibility would also increase the scope for impact in another way. Not all sectors have an equal potential for growth. By giving priority to sectors or sub sectors with the largest growth potential, the development impact in terms of the growth objective could be increased. The focus on the so-called “Green Gold” sectors, which seems to be developing in Ghana, is an example of prioritising sector choices towards sectors with the largest growth potential in a national context. Similar clusters are developing in Vietnam as well e.g. in textiles and fisheries.

4.3 Supporting Business-to-Business Co-operations

Partner Identification and Matching

The process of identifying a suitable partner, exchanging information and ideas and setting up a business co-operation plan is in most cases a long, time-consuming and cumbersome process. Furthermore, it does not always result in a successful matching and the problems are often only realised after some time. Cultural differences are often mentioned as a cause of such problems.

The key point about cultural differences is, however, that they do not in themselves represent any serious obstacle to the development of Partnerships. What is important is that both partners are serious, committed and prepared to spend the required amount of time and resources to build up the necessary trust and confidence. There should be a genuine interest in knowing as much as possible about the other company and its various motives for wanting to enter a Partnership. The project idea should be thoroughly discussed between the partners and both parties should be willing to adjust and make changes when unforeseen problems arise. When these basics work, differences in culture are of minor importance. In Vietnam, however, there might still be a language problem to overcome and Vietnamese companies might need some special support in this regard i.e. be assisted by interpreters.

PS-Coordinators and staff at the PS-Secretariat seem to be well aware of the above points and offer relevant advice to companies in this regard. But the Evaluation Team met several company owners who had quite unclear ideas about the motives of potential (or actual) partner companies. Thus more systematic work might still need to be done in this area.

The problem of matching the right partners is one reason for project failures i.e. for Partnerships not resulting in a continued long term co-operation or start-up facilities not leading to further co-operation.

Support to Establish Business Plans

Another important reason for project failures is that the intended joint business venture has not been sufficiently identified, assessed and planned. According to Guidelines 3a it is required that the partners develop a business plan. Usually this is included in the feasibility studies. But the guidelines are not always sufficiently comprehensive.

It is not clear to what extent this is the responsibility of the respective PS-Units, though the feasibility study is to be “appraised” by the PS-Coordinator. There is a tendency in the actual implementation to assume that the business plan is the responsibility of the partners themselves. Though this would appear natural enough, given the workload of the PS-Units, the assumption is not always well justified. This is particularly so when both partners are relatively small. But even for medium-sized firms, some assistance could make a difference, especially for the local partner. Leaving it entirely to the partners often means leaving it to the Danish partner and the local partner may never come fully into the picture. It can eventually lead to failure or it may result in the local partner gaining too little from the project.

The partners themselves do, of course, have ideas with respect to the co-operation and have more or less clear expectations as to what they expect from the project. There is often, however, quite some way to go before these ideas and expectations have been worked out in sufficient detail for the project to be successful. The project document should provide the documentation for, and result of, the identification and formulation process. In most cases, it is not possible on the basis of these documents alone, to understand in any detail what the project is about. This is evidence that the projects have, in many cases, not been thought through to a sufficient extent.

There is little doubt that the quality of the individual projects, and hence of the effectiveness of the Programme, depends to a very large extent on the effectiveness of the support provided for project identification and formulation/design.

Applications for Project Support

Establishing a clear mutual understanding between the two partners of what it is they want to do and setting up plans for implementing the project does, of course, not in itself require a project document in a Danida standard form. But some “paperwork” between the partners is needed in all cases. If a project cannot relatively easily be formulated in the Danida standard form for a project document, it seems likely that the project has not been fully identified and formulated.

The project document is an indispensable part of the documentation needed for presenting the project to the Programme for financing. This “paperwork” requires administrative resources which both the local and the Danish partners are basically unwilling to and/or incapable of providing. It is generally recognised by the partners that this type of work is needed because the use of public funds have to be transparent and accounted for. But they tend to avoid using resources for this type of work. On the other hand, the project document cannot, of course, be developed without inputs from both partners.

Leaving the paperwork entirely to the partners does not appear an efficient way of achieving this. The partners do not have the LFA-type of expertise and it would require far too much work for them to do this. The local partner would be particularly disadvantaged compared to the Danish partner who would be in a better position, at least to judge Danish requirements for, and standards of, such a procedure.

As actual implementation procedures are currently organised, this paperwork is mostly done by the PS-Units, with or without assistance from DI/HVR and/or other external consultants. The result of this procedure is, as mentioned, not as good as it should be. A much more thorough tripartite exercise for producing the project document, involving the two partners and the PS-Unit (with or without consultants), is needed. It should, however, be emphasised that this should not lead to the PS-Unit assuming control.

The Project Support

Projects are defined as either start-up facilities or a Partnership project. Some start-up facilities lead to further co-operation which is then later supported by means of a Partnership project. Many Partnership projects, however, start without a prior start-up facility.

In those cases where a start-up facility can be considered a real project, that is an output, the content of the project is basically provision of technical assistance and training. The intention is to transfer a specific technology to the local partner. These projects tend to be of the same size, i.e. DKK 0.5 million, which is the upper limit for financing under this facility. This indicates that it is the administrative rule which determines the size of the project, rather than the needs of the partners for the specific technology transfer concerned. There are clearly projects in this category which utilise the full DKK 0.5 million, even though the actual transfer could have been achieved for less. Similarly, there are cases where the DKK 0.5 million is not sufficient to achieve the transfer but where the project has had to be kept below the limit. This cannot be said to be a particularly effective way of supporting this kind of technology transfer.

Under the start-up facility, there is also a provision for supporting some investment in equipment, up to a limit of DKK 100,000. This facility is almost always utilised, indicating that it is always possible for the partners to find some useful equipment for using these funds. Often the funds are used to finance the local partner’s purchase of some equipment supplied by the Danish partner.

The Partnership projects are also, to a large extent, technical assistance and training projects (but in many cases also include financing of environmental improvements). They also tend to “cluster” just below an administrative limit i.e. the limit of DKK 3 million of the Local Grant Authority for project approvals. There are also cases where this amount seems too high for what the project is really about. Similarly, there are cases where this amount is too little to achieve what is intended in terms of technology transfer, but where, for administrative reasons, the amount is kept below the DKK 3 million limit.

The new or improved business ventures which are supported under these two types of projects of the Programme are much more varied than the actual size of the support projects indicate. This provides evidence for the observation that too little attention is generally given to the business ventures which are being supported.

Enabling Environment Support

This type of support was a component in Phase I but was not included among the instruments in Phase II, except for the loan facility. This facility is implemented in Ghana and Zimbabwe only. In Ghana, the facility is administered from the Embassy in co-operation with a private financial institution. The PS-Unit is responsible for loan preparation and decision-making. Thereafter the loan is handed over to a private bank which is responsible for loan repayment and transfer of funds to the Treasury. The design of this facility is not in accordance with the Danida policy guidelines for support to financial systems.

An alternative institutional arrangement would be to set up a fund in the Bank of Ghana, which would then open a line of credit to selected financial institutions that undertake lending to the individual Partnership business ventures. This would to a larger extent utilise existing institutions and could entail capacity building in the financial system as well.

4.4 Planning and Monitoring

Planning procedures are, to a large extent, the procedures related to preparation of the individual start-up facilities and Partnership projects discussed above. In general there is no “macro” planning such as a country strategy. The principle that the Programme is open to all sectors also means that no sector planning takes place. This lack of overall planning reflects the principle of the Programme that it is basically up to the partners to plan and decide and that the PS-Units should not get too involved in this. Though this principle has a clear rationale, it is not sufficient. When the partners are supported by public funds under the Programme, it is the responsibility of the Programme to ensure that the funds are allocated in accordance with the objectives of the Programme. This entails effective planning and monitoring procedures.

Preparatory Studies

Setting up a joint business venture requires considerable preparatory work. In their own interests, parts of this work will be undertaken by the partner firms themselves, particularly the more specific technical parts. This type of work is, however, also important for the Programme because it provides the information needed to assess whether the venture is likely to be successful. The Programme does therefore have an interest in having the necessary studies, of acceptable quality, undertaken. Hence the Programme finances the major part of the costs of these studies.

A standard type of preparatory study is the feasibility study. Such a study is normally a rather essential overall study for a business venture. It is undertaken to ensure that the venture is feasible in all respects: technically, institutionally and financially. This type of study is also important for the Programme to assess whether to approve or reject an application from the partners for support under the Programme. This also means that there is pressure on the partners to have such a feasibility study undertaken. The Programme finances 90 per cent of the costs of this study (up to a limit of DKK 250,000) and it is often undertaken by the in-house consultants of the Programme, DI/HVR, see further below.

This is an area which needs to be further investigated. In a number of cases, these feasibility studies appear to be either of low standard, not considered useful by the partners and/or not considered necessary for the Programme approval/rejection decision. The basis on which the PS Coordinators assess the quality of feasibility studies needs to be reviewed. These Coordinators cannot themselves cover all the technical expertise which might be required for a competent assessment.

Appraisals and Project Approval

The same is true with respect to appraisals. In general, appraisals are assessments of projects which provide the basis on which the decision-maker determines whether to approve or reject a project. These types of decisions have to be made by the Programme and some basis for the decisions needs to be established.

A number of the projects under the Programme are, however, so small that the appraisal is very simple and the term "appraisal" normally contains much more than what is required for these projects to be either approved or rejected. An "assessment" might be a more proper term for the procedure in the case of these small projects (primarily the start-up facilities). Most of the (appropriate) projects in this category are technical assistance and training to achieve transfer of specific technologies and skills. It should generally be possible for the PS-Unit to assess whether a feasible plan for these activities has been established by the partners. However, there might be projects where the technical knowledge of the PS-Unit is insufficient to make this assessment. In such cases, the unit should call in specialised technical (national or international) expertise. Though it would not appear meaningful to require a full-fledged appraisal report for these small projects, the reasons or rationale for the decisions made should be available in the files.

For larger and more complicated Partnership projects, a more standard appraisal procedure may be required. At present, this appraisal work is basically undertaken by the PS-Coordinator, based on the feasibility study. In many cases, this is also sufficient. But there are nevertheless reasons for looking into this process. Firstly, because an outside technical expertise may be needed in some cases and the PS-Coordinators cannot in all cases have sufficient technical knowledge themselves. Secondly, they are basically not trained to do this kind of work and for projects above DKK 5 million, TSA is required to do the appraisal in accordance with standard Danida appraisal procedures.

These procedures are not fully satisfactory. As most of the projects are kept below DKK 3 million, the appraisal is done by the PS-Coordinator. But procedures are not always clear. This makes it difficult to judge the appropriateness of the actual study. The existing rule for projects above DKK 5 million is not particularly effective, as TSA is overloaded with work. This means that project support is generally kept below this limit.

Generally, as the impact assessment in Chapter 3 indicates, projects should be much better screened. The scope for this depends not only on procedures for appraisal and decision making. Improving the quality of the country portfolios depends also on the principles upon which the assessments should be made as well, as upon the size and character of the projects. There is a need to reconsider the overall approach of the Programme. In this context, the appraisal and approval procedures should be improved.

The quality of the feasibility studies is also an important issue in this context, as is the issue of whether enough expertise is available in the PS-Units to judge the quality. Alternatively, it would be necessary to call in additional, independent external expertise.

Monitoring

The follow-up and monitoring procedures also need to be strengthened. At present, the project definition refers to the support to the business ventures and not to the ventures themselves. This also means that the Programme files in general contain no information about the performance of the partner co-operations after the support has been completed.

This administrative project concept and corresponding monitoring procedures do not reflect the key principle of the Programme; that co-operations should be commercially viable, mutually committing, and long-term. It could be considered to change the administrative project concept to encompass not only the support but also the business venture itself. This could also make it possible to keep the project "open" and monitor it over a longer period. But the "ownership" of the project should continue to be with the partners.

It was observed during the evaluation that the information available in the project files of the PS Units is limited. For example, the files do not contain sufficient information to assess the status of the co-operation when the support is completed. It is acknowledged that "tight" monitoring of a private businesses after the support has come to an end is generally inappropriate. But if longer term Partnerships are to be the main focus of the business-to-business co-operations, some follow-up is required, even when there is no Danida support (and hence in that sense no "project").

Several options could be considered. Firstly, if the Programme concentrated on a smaller number of larger projects with support provided in phases over a longer period, monitoring would hardly be a problem. Secondly, if such projects were to a larger extent to be "demonstration projects", that is, projects which are "good examples" to be followed by others, this would in itself constitute some monitoring. In fact some of the projects already function in this way. Finally, it would be quite natural for, for example, a private business association to monitor its members and their role in developing the business sector in general. Supporting such institutions could include support to their monitoring functions and the Danida monitoring could build on this. An improvement in monitoring will require that monitoring expertise be attached to the PS-Units as well as to the PS-Secretariat.

4.5 Organisational Set-Up

In assessing the capacity of the implementing agencies, a full-fledged institutional analysis of the organisational set-up of the Programme has not been undertaken. Some issues of importance for the efficiency of the Programme should, however, be highlighted.

High Administrative Costs?

The administrative set-up appears rather extensive compared to the amount of funds spent on the projects. In judging this, it should be emphasised, however, that part of the work of the PS-Units is a type of work which, for example, in Sector Programme Support (SPS), would be undertaken by technical assistance personnel and hence count as project rather than administrative costs. To the extent that such activities could be considered institutional capacity building, they should, of course, be considered in this light.

The activities in question are the matchmaking activities which would appear to be of an administrative nature. But they also include preparatory studies, feasibility studies, the tripartite dialogues, identification and formulation of the joint business ventures eligible for support under the Programme. These latter activities are more of an institutional capacity building nature. Nevertheless, these activities do comprise a rather large share of total Programme expenditures. Furthermore, possible measures to increase impact are likely to require more and not less of these types of activities. Thus, whether they are considered administrative costs or not, increasing efficiency would seem to require a reduction in their share of total project costs. This would imply an increase in the size of the projects.

The PS-Units

The PS-Units are located at the Danish Embassy in the respective countries (except for the sub-unit in HCM City in Vietnam). In a SPS programme, however, the CTA and technical assistance personnel would normally be placed physically and institutionally in a ministry of government administration. Personnel undertaking similar activities in the present Programme are, on the other hand, part of the PS-Unit of the Embassy.

In Ghana and Vietnam some local firms found it a constraint that the PS-Unit was located at the Embassy (embarrassing to have to pass Embassy security set-ups, etc.). An alternative would be to set up the PS-Unit in a private sector institution outside the Embassy, comparable to the organisational set-up of a SPS.

It is recognised, however, that the location of the PS-Coordinator at the Embassies also has advantages. Danish firms are likely to consider support from the Embassy a great advantage. Furthermore, coordination with other Danish assistance can be made more efficient by placing the PS-Coordinators at the same location as, for example, SPS-Coordinators.

Role of DI/HVR

A contractual agreement has been made between the Ministry of Foreign Affairs on the one hand and DI and HVR on the other. According to this contract, the two organisations are committed to assist matchmaking local firms with Danish firms. The rationale for this arrangement is the assumption that these two organisations have a network of contacts with the relevant Danish business communities. Though this seems true in general, there are sectors and segments of the business communities in which links to other Danish institutions appear stronger than in others.

In addition to the above "in-house" consultancy function, DI/HVR also offer consultancy services for undertaking the feasibility studies mentioned above. This is done entirely on a private commercial basis, though their in-house consultancy status in relation to matchmaking does give them a preferential position compared to other consulting firms. The partners are, however, free to choose their own consultants to undertake, for example, feasibility studies. A number of the actual feasibility studies, cf. the discussion above, have been undertaken by consultants other than DI/HVR.

A third role of DI/HVR is their participation in Partnership projects with counterpart institutions in the respective countries, such as the Association of Ghana Industries. These projects are of an "enabling environment" type rather than business-to-business co-operations.

It should be considered whether there are potential conflicts of interests arising from these organisations being involved in the Programme in the different roles described above. On the one hand they assist the PS-Secretariat and the PS-Units in implementing the Programme. On the other hand they also receive support under the Programme.

4.6 Conclusions: Programme Design and Implementation

It is difficult to distinguish between design and actual implementation of the Programme. The formal design in terms of objectives, strategies, outputs etc. is not written down in a comprehensive "Programme Document". The specific instruments are described in certain documents as are some of the administrative processes. Guidelines, written for participating companies, contain much of this. But part of the design is revealed only in actual implementation. A strict distinction between design and implementation can thus not be maintained.

Programme Approach

The Partnership concept is a key feature of the Programme. The implementation of the Programme clearly focuses on getting Partnerships established, utilising the support instruments to facilitate this. The instruments are the same in all countries, except for the loan facility, which is implemented only in Ghana and Zimbabwe.

All co-operations which are considered Partnerships by the Programme, are eligible for support. There are no other priority criteria and strategical considerations as to what can or cannot be financed under the Programme, to be found in the Programme. What can be supported are those co-operations which fulfil the criteria for receiving the instruments under the Programme, as determined by the respective Programme Coordinators.

Actual implementation seems to suggest that the chances of success are best with "equal partners", though the specific, time-limited technology transfers, financed under some of the Start-Up facilities, can effectively take place from larger Danish companies to small firms in the host countries. The extent to which the benefits of the co-operations are shared equally between the two partners is an issue which needs the attention of the Programme.

Though there are no formal selection criteria concerning priority sectors or types of Partnerships, actual implementation shows tendencies to sectoral “clusters” in some countries. There are also considerations as to whether the Programme can continue to support new co-operations in sectors which already have a considerable number. Criteria for such selective decisions are not reflected in the formal design of the Programme.

The Instruments

The support instruments are the same in all countries, irrespective of differences in contexts and the character of the business venture for which the partners set up their co-operation. The same instruments are applied with very limited flexibility and in a number of cases seemingly also with limited knowledge of the Programme. Failures are often caused by insufficient understanding by the parties of the exact content of the co-operation. The support provided under the Programme is not always sufficient.

An important instrument is the loan facility. But this instrument is made available only in Ghana and Zimbabwe. In Ghana the instrument is basically implemented by the PS-Unit, a design which is not in accordance with the Danida “Guidelines for Support to Financial Services” (Ministry of Foreign Affairs, 1999).

Project Preparation

Project preparation processes are relatively firmly and uniformly established. There is, however, a need to review the administrative set-up for this process.

There are concerns about the feasibility studies. They are needed in a number of cases, but not in all cases, and the quality is not always living up to the standard required. The studies are generally required by the Programme Coordinators and used as a basis for the decision as to whether to support the proposed business venture. The Coordinators cannot, however, have sufficient technical and other relevant knowledge to judge the quality of the feasibility reports in all cases.

Appraisals are also undertaken by the PS-Coordinators. This procedure is fine for small, easily understandable projects, such as many of the start-up projects, where the appraisal is an assessment of a small training and technical assistance programme. In such cases the Coordinator does not need to know the technical aspects. This requires a qualified feasibility study on which to base his/her judgement and here technical insight is needed to judge the quality of the feasibility study.

These procedures are related to the approval procedures. Projects are typically just below the DKK 0.5 million (start-up facilities) or DKK 3 million (Partnership projects). These limits are administratively determined and do not in general correspond to the needs of the particular business ventures they are intended to support.

Organisation

It is also necessary to review the administrative set-up. The PS-Units are heavily loaded with work related to the specific projects. If they are to focus their work more on the development aspects of a revised Programme, an outsourcing of some of their work will be needed. This would fit in well with supporting some private sector institutions to assist local companies in the preparation of projects for Programme financing.

The PS-Coordinators should probably be placed in the Embassies, as at present. But some of the present work could still be outsourced.

The role of the two Danish institutions, DI/HVR, also needs to be reviewed. They play a double role, assisting the PS Secretariat in implementing the Programme and, at the same time, receiving support under the Programme. This is not necessarily a problem. But it should be reviewed, partly because the projects which receive support seem to resemble enabling environment projects rather than commercial Partnerships.

5. Towards a New Programme Design

The analyses in Chapters 2-4 above indicate that the present design of the Programme is inadequate to achieve sufficient impact in terms of private sector development and through this contribute to promotion of sustainable and socially balanced economic growth.

The main conclusion of this evaluation, that the development impact is too limited, is very similar to the conclusion of an evaluation of a corresponding programme of Canadian International Development Agency. The experience of both cases indicates that it takes special efforts to build upon the commercial self-interests of private businesses to achieve development impact. It is essential that this fundamental difficulty be taken into consideration in the design of the Programmes' objectives and strategies. A recent study from the Center for Development Research arrives at similar conclusions (CDR policy paper, Copenhagen 2001).

5.1. The Programme Re-designed

It is necessary to re-design the Programme in order to give it an appropriate development profile. This will require a much broader intervention area than at present. Currently the Programme is focused narrowly on supporting individual business-to-business co-operations. Support to the "enabling environment", which was part of the Programme in Phase I, should be reintroduced. Such support would be in line with the Danida draft "Action Plan for Business Sector Development", (April 2001). In the Action Plan, however, this support is spread over a number of different programmes and instruments. The Action Plan does not visualise a comprehensive approach to private sector development. A re-designed Programme might appropriately play that role.

Programme to become Spearhead

In the context of the general SPS approach of Danida, it would appear obvious to think of a re-design in terms of an SPS for private sector development in the respective countries as in Tanzania at present. As stated in the Action Plan, this is not always possible. Neither would this necessarily be an appropriate approach, as it would imply a "from above" government-run programme. It is essential to maintain the "private" and "from below" features of the Programme, as it is presently implemented.

A different way should be found, whereby the private and from below approach can be maintained but which also provides a design framework with a broader scope and a clear development perspective. The intentions of the Action Plan could be implemented with a re-designed Programme, spearheading Danida support to private sector development in the countries where the Programme is well established. A re-designed Programme could implement and co-ordinate a number of the actions and interventions outlined in the draft Action Plan.

Country Strategies

It is essential that the broader re-designed Programme is adapted to the specific contexts of the individual countries. The general re-design should make room for a broader range of support instruments. But a specific design of each instrument may be needed to adapt it to the context in each individual country.

5.2 Objectives and Strategy Re-considered

The Programme combines private commercial business interests with development efforts. It is unique in its attempt to achieve development results by supporting individual private business-to-business co-operations between a host country private company and a Danish company. Though this is a commendable approach, the analyses of Chapters 2-4 also show that this is very difficult.

Objectives Reformulated

The Programme has a fundamental difficulty with the Partnership concept. Must the co-operation be of a long term, mutually committing nature, or can the Programme also finance "sales of technology" i.e. finance a time-limited, specific technology transfer? The evaluation finds that both types of co-operation can have developmental benefits, but also that the start-up facility is not always an appropriate instrument for financing technology sales. Considerable experience is already gained through implementation of the Programme and there is scope for extracting the lessons from this experience to establish guidelines for Programme implementation.

Analyses in Chapter 3 show that a major reason for the limited development impact of the Programme is the exclusive focus on the narrow business-to-business co-operation concept. The evaluation suggests that support "around" the individual business ventures is required in order to reap the developmental benefits of the Programme. This calls for reintroducing the original idea of combining the individual business support with support to improve the "enabling environment".

It is suggested that a re-designed Programme should have private sector development as its "own objective". In LFA terminology, this would be the immediate objective of the Programme. Outputs would then be individual business-to-business co-operations established and institutional capacity building outputs for relevant private sector institutions. The development objective should be the one used in the present impact assessment i.e. that of contributing to promoting sustainable and socially balanced economic growth.

Strategy Formulated

Support to business-to-business co-operations of a long term, mutually binding and commercially viable nature should continue to be the main feature of the Programme. It is a rather unique concept in development assistance and the evaluation suggests, that developmental benefits can be achieved through such support, if the support takes place within a development framework and supplemented with support that focuses on broader private sector development.

It should be emphasised, however, that care must be taken to ensure that the ownership of the individual business ventures being supported, remains with the two co-operating partners. The development part of the Programme shall not as such be the responsibility of these companies, but of the Programme. The business venture support shall continue to be demand driven and based on the private commercial interests of the two partners. It is the responsibility of the Programme to ensure that these ventures are selected and supported in an overall private sector development framework.

Chapter 3 mentions that the business ventures being selected for support could be seen to a much larger extent as “good examples” or “show cases”, which would demonstrate innovative and development oriented technologies. And not only technologies in a narrow sense, but also in the broader sense of including “good practises” of private company operations, related also to the crosscutting concerns of the Danish objectives for development assistance. This would mean Programme focus on quality rather than quantity of the ventures being supported. It would entail a much more selective approach and the setting up of guidelines with priority criteria for what can and what cannot be supported under the Programme.

A strategy can be visualised of building up the support “from below” i.e. building a comprehensive private sector support in the countries concerned. Private sector development support could be built by starting with the establishment of a number of supported business ventures and gradually supplementing this with enabling environment types of support. Such support is to be identified and designed as part of the implementation of business-to-business support. To some extent, this is already done and it would appear natural to establish country strategies building on such development, but within a broader framework.

The co-operation arrangements required for a Partnership to be a “real” Partnership in accordance with the strict concept of Partnership are difficult to achieve in practise. In most cases the co-operation is basically about transfer of a specific technology. More commitment over a longer period is present when the technology transfer is supplemented with a license production agreement and /or a marketing agreement or similar agreement. Partnership projects of the firmer and longer-term joint venture type comprise only a small proportion of the portfolios and many of the start-up facilities in the portfolios appear just as useful to the local partner.

The successful start-up facilities show that useful technologies and skills can be successfully transferred through an agreement between the partners on technical assistance and training to be provided by the Danish partner to the local partner. If the agreement is clear with respect to the content of the co-operation and both parties live up to their obligations as specified in the agreement, there need not be any further co-operation or commitments for this project to be a success. Such a project can, in principle, under present implementation practices, receive support only under the start-up facility (with a maximum of DKK 0.5 million), if at all. Support as a Partnership project would require a further mutually committing co-operation.

A possible rationale for this requirement is that transfer of technology is often not just a “one shot” exercise. If the Danish partner is not around to provide additional assistance and training at a later point in time if needed, the transfer may not be a sustainable transfer. Assistance in solving future operational problems that might arise could also be required. Such further assistance might not, however, be available, unless the Danish partner has an interest in the operations of the local partner.

Thus the commitment requirement can make good sense. At the same time, however, this requirement limits the scope for the Programme to support useful technology transfers from Danish firms, whose interest in the specific case is only in selling its technological expertise.

On the other hand there could be Danish firms, which are interested in out-sourcing parts of their production in order to take advantage of cheap labour. If the extra value-added is small and the technology and training adds little to the overall technology and skills level of the country, the benefit is more for the Danish firm than for the host country. Yet such a co-operation would be eligible for support in the form of a Partnership project. Criteria for what can and what cannot be financed are required.

The above indicates that the strict Partnership concept is not necessarily a good priority criterion. It opens up for the support of co-operations which are not necessarily good and it excludes some possibilities which are good.

The Programme can be considered a "public service facility" and it could be argued that such a facility shall be open to all. This argument seems to be the basis for not to prioritising certain sectors at the expense of others. On the other hand, the strict Partnership concept is in fact used as a priority criterion. PS-Programme support is open to all Partnerships, provided they fulfil the criteria of being "… commercial, long-term and mutually committing, etc. …". This is a "public service facility", but so would a facility with other priority criteria be. The important point is whether the criteria lead to the fulfilment of public purposes, such as contributing to development.

Establishing criteria which are better than the strict Partnership concept in selecting Partnerships and which make maximum contributions to development is therefore justified. A selective approach to supporting individual business-to-business co-operations could also be combined with a strategy of focusing on larger projects and on projects which can function as demonstration projects in a broader context of private sector development.

5.3 Enabling Environment Support Re-introduced

Support to individual business-to-business co-operations is an essential element in the design. A broader support is, however, needed to provide scope for a more substantial development impact. Possible areas of such support are outlined below. Most of them would appear to be in accordance with the Action Plan mentioned above.

Private Sector Institutions

In all these countries there are a variety of private sector institutions which, in one way or other, could provide support to local private businesses. Supporting such institutions to increase their capacities and capabilities is an important option. This would provide a basis for dissemination of the best practices achieved through the Partnership co-operations.

Generally, there are quite a number of different institutions which would fall under this category, providing different types of support. Which of these should receive support should be decided on the basis of an analysis of the entire institutional set-up of the private sector in the respective country.

Institutional capacity building would be the main focus of this type of support. It will in general require technical as well as financial assistance. In a number of cases there will be scope for synergy effects in relation to other Danida support i.e. under the SPS and other forms of Danish development assistance.

Training Institutions

Generally, the level of education as well as the standard of the educational system is often insufficient in most of the countries in which the Programme operates. Technical schools and institutes of higher learning are underresourced and produce candidates and technicians of standards which in a number of cases have proved too low for the training under the Programme to be effective. From the point of view of company owners, this means that well qualified and experienced staff is a scarce and expensive resource. This circumstance presents the Programme with certain problems. Many companies described the difficulties they had in attracting – and keeping – well qualified staff. Danish technicians and other employees generally posses very high and specialised standards of knowledge. In order to absorb such knowledge, the staff to be trained from local companies need to posses a certain level of qualification. The Team came across cases where Danish technicians claimed that the planned training was almost impossible to perform, as the qualifications of local technicians were too low.

This points to an area where it would be highly relevant if the Programme could offer some support outside its present frame. It would be beneficial to many private companies were the Programme able to support training centres or training-courses targeted at professions within sectors with urgent training needs. In some countries this is also done to some extent, using existing Programme instruments. However, impact could be greater if instruments more appropriate for enabling environment support, were available.

A good example is the textile and garment industry in Vietnam. Most companies in this sector are only able to do a very limited part of the work when receiving orders from foreign companies. Thus very little value-added is made on the product. In order to make the move to a production where a substantial profit is made on the product, the Vietnamese companies need to be able to do design technical production on their own. But because of a general lack of designers and textile technicians, only very few companies are able to do this today. Training centres providing courses need to upgrade staff and thereby enable companies to make the above shift in the type of production would be a valuable step in the direction of increasing overall profitability of the sector: thereby providing more substantial economic development.

In many countries, engineers constitute another profession in general need of upgrading. Support to the training centres for specific groups of professionals should be seen in connection with a change in the Programme design with more sector and sub sector focus.

Generally, there exists a broad need for management skills, marketing and market-analysis capacities in all the countries in which the Programme operates. Most countries are in a transitional phase in which a government-controlled economy is being gradually replaced by a growing private sector. Many SME's will have limited experience in what it takes to compete on the international export market and of what it takes to run a modern capitalist company. It would therefore be highly valuable if the Programme were able to make systematic use of existing management courses and training centres. The Team came across many cases in which actual and potential Partnerships experienced problems because of inexperience and low management skills in local partner-companies. A general upgrading of business and management skills would be a result in itself, but also contribute positively to the establishment of well functioning Partnerships.

Labour Market Institutions

A lot of trust has in recent years been put on the private sector as an "engine of growth". The Programme is one among many other donor-initiatives in this area. However, development of the private sector does not in itself guarantee social development in terms of poverty reduction, democracy and a more equal distribution of economic and social benefits. It takes labour organisations and other organisations struggling on behalf of workers and other social groups to reach a stage with a more reasonable distribution of the overall wealth generated in a society.

However, in many developing countries, labour unions are either weak or non-existent and often there are no strong traditions of workers taking collective action. An unconditioned support for the private sector alone is not favourable for overall broad based social development. In general, donor support for the private sector should be paralleled with support to labour unions and other organisations relevant to a well functioning labour market guided by democratic principles.

Through ILO and other institutions, Danida gives support aimed at transferring know-how and resources to unions in the South. In many countries, sector programmes also support institutions of relevance to the labour market and to the economic and legal environment of the private sector. The activities of the Programme should be placed in the larger frame of activities sponsored by Danida and other donors.

It is important that the Programme does not operate in a vacuum. The PS-Units should posses a broad knowledge of the local context: the labour market, women´s labour organisations, workers rights and conditions, institutions within environment protection, private sector federations etc. Synergies should be created between the programme and existing labour market institutions in each country. The PS-Coordinators should be able to support the activities of such institutions.

One example could be support for seminars illustrating the experience of companies where improvements of working environment or new and more democratic management practices have been successfully introduced. In a similar way, the Programme should attempt to work through local environment agencies and help document good results achieved in this area. The Programme should also be able to support local organisations working for improvements in the working conditions of women.

Currently, there is nothing in the Programme that attempts to spread positive results gained in improving the environment and workers' conditions. A closer and more systematic co-operation with existing organisations would help increase the impact of the Programme and make it a more effective tool for achieving the overall goal of broad based socio-economic development.

Financial Institutions

The provision of financial support for investments, not only for environmental investments but also for the investments needed for the core production processes, needs to be considered in all countries under the Programme. Without access to long-term finance, the technology transfer may have limited impact.

Supporting the SME segments of the private sector will also often require that such finance can be made available. A good example of this is a credit line through a commercial bank in Ghana. It is a successful “enabling environment” instrument, implemented in Ghana during Phase I.

Facilities to assist with financing investments should be designed as part of the existing financial system and in such a way that the facility contributes to institutional capacity building in the sector. This would be in line with the Danida sector policy for the financial sector. Operating the facility as a “credit window” of the Embassy would not be in accordance with Danida guidelines.

5.4 More Support Instruments

A re-design of the Programme will involve a reconsideration of the existing instruments, drawing upon past experience. New instruments will also need to be developed. These should be tailored to the capacity building support envisaged for private sector institutions and the financial systems in the respective countries.

Preparatory Facilities Expanded

Technical assistance to, and (partly) financing of, preparatory activities – such as visits, special studies and feasibility studies – are essential facilities for the dialogue between business-to-business partners. In a re-designed Programme there will also be a need for preparatory activities for identifying and formulating support modalities for other private sector development support.

The Start-Up Facility Reviewed

This facility is meant partly as a project in itself, cf. Chapter 2, and partly as a preparatory facility for Partnership projects. As a preparatory facility it allows the partners to begin to establish co-operation activities, to try out approaches, and implement initial training programmes etc. The facility generally functions well, when applied for these purposes. If, during the process, the partners realise that there is no scope for further co-operation, this is also a “result”. It is part of the cost of establishing successful Partnerships. The limit of DKK 500,000 is, as mentioned earlier, in some cases too high, in others too low. The equipment facility of DKK 100,000 is also, in several cases, used rather arbitrarily.

The facility is, as a preparatory facility, together with the visits and project preparatory studies, essential for the very important dialogue which needs to take place between the partners. Insufficient identification and formulation of the joint business venture to be supported by the Programme, is an important reason for project failures. The dialogue between the partners should be intensified, and more flexible support instruments could help in this respect. By looking at the project preparation as a process with a number of milestones, support could be given in several portions related to phases between the milestones.

More flexibility in the financing of preparatory activities would also mean that support could be better adapted to the complexity of the business venture being identified and formulated. Larger and more complex projects require longer preparation time, more studies and dialogue and more resources.

As a project financing facility, the limit of DKK 500,000 is equally arbitrary as the requirement for a given transfer is very different for different types of technologies and enterprises. Facilitating transfer of technology is a key aspect of the business-to-business co-operations that are supported by the Programme. This can be done without requiring commitments from the business partners for further longer term and more binding co-operation. The evaluation has found many successful start-up projects which have financed technology transfers, for specific purposes and over a limited period. However, as there are different types of technologies, some relatively simple while others are more complex, the transfer processes are also quite different and may require different forms of support. This points towards a more flexible instrument, which can be adapted to each specific case.

Whether a facility for such financing of "technology sales" should be included in the design or whether the Programme should finance only the longer term, more binding type of co-operations is open for discussion. It appears, however, that the two functions of the present start-up facility are quite different and require different instruments.

Partnership Support Reviewed

The Partnership is also a relatively inflexible instrument, at least as it is presently implemented. As mentioned earlier, most of the support projects are of a size just below DKK 3 million, in many cases irrespective of whether the business venture being supported is small and simple or large and complex.

If the preparation process were more flexible, the Partnership support could be better adapted to the nature of the underlying business venture. This would then also be clearer to all parties, including the PS-Unit. The need for support to the business venture and the size and type of support required, would then also be much more clearly identified. This would mean that Partnership support could be better tailored to that need, rather than to a limit (in practice) of DKK 3 million, which in the context of any individual business venture is arbitrary.

Loan Facility

Careful considerations and analyses are needed to design or re-design the loan facility. It should be available in all countries, but should not be designed as it presently is in Ghana. It should in each country be designed in the specific context and as a general support to the financial system.

There are major institutional differences between countries which have to be taken into account in designing such a credit facility. The need for the facility is also different in different countries. But the studies in the three selected countries show a need not only in Ghana, but also in Vietnam.

Development of the financial systems is generally an extremely important aspect of private sector development. A re-designed Programme could play a major role in supporting this. There is also support under other programmes, such as some SPSs, which could be implemented or coordinated under a Programme which would bear responsibility for Danish support to private sector development in the countries in which a re-designed Programme would be implemented.

New Instruments Developed

Instruments for the additional types of support outlined above will have to be developed. They will involve technical assistance as well as financing and could include e.g. financing of twinning arrangements.

The instruments will need to be formulated in the specific contexts of the respective countries and they could to some extent be developed over time. Initially some instruments would have to be developed as part of the exercise of establishing country strategies.

5.5 Organisation and Management Reviewed

Changing the design of the Programme along the lines suggested above will require more, not less administration. As the Programme is already "administration-heavy", the scope for increasing the efficiency of the Programme needs to be carefully considered.

Matchmaking and project preparatory activities are very time-consuming activities and they put very heavy workloads on the PS-Units. These units can therefore not be expected to engage in improved or new activities and procedures, unless the capacities of the units are expanded and/or their roles and responsibilities changed.

The administrative capacity of the PS-Secretariat could also become a constraint. Implementing the Programme effectively in 11 countries is already a heavy load. A revised design of the Programme along the lines suggested in this report will add further to the workload of the PS-Secretariat too.

PS-Coordinators

The PS-Coordinators would have increased responsibilities in a re-designed Programme. They should use less time on individual projects and more time should be devoted to the broader aspects of private sector development.

Outsourcing

A major outsourcing possibility is to set up a PS-Unit outside the Embassy. A PS-Unit could, for example, be established in a private sector institution among those which should be supported. This could be combined with additional monitoring expertise and additional resources to the unit.

There are, however, also arguments for maintaining the PS-Coordinator at the Embassies. This would in particular be the case when the Coordinator in a re-designed Programme is made responsible not only for the business-to-business projects, but also for the development perspective and the related support activities for private sector development. Danish companies might also find it necessary to have the "Embassy behind them", particularly in the initial stages.

However, there is in any case scope for outsourcing some of the present activities of the PS-Units. This option would entail that some of the current "administrative" work could be turned into capacity building support. It would appear to make good sense to assist a local private sector institution that already provides support to the local business communities and to increase its capacity and capabilities in providing this support. This support should, in any case, include the type of support which is presently provided by the PS-Units.

Consultants' Support Reviewed

An important issue is also the use of consultants, in and from the host countries as well as in and from Denmark.

Some of the local matchmaking and preparatory work can be outsourced. This is also done, but to vary different degrees in the different countries. In Ghana, this option is used to a large extent, whereas it is used much less in Vietnam and hardly at all in Egypt. The experience in Ghana shows that this is a valuable option, but also that it does have its limits. Part of the work can be done by external consultants, but the responsibility still lies with the PS-Unit. This does imply that this unit must do some of the work internally. Judging the quality of the study activities, particularly of the feasibility studies, is part of this workload, which can be outsourced only if qualified and independent consultants are available.

The use of DI/HVR relieves the PS-Units as well as the PS-Secretariat of some of the workload related to matchmaking and project preparatory work. The responsibility of these institutions vis-à-vis the Programme is not entirely clear and it seems necessary to review the arrangement. The Danish firms interested in the Programme and which the Programme should focus on, are small to medium sized. They do not have either the capacities or the willingness to use too many resources on the preparatory "paperwork". This work is necessary, however, as is the resulting clarification of the joint business venture which shall be the basis for the Partnership. Thus, there is clearly a need for support to the Danish partners in this respect. The issue is whether the present arrangements are sufficiently effective, in combination with the local partner and his local support, to ensure a sufficiently effective dialogue, including the dialogue with the PS-Unit.

Annex I: Terms of Reference

1. Background

At the same time as developing countries are recognising the importance of the private sector as an engine for propelling future growth, Danida has expanded the instruments to promote private sector development supporting the establishment of commercially based business-to-business cooperations between Danish companies and companies in a number of Danida's programme countries.

With an overall objective of contributing to economic and social development, the Danida Private Sector Development Programme (PSD Programme) was tested during a pilot period from 1993 through 1995 in Ghana, India and Zimbabwe. Following the recommendations of a review in 1995 it was extended and expanded to include Egypt, Uganda and Vietnam as well, and a 750 million DKK budget was allocated for a five year period (Mid-1996 to Mid-2001). India was deleted from the programme in 1999. Bangladesh was included in the programme in the beginning of 1999.

In 1999 a second review was carried out partly based on six local reviews carried out in late 1998 and early 1999 by local consultants. The six reports – in English – provided extensive background information which should be used in the evaluation. The main review – which is published in Danish – also contains valuable background information. The review did touch the development aspects, however, not in-depth, and the administrative efficiency of the Programme was not part of the review.

Following the second review the PSD Programme operations were expanded to a include total of 11 countries in Asia, Africa and Latin America. However, the overall budget frame was not increased. The countries are: Bangladesh, Bolivia, Egypt, Ghana, Mozambique, Nepal, (Nicaragua), Tanzania, Uganda, Vietnam and Zimbabwe. The Programme is implemented by the Danish Ministry of Foreign Affairs through the Danish Embassy in each selected country.

Business cooperation is meant to be a short cut to attract Danish technology and investment. Through the PSD Programme funds are made available to support a number of elements: Support can be given to finance the necessary planning and preparation. The Programme also offers funds for the implementation of the soft areas such as training, technical assistance and environmental issues. Through the "Start-Up Facility" – which is a facility of its own – companies in the 11 countries have the opportunity of receiving assistance from a Danish company without entering into a long-term partnership.

In connection with the latest expansion of the Programme, it was decided that an evaluation should take place in 2000/2001 on the basis of which a further expansion should be considered.

2. Objectives

The main objective of the evaluation is to assess implementation processes and to document the results of the PSD Programme in order to provide background information for expanding or revising the Programme.

The evaluation shall identify strengths and weaknesses of the PSD Programme approach and organisation, as well as potentials, opportunities and measures for improvement.

3. Output

An evaluation report providing an overview of the PSD Programme and its results and an assessment of the five evaluation criteria:

- The relevance of the Programme (Are the objectives in keeping with needs and priorities? Should the direction be changed? Should activities be continued or changed?).
- The efficiency of the Programme (To what degree have the outputs achieved been delivered as agreed? Could it have been done better, more cheaply and more quickly?).
- The effectiveness of Programme. (To what extent have agreed objectives been reached? Are the activities sufficient to realise the agreed objectives?).
- The output and possible impact of the activities implemented under the Programme (What are the positive and negative effects and do the positive effects outweigh the negative effects?)
- The sustainability of the businesses established or supported under the Programme (To what extent does the positive impact justify the investments? Are the involved parties willing and able to keep businesses going and continue on their own?).

The evaluation report should state causes and explain reasons for successes or failures and contribute to making the PSD-Programme more relevant, effective, efficient and sustainable, as well as state lessons learned.

4. Scope of Work

The evaluation shall be carried out in accordance with Danida's "Evaluation Guidelines" published in February 1999, and the tasks of the Evaluation Team shall comprise but not necessarily be limited to the following:

- An assessment of whether the Programme and its various components are in line with the development policies and needs of the recipient countries and with the needs of the private sector.
- An assessment of whether the Programme has been sufficiently integrated in the relevant existing institutional structures or in new structures created/supported.
- An assessment of the development aspects of the Programme in terms of:
  - employment creation or preservation in the short, medium or long terms;
  - enhanced competence (e.g. through use of advanced technology);
  - savings in production inputs (raw materials, electricity, water, etc.) due to introduction of new technology;

  - improved currency situation through increased exports or through subsidising imports. Has access to new markets been created?
  - influence on external environment (e.g. minimising waste or waste water)
  - influence on the working environment (e.g. better ventilation, limiting noise levels)
  - increased use of local suppliers;
  - increased involvement of women;
  - any other spin-off effects.
- An assessment of the capacity of the implementing agencies. Where are the bottlenecks and how can they by reduced or eliminated?
- An assessment of the awareness of the PSD Programme in the partner countries and of its importance to the local private business sector communities.
- An assessment of the long-term sustainability of business cooperations.
- An assessment of the suitability of the implementation modalities of the Programme.

5. Methodology

In order to make the assessments listed above the evaluation shall focus on the activities which are sufficiently advanced to permit meaningful conclusive documentation of the processes and results.

The evaluation shall in its initial phase comprise a study of documentation in Danida, interviews of involved staff in the Business and Contracts Department for Development Assistance, StS.1, key representatives of Danish industry and selected partner companies in Denmark..

The second phase shall include visits to three countries: Ghana or Uganda, representing Sub-Saharan Africa; Egypt representing more developed economies, and Vietnam or Bangladesh representing Asia. The final choice of countries will be made based on the initial desk study. The evaluation should look into how experiences from the six “old” countries have been used in the five “new” countries.

The stakeholders in the evaluation, i.e. StS.1, the Danish Embassies and the involved authorities in the three countries as well as the companies involved should participate actively throughout the execution of the evaluation in frequent dialogues with the Evaluation Team and in workshops and/or seminars as deemed necessary.

6. Reporting

A brief of the findings of the Evaluation Team shall be presented to the stakeholders in each of the three countries during the final stage of the team’s stay.

The Evaluation Team shall produce a draft report not later than three weeks after the conclusion of the last field trip and a final report, not later than three weeks after receiving the comments to the draft report.

A budget for the editing, layout and printing of the final report shall be included totalling 90.000 DKK. Also included in the contract should be the full cost of producing a report of approx. 25 pages in Danish summarising the evaluation for the general public.

7. Composition of the Evaluation Team

The assignment implies the study of complex relationships and requires the application of a contextual approach. In addition, the team shall posses advanced knowledge of and experience in:

- Economics: Private Sector Development, development economics, market-oriented transition, institutional economics.
- Business administration: Private Sector Development, organisational studies.
- Interview techniques.

The team should comprise at least one Danish-speaking resource person, and should include local consultants in each of the three countries selected for the field studies. The CVs of the local consultants should not be included in the tender as the three countries are selected during the desk study only. However, the candidates should be approved by Danida before the start of the field study phase.

8. Timing

The evaluation is planned to take place from January to May 2001 as follows:

January:	desk study
February/March:	field study
April 2nd:	draft report
May 1st:	final report

9. Documents provided

The following Danida reports and publications provide background information:

- Review of the private sector concept and its implementation, November 1995.
- Review Rapport, Danida's Private Sector Programme, September 1999. Main report and local reports from the six countries.
- PSD: Company Guidelines 1(+2): Outline of Support Facilities. Application for Visits and Studies (Nov. 2000)
- PSD: Company Guidelines 3 a: Preparation of applications for the project phase (Dec. 1997)
- PSD: Company Guidelines 3 b: Application for support to technical assistance and training (Dec. 1997)
- PSD: Company Guidelines 3c: Application for support to environmental measures (Dec.1997)
- PSD: Guidelines on the Start-up Facility. (June 1998)
- Danmarks udviklingspolitik, Partnerskab 2000, Strategi og Analysedokument, Oktober 2000

Project specific documents: To be compiled by Danida before the start of the desk study.

Evaluation Secretariat, 27. November 2000.

Annex II: Evaluation Team and Itineraries

Core Team

Poul Buch-Hansen	Teamleader
Trine Paludan Jakobsen	Teamleader Assistant
Henrik Schaumburg-Muller	Country Teamleader, Ghana
Torben Lang,	Country Teamleader, Egypt
Henrik Kjærsig	Country Teamleder, Vietnam
Marie Hertz	Research Assistant, Ghana
Lars Karlsen	Research Assistant, Egypt
Katrine Riisgaard Pedersen	Research Assistant, Vietnam

Country Teams

Ghana

Henrik Schaumburg-Muller	The 28th January – 17th February
Marie Hertz	The 28th January – 17th February
Seth Buatsi	National Consultant, the 22nd January – 23rd February
Poul Buch-Hansen	Visited Ghana the 28th January – 2nd February
Trine Paludan Jakobsen	Visited Ghana the 28th January – 2nd February

Egypt

Torben Lang	The 11th February – 1st March
Lars Karlsen	The 11th February – 1st March
Dr. Abla Abdel Latif	National Consultant, the 5th February – 7th March
Dr. Mahmoud M. Nasralla	National Consultant, the 5th February – 7th March
Dr. Fatma Elgohary	National Consultant, the 5th February – 7th March
Poul Buch-Hansen	Visited Egypt the 25th February – 1st March
Trine Paludan Jakobsen	Visited Egypt the 25th February – 1st March

Vietnam

Henrik Kjærsig	The 12th February – 4th March
Katrine Riisgaard Pedersen	The 12th February – 4th March
Ngyuen Thien Houng	National Consultant, the 5th February – 7th March
Dau Thuy Ha	National Consultant, the 5th February – 7th March
Poul Buch-Hansen	Visited Vietnam the 12th February – 18th February
Trine Paludan Jakobsen	Visited Vietnam the 12th February – 18th February

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ISBN: 87-7964-111-3
ISSN: 1399-4972

COVERDESIGN: DESIGNGRAFIK / 11479 / PHOTO: ERNST TOBISCH