Evaluation Study

Public Private Partnership Programme

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List of Abbreviations

B2B	Business to Business Programme
BSPS	Business Sector Programme Support
CSR	Corporate Social Responsibility
DAC	Development Assistance Committee (OECD)
Danida	Danish International Development Assistance
DFID	Department for International Development
DKK	Danish Kroner
ERH	Danida's Business and Contracts Department
EVAL	Danida's Evaluation Department
GC	Global Compact
GNI	Gross National Income
GTZ	Gesellschaft für Technische Zusammenarbeit
IFC	International Finance Corporation, part of World Bank Group
IFU	Industrialisation Fund for Developing Countries
MDG	Millennium Development Goal
MFA	Ministry of Foreign Affairs of Denmark
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
OSH	Occupational Safety and Health
PFI	Private Finance Initiative
PPP	Public Private Partnership
ToR	Terms of Reference
UN	United Nations
USD	United States Dollar
WB	World Bank
WBCSD	World Business Council for Sustainable Development
WHO	World Health Organisation

Executive Summary

Background

This evaluation study focuses on the performance of Danida's Public Private Partnership (PPP) Programme covering the first four-year period of its existence from May 2004 to June 2008. The evaluation study highlights the strengths, weaknesses and lessons learned. The study then gives recommendations in respect of how these could feed into Danida's decisions on the future scope and management of the Programme. The focal point of the Programme has been the promotion of Corporate Social Responsibility (CSR) in private entities and this should remain also in the future.

The Programme was focused in Danida's 15 programme countries with a window for also including non-programme countries. The Programme was launched as a five-year programme with a budget of DKK 100 million, with a target of DKK 20 million to be spent annually. Since its initiation in 2004, the PPP Programme has undergone a number of changes with respect to programme management procedures and the programme support framework. In November 2006, a set of guidelines for the Programme was issued with clear programme objectives, a clearer distinction was made between project types and clearer project assessment criteria were introduced. The changed selection and management procedures may have influenced both the type of projects that were supported and their impact.

The objectives of the Programme were formulated as follows: "The *overall objective* of the PPP Programme is to contribute to reducing poverty by promoting economic growth and social development in developing countries; and the *immediate objective* is to promote public private partnerships for better working and living conditions in developing countries by advancing corporate social responsibility and increasing opportunities for investments and enhanced competitiveness through innovation". The attainment of the Programme's immediate objective is directly linked to the three types of partnership that were introduced with the new guidelines. These partnerships "*can advance CSR by targeting the local workplace and supply chain in the developing country, or through broader efforts targeting the market, sector or community*". The three types of partnership cover:

- Workplace/supply chain partnerships (named blue sphere).
- Partnerships for development of CSR tools (named green sphere).
- Innovative partnerships (blue and green sphere).

The six 'development impact criteria' that were introduced with the new guidelines, provide the assessment framework for project applications. A project under the Programme must address at least one criterion, but may include any combination of the six criteria – provided that the project attains the immediate objective. The criteria are:

I Promotion of human and workers' rights

II Protection and improvement of the environment
III Promotion of sound business practices
IV Promotion of gender equality and empowerment of women
V Combating HIV/AIDS, malaria and other diseases
VI Promotion of innovative partnerships for investments and competitiveness

Besides the six development impact criteria, 'additionality' and 'local ownership' are other important aspects that are emphasised in the PPP guidelines. Additionality means that "*each partner's contribution to the partnership is essential for carrying out the project activities*", which implies that Danida can only be a partner if it brings "additionality" to the partnership through provision of advisory services and/or financial support. Local ownership means that the local partner/partners play an essential role in implementing the project and continue to sustain project outcomes after project completion.

PPP and CSR definitions

The term PPP was adopted by a number of development agencies during the second half of the 1990s in order to describe 'partnerships' between the public and the private sector, in for example, infrastructure projects. Common for all the definitions used by the many development agencies working with public private partnerships is that a public private partners ship is regarded as a *contractually established entity* that joins forces with, and which benefits from, the respective strengths of the public and private partners to *provide a public good and/or service*. In Danida's PPP Programme, however, the term is used rather differently. The main ambition of the Danida PPP Programme has been to promote the adoption of CSR in private enterprises within the framework of the UN Global Compact (GC) and the wider Millennium Development Goals (MDGs).

In spite of this, there is no universally accepted definition of CSR. The definition applied by International Finance Corporation (IFC) includes almost all the aspects of the definitions of CSR applied by the various donor organisations that Danida normally relates to. The IFC definition of CSR is as follows: *"Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development."* The GC is the most comprehensive global initiative in the CSR field and constitutes a framework for aligning business operations and strategies with 10 universally accepted principles in the areas of human rights, labour standards, the environment and anti-corruption.

Conclusions and recommendations

The conclusions of this evaluation study on Danida's PPP Programme are based on 12 case studies, which were drawn from a total of 36 projects funded between 2004 and 2008. The overall conclusions are that: the Programme has performed satisfactorily; supported projects are relevant, although, in a few cases, projects have suffered from an inappropriate design; projects are generally effective, but have encountered efficiency problems; there is a need for further clarification of the PPP

Programme concept and, finally, programme management procedures need to be improved. Based on these conclusions, the evaluation study recommends the following:

1. *The PPP Programme and the CSR definition:* The PPP Programme should adopt more specific definitions in respect of both CSR and PPP that are compatible with the common international definitions.
2. *Meeting of PPP Programme objectives:* The Programme's overall objective should be maintained and the Programme framework (i.e. definitions, immediate objective, and criteria) be amended to promote poverty reduction, economic growth, and social development. The Programme's immediate objective should be reformulated to reflect the essence and the intended outcomes of combining PPP and CSR.
3. *Spheres:* The applied terminology related to partnership types (the three spheres) should be reconsidered. A changed terminology should relate more directly to the subject matter than is the case with the current nomenclature.
4. *The six development impact criteria:* The six development impact criteria should generally be maintained, but with some adjustments – especially the criteria related to sound business practices, gender equality, and innovation.
5. *Additionality and local ownership:* The definitions of 'additionality' and 'local ownership', as contained in the current guidelines, should be substantially expanded and need to be incorporated as essential elements of the project design. The definition of local ownership should ensure that local public and private partners are substantially involved in project planning and implementation. The Danish embassies' facilitating role should be maintained in programme countries. In those non-programme countries where the Programme has a large project portfolio and where there is a Danish embassy with a business sector focus, programme management should be decentralised to the embassy in order to enhance additionality (e.g. China).
6. *Geographical spread of Programme projects:* The Programme should re-orient geographically and gradually become more concentrated in the programme countries. This could be ensured by a mechanism that prioritises the programme countries, and by an incentive mechanism that provides a relatively higher level of support to projects in programme countries than in non-programme countries. The non-programme countries should remain eligible for support during an interim period, until such time when the demand for projects in programme countries can adequately absorb Programme funding. During this interim period, it is still considered advisable to decentralise project management – also in non-programme countries – to the Danish embassy, cf. Recommendation 5.
7. *Eligibility criteria for accessing Programme support:* The Programme should remain eligible for small, medium and large companies. The project application criteria for accessing PPP Programme funding should be tightened consistently with the recommended amendments of the Programme content and scope.

8. *Project formulation, monitoring and reporting procedures:* Programme application, preparation and implementation procedures should be developed more clearly in accordance with the recommended amendments of the Programme content and scope as regards i.e. CSR and PPP definitions, immediate objective, spheres, criteria, additionality and local ownership.

1. Introduction

1.1 Background for the evaluation study

This evaluation study focuses on the performance of Danida's Public Private Partnership (PPP) Programme during the first four-year period of its existence from May 2004 to June 2008. The evaluation study highlights the strengths and weaknesses of the Programme and the lessons learned which could feed into Danida's decisions on the future scope and management of the Programme.

The PPP Programme was started as a pilot programme within one of Danida's business programmes and instruments. The Programme's focal point has been the enhancement of Corporate Social Responsibility (CSR) – within the framework of the United Nations' Global Compact (GC) – through establishment of public private partnerships (see definitions below).

Since its start in 2004, the PPP Programme has undergone a number of changes as regards both management procedures and the supporting programme framework. The responsibility for assessing project applications, which initially was the responsibility of the Business and Contracts Department (ERH), has now been delegated to the Danish embassies in programme countries. This responsibility still rests with the ERH in non-programme countries. This division has created a demand for a common platform for assessment of the supported projects across embassies and Danida headquarters. This evaluation study will feed into this process.

In November 2006, a revised set of guidelines for the Programme was issued. These revised selection and management procedures may have influenced both the type of projects that were supported and their impact. This evaluation study covers all projects from the inception of the PPP Programme in 2004 to mid-2008, i.e. projects approved both before and after the 2006 guidelines were issued. A common platform for assessment of the supported projects is applied for all projects in the evaluation. The evaluation and assessment framework is outlined in Section 2.4.

In accordance with the Terms of Reference (ToR), the objective of this evaluation study of the PPP Programme is threefold:

a) To assess its general performance of achieving enhanced corporate social responsibility, based on a desk study of available documentation from a sample of ongoing and completed projects.

b) To assess the definition of CSR used in the Programme's projects.

c) To define assessment criteria for the projects in the Programme (based on the findings of the evaluation study and information on other donors' assessment criteria).

Furthermore, the ToR ask for recommendations regarding "*how to increase focus on Africa and/or how to narrow the scope of the Programme to prioritise projects in light of increasing demand*".

In this chapter, a couple of key concepts related to the Programme are introduced and the methodology for the evaluation study is outlined. Chapter 2 presents the Programme setting, and spells out in detail the content and instruments of the PPP Programme. On this basis, the evaluation and assessment framework is constructed and presented at the end of the chapter. Chapter 3 contains the main analysis of the PPP Programme with the assessment of the selected case-study projects. Chapter 4 contains a synthesis of the analysis in Chapter 3 and lessons learned. The report is concluded with conclusions and recommendations, in Chapters 5 and 6 respectively.

1.2 Background for and introduction to the concepts

Public private partnerships

The PPP terminology was first introduced as a concept in the United Kingdom by the Conservative government in 1992 as part of its efforts to make the public sector more effective, by drawing on private sector capacities, innovation and financial resources for addressing demands on public services, without increasing the indebtedness of public entities. The establishment of the Private Finance Initiative (PFI) was the first systematic programme aimed at encouraging PPPs. The Labour government elected in 1997 continued with the PFI and sought to shift the emphasis towards the achievement of increased innovation and competition.

PPP is commonly defined as a contractual arrangement in which a service or business venture is funded and operated through a partnership between government and one or more private sector companies. These schemes constitute a different method for procuring public services and infrastructure by combining the best of both the public and the private sector, combined with an emphasis on value for money and delivery of quality public services.

The term PPP was also adopted by a number of development agencies during the second half of the 1990s in order to describe 'partnerships' for, e.g. infrastructure projects. A survey of relevant donor agencies' definition of PPP is presented in Annex V. The common characteristics of the definitions used by many donors are that a Public Private Partnership is regarded as a *contractually established entity* that joins forces and which benefits from the respective strengths of the public and private partners to *provide a public good and/or service.* Hence, the PPP involves public participation in a new entity created to supply public goods, not simply the transfer of public funds to a private operator or the formation of a partnership aiming at supplying only private goods. Risk sharing is sometimes part of the contract. The definition used by DFID spans the widest number of definitions and is described as follows:

"*Attracting private investment to spheres of activity traditionally regarded as the responsibility of the public sector.*"

In Danida's PPP Programme the term is used rather differently. The main ambition of the Danida PPP Programme has been to promote the adoption of CSR in private entities within the framework of the UN Global Compact and the wider Millennium Development Goals (MDGs). Few other development agencies have chosen such an approach. The GTZ approach, with their programme for implementing CSR in supply chains, is the one which probably most resembles the approach taken by Danida.

The PPP Programme seeks to engage companies and organisations in promoting CSR in workplaces and supply chains (termed the 'blue sphere') and also outside the immediate corporate sphere, e.g. local markets, sectors and communities (termed the 'green sphere'). Besides these two types of partnerships, the Programme also supports 'innovative partnerships' that may operate in both spheres. The 'partnership' in the PPP Programme consists of a Danish company or institution, and at least one local partner (which can be a company, an organisation and/or a public institution). Danish institutions can also enter the partnership. In all partnerships, Danida is the main public, non-implementing partner. This means that what Danida offers to the partnership, in addition to finance, is knowledge about local conditions, such as access to local networks, knowledge of the local institutions and the local business environment. Strictly speaking, the Danida PPP Programme can best be described as an advisory and funding mechanism for CSR related activities in developing countries, both within the private sector, and potentially also in the public sector.

It is important to emphasise these differences in interpretation of the term 'public private partnership' and make clear what Danida means with a "public private partnership", as the projects and partnerships in the PPP Programme will be measured against Danida's own definition and interpretation of the term, and not the general understanding, as outlined above, of what constitutes a PPP. Whether Danida's definition and use of the term PPP is consistent with the common use of the term is another discussion that will be taken up in the final recommendations.

Corporate social responsibility

There is no universally accepted definition of CSR. Definitions by selected CSR organisations and development actors can be found in the survey presented in Annex V. The definition applied by International Finance Corporation (IFC) includes almost all the aspects of the definitions of CSR applied by other donor organisations that Danida normally relates to, as well as the definitions used by the institutions surveyed. The IFC definition is as follows:

"CSR is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development."[1]

[1] http://www.ifc.org/ifcext/economics.nsf/Content/CSR-IntroPage - The IFC definition is very close to the definition applied by the World Business Council for Sustainable Development (WBCSD).

The CSR framework that is used in Danida's PPP Programme is linked to the UN's GC. The GC is the most comprehensive global initiative in the CSR field and constitutes a framework for businesses, allowing them to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour standards, the environment and anti-corruption. The ten principles of GC are presented in the box below. The GC constitutes a voluntary framework initiative that businesses can align to and use to address CSR related issues and opportunities. This initiative will be further elaborated on in Section 2.1.

Danida's definition of CSR is linked to the GC principles with a particular focus on the implementation of higher labour standards, environmental standards, and sound business ethics into individual businesses' strategies. In the PPP Programme, Danida has chosen to focus on 'strategic CSR', which implies a clear link between the core business of the partners and the CSR activities that are supported by the PPP Programme. Partners must enter a public private partnership on strategic commercial grounds and the activities supported by the PPP Programme must supplement and support the core business of the partner companies.

The fact that the special knowledge and competences of the partner companies are utilized for the benefit of the local company/community is seen by Danida as the major advantage of a "strategic CSR" approach. In this way partners contribute to solutions to social and environmental challenges while creating new growth opportunities for the company itself.

United Nations' Global Compact principles

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour;
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility;
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The growing number of companies engaged in CSR, as stated in the PPP Programme guidelines, *"sees corporate social responsibility as an opportunity to make a difference, e.g. by promoting better working conditions for employees, while benefiting the company in terms of reduced staff turnover, greater transparency and business expansion"*.[2] This perception of CSR is less inclusive than the IFC definition, as it does not include the community and

[2] Danida 2006, PPP guidelines, p. 4

the society at large.

1.3 Methodology

In this evaluation etudy, the analysis of the PPP Programme is based on a three-pronged approach. First a mapping of all 36 projects that have received support by the PPP Programme during the entire programme period from May 2004 to June 2008, was made in order to create an overview of the complete programme portfolio.

Secondly, a more in-depth desk study of selected projects was carried out based on a pre-selection made by Danida. The selected projects have a good geographical coverage, include projects that are well into their implementation phase and have broad thematic coverage. The total number of case studies selected is 12.

Thirdly, a field visit to China was carried out comprising visits to four of the selected PPP projects.

The analysis has drawn on literature searches, programme document reviews, interviews with a number of project implementers and facilitators, and interviews with a few major Danish stakeholders. Further methodological considerations including evaluation and assessment criteria are presented in Chapter 2 following an introduction to the PPP Programme.

2. Programme setting

2.1 Private sector involvement in development assistance

The roots of donor interest in private sector development go back to the early 1980s, when the international financial institutions, led by the WB and IMF, moved away from seeing the state and the public sector as the main driver of development. Correspondingly, the private sector and market forces were perceived as being instrumental in promoting the economic growth required to achieve poverty reduction. Privatisation of state-owned enterprises, deregulation, increased competition and the cutting back of the State's role were viewed as the optimal means of attaining development and thereby – directly and indirectly – poverty reduction. Bilateral donors could not ignore this private economic development model, which among other things involved mobilisation of a wider range of competences as well as mitigation of a growing sense of aid fatigue.

At the United Nations Millennium Summit in September 2000, world leaders adopted the newly formulated Millennium Declaration in order to provide a unifying framework for development for the new millennium. The declaration specifically promoted the MDGs, see box to the right. Increased faith in the market was recognised in the UN system before the Millennium Summit, when the 10 principles of the Global Compact were established on the personal initiative of then UN Secretary General, Kofi Annan. (See box in Section 1.2.)

Millennium Development Goals

1 - Eradicate extreme poverty and hunger
2 - Achieve universal primary education
3 - Promote gender equality and empower women
4 - Reduce child mortality
5 - Improve maternal health
6 - Combat HIV/AIDS, malaria and other diseases
7 - Ensure environmental sustainability
8 - Develop a Global Partnership for Development

Major corporations were invited to adopt the GC as part of their social responsibility commitments in cooperation with the UN. Thereby the Corporate Social Responsibility concept was introduced as a contemporary approach to development, in which the state collaborated with the private sector and international organisations.

The importance of the private sector was further recognised at the Financing for Development Summit in 2002. With the general acceptance of the MDGs and the GC principles, one of the main trends in the inter-governmental processes was increased attention to mobilisation of resources from the private sector. Denmark was one of the driving forces in the preparatory process of this Summit. Also at the World Summit on Sustainable Development in Johannesburg the same year, UN member states agreed that in order to achieve the MDGs by 2015, there was a need to find ways of mobilising resources for development from the private sector. When the PPP Programme was launched in May 2004 it was explicitly expressed as a follow-up on the Johannesburg Summit.

2.2 Danish business programmes and instruments

In line with the expansion of the private sector's involvement in development described in Section 2.1, Danish support is provided to a number of business programmes and instruments, in addition to the PPP Programme. All of these programmes have the potential to include elements of PPP and CSR. An overview of the business programmes is briefly presented below.

- **Business Sector Programme Support (BSPS)**. A BSPS is formulated as other Danida sector programmes and address key issues essential to business and private sector development, in terms of activities improving the enabling environment in the targeted programme countries. Currently Danida has BSPSs in Ghana, Tanzania, Kenya, Vietnam and Mali.
- **Danida's B2B Programme** aims at developing the private sector in a number of developing countries by supporting the establishment of long-term and mutually committing partnerships between Danish companies and companies in these countries. The B2B Programme assists local companies in finding a Danish partner company that can help them gain access to Danish technology and know-how. The Danish companies can in turn obtain access to new markets and production opportunities. Genuine local anchorage of the local partner company is an essential precondition (www.b2bprogramme.com).
- **The Danish Mixed Credit Programme** offers interest free or low interest loans with ten years maturity. The Mixed Credit Programme is aimed at financing equipment and related services supplied by Danish companies within sectors such as water and sanitation, energy, infrastructure, environment, health and education. A mixed credit is basically a 'normal' interest-bearing buyer's credit. The Mixed Credit Programme thus utilises existing commercial and financial mechanisms for providing support to development projects (www.mixed-credits.dk).
- **The Industrialization Fund for Developing Countries (IFU)**. IFU's legal mandate is to promote economic activity in developing countries by promoting investments in these countries in collaboration with Danish trade and industry. IFU operates on commercial conditions and is self-financing. IFU provides share capital, loans, guarantees, and advisory services to joint venture companies in developing countries. IFU takes part in the joint ventures in two different ways: by providing equity capital and/or loans, and as board members in the project companies (www.ifu.dk).

2.3 The Public Private Partnerships Programme

This section is mainly a descriptive outline of the PPP Programme from its initiation to date and includes the formal content of the Programme including components, objectives, project types, reporting requirements etc. The Programme content will be discussed in Section 2.4 and in Chapters 4 and 5.

PPP Programme from 2004-2006[3]

Danida launched the Programme in May 2004. It was presented with an expressed interest in offering the Danish business community the necessary tools to actively engage in local development and strengthening of the local business sectors, 'local' meaning development activities within the countries targeted by the Programme. The Programme was focused in Danida's 15 programme countries with a window for other countries to be included as well.

The Programme was launched as a five-year programme with a budget of DKK 100 million with DKK 20 million to be spent annually, and with the possibility of extra funds related to the establishment of a pension fund (see below) or other special initiatives. The Programme included five sub-programmes:

1. Company CSR initiatives.
2. Training programmes for CSR.
3. Transfer of management know-how.
4. Capacity-building for researchers in programme countries.
5. Business linkage programme, starting with Vietnam.

The responsibility for programme implementation rested with the Business and Contracts Department in Danida. The overall framework for the Programme was poverty reduction and contribution to the MDGs, and more specifically the GC principles. The core of the partnership was additionality and in its first version of the guidelines this was defined as: "*the partnership leads to a larger and better contribution to poverty reduction and sustainable development than what the individual actors can obtain independently*"[4]. This is different from the current definition, cf. below.

Initially, the emphasis was put mainly on implementation of the first two sub-programmes. In the beginning of 2005, 'Enhanced Competitiveness' was added to the programme support approval criteria. The transfer of management expertise and research capacity building sub-programmes, sub-programmes 3 and 4, were given low priority. In 2005, as a separate activity, an agreement for cooperation under the PPP Programme was signed with Danish pension funds[5].

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[3] This section is based on the Danida publication "Offentlige Private Partnerskaber i udviklingssamarbejdet. Oplæg til fem nye programmer", Maj 2004 and interviews with Danida staff.

[4] The consultants' own translation from: Danida: "Offentlige Private Partnerskaber i udviklingssamarbejdet. Oplæg til fem nye programmer", Maj 2004, p. 4.

[5] It may be noted that the project involving two Danish pension funds was not one of the projects selected for in depth appraisal – although it is the largest single project supported under the PPP Programme (DKK 47 million). Danida and the two pension funds formed a partnership aiming at investing in local companies in developing countries. "Danida's contribution covers the extra cost related to investing in developing countries, e.g. screening of the companies, due diligence surveys, monitoring of the investments, training and education in the companies in accordance with the GC principles". The Ministry of Foreign Affairs has however considered the project to be of such an atypical character that it will not be looked into in this evaluation study. Moreover, the Auditor General, as part of a general audit of the administration of the B2B and PPP Programmes in 2007, chose to carry out a detailed audit of this particular project and found the administration hereof very satisfactory (Rigsrevisionen, januar 2008).

New framework and guidelines 2006[6]

In November 2006, a more comprehensive set of guidelines was introduced with clear programme objectives, clearer distinction between project types and with clearer project assessment criteria. The objectives of the programme were formulated as follows:

> "The **overall objective** of the PPP Programme is to contribute to reducing poverty by promoting economic growth and social development in developing countries.
>
> The **immediate objective** is to promote public private partnerships for better working and living conditions in developing countries by advancing corporate social responsibility and increasing opportunities for investments and enhanced competitiveness through innovation".

The objectives are to be achieved by establishing public private partnerships that promote corporate social responsibility within the framework of the United Nations' Global Compact. The guideline introduced six 'development impact criteria', which in various combinations should form the core of the projects supported by the Programme. The PPP projects should be formulated consistently with the immediate objective in such way that they contribute to the overall objective. The six criteria guide the formulation processes, cf. below.

Corporate social responsibility is frequently applied by the individual enterprise, but by linking it with PPPs, the synergy effects, or additionality, attained through cooperation between several partners have the potential to contribute to wider social and economic development at local or national levels[7]. Each PPP project has the potential to reduce poverty at the micro level, but macro level impact requires that PPP/CSR be widely adopted by the private and public sectors in developing countries.

The Programme can be applied in all Danida's 16 programme countries[8] and in South Africa, and in countries with a GNI below USD 2,876 (2007/2008) per capita where Danida has acquired knowledge of the country through other development activities. India and Thailand fall under this latter category, as do the western and northern provinces of China. In 2006, the country-level programme management responsibility was transferred to the embassies in the Danida programme countries and in South Africa, whereas ERH administers the Programme in all other countries. The overall programme management responsibility rests with ERH.

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[6] This section is based on the PPP Guidelines, Danida, 2006

[7] The WB, Public Sector Roles in Strengthening Corporate Social Responsibility: A Baseline Study, October 2002 presents interesting viewpoints on this aspect. The report categorizes and discusses the range of roles that public sector agencies have played in providing an "enabling environment" for CSR.

[8] Mali has been added as a programme country, since the Programme was initiated (May 2004).

The attainment of the Programme's immediate objective is directly linked to the three types of partnership that were introduced with the new guidelines. These partnerships "*can advance CSR by targeting the local workplace and supply chain in the developing country, or through broader efforts targeting the market, sector or community*". The three types of partnership cover:

- **Workplace/supply chain partnerships (named blue sphere).** Partnerships aimed at managing risks, minimising negative social and environmental impacts at company level, and creating positive value for developing countries and communities by advancing CSR at the workplace and within the supply chain.
- **Partnerships for development of CSR tools (named green sphere).** Danish companies cooperating with their external partners such as community based organisations, NGOs and local authorities, which can mobilise core competences and resources such as money, products, skills, premises and people to support or strengthen local markets, sectors and communities.
- **Innovative partnerships (blue and green sphere).** Innovative partnerships from both spheres that aim to enhance investment opportunities and/or the international competitiveness of local companies.

The six 'development impact criteria' that were introduced in the new guidelines, provide jointly with the three spheres the assessment framework for project applications and how these contribute to the objectives of the PPP Programme. A PPP project must address at least one criterion, but may include any combination of the six criteria – provided that the project attains the immediate objective. The six criteria reflect the GC and the MDGs. The criteria are:

I	Promotion of human and workers' rights
II	Protection and improvement of the environment
III	Promotion of sound business practices
IV	Promotion of gender equality and empowerment of women
V	Combating HIV/AIDS, malaria and other diseases
VI	Promotion of innovative partnerships for investments and competitiveness

These six criteria are best understood as 'project components' as regards to content of the different PPP projects. There is a direct link between the six criteria and the immediate objective of the Programme and in this way it is the intention that the fulfilment of at least one of the six development impact criteria will help achieve the immediate objective of the programme and thereby indirectly also the overall objective. This will be discussed further in the following chapters.

Besides the 'six development impact criteria', 'additionality' and 'local ownership' are other important aspects that are emphasised in the PPP guidelines:

- *Additionality* means that, "*each partner's contribution to the partnership is essential for carrying out the project activities*"[9]. Danida can only be a partner if it brings additionality to the partnership through advisory services and/or financial support. Thus, Danida's contribution must lead to efforts and activities in the partnership that would not otherwise have been undertaken. In its procedures, Danida primarily uses the additionality principle ex ante in the assessments of project applications. Neither the project partners nor Danida are required to report on additionality after projects have been carried out.

- *Local ownership* means that, the local partner/partners play an essential role in implementing the project and continue to sustain project outcomes after project completion. Local ownership is not defined explicitly in the guidelines, but Danida emphasises this aspect, as it contributes to lasting development effects in the developing country. Local ownership could be limited to only encompass the local subsidiary of the Danish company.

The PPP guidelines underline specific requirements related to project milestones and reporting. The applicants must lay down milestones for the project implementation and attainment of the development outcome/impact. Quarterly progress reports, including status on milestones must be submitted, as must a final report when Danida's support expires. Once a year, the partners must report on how the partnership is progressing as measured against a predetermined indicator of the partnership's development impact. When Danida's support expires, the partners must continue to report on the indicator for an additional period of three years. Presumably this requirement was developed in response to criticism as regards the fact that reporting guidelines were not clear during the earlier phases.

The maximum support Danida can provide to a PPP project is 60% of project expenses, but with a maximum of DKK 5 million. If the project has received support in a preparatory phase, this amount will be deducted from the DKK 5 million.

2.4 Evaluation and assessment framework

The evaluation and assessment framework applied for this evaluation study is presented in this section. The framework includes the following: the three project spheres, the GC principles, the MDGs, the PPP development impact criteria, additionality, local ownership, the DAC evaluation criteria, and the PPP Programme objectives.

The development impact criteria and global compact

The six development impact criteria will constitute the overall framework for assessment of the projects' substance and the nature of the impact that is likely to be attained. Even though the criteria were not introduced until 2006, it is still relevant

[9] Danida 2006 guidelines, p. 13

to assess the earlier projects against these as the underlying principles that are part of the criteria were also concerns of the original PPP Programme, even though not spelled out as clearly as now. Corruption, workers' rights, abolition of child labour, gender equality, HIV/AIDS and environmental standards are all mentioned in the 2004 description of the Programme.

It is, furthermore, important to emphasise that the six criteria will be used as an assessment framework that helps structure the analysis. As mentioned in the introduction, this evaluation study will provide input to a PPP guidelines revision process internally in Danida. The use of the criteria as assessment framework for both older and newer projects is also interesting in this respect, and project assessments against the development impact criteria will therefore also serve this purpose. This discussion will be placed in Chapter 3.

The figure below illustrates the links that exist between the six development impact criteria and the GC. The figure shows that all ten GC principles are contained in the PPP development impact criteria I, II and III.

Criterion IV reflects gender equality, which is a cross-cutting issue in all Danish development assistance and corresponds to MDG 3. Criterion V reflects an important focus on health, notably malaria and HIV/AIDS and corresponds to MDG 6.

Criterion VI – innovative partnerships, which partly corresponds to MDG 8 – is not connected to any direct social or environmental development impact. According to the guidelines it is mainly aimed at attracting project proposals for innovative partnerships. However, no definition of what constitutes 'innovative' seems to have been adopted against which to measure the innovativeness of a particular project. Rarely do projects reveal entirely new approaches – but mostly seek to transfer or adapt established methods and approaches to a new or different context (spatial social, sectoral, or other).

Global Compact principles

Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights;
- **Principle 2:** make sure that they are not complicit in human rights abuses.

Labour Standards

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour;
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility;
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

Development Impact Criteria

I - Promotion of human and workers' rights

How will the partnership contribute to promoting and realising human and workers' rights, such as freedom of association, the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labour and the effective abolition of child labour?

II - Protection and improvement of the environment

How will the partnership contribute to improving the working environment and external environment? How will it take a precautionary approach to environmental challenges, and encourage the development and diffusion of environmentally friendly technologies? How will it address occupational health and safety issues?

III - Promotion of sound business practices

How will the partnership fight corruption including extortion, facilitation payments, and bribery?

IV - Promotion of gender equality and empowerment of women

How will the partnership contribute to strengthening women's economic capacity as entrepreneurs, employees and producers?

V - Combating HIV/AIDS, malaria and other diseases

How will the partnership contribute to increasing awareness of, and investment in, health issues?

VI - Promotion of innovative partnerships for investments and competitiveness

How can the partnership contribute, in an innovative fashion, to increasing foreign investments in developing countries and/or improving international competitiveness?

Additionality and local ownership

Earlier, partnerships were eligible for Danida support if they were seen as being able to bring greater and better contributions to development. Today, partnerships are only eligible for support if the activities would otherwise not be carried out. The definition of additionality gives rise to challenges in an assessment; how does one measure this additionality? How can one assess whether the activities would be carried out regardless of the support?

A more limited definition of CSR, which is closely related to the principle of additionality, is that project activities should be over and above what is required in local regulations and compliance with these. Hence, activities that merely lead to the local partner's fulfilment of national regulation should, in principle, not be eligible for support, as it must be assumed that the local partner would undertake the necessary measures to comply with this regulation regardless of the PPP support. However, if such upgrading could lead to further advancement of CSR issues either in the green or in the blue sphere, it could be argued that projects are eligible for support. A broader definition that considers the overall potential commitment of business to sustainable development is better suited to understanding of additionality in the PPP context.

The assessment and discussion of the selected Programme projects will apply a wider understanding of additionality, as this is likely to lead to a better appreciation of this aspect. In this evaluation and assessment framework, additionality will thus be operationalised as follows:

- Projects should only be supported if the activities would not otherwise be carried out;
- The projects should promote a general advancement of CSR issues – even though the activities may mainly focus on compliance with national and local regulations;
- The projects' partnership composition should facilitate dissemination of best practices and sustainability of attained results; and
- The projects are mainly implemented in the relatively poorer countries or in the poorer regions of the eligible countries, and target the less affluent segment of the population. The additionality from Danida comes in through the fact that these countries/regions have less of a potential of being targeted by Danish companies.

These different 'aspects' of additionality are not mutually exclusive, i.e. a project can include more aspects than just one of the above. The case studies in Annex VII will include an additionality assessment of each project based on this operationalisation.

As mentioned above, the *partnership* in a PPP must as a minimum consist of a Danish company and a local partner. The local partner can be a company, an organisation or a public institution. Real local ownership of projects and activities, such as those that can be supported under the PPP Programme, are normally considered necessary to ensure the sustainability of activities and real impact on poverty reduction.

Already at this point it can be mentioned that Danida is the only public partner in many of the supported projects. It can be argued that if there are no other public partners than the funding source (Danida) in a **public private partnership** the partnership idea is rather downplayed. The inclusion of a Danish and/or a local public partner could be an advantage to the partnership as the transfer of know-how and institutional learning could be enhanced. Especially, if local public partners are included in PPP projects, additionality and local ownership of these could be substantially strengthened.

Therefore the assessment and discussion of the case studies in Annex VII and in the following chapter will consider local ownership aspects more broadly, i.e. the extent to which public agencies, private companies and civil society are included in implementing and sustaining project activities.

DAC evaluation criteria

The six PPP criteria, additionality and local ownership (together termed the PPP Programme criteria) determine the content and implementation modality of the PPP projects that are designed to be coherent within a specific context. The PPP Programme's general performance of enhancing CSR will be the accumulated performance of the PPP projects, and it will thus be important to assess the performance of each selected case study project. The five DAC evaluation criteria[10] of relevance, efficiency, effectiveness, impact and sustainability will be applied to assess the performance of each individual project.

It is evident that all six development impact criteria would be relevant and – if appropriately incorporated in the project design – that the related activities would generate the warranted impacts. Additionality could enhance efficiency and effectiveness, and increase impacts. Local ownership could enhance efficiency, effectiveness and sustainability; and increase impact. The combined outcomes of the assessments of the PPP and DAC criteria could then contribute to an assessment of the extent to which the objectives have been met or will be met. In the next two chapters a four-step evaluation and assessment framework will be used as follows:

Step 1: The selected projects will be assessed by sphere by applying the PPP Programme criteria (Sections 3.3-3.5);

Step 2: An accumulated assessment by applying the PPP Programme criteria will be made for all projects (Section 4.1);

Step 3: An accumulated assessment by applying the DAC criteria will be made for all projects (Section 4.2);

Step 4: An accumulated assessment of the extent to which the overall objective and immediate objective have been attained will be made for all projects (Section 4.3).

The analysis will be structured around the three current project types. Even though the three types were not established until November 2006, the Danida has also categorised older projects within these three project types and has provided the evaluation team with such a list.

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[10] The OECD/DAC evaluation criteria are widely used by development agencies, including Danida, to assess project and programme performance.

Meeting the PPP Programme objectives

Poverty reduction constitutes the overall objective of the Programme, and the partnerships supported by the PPP Programme should directly or indirectly contribute to reduced poverty and sustainable development. There are many ways in which to measure whether projects contribute to poverty reduction and no clear assessment criteria have therefore been developed. The immediate objective is to attain better working and living conditions in the work place and community in which the PPP project is implemented. As mentioned in Section 2.3 there is a direct link between the six development impact criteria and the immediate objective of the Programme in which compliance with at least one of the criteria, or having one of the criteria as a component, would by definition lead to a fulfilment of the immediate objective. This is an inner logic to the Programme but it makes it difficult to separate the assessment of the projects in relation to the development impact criteria and in relation to the immediate objective. The evaluation steps are therefore constructed in such a manner that the assessment of the PPP Programme criteria will feed into the assessment of the immediate and overall objective.

3. Assessment of programme performance

3.1 Programme overview

The tables below give an overview of the PPP Programme from May 2004-June 2008. In total, 36 projects have received support.

Overview of all PPP projects, May 2004-June 2008.

Year	No. of projects
2004	5
2005	5
2006	11
2007	13
2008	2
Total	**36**

Geographical Area	No. of projects
Asia	16
SS. Africa	9
North Africa	5
Interregional	6
Total	**36**

Support received (DKK)	No. of projects
0-1 million	9
1.1-2 million	8
2.1-3 million	9
3.1-4 million	3
4.1-5 million	6
>5 million*	1
Total	**36**

Project Type	No. of projects
Blue sphere	16
Green sphere	13
Innovative	7
Total	**36**

* It may be noted that the maximum limit for support is DKK 5 million. Nonetheless, in 2006 a partnership between Danida and PKA Ltd and PBU Ltd regarding sustainable investments in developing countries received DKK 47 million from the PPP Programme, cf. footnote 5.

Country	No. of projects	Programme country
Bangladesh	1	X
China	5	
Egypt	5	X
Ghana	1	X
India	4	(X) *
Indonesia	1	
Interregional	6	
Kenya	3	X
Pakistan	1	
Regional Africa (South Africa, Ghana, Uganda, Mozambique, Sierra Leone)	3	(X)**
Regional Asia (Bangladesh, India, Sri Lanka, Vietnam, Pakistan, Nepal)	2	(X)***
South Africa	2	
Vietnam	2	X
Total	**36**	

* One project in 2005 when India was still a programme country
** Ghana, Uganda and Mozambique are programme countries
*** Bangladesh, India (until 2005), Vietnam and Nepal are programme countries

The tables show some interesting trends:

- The number of approved projects has risen steadily through the years to include 13 in 2007. This trend slowed during 2008 – half way through 2008 only two projects have been approved[11].
- There is a significant overweight of projects in Asia. As North Africa (as far as Danish programme support is concerned) in essence only comprises Egypt, the Programme has apparently consolidated here, and only China and India have an equal number of projects. It may be noted that India is a former programme country and that Egypt will, by the end of 2008, join the ranks of former programme countries. China becomes the exception here as it was never a programme country but has been targeted for development cooperation in other ways.
- Regarding the amount of support received through the Programme, this tends to favour smaller projects, with some three-quarters of the projects funded receiving less than DKK 3 million, and just under half receiving less than DKK 2 million.
- Innovative projects are not as highly represented as projects in the blue and green spheres where the blue sphere projects, the workplace/supply chain partnerships, are marginally more important, with the so-called 'innovative' projects trailing in third place. The rather unclear definition of what constitutes 'innovative' may also contribute to skewing this result as some of the projects in the blue and green spheres can contain innovative elements.

3.2 Selection criteria for projects assessed

As mentioned in the introduction the first step in the analysis is an overall mapping of all projects that have received support through the PPP Programme. The projects are divided into the three project types (blue sphere, green sphere and innovative – with the innovative type including elements of both blue and green spheres). Within each project type portfolio an overview is established of what projects fulfil which of the six development impact criteria[12]. These three matrices are presented in Annex VI.

The second step is a closer scrutiny of a sample of projects from each of the three project types pre-selected by Danida. The selection was based on pragmatic criteria, i.e. broad geographical coverage; some already finalised or well into their implementation; and broad thematic coverage. In addition, as step 3, field visits have been undertaken to four of these projects. A longer description and analysis of each of the 12 case studies is presented in Annex VII. The following table gives an overview of

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[11] This is apparently due to the fact that ERH asked applicants to withhold their applications until this evaluation study has been finalised.

[12] It should however be noted that due to constraints in resources, the evaluation team was asked by Danida to only base this mapping on project title and some overall assessment provided by Danida.

the 12 cases:

Sample projects selected as case studies

Case	Project title	Country	Partners (excl Danida)	Visit
Projects within the Blue sphere: workplace/supply chain partnerships				
1	Management system for environment and social responsibility (2005)	India	Butler A/S and Butlers offices in India	
2	Establishment of a CSR Management System for the company's activities (2006)	China	Juelsminde Aluminium-industry, JUAL Metal Products and Chinese Sub-Suppliers	√
3	Partnerships for sustainable business development in India (2006)	India	Danish Federation of SMEs & Copenhagen Centre for CSR.	
4	Development and Implementation of CSR Policy and Program for N. Eilersen's Furniture Production in China (2006)	China	N. Eilersen Ltd and Eilersen Interior Co. Ltd.	√
5	Training Programmes for Working Environment and HIV/AIDS Protection at Shuangxi Garment Factory in China (2006)	China	Sundax International Ltd and Shuangxi Garment Factory	√
6	Implementation of CSR in the Cocoa Bean Production in Ghana (2007)	Ghana	Toms Group Ltd, IBIS and Cocoa Research Institute of Ghana (CRIG)	
Projects within the Green sphere: partnerships for development of CSR tools				
7	Information About HIV/AIDS Prevention by the Mobile Phone in Kenya (2004)	Kenya	Inmobia, Celtel Kenya and National Aids Control Council	
8	Development of Tools for the Implementation of HIV/AIDS Policy in Companies in Developing Countries (2004)	Pilot in Uganda and Mozambique	The Danish AIDS Fund, the Confederation of Danish Industries and Kjaer Group	
9	Improved traffic security in fleet of cars In Kenya (2006)	Kenya	Fleet Forum and Kjaer Group	
10	Improved Environmental Management System in Auto Repair Paint Industry in Beijing and Chongqing (2006)	China	TR Autolakering A/S, BASF Coatings AB and six Chinese companies from the spray paint industry	√
Projects within the Blue and Green spheres: innovative partnerships				
11	Development of an Internet Portal for Sustainable Investments in African Companies (2006)	Africa	C4-World Ltd and local investment partners	
12	Changing Diabetes - Information about Diagnosis as well as Treatment of Diabetes in Egypt (2007)	Egypt	Novo Nordisk, the Egyptian Ministry of Health, WHO, medical school, local diabetes partner and NGO	

The following three sections assess project partnerships in each of the three spheres and take the form of synthesis of the case study assessments that are elaborated in Annex VII. The same structure is followed in all three sections to allow for ease of comparison. The case study analysis and these three sections will form the basis for the conclusions and recommendations in the following chapters.

3.3 Assessment of 'workplace/supply chains partnerships'

This section is based on the assessment of the six cases in the blue sphere and analysed in more depth in Annex VII. The analysis here will be a synthesis of the projects within this group and will follow the six development impact criteria and the criteria of additionality and local ownership.

Criterion	Case Studies – Blue sphere
I	All six case studies include a focus on promotion of human and workers' rights. Case 6 in Ghana has a particular strong focus on child labour, similarly as Case 4 in China.
II	The cases from China (2, 4 and 5) and India (Case 1 and 3) include a focus on protection and improvement of the environment. Case 6 (Toms in Ghana) focuses on improved production methods and on a marketing chain for farmers' produce. The sustainable production methods support the protection and improvement of the environment. The project emphasise both the natural environment – within the context of cocoa production – as well as the working environment of cocoa farmers.
III	Narrowly defined as anti-corruption, as in the Danida guidelines, only Case 2 and 3 focus on promotion of sound business practices.
IV	None of the projects has any particular focus on promotion of gender equality and empowerment of women.
V	Case 5 from China includes a focus on combating HIV/AIDS. There was no documentation found in any of the other cases to show a particular focus on disease (HIV/AIDS, malaria or other).
VI	Case 3 from India has a strong focus on increased competitiveness. Even though classified under the blue sphere, the Ghana case study (6) may be termed innovative according to the definition used by Danida, as it tries to combine supply chain improvements in cocoa with improvements in the educational system.
Additionality	Analysis of the six cases suggests that Case 1, 2 and 3 showed evidence of working constructively with integration of CSR practices into their businesses. Case 1 in China and Case 3 in India also have aspects of expanding CSR practices beyond the confines of the involved companies, e.g. down the supply chain. The African Case 6 very clearly draws on additionalities other than finance from Danida. While Danida finance was seen as important in expanding the scope of the project (which they would have implemented anyway but on a much smaller scale), importance was also given to Danida's local knowledge and technical facilitation. Linking back to the operationalisation, Danida additionality has taken many forms in the blue sphere project, but the strongest part has been the dissemination of results/inclusion of sub-suppliers in the activities. In most cases it seems that Danida support has contributed to speeding up a process that was already happening, or expanding the activity outreach. In all cases the very fact of implementing the project resulted in outreach and broader inclusivity – as well as

	putting issues of CSR forward as being important also outside the actual project being funded.
Ownership	In four out of the six cases (1, 2, 4 and 5) the local partner in China and India respectively is the subsidiary of a Danish company, and the PPP process has clearly been driven by the Danish company. In none of the four cases does any other public partner exist than Danida. These issues suggest a lack of local ownership. Some of the cases however suggest that ownership of the project has been 'handed over' to the subsidiaries after project take-off. In Case 3 it was also concluded that there was a clear Danish ownership of the project even though a range of local partners were included, since planning, implementation and sustaining of results was in the hands of the Danish partner. The African Case (6) has a much wider ownership platform, which includes the public and private sector, as well as national and international NGOs.

3.4 Assessment of 'partnerships for development of CSR tools'

This section is based on the assessment of the four cases falling into the Green sphere and analysed in more depth in Annex VII. The analysis here will be a synthesis of the projects within this group and will follow the six development impact criteria and the criteria of additionality and local ownership.

Criterion	Case Studies – Green sphere
I	Case 7 and 8 place a very strong emphasis on workers' rights.
II	The case from China (Case 10) places a strong emphasis on the working environment; the same is true for Case 8, which places a strong emphasis on the necessity of HIV/AIDS activities as a key area of concern within the working environment of participating partner companies. The case involving the improved fleet management (of vehicles involved with humanitarian activities – Case 9) also places strong emphasis on the working environment (OSH conditions) of those involved with transport management and operations.
III	Narrowly defined as anti-corruption, as Danida has done in the guidelines, none of the projects focus on sound business practices. It could however be argued, that sound business practices could or should be considered broader than this.
IV	There is no particular gender focus in any of the four cases.
V	Two of the African cases (7 and 8) have a particular focus on HIV/AIDS whilst the third African case study (Case 9) includes HIV/AIDS as a crosscutting element. This is not the case with case Study 10 from China – possibly also a reflection of the fact that this is considered to be less of a problem in China.
VI	At least one of these case studies (Case 7 - Immobia) is considered to be innovative by the evaluators – indicating that the judgement as to whether an approach is innovative or not often relates to a value judgement. The remaining three case studies are all much more conventional.
Additionality	In the two African HIV/AIDS cases (7 and 8), Danida has been involved in subject matter related inputs. The pattern seems to be that in the Africa cases, which are in programme countries, much more use is made of Danida's potential tech-

	nical additionality. The role of other partners remains crucial – the absence of support from Danish companies to integrate HIV/AIDS advocacy was crucial to it being suspended by Danida (Case 8); the cutting back of support by Celtel in the Kenya HIV/-AIDS project was instrumental in lowering impact and shifting the target group from poor to middle income, which is a draw-back in respect of additionality, cf. the operationalisation. Involvement of teaching institutions as a spin-off from implementation activities is another example of activities being taken on board by external institutions, which will have a wider impact than the areas covered by the PPP. Generally and in relation to the operationalisation of additionality, in the cases in the Green sphere there seems to be good additionality in form of dissemination of results and best practices and also several of these projects might not have taken place without the Danida support. On top of this, three of the projects are carried out in some of the poorest countries in Africa.
Ownership	All these cases involve many different corporate actors that could take up different kinds of ownership. Proxy indicators are the creation of training courses in related institutions (Case 10 – China) and implementation of the result of activities elsewhere. In this regard, there is a good chance that Case 9 (Traffic security) and Case 7 (mobile-phone HIV/AIDS prevention) may be taken on board locally as they are more widely implemented (both nationally and regionally). It seems, however, as if this process is driven by the Danish partners and not by the local partners, indicating low ownership. The case study, which focussed on developing approaches through implementation within an already committed company – and hoping that this would inspire others – failed and was suspended by Danida. Summing up, there has been a lack of local ownership in projects within the green sphere.

3.5 Assessment of 'innovative partnerships'

This section is based on the assessment of the two cases that are labelled 'innovative partnerships' which are analysed in more depth in Annex VII. The analysis here will be a synthesis of the projects within this group and will follow the six development impact criteria and the criteria of additionality and local ownership.

Criterion	**Case Studies – Blue & Green: Innovative partnerships**
I	Case 11 has a focus on human rights through increased access to health services. Case 12 has no particular focus on human and workers rights.
II	None of the projects has any particular focus on environmental issues.
III	None of the cases focuses on promoting sound business practices understood as combating corruption.
IV	Neither of the cases has targeted gender issues.
V	Case 11 has no particular focus on the combating of diseases, Case Study 12 (Novo in Egypt), by contrast, has this as its main feature.
VI	Both cases were examined under this category – Danida identified these cases as being 'innovative'. However, as will be also discussed later, 'innovation' is both

	one of the six development impact criteria and a project type, and the definition of what constitutes 'innovation' is both vague and, as a result, value-laden. Is innovation something, which Danida has never financed before? Or is it something, which breaks away from what has been done in the past, contributes to setting new paths and questioning accepted precepts, thinks outside the box, etc? As regards the two cases, their innovativeness is closer to the first than to the second definition.
Additionality	It is not clear whether the two projects would have been carried out without Danida support, and as such it is difficult to judge this aspect of additionality. Case 11 does not relate to any aspect of regulations, and the Danida additionality does not come in here either. In Case 12, the project components are clearly exceeding local regulations and the project furthermore could potentially disseminate good results. Neither of the projects targets the poorest segments of the population in the countries in which they operate. Clearly, the additionality from Danida is very limited in these two cases. Where there is additionality, this comes in through the support from other agencies (Case 12), such as Egyptian Health Agencies and the WHO. This is not the situation for case 11 (C4), which did not manage to achieve buy-in from nationally, based finance institutions. Partnerships have been formed and many of the same features can be seen as shown under the 'Blue' and 'Green' spheres.
Ownership	It is the buy-in, planning, implementation and sustaining of results from nationally based institutions, which will define ownership in the long run. This does not appear to have been achieved in Case 11 (C4) but looks as if it will be achieved in Case 12 (Egypt).

3.6 Programme management and reporting procedures

The reporting procedures under the PPP Programme have been gradually harmonised, which has streamlined the monitoring procedures. Templates for quarterly reports have been developed as have templates for indicators and milestones. A stronger emphasis on planning and preparation including establishing project targets and indicators of achievements could, however, have eased project implementation as well as reporting. In the cases reviewed, the approvals of quarterly reports seem to require several rounds of clarification. This consumes valuable time and delays reimbursement, which again impedes the implementation of the project. The general attitude observed is that better planning at the start would have paid off during implementation. This could in principle consist of a simplified description of the current state (simplified baseline) of the goal to be reached, as well as a description of planned input, actions and indicators for achieving targets.

A major issue relates to the delays in response times from Danida, including delays with responding to reports and delays in payments, which result in implementation delays. It is, however, unclear whether the delays are a consequence of a complicated reporting procedure that could be simplified; a product of poor reporting by the company; whether it is due to a poor understanding of the terminology used by Danida; or whether this is a simply because the public sector and the private sector need to learn to work together. It is furthermore not clear whether this has improved following decentralisation of management to the Danish embassies.

4. Evaluation synthesis and lessons learned

4.1 Overall performance according to the PPP Programme criteria

The matrix below synthesizes the performance across all three PPP project types according to the six development impact criteria and the principles of additionality and local ownership. It is based on the analysis of the case studies in Annex VII and the sphere-by-sphere assessments in Chapter 3.

Criterion	Overall performance
I	9 out of 12 projects have focus on promotion of human and workers rights. This is the criterion that scores highest – 75%.
II	Case studies from Asia – across the spheres – tend to focus on the working environment within factories; whereas the African case studies are more likely to place the project within a broader societal context – which can probably be seen as a reflection of the difference between levels of industrialisation. 8 out of 12 projects had a focus on environment.
III	Narrowly defined as fighting corruption, including extortion, facilitation payments and bribery, only three cases, two in China and one in India, had a focus on sound business practices. All three projects were within the blue sphere.
IV	None of the projects in the sample had any particular focus on gender equality or empowerment of women.
V	HIV/AIDS and other diseases do not seem to be covered as cross-cutting issues (apart from the Kenya transport pool case). Instead HIV/AIDS, diabetes, etc., are included as one of the main areas of focus in four cases, and cross-cutting issue in one case.
VI	The issue as regards how to define 'innovation' brings a certain amount of confusion. By definition, the two 'innovative' projects in the innovative partnership sphere should be considered to be innovative – although the innovative aspects of these cases are not necessarily evident. By contrast, the evaluators consider at least three of the other 10 cases to be at least partly 'innovative'.
Additionality	Additionality on the part of Danida in some cases seems to be purely financial – and it remains difficult to judge whether projects would have taken place without Danida support. This is especially so for the Asian projects. However, especially in the African programme country cases there are indications that the Danish embassy has also played a more central role, providing support on subject-matter issues, technical support and/or facilitation. This might also be the case in non-African programme countries, but none of the case study projects were implemented in programme countries outside of Africa. In all cases, the 'whole' turns out to be greater than the respective 'parts'-except in one project, which was closed by Danida as a result of non-participation. Danida financial support has stimulated or accelerated a process which might have happened anyway; while in the African cases, Danida technical know-how and broad knowledge of the business environment in the case countries has also contributed by adding (non-financial) value to the project. None of the projects would have had any impact without the commitment of all the partners – some of whom went in whole-heartedly (and thus contributed with considerable value-added) while others were less committed, with the result that

	the achievements were also more limited. Furthermore, many cases have good prospect of dissemination of results to a wider audience than the project partners, which is also part of additionality. It is, however, premature to conclude whether this will materialise.
Ownership	African case studies tend to build on a wider ownership platform (which also makes securing of ownership much more challenging) whilst Asian cases tend to be partnerships between Danish companies and national subsidiaries. This conclusion is however also linked to the different project types, where it can be stated that projects in the Green sphere and innovative partnerships build on this wider platform of partners. The ownership challenge in the Asian cases tend to focus on incorporating new procedures more widely through links with related training institutions taking new approaches on board in their training programmes. Very few projects include local public partners (only Case 12 in Egypt and Case 7 in Kenya), which probably limits the local ownership and probable spreading of best practices. In by far the majority of the cases Danida is the only public partner and it can therefore be argued that terming the programme 'Public Private Partnership' is rather misleading and needs reconsidering.

4.2 Performance according to the DAC criteria

Relevance	All case studies are judged to be very relevant as they address needs in the recipient countries.
Efficiency	Most projects have encountered some efficiency problems – particularly in the Asian cases. There were frequent reports of delays and it appears that these delays were a result of procedural difficulties related to reporting demands and financial disbursements from Danida. Efficiency issues also arose in relation to local partners not formalising agreements or failing to recruit staff – which also contributed to delays. For the African cases, partner companies gave the appearance of being very efficient with their handling of Danida and other resources (possibly because Danida is a more central sparring partner in the African programme countries). No reports of late payments or reporting problems were seen in the materials available; however, as regards the Asian case studies there seem to be more issues related to reporting as well as (or resulting in) late disbursement from Danida (this could also be the result of a lacking familiarity with Danida and its procedures).
Effectiveness	As regards effectiveness, it remains difficult to draw conclusions particularly as, in many cases, no milestones or indicators are included in the project description or addressed in the monitoring reports. However, despite efficiency problems, most projects have been effective in meeting their objectives.
Impact	Impact is still difficult to judge at this early stage, apart from Case 8, which was terminated by Danida (and which will therefore not have any impact). However, for the rest of the cases, initial results do show that there is likelihood that there will be positive impacts – although maybe less than hoped for and less widespread (in a number of cases partners withdrew or changed the conditions of their participation – which contributed to downsizing expected impacts). However, in the great majority of cases, measures are being taken which will lead to a series of positive impacts (notably linked to integration of results into training activities outside the actual PPP as well as incorporation into curricula of training institutions and schools/colleges/universities.) There is also evidence of devel-

	oped best practices being incorporated by suppliers into their own activities.
Sustainability	In all cases this is too early to judge with any certainty although indications are positive, i.e. regulations are being passed locally to support what is being achieved; CSR procedures are being applied; progress is being made towards integration of training modules into university or school curriculum; etc. Sustainability also depends strongly on the commitment not just of the business partner funded by Danida, but also on all the others involved in the partnership.

4.3 Fulfilment of programme objectives

Overall Objective:	The focus in all the cases is on how to improve the way in which companies and organisations function. Improvements here will then have spin-offs, which could include elements of poverty alleviation. The general assessment of poverty reduction in the cases is positive but by no means dramatic. The basic premise, for example of the Asian cases, seems to be that poverty alleviation will be achieved through a trickle down effect-or a concentric circle effect. Direct attribution will, however, be difficult to prove; although the projects do move in the right direction to support wider poverty alleviation programmes. If there is to be a real poverty impact, then a better analysis will need to be carried out as part of the project preparation process to better assess likely project impact. In contrast to the Asian cases, the African case studies do tend to have a more direct and explicit focus on poverty alleviation – through focus on farm workers and children, creation of small business; HIV/AIDS counselling and prevention, etc.
Immediate objectives	Fulfilment of the PPP Programme's immediate objectives is considered satisfactory and well in line with the development impact criteria of the Programme. The promotion of the PPPs is not emphasised in the workplace/supply chain projects in Asia, whereas there has generally been a high emphasis on corporate social responsibility in all projects. Innovation in the broader sense of the word has also been a feature in a number of projects, but less so in relation to investments and competitiveness.

4.4 Lessons learned

The layout of this section largely follows that of the previous section, and is based on the six development impact criteria, the additionality and local ownership criteria, and on the five DAC evaluation criteria.

Development impact criteria: The issuing of the guidelines and development of the six criteria in 2006 proved useful in adjusting the projects to the GC principles and the MDGs – although a number of projects approved under the old criteria would no longer have been eligible according to the new guidelines.

There is a clear overweight of projects that respond to Criterion I, promotion of human and workers rights, and II, protection and improvement of the environment, which also could be termed as typical CSR elements. One critical issue is that none of the projects respond to development impact Criterion IV on promotion of gender equality and empowerment of women. Gender equality is a cross-cutting issue in all Danish development assistance and is as such integrated in the PPP Programme through Criterion IV but as none of the case projects respond to this criterion, gender equality really has not been advanced.

Another caveat here is the criterion on 'innovation', which is treated both as a separate type of project as well as the sixth of the development impact criteria. The problem with innovation is that it is difficult to define, which the analysis in this study clearly shows. As many of the PPP projects, which were not classified as 'innovative' by Danida contain elements of innovativeness, the purpose of a separate form of partnership does not seem to serve any real purpose. A more workable definition of innovation would be useful.

In addition to this, the term 'development impact criteria' is somewhat misleading as the six criteria mostly relate to the content of the projects, hence in which programme spheres and CSR areas the projects are intended to operate. They are not measurable criteria and do not directly relate to the impact of the projects; this is left to the milestones and the indicator of each project.

Additionality: It remains difficult for ERH in Copenhagen to provide the same level of support in non-programme countries, as the Danish embassies are able to provide in programme countries. In the latter case, the existence and strong position of Danish bilateral assistance is one of the reasons why the Danish embassies have good local knowledge and capacity to provide important advisory services. In non-programme countries, the Programme administration is provided from ERH, which obviously does not have the same specific local knowledge as the embassies in programme countries do.

On the financial side, the only form of additionality is the fact that Denmark provides funds to support an activity, which otherwise would not have been carried out, and as mentioned several times before, this is extremely difficult to assess let alone measure. One relevant question to ask is whether there are other sources of funds in the larger Asian countries (e.g. China, India), which can be mobilised for CSR activities? In these countries the PPP projects are very closely linked to the business interests of the companies and maybe CSR activities could potentially be commercially viable without Danida involvement? If so, that would leave a strong argument for focusing the PPP Programme in programme countries where the Danish embassies have more influence and where the effect of the projects will be larger.

The additionality of the Danida support has in some cases been linked to a possible dissemination of results and trickle down effect of the CSR related activities to sub-suppliers and other stakeholders. This is also so in the cases where the 'over and above local regulations' have not been very clear.

Ownership in the Programme: In the Asian cases, subsidiaries of Danish companies are in many cases the 'local' private partner. The present guidelines specifically allow for Danish subsidiaries to qualify as local partners, if they also fill the other requirements related to 'local company' participation.

One could raise the question whether 'real' local ownership, i.e. another local partner than a Danish subsidiary, is necessary in order to achieve the spread of good CSR practices nationally. The analysis of case studies suggests that in the cases involving only Danida, a Danish company and its local subsidiary, the CSR results have been rather limited and mainly confined to the subsidiary. The objective of achieving wider best practices and broader local ownership has not been achieved in these cases. The analysis suggests that projects under the Programme that arrive at disseminating good practices and having these adopted by other companies (for example their local suppliers) or arrive at improving living conditions of local workers (not just their own employees), have had a broader local ownership than merely a subsidiary. The motor for expanding CSR best practices could well be through an inspirational partner.

There are two other aspects of the local ownership issue worth discussing; the inclusion of local public partners and the spreading of good practices from projects. Not many partnerships include local public partners, which could be another way to ensure both local ownership and transfer of good practices and lessons learned to other local private sector companies not included in the PPP Programme. Hence this aspect is closely linked to the issue of the dissemination effect of projects; whether the good practices from projects have positive spin-off effects locally and whether this can be attributed to the Programme.

DAC criteria: All cases are judged to be relevant. The African projects appear to be more efficiently implemented compared to the Asian projects. A probable cause for this is that the Danish embassies are providing more direct support to project planning and implementation in the African countries which, except for South Africa, are all programme countries. Delays are encountered due to reporting difficulties and late disbursement of projects funds, which could be caused by reporting problems. Most projects are likely to meet their objectives and generate the planned impacts to some extent – except for the project that was terminated. Sustainability is highly dependent on local ownership and anchorage.

5. Conclusions

The conclusions of this evaluation study are based on 12 case studies, which were drawn from a total of 36 projects funded between 2004 and 2008. The conclusions are arranged in accordance with eight main themes that are derived from the analyses in the previous chapters. The sequence of the themes is arranged in the following order: the Programme's concept (theme 1); objectives (theme 2); content and scope (themes 3-5); and operational issues (themes 6-8). The themes relate the ToR's objectives as indicated in the figure below and thus implicitly respond to these.

	Evaluation Study's objectives			
Main themes derived from the evaluation	Assessment of the PPP Programme's general performance of achieving enhanced CSR	Assessment of the definition of CSR used in the PPP Programme projects	Defining the assessment criteria in the PPP Programme projects	Focus on Africa and prioritisation of the demand for PPP Programme projects
1. The PPP Programme and the CSR definition		O	O	
2. Meeting the PPP Programme objectives	O			
3. Programme spheres			O	
4. The six development impact criteria			O	
5. Additionality and local ownership			O	
6. Geographical spread of projects under the Programme				O
7. Eligibility criteria for accessing Programme support	O			
8. Project formulation, monitoring and reporting procedures	O			

The overall conclusions are that: the Programme has performed satisfactorily; supported projects are relevant, but a few cases have not been appropriately designed; projects are generally effective, but encounter efficiency problems; and there is room for further clarification of the PPP Programme concept and improvement of programme management.

1. The PPP Programme and the CSR definition

The combination of the PPP and CSR concepts into one programme provides a unique opportunity to disseminate the CSR concept more widely in developing countries, while at the same time attaining sustainable impacts. The projects designed outside the corporate sphere (the Green and Innovative spheres) draw to larger extent on local public, private and civil society partners than workplace projects (the Blue sphere). The projects in the Green sphere generally establish partnerships that promote CSR in a manner that is close to the IFC definition (ref. Section 1.3). The projects related to the workplace, tend generally to apply a more limited approach to CSR – as the interventions mainly have a company focus – whereas those working outside the corporate sphere address societal needs more widely. There is a clear indication from the case studies that projects with more inclusive partnership arrangements are more likely to attain long-term impacts, increased sustainability, and wider dissemination of best practices.

The challenge would be to promote a wider definition of CSR in the workplace projects, which would also call for a broader definition of the partnership arrangement – ideally, also including a local public partner, which would assist in disseminating the experiences more widely. The linkage of the Programme's CSR concept to the Global Compact is very appropriate, but it needs to be more clearly defined. Ideally, the CSR interventions should facilitate the creation of a policy environment that encourages/mandates business activity that minimises environmental and/or social costs while at the same time maintaining or maximising economic gains.

The Programme's definition of public private partnerships does not conform to the general understanding of PPP. It is questionable whether a PPP, where the only public partner in the majority of cases is the financing source (Danida), can really be termed a public private partnership. In essence the partnership input of Danida is mainly concerned with provision of funds and a facilitation role. Danida's facilitation role is more pronounced in the Danish programme countries, where embassy staff provides technical and advisory assistance, than in non-programme countries. The roles of the different partners in the partnerships have not been spelled out clearly in the guidelines, which has led to some questionable 'partnerships', i.e. partnerships comprising Danida, a Danish company and its local subsidiary.

The fact that Danida has not operationalised the CSR definition in the guidelines has led to a situation where the project applications do not themselves attempt to define CSR. The Programme projects are formulated by using one or more of the 'development impact criteria', which hence constitute the approach to CSR. There are no criteria that directly promote activities outside the corporate sphere (i.e. market, sector, and community), which would be useful in promoting a wider definition of CSR.

2. Meeting the PPP Programme objectives

The Programme's *overall objective* is to contribute to poverty reduction by promoting economic growth and social development. The African projects all appear to have a more direct poverty focus while the poverty focus of the Asian projects is much more indirect – often described as a trickle down effect – assuming that there would be an indirect effect on poverty. The African projects are mainly designed within the green sphere and are as such more inclusive as regards community and societal needs – and thus have the potential to address poverty reduction more directly. The Asian projects are mainly within the blue sphere and thus more focused on the companies' own needs and those of the nearest group of suppliers. Thus, a greater emphasis on projects that respond to societal needs will have a relatively greater potential to increase the poverty reduction dimension. The overall objective is found to be appropriate, as it emphasises three aspects (poverty reduction; economic growth; social development) that are all essential for the design of Programme projects and the overall monitoring of the Programme's performance.

The Programme's *immediate objective* is to promote PPP by advancing CSR and increasing opportunities for investments and enhanced competitiveness through innovation. CSR has the potential to promote PPP as demonstrated by some projects in the green sphere, which to a lesser extent is the case for projects in the blue sphere due to the way in which the PPP is applied. The core of the Programme – as it appears from the case studies – is mainly to promote CSR and apply PPP as a vehicle – to a varying degree depending on the project's selected sphere. The formulation of the immediate objective should rather relate to the anticipated outcome/ impact from combining PPP and CSR, i.e. contribution to sustainable development that benefits the company, its employees, their families, the local community and society at large.

3. Spheres

A number of projects under the green and the blue spheres contain 'innovative' elements; while those projects put into the innovative category may not necessarily be 'innovative'. The fact that one of the six development impact criteria is the 'promotion of innovative partnerships' – which equally could be applied to the blue and green spheres – argues against there being a separate group of 'innovative projects'. The African projects have been the most exciting and most 'innovative', though not necessarily in relation to competitiveness and investments, but due to their wider definition of CSR. The Asian ones are much more company-to-company traditional-style workplace improvements.

Innovation as a separate sphere, as well as a criterion, is difficult to handle because they are overlapping and the interpretation of what is 'innovative' appears, in practice, to be value laden and is not really subject to a definition. In the guidelines, innovation is closely linked to increased competitiveness and investments, which furthermore is confusing as innovative approaches are generally applicable in all contexts.

The introduction of new and unfamiliar concepts such as the blue and green spheres and innovative partnerships would not be needed if the objectives and the guidelines are spelled out more clearly, and the roles of the cooperating partners are better defined. It may remain opportune to distinguish between workplace projects and projects outside the workplace (i.e. market, sector and community). The substance of the two project categories would converge if the workplace projects apply PPP more widely.

4. The six development impact criteria

A first indication of the way in which CSR is interpreted in the Programme projects is provided through an assessment of how the six development impact criteria have been applied. The table below summarises the mapping of all 36 PPP projects with a separate line showing the mapping of the 12 case study projects. It is apparent from the table that it is more or less the same picture that emerges from the sample and from the total number of PPP projects.

Mapping of all PPP Projects (Summary of Annex VI)

Criteria / Sphere	**I** Promotion of human and workers' rights	**II** Protection and improvement of the environment	**III** Promotion of sound business practices	**IV** Promotion of gender equality and empowerment of women	**V** Combating HIV/AIDS, malaria and other diseases	**VI** Promotion of innovative partnerships for investments and competitiveness
Blue (16)	14	14	3	0	1	2
Green (13)	7	4	1	0	5	1
Innovative (7)	1	0	0	0	3	7
Total (36)	**22**	**18**	**4**	**0**	**9**	**10**
Total sample (12)	**9**	**9**	**3**	**0**	**5**	**5**

Note: The mapping of the 24 projects that were not selected for a case study has been made purely on the basis of title of project and sphere.

There is a clear over-emphasis on projects that focus on Criterion I (human and workers' rights), and II (environment including working environment). This is not surprising given the fact that most projects are formulated within the blue sphere, which is concerned with the company level.

Promotion of sound business practices, Criterion III, is defined as anti-corruption measures. With this limited definition, only a very small number of projects have applied this criterion. It could, however, be argued that being engaged in CSR activities is in itself part of a 'sound business practice', and that the definition of criterion III could thus be broadened to include transparent and accountable financial management practices.

It is notable that none of the sample projects has a focus on gender equality or empowerment of women (Criterion IV). Some of the remaining 24 projects could have a gender focus, but this cannot be deduced from the project titles. Combating HIV/AIDS, malaria and other diseases (Criterion V) is a component in nine projects. In five of the nine projects the focus is on HIV/AIDS. The four remaining projects are concerned with TB, diabetes, blood gas analysis, and mental illness.

Promotion of innovative partnerships for investment and competitiveness (Criterion VI) has been applied in ten projects. It is a cause of confusion that the criterion constitutes a project sphere, a development impact criterion, and is also incorporated in the immediate objective. The criterion should be maintained as it relates to increasing foreign investments and improving international competitiveness, but should be defined more widely. Innovation could also relate to the introduction of known technologies and practices that have been developed and applied elsewhere.

Generally, the term 'development impact criteria' is misleading, as impacts are not measured in relation to the criteria. Project indicators and milestones are not directly related to these. The criteria are mainly applied as building blocks/components when formulating projects – and thus constitute the projects' substance.

5. Additionality and local ownership

In the current PPP guidelines, additionality is rather narrowly defined, and is mainly applied as a screening criterion to ensure that Programme funds are correctly allocated. Based on the case studies, there is an apparent difference in the way that Danish companies work in Africa and Asia. In many of the Asian cases, there are indications that the projects, to some extent, would have been implemented – in the way they are designed – even without funds from Danida. This calls into question whether any significant additionality can be ascribed to such projects.

It is in programme countries, where Danida's additionality is most clearly expanded beyond a financial issue to also encompass the technical and facilitative support provided by the Danish embassies. The reason for this could be that the Danish embassies in non-programme countries do not play the same central role as in programme countries. In non-programme countries, programme management is taken care of by ERH, which has comparatively fewer resources than the embassies and is also remote from the implementation location. By contrast, the Danish embassy in a programme country tends to have a high profile, knows the local institutional landscape, and hence its involvement can have an important legitimating effect.

Additionality could have a wider significance, as suggested in the 'Evaluation and Assessment Framework' (ref. Section 2.4), i.e. advancement of CSR issues, dissemination of best practices and sustainability of attained results through PPP arrangements, and geographical choice (low-income countries versus middle-income countries, as foreign investments flow more abundantly to countries with a high economic growth).

There is a clear relation between the effectiveness of local ownership in terms of impacts and the degree of local anchorage, i.e. cooperation with a local private company (i.e. a non Danish subsidiary), public authorities, and civil society organisations. The case studies show that the inclusion of local partners besides a Danish subsidiary is related to broader CSR results, such as a wider disseminating of good practices that are also adopted by other companies (for example local suppliers) and/or improving of living conditions of local workers (not just companies' own employees).

The current definition of additionality in the PPP guidelines demands that Danida's contribution leads to efforts and activities in the partnership that would otherwise not have been undertaken. The case studies have demonstrated that where CSR has been advanced and increased impact and sustainability have been attained, the projects are well anchored in local ownership arrangements, which contribute relatively more 'additionality' than external actors – i.e. Danida, and/or the Danish partner. A wider definition of the partnership arrangements would imply that the local ownership dimension becomes clearer and more pronounced in the project design, which should lead to increased dissemination of good CSR practices nationally.

6. Geographical spread of projects under the Programme

There appears to be an over-representation of projects in Asia. Moreover, those African countries that are represented are amongst the more affluent (e.g. Egypt and South Africa). The fact that African countries are lagging behind is also illustrated in the types of projects being funded. The Asian projects tend to be more focused on improving workplace conditions, whereas the African projects are more widely focused (incorporating NGOs, marketing boards, educational institutions and national/international companies). This is also a reflection of the fact that the enabling environment for the private sector in Africa is less mature and evolves more slowly than in Asia. Thus finding private partners is probably much easier in Asia than in Africa.

The Programme does not have an incentive structure that promotes a more balanced distribution of projects among developing countries. The African continent has had the least achievement towards the MDGs; thus, ideally this is where the main geographical focus should be. Seen from a development perspective, the Programme should direct interventions to countries, or regions within a country (as is the case in China), where development is most needed – assuming that sufficient recipient competence exists. However, few companies have demonstrated interest in Africa compared to interventions in more developed countries like China, Vietnam and India. It is apparent that there is a clear preference for English speaking countries among the Danish business partners, probably reflecting their market orientation and experience. No projects have been implemented in Latin America or Francophone Africa, as there may be limited incentives to engage in these parts of the world.

7. Eligibility criteria for accessing Programme support

All existing experience points to the fact that small and medium sized companies have incentives for implementing CSR, but due to their limited resources and often limited involvement with CSR, they are in greater need of support than larger companies. Currently, the majority of PPP partnerships are with smaller companies.

Large companies may, on the other hand, have a relatively larger potential to attain CSR impacts due to their comparative technical and financial advantages.

As expressed by many of the participating Danish companies, the Programme objectives and criteria for eligibility are found to be unclear and difficult to communicate to relevant decision-makers. The Danish embassy in Ghana has assisted in developing the "Ghana Business Code[13]" and refers to this as an explicit guide for the PPP Programme. This is also seen as an indication that Danida needs to more clearly define what it wants from the partnerships, and how the cooperation/partnership may assist Danida achieving the Programme objectives.

The criteria for eligibility are currently perceived to be so wide that most project ideas could be eligible for financing. This gives flexibility, but also makes it more difficult for Danida to appraise and approve incoming proposals in a consistent manner.

8. Project formulation, monitoring and reporting procedures

Because the 'development terminology' requirements are not internalised in many companies (private but also public sector), this causes a certain amount of uncertainty as regards project preparation, project reporting, project monitoring, etc., to the extent that companies tend to lose interest in considering the facility. The Programme title may itself be a source of confusion, which is probably further accentuated by lack of clear definitions of PPP and CSR.

Danish companies have seen the Programme procedures as being the cause of delays in implementation. This is not necessarily because of the procedures as such, but more because of the fact that the Danish companies and organisations use different terminologies and approaches. Logical frameworks, definitions of objective hierarchies, etc., are not necessarily approaches with which the private sector is most familiar.

Implementation delays seem to have been caused by problems with reporting procedures and modalities. In the cases reviewed, the approvals of quarterly reports seem to require several rounds of clarification. This consumes valuable time and delays reimbursement that in turn impedes the implementation of the project. It is interesting to note that reports on implementation delays mostly came from the Asian projects as opposed to the African projects. The reason for this could be that the companies working in Africa are more used to the development terminology and benefit from the Danish embassies' facilitation.

The Programme requirements for establishing project targets and performance indi-

[13] The Ghana Business Code is based on the GC principles and found on: www.ghanabusinesscode.com

cators are not well expressed. The general observation is that better initial planning and preparation would have paid off during implementation, e.g. baseline information, targets and performance indicators. By starting with a more detailed planning phase of the projects, a number of implementation improvements could be attained: a) CSR approach could be better defined; b) progress and reporting procedures could be better established; and c) targets and outcomes would become more apparent and easier to monitor.

6. Recommendations

Based on the conclusions in Chapter 5, it is recommended that:

1. The PPP Programme and the CSR definition

The PPP Programme should develop more specific definitions in respect of both CSR and PPP:

- As regards CSR, this should not simply be linked to the Global Compact, but should more explicitly include what kind of CSR is sought promoted with the Programme (the IFC definition could be a starting point);
- As regards PPP, the Programme should revert to what was originally intended, namely an emphasis on cooperation with local public and private partners – not ruling out the involvement of civil society organisations. There should be stronger emphasis on projects that include at least one other public partner than Danida and also on projects that include more local partners (public or private) than the Danish company's local subsidiary. It could be considered to change the PPP guidelines in this respect;
- Future project applicants should define the scope of and approach to CSR in their technical proposals consistently with the amended Programme definitions of CSR and PPP, which would also facilitate a more precise setting of targets and formulation of outcomes.

2. Meeting of PPP Programme objectives

The Programme's overall objective should be maintained and the Programme framework (i.e. definitions, immediate objective, and criteria) be amended to promote poverty reduction, economic growth, and social development by encouraging that the societal dimension becomes more prominent in the project portfolio – which, however, would become a logical consequence of accepting Recommendation 1. The Programme's immediate objective should be reformulated to reflect the essence and the intended outcomes of combining PPP and CSR – consistent with the amended CSR and PPP definitions and the Programme's overall objective, and also serve as the integrating framework for the Programme's selection and design criteria.

3. Spheres

The applied terminology related to spheres should be reconsidered (e.g. internal corporate (workplace) and external corporate (outside the workplace)). A changed terminology should relate more directly to the subject matter than the current terms of blue and green spheres. By introducing wider definitions of CSR and PPP, the scope of the two project categories would become clearer and the division into specific categories may become superfluous. The Innovative partnership sphere should be abandoned.

4. The six development impact criteria

The six development impact criteria should generally be maintained, but with some adjustments:

- Criterion III: The fight against corruption should be maintained as an essential feature, but the criterion should be expanded to include transparent and accountable financial management in order to better reflect on sound business practices;
- Criterion IV: Gender equality, being a Danish development priority, should be more pronounced in the project portfolio;
- Criterion VI: A more precise definition or elaboration of 'innovation' should be made that is not linked to competitiveness and investments, which should become a separate criterion. Innovation could also involve known technologies and practices that are applied in a new context or new geographical location.

The term 'development impact criteria' should be altered to more explicitly focus on what they actually are, e.g. project components or a project menu.

5. Additionality and local ownership

The definitions of 'additionality' and 'local ownership' should be substantially expanded compared to the current guidelines and become essential elements of the project design. A definition of additionality should imply that: CSR interventions are complementary to what the applicants would embark upon without Programme support; the partnership composition should facilitate dissemination of best practices and sustainability of attained results; and the distribution of projects should be balanced so that poorer countries get a more appropriate share. The definition of local ownership should ensure that local public and private partners are substantially involved in project planning and implementation. The Danish embassies' facilitating role should be maintained in programme countries. In those non-programme countries where the Programme has a large project portfolio and a Danish embassy with a business sector focus, programme management should be decentralised (e.g. China) in order to enhance additionality. This should possibly only be for an interim period, cf. Recommendation 6.

6. Geographical spread of projects under the Programme

The Programme should gradually be concentrated in the Danish programme countries. This could be ensured by a mechanism that prioritises the programme countries, and by an incentive mechanism that provides a relatively higher level of support to projects in programme countries than in non-programme countries. Particular attention should be paid to African programme countries and efforts should be made to include non-Anglophone programme countries in the Programme's project portfolio. The non-programme countries should remain eligible for support in an interim period, i.e. until such time when the demand for projects in programme countries can adequately absorb Programme funding.

7. Eligibility criteria for accessing Programme support

The Programme should remain eligible for small, medium and large companies. ERH should provide initial advice to SMEs that have no demonstrated experience with CSR and PPP. The project application criteria for accessing PPP Programme funding should be tightened consistently with the recommended amendments of the Programme's content and scope to enable that project proposals including their approach and definition of concepts can be effectively reviewed, and thus assure their probable eligibility for Programme support before detailed preparation is embarked upon.

8. Project formulation, monitoring and reporting procedures

Programme application, preparation and implementation procedures should be developed more clearly in accordance with the recommended amendments of the Programme content and scope, i.e. CSR and PPP definitions, immediate objective, spheres, criteria, additionality and local ownership. The revision of the procedures should include the consequential amendments of reporting and performance monitoring requirements, including a guide on how to select indicators and setting of targets. Increased emphasis should be placed on the preparatory phase. Ideally ERH should assist the Danish partners in the initial phase of project preparation, but support to the more detailed preparation should be taken over by the Danish embassies in programme countries and selected non-programme countries (e.g. China). The Programme should be renamed to signal the combined dimensions of CSR and PPP.

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Terms of Reference

Public Private Partnerships – Evaluation Study

1. Introduction

Danida's Public Private Partnership (PPP) is a part of Danish development cooperation to develop the private sector. Initiated in 2004, DKK 20 million annually for a five-year period has been earmarked for the programme. The overall objective of the PPP programme is to contribute to reducing poverty by promoting economic growth and social development in developing countries.

The immediate objective of the Danida PPP programme is to promote public private partnerships by engaging the private sector in ensuring better working and living conditions in developing countries, by enhancing corporate social responsibility integrated in core business activities and increasing opportunities for investments and increased competitiveness through innovation.

The PPP concept was initially developed by Great Britain during the nineties in order to meet demands for services without increasing public debt, as well as involve the private sector more actively in the public sphere. The majority of implemented projects have been costly infrastructure developments; roads, harbours, hospitals, metro-systems etc.

The Danida PPP Programme focuses on involving the private sector in enhancing corporate social responsibilities in developing countries as an element of reaching the overall objective of reducing poverty in line with the United Nations Global Compact. The Global Compact was defined in the resolutions of the summit on Sustainable Development held in Johannesburg 2002. One of the conclusions reached was that the MGDs would not be reached as planned without the involvement of the private sector.

2. Background

The PPP programme was started as a pilot programme with the intention to "test out un-chartered waters" and then evaluate the results after the first five-year period. The decisions to accept or refuse applications have, in the meantime, been delegated to the embassies in the partner countries, creating a demand for common platforms of assessing project proposals for the programme. As an input to the future assessments and evaluations of Danida's support to the programme, the Evaluation Department (EVAL) has decided to carry out an evaluation study of the performance of the programme so far, highlighting particular strengths and weakness features of the programme, lessons learned as well as a mapping of other development partners' relevant evaluations of support in this area.

In order to assess the suitability of the assessment criteria developed, an actual assessment of some projects will also be included in the work, and the findings used to refine and fine-tune the procedures and criteria developed.

3. Objective

The objective of this evaluation study of the PPP programme is to a) assess its general performance of achieving enhanced corporate social responsibility based on a desk study of the reporting from a sample of ongoing and completed projects, as well as b) assess the definition of CSR used in the programme's projects. The findings of the evaluation study and information on other donors' assessment criteria accessible via internet should be used as input to the process of defining c) assessment criteria for the projects in the programme.

The evaluation study will inform Danida on lessons learned for selecting PPP projects as well as assessing the achievements of implemented projects. In addition, recommendations regarding how to increase focus on Africa and/or how to narrow the scope of the Programme to prioritise projects in light of increasing demand would be welcomed. Report will be made available on the EVAL's website www.evaluation.dk.

4. Scope of Work

The work of the consultant will be to evaluate and synthesize a sample of project applications, interim and completion reports, supporting documents and reports from other donors as well as other supporting studies downloaded from the internet.

The evaluation study will provide input to assist assessment of new applications to be financed by the PPP programme in the future as well as provide review/evaluation criteria of supported PPP projects.

As an element for verification and assessment of adaptability of the synthesized assistance, field visits to and review of two projects will be undertaken, and the experience obtained used to refine and/or fine-tune the assistance material.

During the process consultation meetings will be arranged with Danida staff, Danish Federation of Small and Medium-sized Enterprises (DFSME/Håndværksrådet, Henning Nygaard), and Confederation of Danish Industries (DI, Lars Tejlgård).

5. Output

The evaluation study output will be a report of not more than 30 pages plus annexes. The final report will be published on the www.evaluation.dk.

6. The consultant

The consultant is supposed to have a thorough knowledge of private and productive sector activities as well as ample knowledge of Danida-funded business sector development programmes and specific support programmes.

7. Timing and reporting

The work of the consultant will begin 1 December 2007, and the output will be submitted to the Evaluation Department at the latest 31st March 2008. A maximum of DKK 495,000 has been allocated for the assignment. The final report will be submitted not later than two weeks after comments to the draft report have been received from the Evaluation Department.

8. Background documents

- PPP Guidelines.
- One world for All, Danida Policy Plan, September 2007.
- 3i brochure – describing Danida's business instruments, fall 2006.
- Evaluation Guidelines, Danida, November 2006.

Annex III: List of persons met

Danida	
Janne Schneider	ERH, Programme Manager
Laura Nielsen	ERH, Programme Officer
Mimi Grønbech	Danish Embassy, Ghana. Progr. Coordinator
Akua Sarpong	Danish Embassy, Ghana. Programme Officer
DENMARK	
Line Bech	Danish Federation of Small and Medium-sized Enterprises, Project Consultant
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Mette Holst-Andersen	Confederation of Danish Industries, Regional Manager
Niels Juul Eilersen	Eilersen A/S, Managing Director
EILERSEN INT., China	
Niels Eilersen	Eilersen A/S, Chairman
Libo Shang	Co-Director
JUAL, China	
Steen Egede Glyngoe	Sourcing Manager
Ulrik Egede Glyngoe	Technical Manager
Jessica Gu	Sourcing Assistant
SUNDAX, Quanzhou China	
Per Johannsen	Sundax Int. Managing Director
Yang Peifeng	Sundax/Shuangxi Garment Co. (S/SGC) President
Yang Jacky	S/SGC Managing Director
Lin Jenny	S/SGC Administrative Manager
Ke Tiansog	S/SGC Production Manager
Chen Huaping	S/SGC Union Chairman
Stephan Sardool	S/SGC Quality Control
FAI, China	
Joy Yu	Upstart CEO
Henry Huang	Upstart President
Nicole Feng	Upstart Project Manager
Xia Renbing	Shengshikao Auto Repair
He Guanghei	Chongqing Industrial School
Mr Jung	Road and Transport Bureau
Zhong Bing	Hua Cheng Auto Repair
Yi Jiman	Ben Se Auto Repair

Annex IV: List of References

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Annex VI: Mapping of all PPP projects

These matrices contain a brief mapping of all projects. It should be duly noted, that apart from the 12 case studies the mapping is only based on the project title and type.

Projects within the Blue sphere: Workplace/supply chain partnerships						
Criteria / **Project**	**I** Promotion of human and workers' rights	**II** Protection and improvement of the environment	**III** Promotion of sound business practices	**IV** Promotion of gender equality and empowerment of women	**V** Combating HIV/AIDS, malaria and other diseases	**VI** Promotion of innovative partnerships for investments and competitiveness
Implementation of management systems for the external environment and social responsibility, Butler, India **Case 1**	√	√				
Establishment of a CSR Management System for Juelsminde Aluminium Industry's Activities in China **Case 2**	√	√	√			
Partnerships for Sustainable Business Development in India **Case 3**	√		√			√
Development and Implementation of CSR Policy and Program for N. Eilersen's Furniture Production in China **Case 4**	√	√				
Training Programmes for Working Environment and HIV/AIDS Protection at Shuangxi Garment Factory in China **Case 5**	√	√			√	
Implementation of CSR in the Cocoa Bean Production in Ghana. **Case 6**	√	√				√
Implementation of UN's Global Compact for Sustainable Business in the Subsidiaries of Kjaer Group	√					
Establishment of CSR Management System in the Supply Chain within Industrial Design in Indonesia	√	√				

Projects within the Blue sphere: Workplace/supply chain partnerships						
Criteria / **Project**	**I** Promotion of human and workers' rights	**II** Protection and improvement of the environment	**III** Promotion of sound business practices	**IV** Promotion of gender equality and empowerment of women	**V** Combating HIV/AIDS, malaria and other diseases	**VI** Promotion of innovative partnerships for investments and competitiveness
Introduce Code of Conduct for Textile Suppliers in Egypt	√	√				
Information Project Concerning CSR Values in Vietnam	√					
Establishment of a Community Development Center in Taba		√				
Introduce Code of Conduct into Textile Suppliers in Pakistan	√	√				
Establishment of Centre for Business Training and CSR Supply Chain Management in India	√	√				
Nayun Tea Project – CSR Upgrade in Order to Meet Fairtrade Standards	√	√	√			
Management System for sustainable Aqua Culture in Vietnam		√				
Implementation of Management System for Social and Environmental Responsibility for Butler's Activities in the Fishing Industry in India	√	√				

Projects within the Green sphere: Partnerships for development of CSR tools						
Criteria / **Project**	**I** Promotion of human and workers' rights	**II** Protection and improvement of the environment	**III** Promotion of sound business practices	**IV** Promotion of gender equality and empowerment of women	**V** Combating HIV/AIDS, malaria and other diseases	**VI** Promotion of innovative partnerships for investments and competitiveness
Information About HIV/AIDS Prevention by the Mobile Phone in Kenya. **Case 7**	√				√	√
Development of Tools for the Implementation of HIV/AIDS Policy in Companies in Developing Countries **Case 8**	√	√			√	
Improvement of Traffic Safety at Fleet of Cars in Kenya **Case 9**		√			√	
Development and Implementation of Environmental Management Tools at Spray Paint Shops in China **Case 10**		√				
Development of Tools for the Handling of Child Labour in the Textile and Apparel Industry in Bangladesh	√					
Further Development of the Tool Human Rights Compliance Assessment (HRCA)	√					
Development of Tools for Companies to Handle Problems with Caste Discrimination in India, Bangladesh, Nepal, Pakistan and Sri Lanka	√					
Establishment of a Network for Sustainable Tourism in Bangladesh, India, Sri Lanka and Vietnam		√				
Development of an Internet-based Anti-corruption Portal			√			
Portal Regarding Investment Possibilities in Growth Markets						√

Projects within the Green sphere: Partnerships for development of CSR tools						
Criteria / **Project**	**I** Promotion of human and workers' rights	**II** Protection and improvement of the environment	**III** Promotion of sound business practices	**IV** Promotion of gender equality and empowerment of women	**V** Combating HIV/AIDS, malaria and other diseases	**VI** Promotion of innovative partnerships for investments and competitiveness
Information About HIV/AIDS Prevention by the Mobile Phone in Kenya (Extension)	√				√	√
Capacity Development for Scientists in Developing Countries	√					
Blood Gas Analysis					√	

Blue and Green sphere: Innovative partnerships						
Criteria / **Project**	**I** Promotion of human and workers' rights	**II** Protection and improvement of the environment	**III** Promotion of sound business practices	**IV** Promotion of gender equality and empowerment of women	**V** Combating HIV/AIDS, malaria and other diseases	**VI** Promotion of innovative partnerships for investments and competitiveness
Development of an Internet Portal for Sustainable Investments in African Companies **Case 11**						√
Changing Diabetes - Information about Diagnosis as well as Treatment of Diabetes in Egypt. **Case 12**	√				√	√
Development of Clinical and Educational Infrastructure for Development of New TB Vaccine					√	√
Knowledge Transfer and Training in Treatment of Mental Illnesses in Egypt					√	√
Partnership between the Ministry of Foreign Affairs and PKA Ltd and PBU Ltd Regarding Sustainable Investments in Developing Countries						√
Development of Learning Programmes based on Mobile Phones for						√

People with Reading Difficulties in South Africa						
BOP - Working with the Bottom of the Pyramid						√