

# DECP evaluation, phase 2017-2022

## Final Draft Evaluation Report

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## Table of contents

<b>Acronyms and Abbreviations</b>	<b>4</b>	3.3 DECP's monitoring and evaluation framework	25	<b>Table of content of the evaluation report, volume II: Annexes</b>
<b>Executive summary</b>	<b>5</b>	3.4 Stakeholder mapping	26	1 Annex One Tor
<b>1 Introduction</b>	<b>10</b>	3.5 Portfolio analysis of DECP M&E data	27	2 Annex Two Evaluation Matrix
1.1 Evaluation objectives and scope	11	3.6 Recommendations and follow-up from the previous DECP evaluation in 2017	31	3 Annex Three List of Documents Consulted
1.2 Structure of the evaluation report	12	<b>4 Findings</b>	<b>32</b>	4 Annex Four List of Persons Interviewed
<b>2 Evaluation methodology</b>	<b>13</b>	4.1 Relevance	33	5 Annex Five Decp Portfolio Analysis
2.1 Evaluation approach	14	4.2 Effectiveness	38	6 Annex Six Analysis of Budget and Expenditures DECP
2.2 Evaluation questions	15	4.3 Additionality and complementarity	42	7 Annex Seven Analysis of M&E System and KPIS
2.3 Evaluation phases	17	4.4 Coherence	44	8 Annex Eight Survey Findings
2.4 Data collection and analysis methodology and instruments	17	4.5 Efficiency	47	9 Annex Nine Research Instruments and Formats
2.5 Ethical considerations and quality assurance	18	4.6 Sustainability/Impact	50	<b>Table Of Content Of The Evaluation Report, Volume III: Case Studies</b>
2.6 Methodological limitations	18	4.7 Reconstruction of theory of change	52	• Summary of Contribution Analysis, per DECP's ToC Pathway
<b>3 Development and implementation of DECP 2017-2022</b>	<b>20</b>	<b>5 Conclusions</b>	<b>55</b>	• Case Study: Bangladesh
3.1 DECP in a nutshell	21	<b>6 Recommendations</b>	<b>61</b>	• Case Study: Indonesia
3.2 DECP's intervention logic and practical implementation	22			• Case Study: Côte D'ivoire
				• Case Study: Uganda

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## Acronyms and Abbreviations

<b>AFD</b>	Agence Française de Développement	<b>ICT</b>	Information and communication technology	<b>NHO</b>	Confederation of Norwegian Enterprise
<b>APINDO</b>	Employers' Association of Indonesia (Asosiasi Pengusaha Indonesia)	<b>IDH</b>	The Sustainable Trade Initiative	<b>NIRI</b>	International Council of Swedish Industry
<b>BEF</b>	Bangladesh Employers Federation	<b>ILO</b>	International Labour Organisation	<b>OSH</b>	Occupational safety and health
<b>BMO</b>	Business member organisation	<b>IOB</b>	Internationaal Onderzoek en Beleidsevaluatie (Operations Evaluation Department of MoFA)	<b>PSD</b>	Private sector development
<b>CBA</b>	Collective bargaining agreement	<b>IOE</b>	International Organisation of Employers	<b>PUM</b>	Programma Uitzending Managers (Netherlands Senior Experts Programme)
<b>CBI</b>	Centre for the Promotion of Imports from developing countries	<b>IRBC</b>	International responsible business conduct	<b>RBC</b>	Responsible business conduct
<b>CNPT</b>	Conseil National du Patronat du Togo	<b>ITC-ILO</b>	International Training Centre (ILO)	<b>RVO</b>	Rijksdienst voor Ondernemend Nederland (The Netherlands' Enterprise Agency)
<b>CNV</b>	Christian National Trade Union Federation (Christelijk Nationaal Vakverbond)	<b>KIIs</b>	Key informant interviews	<b>SAFE</b>	South Asian Forum of Employers
<b>DDE</b>	Sustainable Economic Development Department (Directie Duurzame Economische Ontwikkeling, MoFA)	<b>KPIs</b>	Key performance indicators	<b>SER</b>	Social Economic Council
<b>DECP</b>	Dutch Employers' Cooperation Programme	<b>LuxDev</b>	Luxemburg Agency for Development Cooperation	<b>TA</b>	Technical assistance
<b>DI</b>	Danish Industry	<b>M&amp;E</b>	Monitoring and evaluation	<b>ToC</b>	Theory of change
<b>EKN</b>	Embassy of Kingdom of the Netherlands	<b>MEL</b>	Monitoring, evaluation, and learning	<b>ToR</b>	Terms of reference
<b>ENABEL</b>	Belgian development agency	<b>MENA</b>	Middle East and North Africa	<b>ToT</b>	Training of trainers
<b>EO</b>	Employers' organisation	<b>MKB Nederland</b>	Midden en Klein Bedrijf Nederland (Association of Medium and Small Businesses) Netherlands	<b>TUs</b>	Trade unions
<b>ERG</b>	Evaluation reference group	<b>MoFA</b>	Ministry of Foreign Affairs of the Netherlands	<b>TVET</b>	Technical and vocational education and training
<b>FUE</b>	Federation of Uganda Employers	<b>Mondiaal FNV</b>	International Cooperation Programme of the Federation of Netherlands' Trade Unions (Federatie Nederlands Vakverbond)	<b>VET</b>	Vocational education and training
<b>GDPR</b>	General Data Protection Regulation			<b>VMP</b>	Vakbond Medefinancierings programma (Trade Union Co - financing Programme)
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit			<b>VNO-NCW</b>	Confederation of Netherlands Industry and Employers (resulting from a merger between Verbond van Nederlandse Ondernemingen (VNO) and Nederlands Christelijk Werkgeversverbond (NCW))

# Executive summary

This report contains the main findings, conclusions and recommendations of an external evaluation of the Dutch Employers' Cooperation Programme (DECP), conducted in the period from November 2021 – March 2022. The evaluation covers the implementation of DECP activities implemented from 2017 until the end of 2021.

## Dutch Employers' Cooperation Programme

DECP was founded in 2005 by Dutch employers under the leadership of the Dutch Employers' Federation VNO-NCW<sup>1</sup> and MKB Nederland<sup>2</sup> in a public-private partnership with the Netherlands Ministry of Foreign Affairs (MoFA). Since its foundation, MoFA has supported four DECP planning cycles. The current programme cycle covers 2018-2022.

The goal of DECP is to enhance employers' organisations (EOs) in developing countries in their role in engaging in social dialogue and advocating for the business community. The guiding principle behind DECP is that well-functioning EOs can contribute to sustainable economic development and ultimately inclusive growth and poverty reduction in developing countries through lobby and advocacy and social dialogue. DECP aims to support the professionalisation of EOs and their capacity for social dialogue at the bi-partite level with trade unions (TUs) and including national governments at the tripartite level in the global South, making use of Dutch experience and expertise in this area.

DECP offers relevant expertise of the Dutch employers' federation in strategies for social dialogue, lobby and advocacy on national and international business policies to its sister EO partners in 22 different countries in Asia, Africa, and Latin America, with an annual budget of approximately 2 million Euros.

The current DECP business plan 2018-2022 identifies three key support areas of activities:

1. Capacity development: Aiming to bring EOs to a mature level of organisational capacity;
2. Social dialogue: Aiming to enhance the capacity of EOs to engage in effective social dialogue with TUs and governments;
3. Connecting: Aiming to activate the role of Dutch companies located in partner countries to support EOs in capacity building and social dialogue as well as providing help to overcome local restraints.

The demand-driven support by DECP is provided through regular advisory and coaching support and visits by DECP country managers and experts to share their knowledge, skills, and experiences with other EOs. Capacity development also includes the provision of training, in which DECP closely cooperates with the International Training Centre of ILO (ITC-ILO). In the area of social dialogue, close cooperation exists with Dutch TUs: FNV and CNV. In the area of skills development, DECP cooperates with the European initiative of VET Toolbox<sup>3</sup>. DECP also coordinates with programmes of similar EOs in Scandinavian countries. Specifically in response to the COVID-19 pandemic, DECP has recently introduced digital support to its partners and provided them small-scale financial support to develop COVID-19 recovery responses.

DECP closely monitors the capacity development process of its partners in key areas of social dialogue and lobby and advocacy, and its records show a steady growth of capacities among its partners, most pronounced in Africa, followed by Asia and Latin America. Progress is reported under both the organisational performance of EOs as well as more effective engagement in processes of developing legislation, support programmes for businesses, collective bargaining agreements, in occupational health and safety, social security and skills development for the labour markets. These reported results were further investigated in this evaluation of the DECP implementation.

In February 2022, DECP and PUM<sup>4</sup> – the Netherlands Senior Experts programme of VNO-NCW – decided to embark upon a merger to be fully effective as from the next DECP and PUM planning cycles starting in January 2023. This evaluation is to inform DECP and DDE about possibilities, risks and challenges to be faced in the next programming cycles, and recommendations of this evaluation are made within this context of a merged DECP and PUM programme.

<sup>1</sup> The English equivalent to VNO-NCW is the Confederation of Netherlands Industry and Employers. VNO-NCW resulted from a merger between Verbond van Nederlandse Ondernemingen (VNO) and Nederlands Christelijk Werkgeversverbond (NCW) in 1996.

<sup>2</sup> MKB Nederland is an association of small and medium-sized business owners, established in 1995.

<sup>3</sup> VET (vocational education and training) Toolbox is co-funded by the EU and the German Development Cooperation, and its implementing partners are the British Council, Enabel, LuxDev, GiZ and AFD.

<sup>4</sup> PUM is an acronym in Dutch: Programma Uitzending Managers.

## Evaluation objectives, scope and methodology

This evaluation of DECP was commissioned by the Department of Sustainable Economic Development (DDE) of MoFA. The evaluation has both accountability (summative) and learning (formative) objectives. It addresses aspects of relevance, additionality, coherence, effectiveness, efficiency, impact, and sustainability. Furthermore, lessons and insights are generated to inform recommendations on possible future planning cycles of DECP.

The evaluation covers DECP activities in 22 programme countries in South America, West and East Africa and South and South-East Asia from 2017 to 2021. The evaluation covers the larger part of DECP's current 2018-2022 business plan as well as DECP work and results achieved in 2017 as part of DECP's previous business plan. The evaluation sets out to formally assess DECP's performance against evaluation criteria and with a focus on the current business plan, keeping 2017 as a starting point to this assessment. In addition to evaluating DECP performance in 22 partner countries, supporting 25 partners, this study examines deeper selected aspects of the programme implementation in Bangladesh, Indonesia, Côte d'Ivoire, and Uganda.

The evaluation applied a mixed method approach, comprising desk review, key informant interviews, theory of change (ToC) reconstruction workshops, a survey among all DECP partners and four in-depth case studies conducted by national consultants under the guidance of the international evaluation team. The evaluation team comprised eight consultants of MDF and SEO.

## Key findings and conclusions

This evaluation confirms that DECP is a relevant and effective capacity development support programme for EOs in developing countries, being widely appreciated and recognised by the directly benefiting partners in 22 countries as well as indirect stakeholders such as ILO, FNV, CNV, the International Organisation of Employers (IOE) and others.

Since its foundation fifteen years ago, DECP has developed productive and open dialogue and growing cooperation with Dutch TUs. In several countries, initiatives for cooperation on the ground have been developed and implemented, resulting in unequivocal progress in bilateral social dialogue and collective bargaining negotiations between TUs and EOs.

The results achieved by DECP in specific areas and sectors significantly vary across countries and partner organisations. According to DECP key performance indicators (KPIs), partner EOs' performance improvements are strongest in African countries, while some countries in Asia and Latin America experience more challenges in achieving the predefined targets.

Although implementing DDE's cross-cutting policy priorities (poverty reduction, gender equality, human rights, sustainable development, climate change) has not become an integral part of DECP's programming, DECP has made efforts and realised some progress in addressing these policy priorities during the past implementation period.

Support to organising and strengthening business member organisations (BMOs)<sup>5</sup> by default is provided

by DECP to registered and formally-recognised EOs, usually members of the IOE and thus is focusing on the organised formal economy in developing countries. Both DECP and its partner BMOs recognise the challenge of dealing with the large informal economy in these countries and how to include this huge sector in sustainable and inclusive economic development, whereby several initiatives are undertaken in DECP programming. However, considering the magnitude and persistence of the phenomenon of the informal economy – particularly in (post-) COVID-19 times – more concerted efforts of different partners may be needed to increase attention to this challenge.

DECP currently lacks in terms of guiding and orienting the planning and implementation of its capacity development interventions with a specific and elaborated ToC. This evaluation report presents a reconstruction of a ToC that may be used by DECP for future programming purposes.

DECP occupies a specific and small niche in the framework of the Sustainable Economic Development Department of MoFA, DDE's broader strategy and ToC as well as the framework of VNO-NCW's overall business strategy. Opportunities for synergy, linkages and cooperation on the ground have remained largely limited to the VMP trade union partners and the international Labour Organisation (ILO), particularly with its International Training Centre (ILO-ITC).

<sup>5</sup> In this report, the terms employers' organisation (EO) and business member organisation (BMO) are used. When using EOs, the evaluators refer particularly to the past, a period in which DECP focused its support to national EOs. When using BMOs, the evaluators particularly refer to the current and future programming of DECP in which a broader spectrum of national, regional and sector-level business membership organisations are involved in DECP activities.

In several DECP partner countries, the Netherlands' embassies are only vaguely aware of the strategies and interventions of DECP and usually have limited staff capacity to deal with a multitude of private sector development (PSD)-related initiatives. The embassies tend to focus on specific private sector and trade related initiatives and less on social dialogue-focused DECP interventions. This has resulted in limited linkages enabled by Netherlands' embassies with other PSD-related actors and interventions at the country level.

The capacity development approach and methodology applied by DECP is largely 'traditional', by deploying Dutch- (and Europe-) based senior experts, mainly transferring relevant knowledge in a 'North-South' direction, although – particularly in the years prior to the COVID-19 pandemic – DECP has stimulated South-South exchange through organising cross-cutting meetings bringing together partners from different countries.

Recently, DECP has more strongly focused on linking and developing skills for the labour market, particularly in expanding its activities in West Africa, which provides excellent possibilities to expand cooperation and link with other development initiatives in the education and skills development sectors.

DECP maintains close dialogue and coordination with ILO and the Nordic partners for international capacity development of EOs through regular coordination meetings. Generally, there is a reasonable awareness of each other's relations and interventions, although these are not yet translated into close coordination, cooperation, and joint programming on the ground.

The DECP capacity development partnership engages in long-term relations as a peer organisation to its partners in developing countries. The DECP business plan does not present clear exit and transfer strategies, nor is there a shift in the programme's relations with partners throughout different business plan periods.

VNO-NCW feels strong ownership of its DECP, and this programme is considered strategic for the development of international relations and strategies (such as VNO-NCW's recent Africa Strategy). Although VNO-NCW's own contribution in terms of financial and human resources is substantial, the strategic importance of DECP for VNO-NCW may not be fully reflected in a structural financial commitment and a comprehensive fundraising strategy to sustain DECP's operations in the longer term that would be sufficient to ensure its continuation in case MoFA/DDE decided to end its financial support to this programme.

DECP has achieved efficiency in the provision of its capacity development support, particularly in having a small and flexible team that can easily be deployed according to the needs and demands of partners. However, its efficiency is diminished by allocating small budgets to a high number of partners, leading to fragmentation of budget and efforts.

## Recommendations

1. Now that the decision to effectuate the merger of the two programmes has been taken, the DECP and PUM boards and management teams are recommended to start preparing the outline of a new programme for international cooperation between BMOs at

the national, sectoral and company level with individual members. It is further recommended to develop the new programme with two different time perspectives: a) the next five-year planning cycle of DECP and PUM focusing on effectuating the merger of the two programmes; and b) longer-term development of the merged DECP-PUM programme within a broader context of actors and interventions, supporting sustainable and inclusive economic growth, in line with the policy objectives and ToC of MoFA/DDE;

2. DECP and DDE are recommended – also inviting the partners in the VMP and ILO – to develop a common approach on bi- and tripartite social dialogue and specify its relevance and importance for improving the business-enabling environment for sustainable and inclusive economic growth;
3. DECP and DDE are advised to reconfirm the selection of eligible countries for DECP support to ensure that it can continue to be provided in countries with contextual and institutional conditions that allow DECP to contribute to systemic changes. This focus may deviate from the Netherlands' development support, which concentrates on low-income economies, mainly in the Sahel, Horn of Africa, Middle East and North Africa. This requires a broad list of eligible PSD countries at DDE, including lower-middle-income countries and possibly also middle-income countries. Subsequently, DECP is advised to review the match of the available budget for DECP activities and the number of countries and partners supported during specific programming cycles to ensure a sufficient size and intensity of support provided;



4. It is recommended for DECP to systematically provide attention in its capacity development approach and support interventions to cross-cutting policy priorities of poverty reduction and inclusion, gender equity and equality, human rights, and sustainable development and climate change. This may be more easily achieved under the concept of responsible business conduct (RBC);
5. DECP is recommended to explore – in close cooperation with DDE, the VMP partners and ILO – a specific focus area in its future programme cycle on formalising the informal economy and avoiding the informalisation of the formal economy, with the latter as a phenomenon that has suddenly increased during the COVID-19 pandemic. Addressing the challenges of the informal economy in developing countries may well require developing a specific additional pathway in DECP's ToC;
6. DECP is recommended to continue building thematic strength in specific sectors and subjects, such as linking skills with the labour market in which DECP has invested in recent years. This should be complemented with coordination and cooperation with other specific partners to improve perspectives for results and impact in specific sectors;
7. DECP is recommended to intensify its current coordination and cooperation with the Nordic international support programmes of EOs and with ILO and ITC-ILO, particularly in closer cooperation in support interventions on the ground with shared partners. This will require joint programming by different partners when engaging with the same EO partners;
8. DDE and Netherlands embassies are recommended to include – in orientation and task descriptions of their staff members involved in economic diplomacy, international trade and investment promotion and specific sectors such as skills development and technical and vocational education and training (TVET) – specific attention for the work of DECP and VMP partners as well as ILO and their potential contribution to an improved business-enabling environment. DECP is recommended to more pro-actively and regularly reach out to Netherlands embassies in the countries in which operates;
9. DECP is recommended to enrich its current approach in capacity development to include more diverse forms of capacity development services to increase its relevance to specific partners and the contexts in which it operates. This can be achieved with increased attention for South-South and diagonal exchange of experiences between partner BMOs and recruiting more regionally- and nationally-based expertise. DECP is recommended to consider hybrid forms of TA and training services in the post-COVID-19 era;
10. DECP is advised to continue with its current monitoring and evaluation (M&E) systems and indicator set to measure progress in achieving results and capacity development among its partner BMOs. DECP is further recommended to use its organisational maturity scoring scale and assessments as an instrument for planning and implementing exiting strategies, when specific partner BMOs can be considered as graduated;
11. VNO-NCW and the boards of DECP-PUM are recommended to consider how ownership of the merged DECP-PUM programme can be secured in the long term, as well as to develop a coherent fundraising strategy that will secure the longer-term continuation of DECP while reducing the dependence of the programme's continuation on external support from DDE alone. In this respect, DDE is recommended to ensure that its funding requirements and conditions for project and programme funding establish a level playing field for all partners supported by DDE.

Introduction

1

The Dutch Employers' Cooperation Programme (DECP) was founded in 2005 by Dutch employers under the leadership of the Dutch employers' federation VNO-NCW<sup>6</sup>/MKB Nederland<sup>7</sup> in a public-private partnership with the Netherlands' Ministry of Foreign Affairs (MoFA). Since its foundation, MoFA has supported four DECP cycles, whereby the current programme cycle covers 2018-2022.

The Department of Sustainable Economic Development (DDE) of MoFA has commissioned this independent external evaluation of programme implementation during 2017-2021. This is a fourth evaluation of the DECP, following external evaluations implemented in 2009, 2013, and 2017. This evaluation is conducted by a consortium of MDF and SEO, a team of four international and four national consultants in case study countries in this evaluation. The evaluation was carried out during the period from October 2021 to April 2022.

## 1.1 Evaluation objectives and scope

The evaluation currently commissioned by DDE has both accountability (summative) and learning (formative) objectives (Figure 1).

The evaluation covers DECP activities in 22 programme countries in South America, West and East Africa and South and South-East Asia from 2017 to 2021. The evaluation covers the larger part of DECP's current 2018-2022 business plan as well as DECP work and results achieved in 2017 as part of DECP's previous business plan. The evaluation sets out to formally assess DECP's performance against evaluation criteria and with a

focus on the current business plan, keeping 2017 as a starting point to this assessment. In addition to evaluating DECP performance in 22 partner countries, supporting 25 partners, this study examines deeper selected aspects of the programme in four case study countries: (1) Bangladesh including attention to a regional partner – the South Asian Forum of Employers (SAFE) – to whom DECP has also provided technical assistance; (2) Indonesia; (3) Côte d'Ivoire; and (4) Uganda (Figure 2).

## 1.2 Structure of the evaluation report

This evaluation report comprises six chapters, while the annexes comprise part II of the report (a separate document). Following the introduction in this chapter, **chapter 2** presents the evaluation approach and methods, details the sampling strategy, stakeholder engagement and methodological limitations of the evaluation. **Chapter 3** outlines key aspects of the DECP, its ToC and results framework as well as stakeholder mapping of the programme. The chapter presents an analysis of the developments and results obtained in the DECP portfolio during the past five years. It also reviews follow-up on the key recommendations of DECP's latest external evaluation in 2017. Findings for each of the evaluation questions (1 to 6) of the evaluation matrix are detailed in **chapter 4**, which ends with the reconstruction of the ToC of DECP based on research findings during this evaluation. Conclusions are presented in **chapter 5**, before finally recommendations are presented in **chapter 6**. The conclusions and recommendations chapters include responses to the evaluations under the lessons to be learned (section 7 of the evaluation matrix).

The **annexes** of this evaluation report are included in a separate part II and comprise the terms of reference (ToR) of the evaluation (Annex 1), the evaluation matrix (Annex 2), the list of documents consulted (Annex 3), the list of persons interviewed (Annex 4), analysis of the DECP portfolio and its budget and expenditures (Annexes 5 and 6), analysis of DECP's monitoring and evaluation (M&E) system (Annex 7), analysed survey results (Annex 8), and research instruments and formats (Annex 9). Case studies in Bangladesh, Indonesia, Côte d'Ivoire, and Uganda make a separate part III of this report.



Figure 1 Evaluation objectives and criteria

<sup>6</sup> The English equivalent to VNO-NCW is the Confederation of Netherlands Industry and Employers. VNO-NCW resulted from a merger between Verbond van Nederlandse Ondernemingen (VNO) and Nederlands Christelijk Werkgeversverbond (NCW) in 1996.

<sup>7</sup> MKB Nederland is an association of small and medium-sized business owners. This organisation was established in 1995.

## DECP partner countries



● Case-study country

● Non-case study country

Regional organisation

FOPAO : Federation of West African Employers' Organisations

EAO : East African Employers Organisation

SAFE : South Asian Forum of Employers

ACE : ASEAN Confederation of Employers

Figure 2 DECP countries

Evaluation  
methodology

2

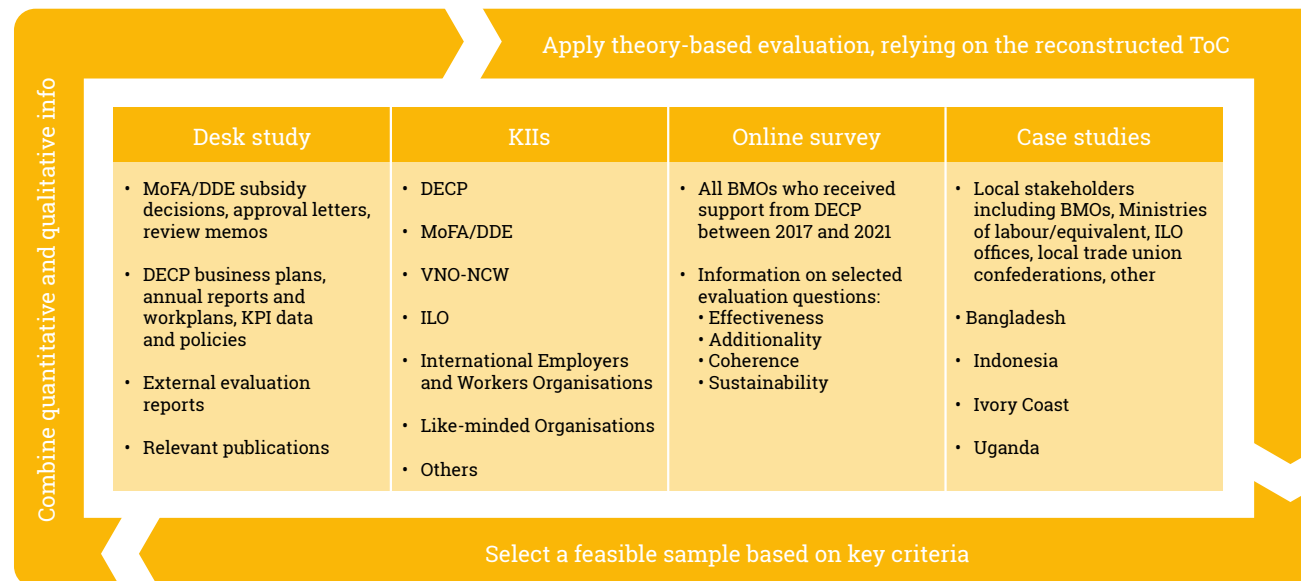
## 2.1 Evaluation approach

Conforming with MoFA's Policy and Operations Evaluation Department (IOB) Evaluation Quality Criteria 2020 and OECD-DAC's Quality Standards for Development Evaluation<sup>8</sup>, the evaluation team applied a theory-based, participatory evaluation approach. It based its assessment on a selected sample of case countries and combined quantitative and qualitative information to conclude on progress and distil lessons learned (Figure 3).

The evaluation pursued a **theory-based approach** by developing an implied ToC<sup>9</sup> to visualise DECP's key result areas and main assumptions on which the programme logic rests. This ToC has been discussed several times with DECP and the Evaluation Reference

Group (ERG) and adjusted to reflect the evolving understanding of priorities and key areas of DECP's work. The final section of chapter 4 illustrates these adjustments. A **participatory approach** was applied by securing key stakeholders' inputs for the design and implementation of the evaluation, particularly with DDE and DECP in regular meetings throughout the evaluation process. The evaluation drew its in-depth analysis based on a **selected sample** of 22 BMOs in 22 countries and three regional organisations, distributed over five regions: East Africa, West Africa, South-East Asia, the Sub-Himalayan region of Asia, and the Andean-Pacific region of Latin America. Based on weighted selection criteria (Textbox 1) and in consultation with DECP and ERG, the evaluators arrived at four in-depth case studies on DECP interventions in Bangladesh and Indonesia in Asia and Côte d'Ivoire and Uganda in Africa.

Figure 3 Overall evaluation approach



1. Geography: in line with the ToR, includes two cases from one sub-region.
2. Budget size: to be consistent with the selection criteria used in earlier evaluations, choose countries with comparatively larger budgets in a sub-region.
3. Importance of the country in the Netherlands' international relations: to find links with Dutch development policies and programmes, select a few countries where embassies of the Kingdom of the Netherlands (EKNs) are present.
4. Presence of the Netherlands Senior Expert Programme (PUM) and Dutch trade unions (TUs): to gauge the perception of comparative advantage and collaboration (potential) with PUM, CNV Internationaal and Mondiaal FNV, select a few countries where they are also present.
5. Case in previous DECP evaluation: to balance and compare lessons learned in this evaluation with findings and conclusions of previous evaluations, select some countries that have previously been evaluated.
6. Level of predicted success: to enable comparison between countries, allow for a mix of better and poorer performing countries.

Textbox 1 Weighted criteria used for selecting a sample (case studies)

<sup>8</sup> OECD (2010), Quality Standards for Development Evaluation, DAC Guidelines and Reference Series, OECD Publishing, Paris, <https://doi.org/10.1787/9789264083905-en>.

<sup>9</sup> A ToC explains how an intervention is expected to produce its results. The theory typically starts out with a sequence of events and results (outputs, immediate outcomes, intermediate outcomes, and ultimate outcomes) that are expected to occur owing to the intervention. Blamey, A., & Mackenzie, M. (2007). Theories of change and realistic evaluation: Peas in a pod or apples and oranges. *Evaluation*, 13(4), 439–455.

The evaluation data was collected through mixed methods (Figure 3), including a desk study, survey, KIIs, and case studies, and is explained below in more detail.

## 2.2 Evaluation questions

The key lines of inquiry covered by the evaluation are framed in line with the main evaluation questions as put forward in the ToR. The evaluation study worked out these questions during the inception phase in the **evaluation matrix** (Annex 2), where certain questions were combined and re-grouped. The matrix was used as a guide to collect and analyse the data. Table 1 presents the agreed final version of evaluation questions addressed by this evaluation.

### Relevance

- 1.1 To what extent do BMOs consider DECP useful in strengthening their organisations in terms of (a) capacity building, (b) social dialogue and (c) connecting?
- 1.2 How and to what extent have DECP's activities and results contributed to policy objectives of (DDE in) MoFA in private sector development?
- 1.3 How has DECP adopted and implemented digital support and new support modalities in light of impacts of the COVID-19 pandemic?

### Effectiveness

- 2.1 To what extent have objectives (capacity building, social dialogue, connecting) of the DECP 2018-2022 business plan and plans for 2017 from the previous business plan been realised? What have been the factors/conditions supporting/hindering their realisation?
- 2.2 In which areas (organisational capacity, social dialogue, lobbying and connecting), to what extent and how have BMOs improved their performance? (original JCs 2.3, 2.4 and 2.5 combined)
- 2.3 To what extent and how have advisory services and advisors of DECP contributed to achieving anticipated outcomes by BMOs in organisational capacity, social dialogue, lobbying and connecting? How have they helped to use favourable or overcome hindering conditions/factors to realise DECP outcomes? (original JCs 2.2 2.4, 2.5 and JC 2.6 combined)
- 2.4 How has DECP responded to the COVID-19 pandemic? To what degree has it been effective in adjusting its support to the COVID-19 pandemic? (original JC 2.7)
- 2.5 How has DECP's current M&E system including KPIs contributed to a successful working method and knowledge management? (original JC 2.8)

### Additionality

- 3.1 How and to what extent has DECP ensured that its processes ensure DECP's additionality relative to the market, without market distortions?
- 3.2 To what extent have BMOs achieved outputs that would not have been possible without DECP support because local know-how/support was unavailable to BMOs or deemed less appropriate?

### Coherence

- 4.1 To what extent is DECP coherent with other PSD interventions developed/financed by the Netherlands in countries in which DECP is active (adding value while avoiding duplication of efforts)?
- 4.2 To what extent are DECP's interventions complementary to other actors' PSD interventions financed by other donors on the ground? How has DECP ensured that its processes and interventions are complementary to other (similar) development organisations?
- 4.3 To what extent have DECP's national and international network partner organisations' facilitation of capacity building events professionalised employer organisations?

Efficiency	Lessons Learned
<p>5.1 To what extent has the DECP's programme been cost-effective?</p> <p>5.2 To what extent does the organisational structure (and size) of DECP – working with a small core staff, and external country and thematic advisors – contribute to its efficiency? (JCs 5.2 and 5.3 combined)</p> <p>5.3 How have the working relations between DECP and the MoFA/DDE and EKNs facilitated a smooth running of the programme and contributed to reaching the set outcomes? (original JC 5.4)</p>	<p>7.1 What are the conclusions and recommendations to enhance DECP's effectiveness, efficiency, and systemic development impact?</p> <p>7.2 What conclusions and recommendations can be drawn from DECP's contribution to the adoption of responsible business conduct practices?</p> <p>7.3 What are comparative advantages of a possible merger between DECP and PUM in the PSD landscape?</p> <p>7.4 What are the enabling factors and bottlenecks for a possible merger between DECP and PUM (in relation to complementarities)?</p>
Sustainability	<p>7.5 In which areas has the follow-up (not) been given to the findings of the external evaluation of DECP in 2017 by Berenschot?</p> <p>7.6 What are the recommendations for integrating a gender component in the new DECP programme?</p>

Table 1 Evaluation criteria and corresponding sub-questions



## 2.3 Evaluation phases

The evaluation was conducted between October 2021 and April 2022 in three distinct phases: (1) inception, (2) data collection and analysis, and (3) reporting (Table 2). Each phase included a set of evaluation activities and deliverables guided and approved by DDE based on input from the ERG.

### Phase 1 Inception

Kick-off meeting (online) with DDE and DECP; semi-formal preliminary interviews with DDE team; setting the methodology and detailed plan of approach; developing evaluation tools, indicators, and planning; reconstructing a tentative ToC; developing a proposal for in-depth case study selection and field research; drafting the inception report; collecting feedback from the ERG on the inception report; online meeting on the draft inception report with the ERG; addressing feedback received from the ERG; and finalising the inception report.

1 Oct- 26 Nov 2021  
Deliverable: **Inception report**

### Phase 2 Data collection and analysis

Briefing and ToC workshop with core staff of DECP and DDE, kick-off of case studies, desk study and portfolio analysis; design, piloting and launching of the survey; data collection for case studies; KIIs with selected stakeholders; quality assurance of case study reports; analysis of findings; drafting and online discussion of preliminary findings note with ERG; collecting and processing feedback on preliminary findings.

30 Nov 2021 – 30 Jan 2022  
Deliverable: **Note with preliminary findings**

### Phase 3 Reporting

Drafting the evaluation report; collecting feedback on the draft from ERG; presentation of main findings during a sense-making workshop with the ERG; addressing the comments/feedback from ERG; submission of the final report.

1 Feb – 31 March 2022  
Deliverable: **Draft final report, presentation of main findings and conclusions in draft report, final report**

Table 2 Deliverables and activities per evaluation phase

## 2.4 Data collection and analysis methodology and instruments

The **desk study** of secondary sources included MoFA/ DDE subsidy decisions, approval letters, review memos, DECP business plans, annual reports and work plans, internal documents such as KPI data and anti-fraud and anti-corruption policy, external evaluation reports and different relevant publications. The portfolio analysis of DECP compiled and compared key characteristics, developments, thematic focuses and key results. A full list of the reviewed documents is available in Annex 3.

The evaluation collected varied perspectives on evaluation questions through **KIIs** with 72 key respondents, including DECP, MoFA/DDE, ILO, international employers and workers' organisations, like-minded organisations, VNO-NCW and others. The full list of respondents can be found in Annex 4.

The trilingual (English, French, and Spanish) **online survey** was sent to all BMOs that received support from DECP between 2017 and 2021 to collect information on selected evaluation questions listed under the effectiveness, additionality, coherence, and sustainability criteria. Responses were collected from **eighteen BMO respondents**, representing a 72% response rate among all 25 partner EOs of DECP.

Overall, the evaluation has been able to obtain inputs from all eleven main categories of stakeholders, shaping the response identified during the stakeholder analysis in the inception phase (see Annex 4).

The case studies were conducted by locally-based consultants, supervised by members of the core evaluation team, using a unified methodological approach and the following key instruments:

- KII with relevant national stakeholders and notes from KII with international stakeholders;
- Specific country-level documents and reports relevant to the DECP support;
- Survey results for the specific country;
- Portfolio analysis results matrix.

The analysis of the case studies is presented as part of the answers to the evaluation questions in chapter 4. Case study reports are annexed to the evaluation report (part III).

The collected data and information were reviewed, compared for triangulation, sorted for outliers and differences/convergence of opinions among different groups of stakeholders. Summarised **key findings** were presented during an **online debriefing meeting with ERG members** at the end of the research phase. This event served as a platform to validate and enrich key findings, as well as for ERG members to voice their expectations concerning the evaluation report.

## 2.5 Ethical considerations and quality assurance

During data collection, **evaluation ethics**<sup>10</sup> were considered by ensuring that the respondents could openly express their opinions and protecting the confidentiality of their answers. Based on a strong commitment to the security of personal data in compliance with the General Data Protection Regulation (GDPR), the evaluation ensured that sensitive information could not be traced to its source. A summarised key informant list (Annex 4) is free from identifying information about the interviewed stakeholders.

The evaluation team applied quality control tools and an internal **quality assurance mechanism** across evaluation activities and deliverables. This included regular evaluation team consultations and internal quality assurance for all deliverables. Deliverables of the evaluation also went through the feedback loop of the ERG.

<sup>10</sup> The revised ethical guidelines define ethics as 'the right or agreed principles and values that govern the behaviour of an individual within the specific, culturally defined context within which an evaluation is commissioned or undertaken.' Ethical guidelines for evaluation (2020). UNEG. Available at: <http://file:///Users/test/Downloads/2020%20Ethical%20Guidelines%20for%20Evaluation-1.pdf> [Accessed 19 February 2022].

## 2.6 Methodological limitations

Methodological confines, risks, and their mitigation mechanisms defined during the inception phase helped to overcome the main constraints to gather a credible evidence base for the evaluation. Nonetheless, due to the characteristics of evaluation design and implementation, the following limitations should be taken into account when considering the information collected and analysed in this report.

### **Limited granularity of findings collected remotely:**

Due to international travel restrictions imposed by the COVID-19 pandemic, the team members were unable to join national consultants in conducting research in the case countries. Indeed, even in case countries, most of the data collection was remotely conducted (by phone or online platforms). The absence of direct observation and limitation of online data collection restricts the depth and contextual embedding of analysis for the development of evaluation findings, conclusions, and recommendations. While it was not possible to overcome this limitation, it is mitigated by involving highly senior local experts with a strong background in PSD and industrial relations as national consultants in the case studies. Furthermore, the use of multiple sources of data for the analysis has also mitigated this limitation.

### **Coverage of evaluation across two DECP business plan periods (2014-2017 and 2018-2022):**

The evaluation team was requested in the ToR to consider the final year of the previous business plan in this evaluation. In the practical implementation of this evaluation, it made no sense to isolate data from the last year of the previous business plan and include these in the review



of data series in the current business plan period, as this evaluation is focused on longer-term and strategic development of DECP. Instead, the evaluators preferred to analyse the continuation of DECP throughout different business plan periods with a longer-term and strategic perspective. This perspective was discussed and agreed with the Evaluation Reference Group (ERG) of the DECP evaluation.

**Comparison of efficiency of implementation of similar EO support programmes of Nordic Employers' Organisations:**

In the ToR and inception report of this evaluation it was foreseen to conduct a comparative analysis of efficiency of EO capacity development support programmes of DECP and other Nordic EO support organisations. However, during the implementation of this evaluation such a comparative analysis proved to be impossible, because of the fact that relevant efficiency related data were not publicly available. As efficiency aspects of operations of other EO support organisations are confidential to internal and external support providers, this evaluation of the Dutch DECP does not have a mandate to request efficiency related with financial efficiency. Therefore, the comparative efficiency analysis of DECP in this evaluation has remained limited to non-financial aspects of implementation, with a focus on coordination and cooperation aspects. Analysis of financial aspects of implementation of DECP has remained limited to this programme only.

Development and  
implementation  
of DECP 2017-2022

3

## 3.1 DECP in a nutshell

### 3.1.1 Background

**DECP was founded in 2005 by the Dutch EOs under the leadership of VNO-NCW/MKB Nederland in a public-private partnership with MoFA.** The goal of DECP is to enhance EOs in developing countries in their role of engaging in social dialogue and advocating for the business community. The guiding principle behind DECP is that well-functioning EOs can contribute to sustainable economic development through lobby and advocacy and social dialogue. DECP aims to support the professionalisation of EOs and their capacity for social dialogue at the bi-partite level with TUs and including national governments at the tripartite level in the global South, making use of Dutch experience and expertise in this area.

**DECP is implemented in close consultation with a variety of partners.** DECP coordinates with similar programmes supported by NHO (Norway), DI (Denmark) and NIRI (Sweden)<sup>11</sup>. DECP also cooperates with Dutch TUs (FNV and CNV), which has also resulted in collaborations in the partner countries. DECP partners with organisations like ILO, and it closely cooperates with ITC-ILO in Italy. It also cooperates with the IOE, of which VNO-NCW is the Dutch member. It occasionally cooperates with other partners such as VNO-NCW's Dutch Senior Experts programme (PUM), Agriterra and VET Toolbox.

**Throughout the timeline of this evaluation, DECP embarked on a merger with PUM Netherlands Senior Experts.** The ToR of this evaluation requested to present relevant findings on existing and possible synergies between the programmes as inputs for the dialogue between DECP and PUM on this subject, although a direct recommendation about whether to proceed or not was beyond the scope of the evaluation. The decision on the merger of the two programmes was taken by the respective PUM and DECP boards on 17<sup>th</sup> February 2022.

### 3.1.2 Essence of DECP

**DECP intends to build on the knowledge, skills, and experiences of Dutch EOs to create a resilient private economic growth in developing countries.** A significant part of this expertise concerns effective strategies for lobbying and advocacy aimed at influencing national and international business policies.

**This translates into the implementation of a range of different activities in the partner countries such as in-person visits by DECP country managers to share their knowledge, skills, and experiences with other EOs.** Other DECP activities are grouped under capacity building events to improve the professionalisation of EOs as well as to stimulate social dialogue. Finally, specifically as a response to the COVID-19 pandemic, DECP has introduced fully digital support and provided small-scale financial support to several BMO projects in selected countries to develop COVID-19 recovery responses.<sup>12</sup>

<sup>12</sup> Adapted from DDE (2021) ToR for final evaluation of DECP 2018-2022, page 1.

**The DECP staff structure has remained light through the previous two phases (2014-2017 and 2017-2022<sup>13</sup>).**

In addition to the small core staff (three-person secretariat), DECP uses the knowledge and experience of five independent and self-employed senior country managers and one thematic specialist.<sup>14</sup> All country managers and specialists are male. Contracting qualified women with comprehensive experience in leading EOs or sector organisations has been attempted, although it is yet to result in changes in the advisor group's gender composition. The DECP's core staff members also take on country management responsibilities for specific countries. The roles of country manager and specialist may also overlap, where appropriate.<sup>15</sup>

**While the previous planning cycle (2014-2017) focused on capacity building, during the current phase DECP decided to strengthen its focus and interventions on social dialogue.**

This was a result of intensified collaboration with Dutch TUs in the framework of the Trade Union Co-Financing Programme (VMP). A third focus area is related to the ambition of DECP to use its trusted relations with EOs for improving the position of Dutch businesses in the partner countries, by involving locally-based Dutch companies in the BMOs' policy influencing and social dialogue policies. The goal of the latter initiatives is that consultations between EOs, TUs

<sup>13</sup> In the current business plan (2018-2022), the programming period was extended from four to five years, although its staff structure remains the same.

<sup>14</sup> In the previous business plan period, there were six country managers and two thematic specialists.

<sup>15</sup> Adapted from DECP (2017), DECP business plan 2018-2022.

<sup>11</sup> Ibid.

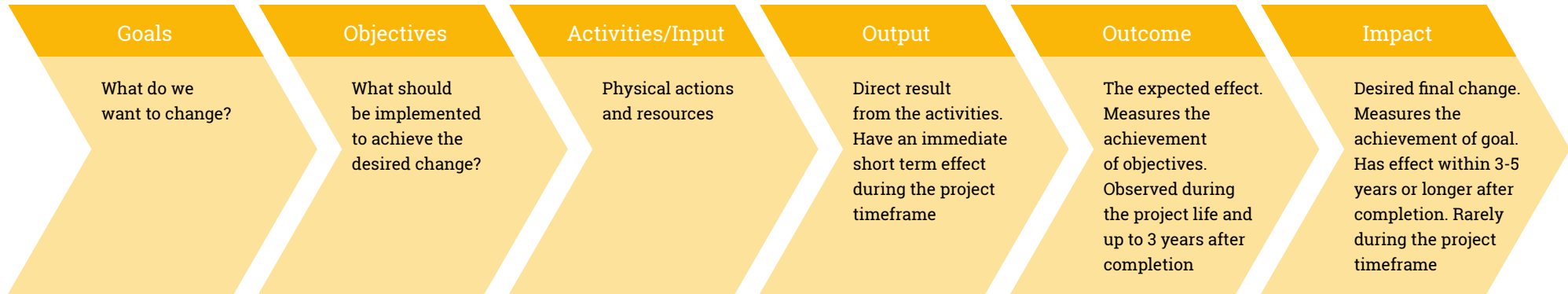


Figure 4 ToC diagram of DECP in the 2018-2022 period <sup>18</sup>

and governments lead to an improved socio-economic climate for business that is also beneficial for Dutch companies in these partner countries, and hence would attract new Dutch investors.

**DECP's experiences in previous planning frameworks have shown that regional collaboration between DECP and multiple EOs in the same (sub-)region with a similar cultural background can lead to better results than a traditional one-on-one approach.**

DECP has embraced this role and supported such discussions financially and by contributing to their content. Examples of DECP's support to (sub-)regional discussions among BMOs can be found in East Africa and Latin America. Additionally, DECP reaches out to regional confederations of EOs, mostly through the programme's national partners, except for close cooperation with SAFE.

**The DECP 2018-2022 business plan introduced new collaborations with EOs in West Africa.** In the contract negotiations around the current business plan, MoFA had requested DECP to pay closer attention to the Middle East and North Africa (MENA) region as well as West Africa.<sup>16</sup> In response to this, DECP has recruited a dedicated staff member (and vice-director) to build a portfolio of West African countries, providing both country-specific and regional support. DECP investigated possibilities to work with partners in the MENA region, yet – due to regular political interference with the mandates of EOs in potential programme countries – it could not identify reliable partners with sufficient political autonomy with which to work.

<sup>17</sup> World Bank Group, Small and Medium Enterprise Department. (2005). *Building the capacity of business member organisations: guiding principles for project managers*. Washington DC. Retrieved from [https://beamexchange.org/uploads/filer\\_public/04/76/0476fb70-553d-414d-b0d6-dc151133f484/253\\_bmoGUIDEFULLREPORT05\\_compressed.pdf](https://beamexchange.org/uploads/filer_public/04/76/0476fb70-553d-414d-b0d6-dc151133f484/253_bmoGUIDEFULLREPORT05_compressed.pdf)

## 3.2 DECP's intervention logic and practical implementation

### 3.2.1 Background

**The DECP business plan 2018-2022 presented a ToC diagram, derived from World Bank research on the capacity development of BMOs<sup>17</sup>** (Figure 4). This generic ToC provides a framework for understanding DECP's results chain, although it does not provide details on the content of the programme: capacity development in the context of improving business environments and social dialogue as well as the role and performance of EOs and BMOs in this context.

<sup>18</sup> Source: DECP (2017) DECP Business Plan 2018-2022.

<sup>16</sup> Ibid, page 5.

**The previous DECP business plan (2014-2017) contained a more detailed ToC, referred to as the “intervention logic”.** This ToC explained how the increased capacity of EOs would contribute to the improved business climate. It focused on the capacity development of EOs, while the DECP’s actions in social dialogue were not visible. Social dialogue-related work was more clearly described in the DECP’s current business plan, although it has been not illustrated by a new ToC diagram nor an elaborated results framework.

**During the entire evaluation period, the evaluators reconstructed DECP’s ToC, building on the previous versions of the ToC in the DECP business plans mentioned above and proceeding insights obtained during the evaluation research.** This reconstruction was undertaken through a series of workshops with DECP and DDE officers throughout the evaluation process. The reconstructed ToC resulting from this evaluation process is presented in section 4.7 of this evaluation report.

### 3.2.2 Characteristics of DECP support to partner EOs

The DECP 2018-2022 business plan identifies three key support areas of activities:

1. **Capacity development:** Aiming to bring EOs to a mature level of organisational capacity, in particular concerning membership management, lobbying and advocacy, and service.
2. **Social dialogue:** Aiming to enhance the capacity of EOs to engage in effective social dialogue with TUs and governments.

Capacity Building	Social Dialogue
Strategy	Bi- and tri- partite social dialogue
Membership management	Labour conditions
Membership services	Negotiating skills
Lobby and advocacy	Mediation
Coaching staff	Social security and social protection
Communication	Skills development
	OSH

Table 3 Key DECP themes in 2018-2022<sup>20</sup>

3. **Connecting:** Aiming to activate the role of Dutch companies located in the partner countries towards the BMOs to endorse DECP’s emphasis on capacity building and social dialogue, as well as providing help to overcome local restraints.<sup>19</sup>

The areas of capacity building and social dialogue are subdivided into several themes – such as occupational health and safety (OSH), social security and protection and skills development – that are essential for the development of the EOs.

<sup>19</sup> DECP (2017) DECP Business Plan 2018-2022, page 21.

<sup>20</sup> DECP (2017) DECP Business Plan 2018-2022, page 6. This table does not include ‘connecting’ because no specific themes were identified under this support area.

### 3.2.3 Activities and outputs

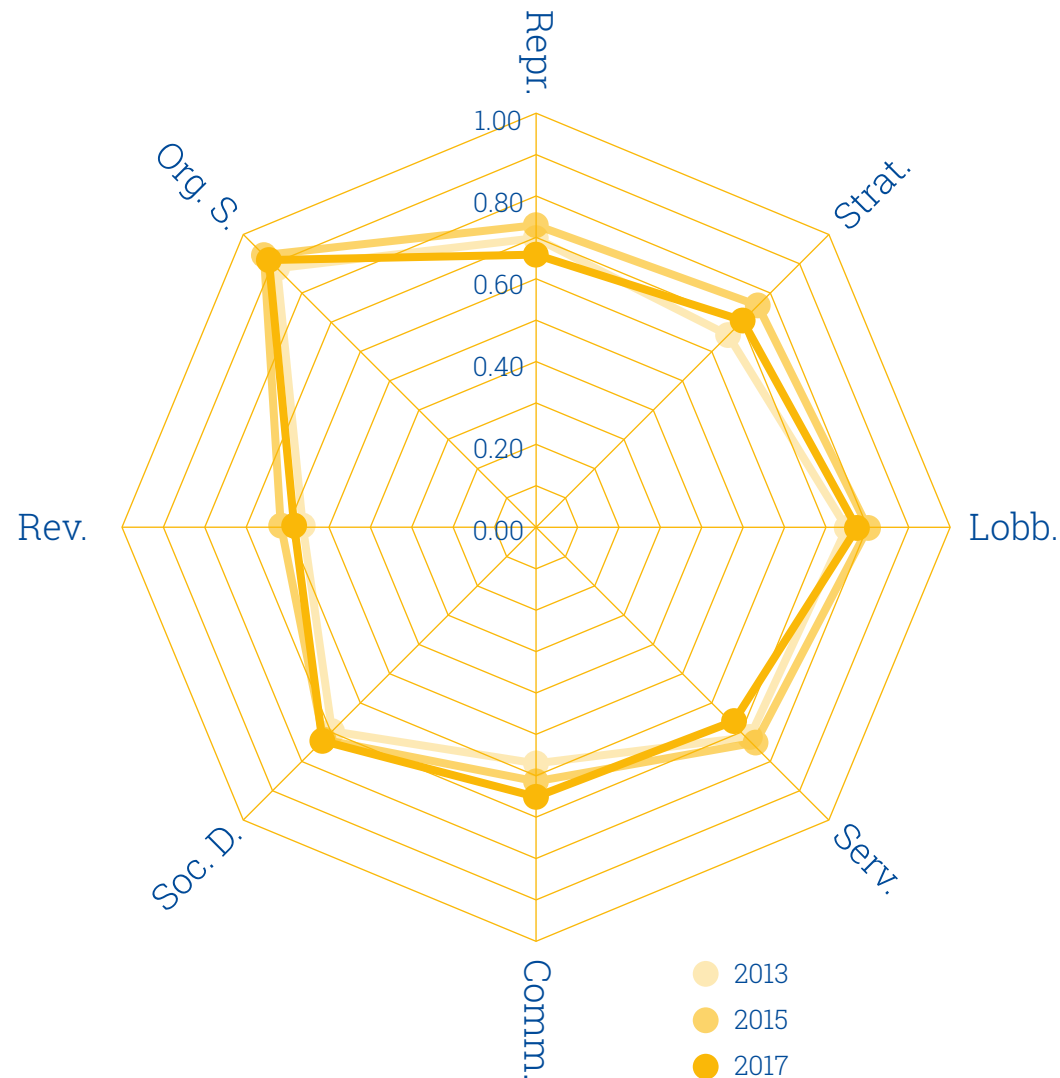
#### DECP has worked in 22 countries across

**five regions:** East Africa and some neighbouring countries (six countries), French-speaking West Africa and Ghana (five countries), South-East Asia (four countries), Sub-Himalayan region of Asia (three countries) and Mongolia, and the Andean-Pacific region of Latin America (three countries). In these regions and countries, DECP country managers have conducted a needs-inventory, which resulted in identifying key thematic focus areas organised under capacity development and social dialogue, as depicted in Table 3.

**Partner organisations were requested to make their own capacity development plans according to their DECP needs assessment.** Subsequently, DECP supported them with the implementation and execution of these plans.

**There are three types of support interventions:**

1. **In-person visits or 'one-on-one' digital support** by DECP's special advisors to EOs in selected countries. Since the COVID-19 pandemic, almost all support activities of DECP have been conducted online, with in-person support only being resumed by DECP from the final quarter of 2021.
2. **Joint capacity building events** such as (digital) coaching, training, and workshops aiming to share knowledge. They take place on a larger scale than one-on-one support – often regionally – and tend to focus on one specific theme per event. Capacity building events are commonly facilitated in cooperation with DECP's national and international network partner(s) organisations.
3. **Financial support projects** sometimes take place but are not a common type of DECP support. Generally, DECP provides technical assistance and does not transfer funds to its partner organisations. However, in response to the COVID-19 pandemic, DECP has extended its financial support to partner organisations. This was primarily undertaken for implementing projects focused on the provision of COVID-19-related advice to members as well as (often in collaboration with TUs) policy advice to the local authorities. However, as a rule financial support has been combined with technical support and advice on distance.<sup>21</sup>



<sup>21</sup> DDE (2021) ToR, page 2.

<sup>22</sup> Source: M&E measurement spreadsheet for Uganda FUE (2017).

Figure 5 DECP's 'spiderweb' organisational capacity assessment tool used until 2017 <sup>22</sup>



All activities of DECP run on a continuous basis, with their frequency and timing depending on the specific EO partner plans.

### 3.3 DECP's monitoring and evaluation framework

#### During the period considered in this evaluation, DECP changed its M&E approach from an organisational capacity assessment 'spiderweb' tool to an M&E system based on socio-economic KPIs.

The focus of the spiderweb tool (Figure 5) was to identify the EO's internal level of capacity. It used 57 questions spanning eight dimensions of organisational capacity, namely "representativeness", "strategy", "lobbying", "services",

"communication/media presence", "social dialogue", "revenues", and "organisational structure". The new M&E system developed in consultation with MoFA was meant to ensure clearer monitoring of results at the output and outcome levels.

**Since 2018, DECP's M&E system has used a set of socio-economic KPIs.** A very extensive list of 94 KPIs across twelve themes (Annex 7) was measured in the baseline assessment (2018) and will be measured again in the end-line (2022). During this period, a selection of eighteen KPIs were measured annually. These KPIs are grouped into three main outcome "pillars": "quality of service", "social dialogue" and "lobby and advocacy". However, they do not correspond exactly to the twelve aforementioned themes.

**DECP has introduced a simple theoretical framework of organisational maturity in which EOs evolve from "basic" capacity to "advanced", "mature" and finally "master".** In DECP's M&E system, EOs with generally higher scores in KPIs (across all indicators) are taken to be in a higher stage of maturity (closer to "master" than "basic"). In practice, based on desk review and interviews, the KPIs have little connection to this theoretical basis, as KPIs have no clear connection to notions of theory or experience. Nevertheless, the evolution of KPI scores is taken to reflect a general idea of improvement or weakening of the EO's organisational performance. This performance refers to both the EO's performance in providing membership services as well as its influence in social dialogue and lobby and advocacy in the external environment.

#	KPI	Definition of maturity	Verification source
11	Pct. growth of paying membership related to number previous year (recruitment)	Less than 0%: 0 0,5-1%: 1 1.5-2%: 2 2.5-3%: 3 3% or more: 4	CRM
13	Pct. nett In-/decrease paying members of % of total fees in one year		Accounting register
21	Nr. of activities specially focused on women's entrepreneurship	0: 0 1: 1 2-3: 2 3-4: 3 4 or more: 4	Information of the EO secretariat

**Scores can take five values representing the various stages of organisation development presented above** (0: no information available, 1: basic, 2: advanced, 3: mature, 4: master). The 2018-2022 business plan outlines a quantitative definition for each KPI, determining which score the EO should receive based on (in principle) objective criteria. Some examples of these KPI definitions are shown in Table 4. The reader is referred to Annex 7 for more background and details on these KPIs.

Table 4 Example of definition of KPIs, source: 2018 confidential report, theme: membership

### 3.4 Stakeholder mapping

DECP is implemented in a multi-stakeholder environment in the context of tripartite social dialogue at the sectoral, national, and international levels, with a focus on bi-partite social dialogue. This is depicted in the stakeholder map (Figure 6), which presents the different key stakeholder groups identified in the context of the DECP implementation at the global and partner country level placed in the three concentric circles that delineate DECP's spheres of control, influence, and interest. The circles in the picture are schematic and only attempt to summarise positions of diverse actors vis-à-vis DECP in general. Their position in the stakeholder map – if applied to an individual country/region – would be different, depending on local characteristics. In some instances, TUs and governments are more closely linked with DECP than in others.

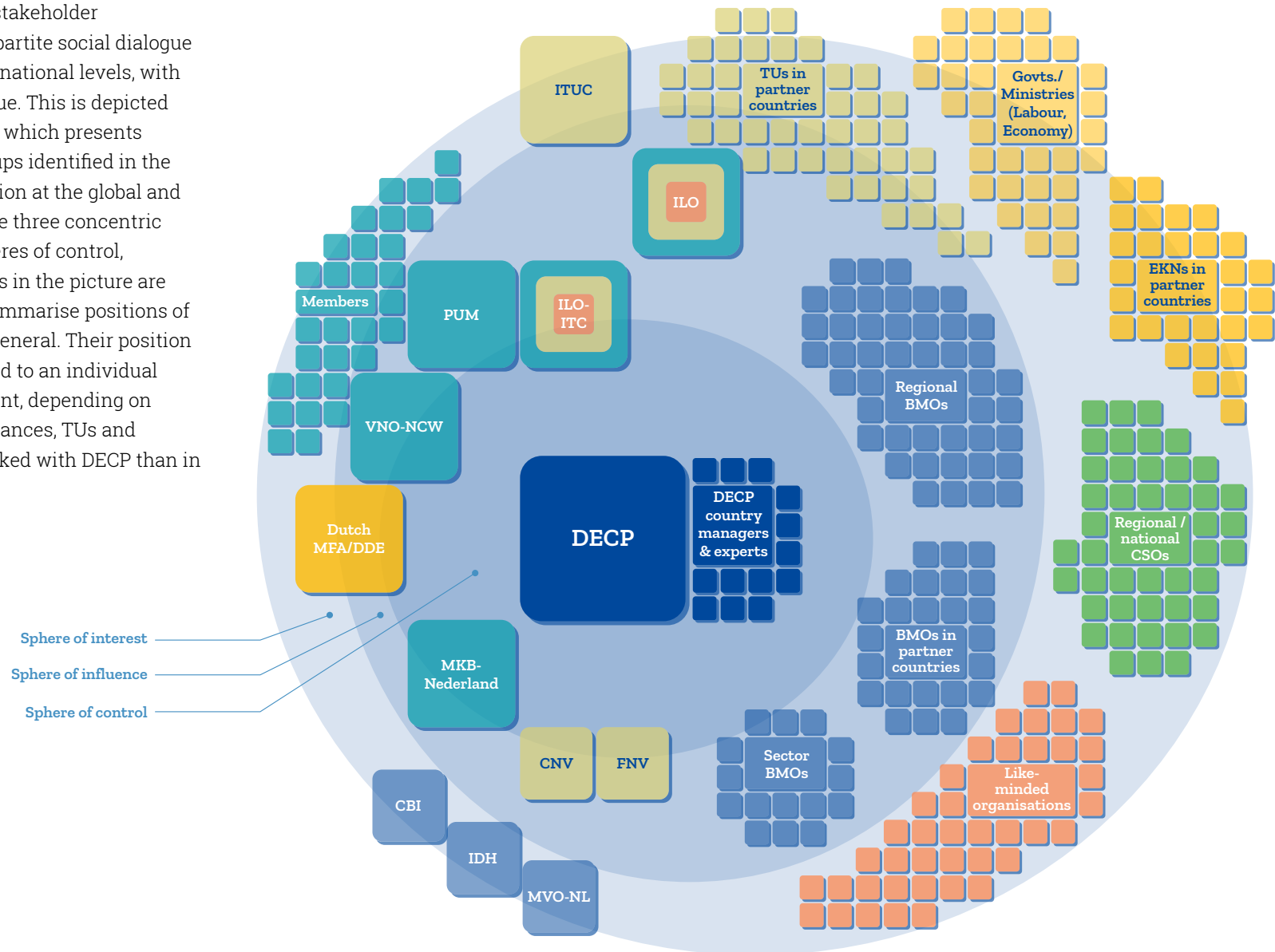


Figure 6 DECP stakeholder mapping

### 3.5 Portfolio analysis of DECP M&E data

#### 3.5.1 Outputs

Based on the annual country-specific narrative reports, a majority of EOs received support in one or more specific themes in the support areas of social dialogue (19) and capacity development (14). Frequent specific themes under these support areas were membership services (common among all 14 partner EOs receiving capacity development support); skills development (13); lobby and advocacy (12); and service improvement (8). By contrast, few narrative reports mention EOs that received specific support in OSH (1, Vietnam), social security (no explicit mention) or labour conditions (4).

Concerning capacity building, the activities mentioned in DECP reports include technical and financial assistance for membership strategies and the dissemination of best practices related to COVID-19.

Other activities included workshops and training in the same themes and participation in ILO training. On social dialogue, activities mentioned included training on negotiation skills, workshops, training social dialogue trainers, and supporting the development of policy agendas for reforms.

#### 3.5.2 Outcomes

A measure of progress in achieving outcomes can be obtained from DECP's MEL system (KPI system) and its narrative reports (both from 2018-2020). These two sources of quantitative (KPIs) and qualitative (narrative reports) monitoring sometimes show slight

DECP partner country	2018	2019	2020	Progress
East Africa	1.7	2.75	3.15	1.45
Burundi	0.6	1.1	2.8	2.2
Kenya	2.1	2.8	3	0.9
Tanzania	2.1	3.5	3.1	1
Uganda	2	3.6	3.7	1.7
East & Southern Africa	2	2.3	2.55	0.55
Malawi	1.7	2.1	2.9	1.2
Zambia	2.3	2.5	2.2	-0.1
West Africa	1.72	2.38	2.94	1.22
Benin	1.3	2.1	2.7	1.4
Burkina Faso	1.8	2.5	2.9	1.1
Côte d'Ivoire	1.8	2.6	3.4	1.6
Ghana	2.1	2.9	3.1	1
Togo	1.6	1.8	2.6	1
South-East Asia	2.03	2.75	2.6	0.57
Cambodia	1.9	2.6	2.4	0.5
Indonesia	1.8	2.6	2.7	0.9
Philippines	2.7	2.9	2.5	-0.2
Vietnam	1.7	2.9	2.8	1.1
South Asia	2.5	2.77	2.8	0.3
Bangladesh	2.6	2.1	2.2	-0.4
Nepal	2.4	2.6	2.8	0.4
Pakistan	2.5	3.6	3.4	0.9
Other Asia	2.6	2.7	2.3	-0.3
Mongolia	2.6	2.7	2.3	-0.3
Latin America	2.55	2.6	2.53	-0.02
Bolivia	2.2	2.8	2	-0.2
Colombia	Not started	2.1	3	0.9 (one year)
Peru	2.9	2.9	2.6	-0.3

Average Africa	1.76	2.5	2.95	1.19
Average Asia	2.28	2.75	2.64	0.36
Average Latin America	2.55	2.6	2.53	-0.02
Overall Average	2.03	2.6	2.78	0.75

Table 5 KPIs of DECP partner BMOs 2018-2020

discrepancies: in some cases, in which KPI scores show moderate improvements, narrative reports show more positive results, while other examples show the opposite discrepancy. Although it would be preferable for both sources of monitoring to match perfectly, we did not find major misalignments. The sources of the data presented in this section include KPI measurements grouped by outcome or ToC pillars, as well as the confidential country-specific narrative reports.

Looking at their average KPI score as presented in the DECP reports, a majority of DECP countries saw an improvement between 2018 and 2020. Among the 22 countries assessed, sixteen had improved in 2020 compared with the 2018 baseline assessment, while six other countries showed reduced performance on the average indicators (see Table 5).

In the Africa region, only one country (Zambia) showed a decrease in performance measured by the KPIs. Comparably, three countries in Asia and two in Latin America showed a decrease in performance, as illustrated in Table 5 above. Observed as an overall average, the country-specific KPIs indicate a generally significant improvement in the BMOs' capacity to provide services to their members, engage in social dialogue, and lobby and advocate towards government agencies.

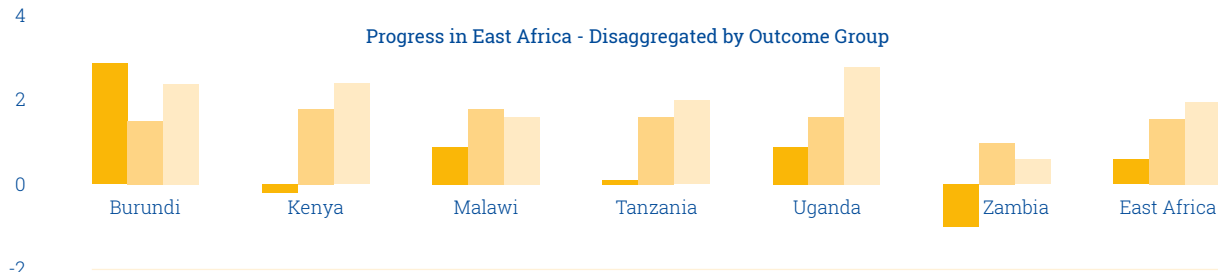


Figure 7 Change in KPI score by outcome pillars, East Africa. Source: DECP's KPI monitoring spreadsheets

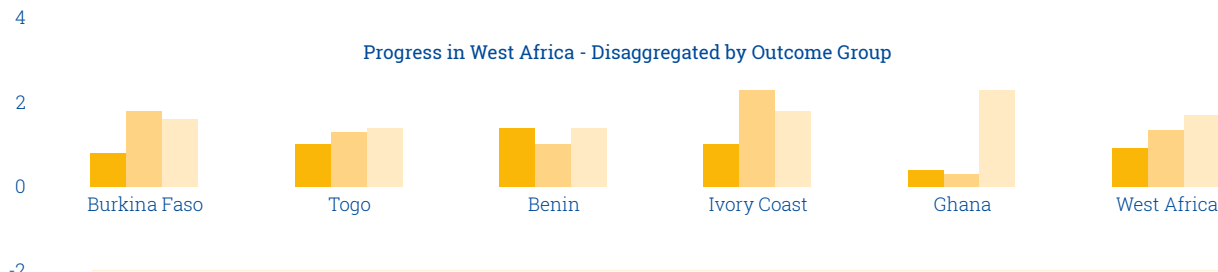


Figure 8 Change in KPI scores by outcome pillars, West Africa. Source: DECP's KPI monitoring spreadsheets

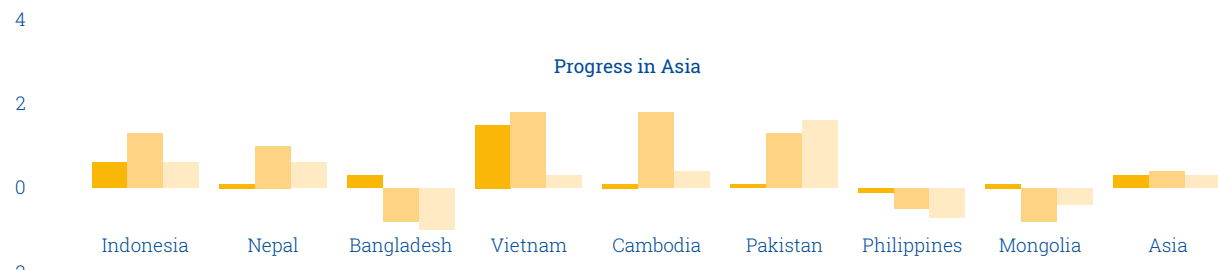


Figure 9 Change in KPI scores by outcome pillars, Asia. Source: DECP's KPI monitoring spreadsheets



Figure 10 Change in KPI scores by outcome pillars, Latin America. Source: DECP's KPI monitoring spreadsheets

Quality of Service    Social Dialogue    Lobby & Advocacy

**Improvements have not been the same across regions and outcome pillars.**

Progress in social dialogue and lobby/advocacy over the 2018-2020 period follow similar trends, with widespread improvements across Africa, but improvements have stagnated and even regressed in parts of Asia and Latin America (Figures 7-10). On the other hand, improvements in the quality of service have been achieved to a large extent in West Africa, while only some EOs in Asia and East Africa have succeeded in this.

**East and West African EOs visibly matured along all outcome pillars.**

In East Africa, the KPIs on quality-of-service delivery of the EOs show greatest progress in Burundi, Malawi, and Uganda, and in West Africa all countries show considerable progress. Only Zambia and Tanzania show a negative development of the quality-of-service indicators. Social dialogue improvements are visible in the whole continent, except for Ghana and Zambia, where progress has been limited. The greatest improvements in social dialogue are reported in Côte d'Ivoire and Burkina Faso in West Africa and Kenya and Malawi in East Africa. Indicators on lobby and advocacy improvements have been particularly high in Uganda, Kenya and Burundi in East Africa and Ghana in West Africa. Narrative reports are somewhat less positive than DECP's KPI measurements, indicating challenges in the implementation of workplans with some EOs and political instability. Nonetheless, the qualitative evidence indicates progress in membership, improved advocacy and visibility and more activity in social dialogue.

### Progress of EOs in Asia has been noticeably uneven.

Some of the EOs registered significant progress, especially in social dialogue, like in Vietnam, Cambodia, and Pakistan. Vietnam and Pakistan also show significant improvement in services and lobbying, respectively. The narrative reports on Vietnam mention a more prominent role of the EO in consultative bodies. In Pakistan, narrative reports also mention a stronger membership base. On the other hand, other EOs have significantly regressed in social dialogue and lobby and advocacy, such as in Bangladesh, Mongolia, and the Philippines, while stagnating in quality of service. Especially in the latter two countries, narrative reports mention a drop in membership and less activity in collective bargaining, the inability of members to pay fees, slow follow-through on plans, and a lack of commitment.

### In the three Latin American countries, results of DECP's support have been uneven.

As mentioned in the average results above, both Bolivia and Peru EOs show stagnation in their KPI scores. On the other hand, Colombia – which only started work with DECP in 2019 – shows improvement in the past year.

### Not all EOs progressed or regressed from the same level of capacity.

DECP's KPI scores are meant to reflect the organisations' maturity level from "basic" to "master". In the 2018 baseline, most EOs were scored as "basic" or "advanced", especially on the social dialogue and lobby/advocacy indicators. On the other hand, in the latest 2020 measurement most were scored as "advanced" or "mature."

Ended as...		Basic (KPI<2)	Advance (KPI 2-3)	Mature (KPI 3-4)
Started as...	Mature (KPI 3-4)			
	Advance (KPI 2-3)		<b>Minor progress</b> Zambia, Nepal, Bangladesh*, the Philippines, Mongolia, Bolivia, Peru	<b>Maturing</b> Ghana, Tanzania, Pakistan
	Basic (KPI<2)		<b>Moderate progress</b> Burundi, Togo, Benin, Indonesia*, Vietnam, Cambodia	<b>Major Leap</b> Kenya, Malawi, Uganda*, Burkina Faso, Côte d'Ivoire*

### Some of the EOs made significant progress from the bottom of the MEL scoring system to near the top

(Table 6). This is the case in Uganda and Côte d'Ivoire (case studies), as well as Kenya, Malawi, and Burkina Faso. These EOs made major leaps in their capacity development.

**Other EOs saw more moderate progress.** Some of them started their partnership with DECP with "basic" capacity, such as Indonesia (case study), Vietnam, Cambodia, Benin, Togo, and Burundi. These EOs were able to show initial steps in their capacity development during the DECP partnership. Others saw moderate progress from an already "advanced" capacity in

Table 6 Progress matrix, source: SEO-MDF based on DECP's KPI monitoring spreadsheets<sup>23</sup>

DECP terms. This is the case with Ghana, Tanzania, and Pakistan, which have matured during the DECP partnership.

### A sizeable number of EOs slowly progress around a middle level of capacity.

This is the case with Bangladesh (case study), as well as Nepal, the Philippines, Mongolia, Bolivia, and Zambia. These countries already started from a mid-capacity level, and progressed relatively little in the KPI scores, or even saw retractions.

<sup>23</sup> Countries marked with "\*" represent EOs that were case studies during the evaluation.

### 3.5.3 Budget

**DECP has a country-specific budget divided across five regions**, namely East Africa, West Africa, South-East Asia, South Asia, and Latin America. The total country-specific budget in 2018, 2019 and 2020 was around EUR 1 million per year.<sup>24</sup> For 2021, it was originally budgeted at EUR 787,500, and it is EUR 334,000 for 2022. This decrease in country-specific budgets can be explained by the fact that COVID-19 travel restrictions have caused a drastic reduction in country mission costs in recent years.

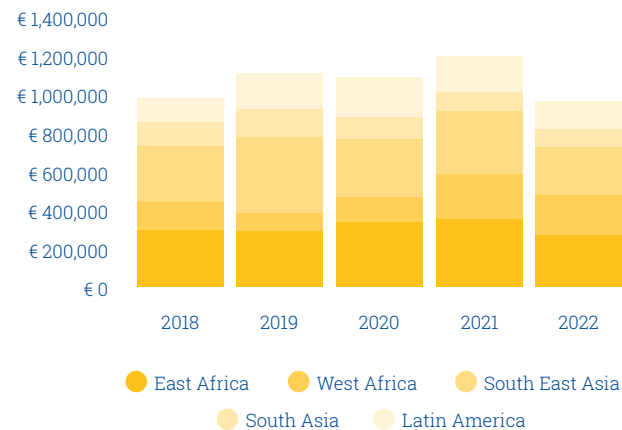


Figure 11 Distribution of country-specific (revised) budget across regions, source: DECP Budget

#### The assigned budget remained stable across regions.

Figure 11 shows that East Africa and South-East Asia together accounted for two-thirds of the total country-specific budget. The budget assigned to the remaining three regions (West Africa, South Asia, and Latin America) was around 10-15% per region in most years.

#### The budget was revised and allocations were increased to countries instead of regional activities in 2021 and 2022.

This shift in the distribution of budget to the country level is prompted by adapting to COVID-19 limitations that made implementing regional exchange meetings and activities more challenging than national activities.

#### The actual utilisation of the assigned revised budget varied per year and region but was below 100% in most cases.

Only the actual expenses in West Africa in 2019 and Latin America in 2018 exceeded the revised budgets. The utilisation rates were lowest in South Asia.

#### Between 2018 and 2020, the total accumulated underspending reached almost EUR 1.5 million.

During 2018-2020, the utilisation rate<sup>25</sup> declined from 79% in 2018 to 70% in 2020 (Figure 12).

The COVID-19 pandemic had a significant influence on the underspending during this period. Travel costs also significantly decreased in 2020 due to the pandemic. Underspending was also prominent in IT expenditures, where the utilisation rate was 64% in 2018, 32% in 2019 and 52% in 2020, which is less obviously related to the COVID-19 pandemic. This illustrates that the DECP implementation could be relatively easily adapted to online modalities without the need for major investments.

<sup>24</sup> The revised country-specific budget decreased to 0.5 million EUR in 2020.

<sup>25</sup> For the utilisation rate, the evaluation team analysed the difference between the revised budget and the realisation (i.e., actual expenses).

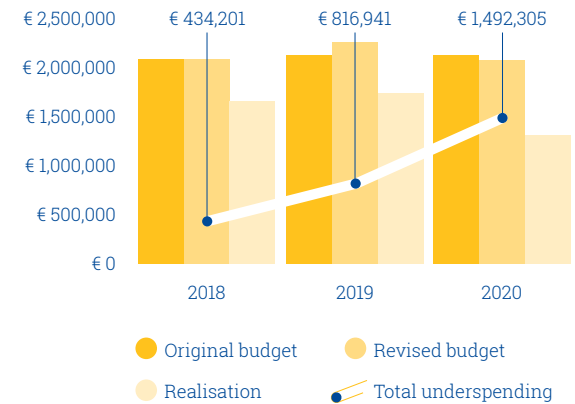


Figure 12 Budget utilisation (2018-2020), source: DECP Budget

#### For other expenses, actual costs exceeded the budgeted amounts.

For example, communication and auditing expenses were 2-3 times higher than their budgeted amounts in 2018 and 2019. The remaining budget from 2018-2020 will be added to the 2021 and 2022 budgets. The revised budgets for 2021 and 2022 show that this additional budget will mostly be used for COVID-19-related costs, merger exploration costs and higher auditing costs, indicating an increase in general administration costs.

### 3.6 Recommendations and follow-up from the previous DECP evaluation in 2017

All three previous programme cycles of DECP were evaluated by external evaluations commissioned by DDE. Table 7 contains a summary of the main recommendations in the last evaluation conducted by Berenschot in 2017.

Recommendations	Follow-Up
Maintain existing informal and flexible nature; avoid adding new policy objectives to DECP and focus on PSD.	DECP has followed up this recommendation by remaining small and with a flexible team responding to specific demands. An increased focus has been applied to social dialogue.
Improve efficiency and effectiveness by aligning more with VMP and Embassies; more geographical focus on regions; aligning more with PUM.	DECP has aligned more closely with VMP partners on the ground, although this has not always been linked with DDE as a partner. In particular, embassies have not been strongly involved, partly due to their limited capacities. The regional and country scope of DECP has remained broad. The final recommendation is clearly followed up by the recent decision to merge DECP and PUM.
Improve gender mainstreaming and other innovations by adjusting DECP team composition (staff and advisors).	DECP team composition remains largely male, despite deliberate efforts to change this. Gender equality is included in several KPIs and actively monitored by DECP. Gender disaggregated information is collected on effects of DECP support. Attention to gender and other cross-cutting issues was not contractually required by DDE and therefore not systematically included in the DECP programming.
Strengthen the focus on impact by stressing the longer-term goals (improved business climate) and not only organisational strategy and operations.	DECP has incorporated a stronger emphasis on social dialogue, which corresponds to a longer-term view on its expected impact.
Improve 'spiderweb' by adding a new category ('Management and Systems') in line with the 5C model; include additional questions for reflection.	DECP – in consultation with MoFA – has introduced an entirely new M&E system using socio-economic KPIs combined with organisational maturity indicators to measure the programme's effects. These maturity indicators are in line with the 5-C approach, although the linkage with the KPI set in DECP is a different – yet effective – way of monitoring capacity effects of DECP.
Improve planning and monitoring by introducing international certificates for EOs at various levels (+,++,+++) that could guide the 'graduation' strategy of DECP.	This recommendation was not followed up. The organisational maturity approach and indicators mentioned above enable introducing a graduation approach with partners and developing an exit and sustainability strategy with them. However, at this stage such a follow-up is still pending.

Table 7 Recommendations and follow-up of Berenschot's (2017) evaluation of the DECP (2013-2016)

Findings

4



This chapter contains the key findings of the evaluation to respond to the evaluation criteria and numbered judgement criteria (JC) as presented in the ToR and included in the evaluation matrix (see Annex 2).<sup>26</sup> The key findings in this chapter – presented in bold under the specific sections – address the specific JC from the evaluation matrix. All findings presented in this chapter are based on at least two sources of information and have been cross-checked by the evaluation team. More details on the specific data that underpin these findings can be found in the annexes as follows: DECP portfolio analysis (Annex 5); budget and expenditure analysis (Annex 6); MEL system analysis (Annex 7); survey findings (Annex 8); and the four country case studies (part III). The final section of this chapter presents a reconstruction of the ToC of DECP that was made based on these findings, as well as summarising and structuring these key findings of the evaluation along DECP's ToC on strengthening EOs.

## 4.1 Relevance

**The EOs that partner with DECP appreciate DECP as highly relevant and useful for capacity development of their organisations, particularly in the effective participation in bi- and tri-partite social dialogue and increasing EOs' value proposition to their membership. The relevance of DECP is enhanced by providing qualified and hands-on peer-to-peer assistance to its partners, with specific thematic expertise in social dialogue, collective bargaining, and linking skills with the labour market (JC 1.1).**

Interviews with key stakeholders, the survey among partner EOs and the case studies consistently show that the EOs in DECP partner countries consider effective participation in bi- and tri-partite social dialogue as key in strengthening their organisational mandate and capacities. In addition, there is a strong interest shared by many partner EOs in improving their planning and management capacities as well as the range and quality of services to their members. The same two areas are main outcomes and at the core of the DECP 2018-2022 business plan. The way in which partner EOs' priorities are reflected in DECP's portfolio – specifically support to nineteen partner EOs to work on capacity enhancement in the area of social dialogue and to fourteen in the area of membership services – illustrates the relevance of DECP. Moreover, partner EOs believe that DECP technical assistance in organisational strengthening and social dialogue will ultimately lead to increased representativeness and better lobbying, advocacy, and negotiation on behalf of their members towards improving the business-enabling environment in their countries, a vision that DECP shares.

However, the relevance of DECP's third outcome area (connecting) is less clear. As specified in the DECP 2018-2022 business plan, the area focuses on connecting partner EOs with Dutch companies engaged in business activities and international supply chains in partner countries. According to the evaluation findings, such interventions were only deployed on a few occasions and were not related to longer-term strategies and programmes of DECP in partner countries: connecting activities were not strategically planned but rather opportunity-driven. Among the few examples are initiatives in Haiti and Suriname where DECP has been asked and could successfully participate in resolving challenges in industrial relations of Dutch companies, and in Togo where a link was established at the sectoral level working with Agriterria in strengthening social dialogue in the agricultural sector. However, in most cases, the connections with specific Dutch members of VNO-NCW – the organisation hosting DECP – are not apparent and only occasionally explored. It is therefore unsurprising that the partner EOs – which represent a few local members/businesses with links to Dutch companies – view the relevance of DECP as a Dutch programme as equivocal in this respect. The fact that “connecting” activities in DECP's business plan have only marginally taken off illustrates the limited relevance of “connecting” intervention to the key intervention strategies and activities in the current setup of the DECP business plan. In this plan, “connecting” has remained an explorative support area in addition to the core support areas of DECP.

On top of addressing priority areas of capacity development, there are other aspects that make DECP a relevant partner for EOs in developing countries. A key aspect of this relevance is the fact that DECP as

<sup>26</sup> The evaluation questions are operationalised in numbered judgement criteria (JC). These are grouped under six different evaluation criteria (1-6) in the evaluation matrix in Annex 2. The evaluation matrix also contained a set of questions referring to lessons learned in this evaluation (7.1-7.6). These are not responded separately because aspects are integrated in the responses to other evaluation questions of the matrix and the Conclusions and Recommendations sections provide responses to questions (JC) 7.1-7.6.

a programme is run and implemented by VNO-NCW, which – as the Netherlands Employers' Association – serves the role of an international sister organisation, providing peer-to-peer technical assistance to its partners in developing countries. The evaluation findings confirm that all partners highly value the fact that the technical assistance is provided by a sister organisation that recruits its technical assistance capacity from its own ranks and networks. This allows DECP to provide hands-on assistance to its partners, which is recognised and highly appreciated by partner organisations.

In addition to being a peer to its partner EOs, it is also relevant that VNO-NCW brings international clout and prestige for their national partners. Many DECP partner EOs mention that their position “at home” is strengthened because they partner with another affiliate of the IOE. In this respect, the relevance of DECP depends on the specific country and regional context, in which other peer organisations can be equally if not more relevant to the national EOs. For example, the Indonesian Employers' Association (APINDO) has a long-standing cooperation with a sister EO in Japan. In East Africa, other international support programmes of Nordic EOs are also providing substantial support.

Another aspect of DECP's relevance is that the programme comes from the Netherlands, a country with long-term experience in social dialogue at the bi- and tri-partite level, and institution building such as the Dutch national Social Economic Council (SER). This experience is widely recognised by international partners. DECP has converted this experience into its comparative advantage and made social dialogue one

of the two key areas of its support. The specific niche vis-à-vis other providers of technical assistance that expertise in social dialogue gives to DECP is seen as the programme's key characteristic by surveyed partner EOs. With an increased focus on processes of social dialogue in partner countries – especially in contexts where basic conditions for social dialogue are met – the support of DECP has become increasingly relevant.

Moreover, over time DECP has developed specific thematic areas of expertise such as collective bargaining agreements (CBAs), OSH, social security and more recently (particularly with expanding the portfolio in West Africa) in linking skills (TVET) with the labour market. Whether and to what extent specialising in these thematic areas has improved DECP's relevance and comparative advantage vis-à-vis other (Nordic) providers in providing TA to EOs is unclear. Only in some instances have Nordic partners used DECP's particular experience in linking skills with the labour market, while at the same time DECP has only utilised ICT skills from its Norwegian EO partner (NHO). Overall, the evaluators have found limited coordination and attempts to improve the division of labour between DECP and the Nordic EOs in providing support to their partners, either thematically or geographically (see also section 2.4).

**DECP's activities and anticipated results are well aligned with policy objectives in the area of sustainable economic development of MoFA, although its contributions to achieving MoFA's policy objectives are sub-optimal due to weak linkages with other initiatives and partners in PSD supported by the Department for Sustainable Economic Development (DDE) and the marginal involvement of Netherlands embassies in DECP partner countries (JC 1.2).**

The strategic relevance of DECP in the light of MoFA's policy objectives in sustainable economic development is particularly related to improving the business-enabling environment in partner countries. DECP's role – also articulated in the reconstructed ToC – is to contribute to a constructive social dialogue between different social partners in these countries so that agreements on industrial relations and labour legislation-related issues are widely supported, such as (minimum and living) wage, social security, OSH, employment (including for youth and women), and labour conditions (contracts, flexibility). DECP and its EO partners are therefore contributing to creating conditions for inclusive and sustainable economic development, an area of development supported by DDE with a wide range of initiatives and partners developing economic initiatives, fostering trade relations and stimulating investments for inclusive economic development.

As a DDE partner contributing to creating conditions and an enabling environment for sustainable economic development, DECP's relevance is particularly linked to:

- The Trade Union Co-Financing Programme (VMP) with Mondiaal FNV and CNV Internationaal, funded by DDE. VMP mirrors the DECP support as a peer-to-peer partnership with TUs and has the same objective to strengthen their partners' role in social dialogue and labour and industrial relations with an emphasis on lobby and advocacy;
- Dutch support to ILO in promoting the international decent work agenda and tripartite social dialogue, as well as increasing the capacity and membership of EOs;

- International Responsible business conduct (IBRC) agreements (Internationaal Maatschappelijk Verantwoord Ondernemen Convenanten, IMVO-convenanten) made in many sectors in the Netherlands, following the Social Economic Council's (SER; Sociaal Economische Raad) call in 2014 to promote principles of RBC. To date, the Dutch government has concluded eleven IRBC agreements with businesses, TUs, and civil society organisations (CSOs). The agreements set out how companies can work with CSOs and governments to prevent abuses in the areas of human rights, labour rights, and the environment.

There are more possible linkages, particularly between “connecting” activities of the DECP and a wide range of initiatives of the Dutch government, such as:

- Support to international trade and investment through CBI, IDH, and producer organisations such as Agriterre and the Netherlands Food Partnership (formerly AgriProFocus);
- Support to specific bilaterally-supported sustainable economic development projects and programmes in several Dutch partner countries.

The extent to which these other possible linkages may be pursued depends on the decision to be taken by DECP to continue working along this line of “connecting” in follow-up phases of the DECP.

Notably, through VNO-NCW, DECP is linked with another programme that focuses on providing business advice by retired Dutch senior experts from the private sector, the PUM programme. Historically, this

programme was not closely associated with DECP, although occasionally experts of PUM have provided concrete technical assistance to DECP partners. In recent years, VNO-NCW and DDE have explored whether more synergy and cooperation between the two programmes was possible, which resulted in VNO-NCW's (and particularly the boards of DECP and PUM) decision to formally merge the two programmes as of 1st January 2023, while the organisations will merge administratively as of 1st April 2022. The synergy between the two programmes was particularly seen at the sector level, where DECP is engaged in sector-level tripartite and particularly bipartite social dialogue. PUM is increasingly reaching out to sector-level organisations of employers to ensure that business advisory services produce more sector-level results and impact. With a recent announcement of the merger between DECP and PUM, the establishment of more cooperation and synergy between these programmes can be expected.

Another noteworthy link is with the Netherlands Enterprise Agency (RVO), with whom the EOs (through PUM and DECP), workers' organisations (Mondiaal FNV and CNV Internationaal) and the Dutch Development Financing Bank (FMO) partner. RVO is an important support organisation and portal for Dutch companies engaged in international supply chains as it manages several support and financing PSD modalities of MoFA. However, RVO's support services – including the PSD coaches, for example – are more directly targeting individual companies and are less directly relevant to EOs as representative bodies. This could be the reason for finding no close linkages and cooperation between DECP and RVO in the practical coordination and implementation of activities on the ground. The

formal partnership between DECP and PUM with RVO is therefore not operationalised in specific DECP initiatives and actions.

While the above shows that there is a wide range of possibilities to develop closer linkages between specific partners in the portfolio of DDE, until now the only close relations established are between DECP and the VMP programme. While both DECP and the TUs work closely with ILO, these relations are mostly bilateral, with limited involvement of DDE and other partners. Nonetheless, possibilities for more structural cooperation between DECP, the TUs and ILO and DDE certainly exist.

The case studies reveal that at the partner country level EKNs are not closely involved in the DECP support to EOs in developing countries. In some instances, embassies were not even aware of DECP support activities in their countries. These limitations in linkages have further been weakened due to the COVID-19 pandemic, when reaching out to embassies during field trips was no longer possible and these contacts were not replaced by digital communication.

Key informants in this evaluation mention a specific challenge that affects the relevance of DECP, namely how the programme (as well as VMP) deals with the needs of the large (and growing) informal economies that typically exist in DECP partner countries. This challenge particularly feeds into DDE's policy objective of more inclusive economic development.

Key informants admit that the informal economy is largely out of reach for organised EOs and workers' organisations, illustrated by the case study of Bangladesh. DECP partners – almost by default – also

only organise companies in the formal economy, i.e., duly established and registered, which limits their membership base. DECP does not consider the informal economy as one of the focus areas of its work, although many support activities touch upon the challenges of formalising the economy. At the same time, challenges of informalisation (flexibilisation) of labour relations receive strong attention during social dialogue. It can be inferred that if DECP partners keep their current membership policies and practices, their reach within the informal economy will remain minimal, which – in turn – affects DECP relevance in relation to the DDE's policy objectives. In some countries, specific actions have been engaged in an attempt to incorporate new, informal sectors of employers in EOs, as undertaken in Togo in cooperation with Agriterra to organise agricultural employers within the national employers' association.

Finally, although DECP subscribes to the importance of cross-cutting policy objectives of DDE, it also states that contributing to achieving these objectives is not part of the programme's core mandate. In some cases, cross-cutting policy objectives may even not be aligned with the demand-oriented approach pursued by DECP in the provision of its capacity development service. Previous DECP evaluations have been consistent in recommending that the programme should pay more attention to cross-cutting policy objectives of gender equality and equity, inclusion and poverty reduction, human rights, sustainability, and climate change. The findings of this evaluation confirm that DECP has followed up on these recommendations to some extent, e.g., by actively monitoring the inclusion of women in programme activities and partner EOs' actions. DECP and several external key informants indicate

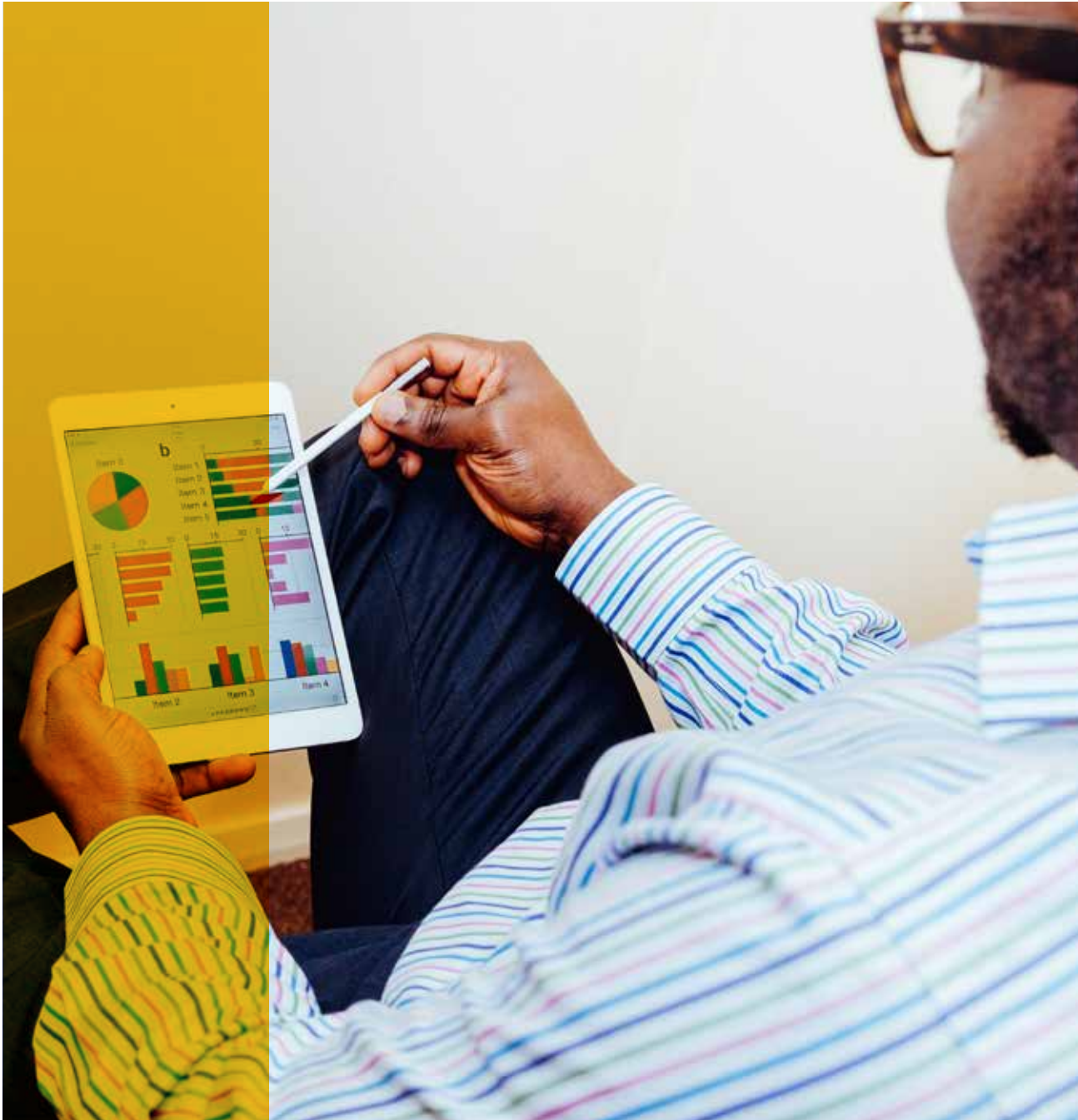
that some of the cross-cutting issues are more easily and organically addressed in support activities. One such area is a clear international trend for companies and employers to adhere to the principles of IRBC. Employers worldwide understand that they may lose their position within global supply chains if they do not join the trend. Consequently, partner EOs experience growing demands among their members related to compliance with IRBC principles. Key informants also highlight that the concept of IRBC could increasingly become an umbrella under which cross-cutting policy objectives may be more easily and organically addressed in the relations of DECP with partner EOs.

**During the recent COVID-19 pandemic, DECP has remained relevant to its international partners by quickly converting its technical assistance (TA) delivery to online modus and providing financial and technical support to EOs to deal with COVID-19 prevention and recovery-related challenges (JC 1.3 and JC 2.4 on effects of COVID-19 on effectiveness).**

The COVID-19 pandemic has presented an immediate new priority for EOs to deal with, as in all partner countries COVID-19 has had an immediate and drastic influence on economic developments and prospects. Most of the partner countries have experienced hard and prolonged lockdowns, paralysing economic activities and affecting the membership of the EOs in these countries. The effects are particularly notorious in weaker economies, where national governments have limited or non-existent means to soften and cushion the blows of the pandemic on the economy. EOs were (and still are) faced with an immediate need to develop lobby and advocacy proposals on COVID-19 economic support measures and post-COVID-19 recovery strategies.

DECP has adapted quickly to the COVID-19 pandemic. This can be seen both in the contents of its support provided to partner EOs as well as its TA delivery modalities. According to partner EOs, DECP has immediately responded to their needs and provided tailored TA to respond to the COVID-19 challenges, including through the following: (a) on its website, DECP has dedicated a special environment for its partners to find and exchange information on COVID-19-related issues; (b) DECP has adapted its service range by supporting the preparation of lobby and advocacy proposals on COVID-19 issues and communicating/ reaching out to members during COVID-19 times; and (c) DECP has provided TA and information on developing new services for EOs' members to better cope with the COVID-19 pandemic. Partner EOs' appreciation of DECP COVID-19-specific support was verified by the survey and the case studies. An illustrative example is that due to DECP support to the Bangladesh Employers Federation (BEF), not only the federation but also the national worker federations and the concerned ministries and government departments in Bangladesh could make use of the translated guidance in dealing with the COVID-19 pandemic in workplaces while re-opening factories and industrial companies.

Apart from adapting the content of its TA to COVID-19-related challenges and needs, DECP quickly realised that the traditional form of TA – i.e., through field missions of its experts – was not feasible and it immediately proceeded to provide TA through online platforms. DECP's prompt and proactive behaviour has enabled the experts to maintain ongoing TA to all partners without interruptions. TA delivered online support has largely been strongly appreciated by partner EOs, and in



some instances it has even been praised for providing opportunities for quicker, more regular and flexible contact moments, depending on the specific needs of partners. Together with ITC-ILO, DECP has also ensured that online training facilities were established and made available very quickly. The shift to online training has even led to the participation of companies from other countries in the region, as shown in Côte d'Ivoire, where the national EO organised a training together with DECP that was attended by company representatives from several Francophone neighbouring countries. While online delivery of TA was widely appreciated by partners, online training was valued less strongly because it lacked the lively interaction and exchange between participants. While surveyed partners expressed their understanding that online training is a useful – and indeed the only – option to keep developing capacities as long as travel restrictions remain, one of the most prominent recommendations is to return to face-to-face training events or at least a hybrid modality.

When COVID-19 hit, DECP also opened a specific line of modest financial support to partner EOs to quickly adapt to the changing environment posed by the pandemic. This comprised providing support to improve the ICT means of partner EOs to intensify online communication and exchange efforts, as well as offering technical advice in communication and lobby and advocacy initiatives to support national-level COVID-19 recovery responses. This additional support during COVID-19 was considered relevant and highly appreciated by the DECP partner EOs. It should be noted that this financial support is not structural but specifically provided in response to the pandemic. DECP was able to do so because cancelling all travel to partner countries for two years freed funds from

travel budgets and budgets for in-person activities. Interviewed partner EOs understand that financial support is confined to this specific period, although at the same time they expressed a need for more financial support in the future.

DECP's quick and proactive response to the COVID-19 pandemic has not only secured continued relevance but has also benefited the effectiveness and efficiency of the programme's operations by re-allocating budget for items with under-expenditures during recent years to other budget items, including the financial support for partners during COVID-19 times, as well as increased investments in M&E activities during the last years of the current DECP cycle.

## 4.2 Effectiveness

**The key objectives of the DECP Business Plans for the 2017–2022 period on capacity building and social dialogue were realised to a considerable extent, while the key objective on connecting was not achieved. Enabling success factors were the existence of a (growing) membership base of EOs and the existence of functional mechanisms for dialogue at the national and particularly the sector level, as well as constructive cooperation and bi-partite dialogue with TUs. Hindering factors were the lack of effective participation and support from government actors, the unstable political and economic environment (including adverse COVID-19 effects) and limited external linkages with other relevant supportive stakeholders to broaden dialogue and initiatives for cooperation (JCs 2.1 and 2.2).**

A key condition for the success of DECP interventions – and viewed by the programme itself as a basic condition to decide on partnering with an EO – is a minimal membership base of EOs that secures legitimacy and representativeness of these organisations in the wider economic and political environment. Once this minimal condition is met, DECP may proceed based on an analysis of organisational development of its partner EO by improving membership registration and services and value propositions to the membership. In these contexts, DECP usually provides TA in both organisational capacity development and social dialogue. In other contexts, where partner EOs are already more consolidated, DECP may choose to mainly focus on support in social dialogue. This can also be observed in the partner support portfolio of DECP, which shows a clear focus on social dialogue.

As observed in the section on relevance, the third intervention area of connecting has been less effective, initiated only on a few occasions, and driven by specific opportunities or solving concrete problems/challenges. It can be inferred that in the current programme cycle DECP's focus on connecting has only remained at the exploratory phase.

According to the evaluation findings, a critical success factor behind DECP's effective development of partner EOs' capacities concerning membership management, lobby and advocacy and service is a strong and further expanding of membership throughout the cooperation relation. While representativeness is usually strong among DECP partner EOs, in some cases EOs may suffer a loss in membership base (as was observed in the case study of Indonesia) due to economic

(growing informal economy) or political challenges (poor business-enabling environment) faced by the business community. In recent years, this has mainly been due to adverse effects of COVID-19 on member companies that might not be able to pay their fees, which is a threat in terms of the decreasing representativity of the partner EOs in lobby and advocacy and social dialogue.

With developed capacities in lobby and advocacy, DECP partners more effectively engage in social dialogue. However, achieving the objectives of the social dialogue pillar is dependent on multiple factors and actors, with dynamics being particularly complex at the national level. This can be coupled with another observation that in the current programme period of 2018-2022, DECP has been able to achieve more progress in social dialogue at the sectoral or regional level and in the context of bi-partite social dialogue rather than tripartite dialogue at the national level. These achievements are backed by evidence collected with DECP reporting and confirmed by the case studies of this evaluation. Being more effective when focusing on the sectoral/regional level and bi-partite social dialogue is an insight that has become a key lesson for DECP. Moreover, the programme is inclined to invest more in sectoral-/regional-level and bi-partite social dialogue, as can be seen in the case studies in Uganda (flower sector) and Indonesia (textile and garments and palm oil sectors).

However, bilateral social dialogue is not without problems. A critical bottleneck in advancing bilateral social dialogue is the fragmentation of TUs standing in the way of workers' representatives speaking with one voice. This phenomenon is historically more present in countries like Indonesia and Colombia. In

other contexts, bi- and tri-partite relations are not constructive, and in some instances they are tense and to some extent conflictual, as could be seen in the case studies of Indonesia and Uganda. Many of these factors are beyond the sphere of influence of DECP and its partners, although they may be taken into account when making decisions concerning whether or not to engage in social dialogue and organisational capacity development of EOs.

Where DECP partners have been less effective in tripartite dialogue, case studies highlight a key bottleneck being the engagement and participation of governments and national-level ministries of labour. Conclusively, in countries where access to the government is more limited, less progress can be achieved in tripartite social dialogue, in particular in labour law-related legislation and regulations and minimum wage issues. Little cooperation with other stakeholders and international development partners (such as ILO and EKNs) at the country level is another factor that has reduced the leverage of DECP and partner EOs in relation to governments, as it has limited opportunities for concerted efforts to reach out to government entities and stakeholders to constructively engage in social dialogue.

The success in reaching the objectives of the social dialogue pillar is also dependent on the choice of focus at the thematic level. DECP has identified skills development and linkages with the labour market as a new priority, and in this area, it has been relatively easy to find common ground and interests between the social partners to tackle and solve issues. The same can also be said about the topic of OSH, where there are clear and common interests of different partners. Finding

common ground remains challenging when dealing with wage issues, (flexibilisation of) labour relations and social security-related issues, where the interests of social partners significantly differ.

DECP's own monitoring system shows that there are geographic differences in the success and increase in indicator values. In Africa – particularly West Africa – most progress is achieved, while in Asia results are more varied, ranging from highly successful countries (Vietnam) to countries that show negative development (Bangladesh). Overall, Latin America shows the least progress in the DECP indicator system. It is difficult to explain these differences, although it is likely that most of the variety in achieving higher indicator values and thus objectives in the DECP is more dependent on factors in the external environment at the partner country level rather than internal factors related to the quality and intensity of support by DECP.

**The performance improvement of EOs is largely related to bringing in the experience of DECP in social dialogue and having a principled lobby and negotiation approach. DECP's TA and training – based on practices in open and constructive social dialogue in the Netherlands (polder model) – are widely recognised internationally and effective in contributing to changes in the social dialogue and lobby and advocacy performance and behaviour of partner EOs. This is particularly the case in situations where DECP and Mondiaal FNV and CNV Internationaal are involved in joint support and capacity development interventions, such as in Indonesia, Uganda, Côte d'Ivoire, and Peru (JC 2.3).**

The Dutch experience in the social dialogue and the preference to strive for collective solutions in applying principled negotiation approaches is recognised internationally and well known among the DECP partners. Evaluation findings confirm that despite DECP partners' regular indication that the external enabling environment for social dialogue is often not as favourable as the Dutch context, these experiences from the Netherlands are still effective. Interviews with other stakeholders – particularly the trade union partners in the case studies of this evaluation – show that EOs change their behaviour, with many being more inclined to engage in dialogue and more oriented to exploring solutions.

A key contributing factor to this change in performance of EOs is transferring DECP's experience in social dialogue from the specific perspective of employers, executed by peer experts with hands-on experience in a confidential setting and open approach. An additional factor that contributes to effective results here is that partner EOs are empowered by having international partnerships with well-known international members of IOE. As indicated by the respondents, this connection boosts the self-confidence of EO partners when engaging in difficult lobby and advocacy or negotiation trajectories with other social partners.

Another important contributing factor to the improved performance of EOs in social dialogue is – as evidenced by the case studies – the cooperation between DECP and the VMP partners Mondiaal FNV and CNV Internationaal, which has intensified over the past decade. During the current business plan period, DECP has cooperated with these Dutch trade union partners in East and West Africa (including the case study countries

of Côte d'Ivoire and Uganda), Indonesia, Bolivia, and Peru. Having social dialogue as the key focus, the very fact of Dutch EO and TUs having joint support activities demonstrates that cooperation among social partners in social dialogue is feasible while recognising that the different partners of social dialogue benefit from specific support provided to them by their sister organisations.

Joint activities of the DECP and VMP partners have also resulted in forming pools of trainers on social dialogue, comprising representatives of both EOs and workers' organisations. During the COVID-19 pandemic, DECP and Dutch TUs have also cooperated in providing advisory services to both TUs and EOs on lobby and advocacy on COVID-19 prevention and protection and post-COVID-19 economic recovery policies and actions. Further, in West Africa, DECP and CNV Internationaal have jointly identified partner TUs and EOs to participate in ITC-ILO training on social dialogue and negotiation skills. Key informants interviewed highlight that their joint participation in a training event served as a basis for building relations and trust between the different participant organisations, which is beneficial for the social dialogue processes in their home countries.

Respondents highlight that DECP has inspired its partners to engage in constructive social dialogue processes and in evidence-based lobby and advocacy efforts in their home countries by occasionally organising exposure visits of their partners to the Netherlands. These visits exposing partner EOs to the practice of social dialogue in the Netherlands took place before the COVID-19 pandemic, with the most recent one being in 2019 with a delegation of East African partners. The visit programmes included meetings with TUs and

the SER and served as practical and direct exposure to social dialogue mechanisms and processes in the Netherlands. Based on interviews and reports, visiting partners strongly appreciated these opportunities to see the working of functional social dialogues behind the scenes.

DECP has also provided support to strengthen lobby and advocacy capacities of its partner EOs. This has been particularly relevant when the, usually preferred route of, social dialogue was not open, due to insufficient conducive environments for dialogue. This is the case when in a specific country or at specific historic moments, bilateral and trilateral relations between the social partners were not sufficiently conducive for a constructive social dialogue on specific issues. And in some occasions the issues at stake are specific bilateral (Government-Employers) of nature. In these situations, EOs seek for a direct route of lobby and advocacy to the Government to address these specific issues and negotiate quick solutions. And in some occasions, both social dialogue and lobby and advocacy towards specific stakeholders are applied. In the case study countries, examples of lobby and advocacy can be seen in Uganda on labour law related issues. With respect to Covid-19 responses, DECP through its website and through its technical assistance is providing support in formulating lobby and advocacy proposals and strategies. For both Social Dialogue and Lobby and Advocacy, a key requirement and area of support of DECP is to strengthen membership base of EOs and thus improve representativeness of EOs engaged in dialogue and/or lobby and advocacy.

For the findings regarding JC 2.4, please refer to section 4.1.1 (combined with JC 1.3).

**DECP's M&E system has undergone major changes and improvements during the 2018-2022 business plan period, following up on previous evaluations' recommendations. The current KPIs and the organisational development ('maturity') indicators applied in the current business plan provide a valuable insight into organisational development characteristics and outcomes obtained in specific thematic areas of social dialogue and lobby and advocacy, albeit with room for the inclusion of more specific thematic indicators (JC 2.5).**

The latest DECP evaluation conducted by Berenschot in 2017 contained several critical conclusions and related recommendations on the use of M&E methods and indicators in the DECP. The evaluation suggested enriching an M&E tool – the spiderweb diagram on organisational performance of partner EOs (Figure 5) – with additional indicators on management and systems, including measurement of the potential for further improvement of partner EOs' performance, particularly concerning social dialogue and business climate. Besides, the evaluation proposed to DECP to use an approach for 'graduation' of partners to allow taking decisions on possible exit strategies in the partner relationships between DECP and EOs.

In its 2018-2022 business plan, DECP has taken these suggestions up by applying several significant changes in its M&E system and indicators as follows:

- DECP decided to stop using the spiderweb diagram for measuring organisation performance and adopted a more holistic instrument of measuring organisational maturity on a wide range of performance criteria. A four-point scoring table



was introduced from basic (1) to master (4) levels to measure the organisational performance of EOs along a wide range of 96 indicators;

- In 2018, DECP conducted a baseline assessment of the performance of its partners on all 96 indicators. Although this exercise was successfully completed, DECP and partners considered such assessments to be too cumbersome and time-consuming to be repeated. Instead, eighteen KPIs on which performance would be monitored annually and reported on were prioritised;
- The performance on key indicators is summarised on an overall performance score on the four-point scoring table, allowing for a quick insight into progress in organisational development and results of all DECP partners;
- In addition to the quantitative scores, in its annual reports DECP also provides a concise qualitative description and analysis of key developments and results at the partner level.

The above developments show a significant improvement in the capacity of DECP to collect and demonstrate its results. Particularly with the decision to reduce the number of indicators from 96 to eighteen, the system has become more manageable, still providing valuable insights into the (lack of) progress in specific aspects of the DECP, such as organisational development (membership, etc.), social dialogue, lobby and advocacy, and thematic areas, namely OSH, skills development, and CBAs.

In reflections on the use of the system, DECP and its partners assess the scoring methodology and the reduced number of indicators as being widely useful. They also indicate that there is room for improvement in describing organisational performance in all relevant key aspects. According to key informants interviewed, this can be achieved by revising the current set of eighteen indicators and replacing some with newly-defined or existing indicators from the original set of 96. Examples of areas on which more specific or new indicators could be developed are skills for the labour market, responsible business behaviour, social security, CBAs as well as more conjunctive developments such as post-COVID-19 recovery.

Notably, although the M&E methodology and the indicator set used are very useful to obtain a quick and useful overview of the DECP developments and results in different countries, it remains difficult – if not impossible – to use these M&E data for a comparative analysis of development across partners and countries. An illustration of this is the overall impression of DECP's progress presented by the data generated by DECP's current M&E system. According to it, the programme achieved most progress in Africa, while seeing mixed results in Asia and least progress in Latin America. However, it is doubtful whether such a quick overview of indicators leads to an accurate interpretation of developments across countries. Apart from the fact that the countries in the programme are very diverse – likewise the size of budget and support that DECP provides – the main challenge in correctly interpreting comparative partner performance is that the eighteen KPIs do not cover all factors and areas in which partner EOs are focusing their attention, as was observed in the case studies, e.g., in aspects of minimum wage in

Uganda, environmental sustainability (in palm oil) in Indonesia and gender and labour rights in the garments sector in Indonesia and Bangladesh. The longitudinal comparison of the development of indicators in a specific country over time is likely to provide more insights into the development of DECP support and results than a comparison across countries and regions, due to the high diversity in contexts and specific (sectoral and thematic) challenges across countries.

Notably, DECP recognises this shortcoming of KPI-based M&E by paying ample attention to qualitative aspects of partners' performance in its planning and reporting documents. Considering the complex reality and major differences across countries in the DECP, it is indeed important to provide additional qualitative analysis of characteristics and developments in countries to complement the quantitative values provided by the M&E system.

### 4.3 Additionality and complementarity<sup>27</sup>

DECP provides relevant TA to EOs in developing countries that are not provided on the local market. International development actors – particularly ILO and other Nordic EOs – provide similar forms of support, all of which are subsidy-based. DECP services can therefore be considered additional to national TA and training markets, although its complementarity with other international development partners could be improved. Specific key outcomes particularly on social dialogue and specific thematic issues are unlikely to be achieved when solely relying on local service providers and hence depend on international providers, such as DECP. The specific background, knowledge, and expertise of DECP as an international sister organisation to EOs in developing countries is clearly additional (JC 3.1 and 3.2).

DECP provides a range of TA services that are rarely available on the local market because most of the partner EOs are among the few national-level apex organisations, which limits peer-to-peer exchange of experiences within the country. Even if there were other EOs at the same level, given the often-confidential nature of contents and issues that are targeted in capacity development, it is understandable that capacity development support is not sought on the local market.

<sup>27</sup> Additionality as an evaluation criterion refers to extent to which a specific service or activity provided by a programme or project is additional to what is already offered in the local environment and the extent to which such a service or activity does not distort the local market. Complementarity refers to the extent to which a service or activities is synergetic with other actors and service providers and thus can strengthen the potential effects and impact of the combined efforts made.

An exception to this could be for specific technical or operational areas of support, e.g., in improving communication or membership registration systems. In these areas, confidentiality may be a challenge, particularly in cases where data confidentiality might be insufficiently secured in local legislation and regulations. As the type of services that are often required by EOs are not available at national level, there is no local market distortion and the services of DECP and other like-minded partners are additional to the local market.

Services similar to DECP's are available on the international market and are usually provided by like-minded organisations such as the Nordic EOs, EOs from other regions (e.g., Japan and Korea) and ILO. These organisations operate in the same way as DECP, by providing TA usually on a project and subsidy basis. DECP's specific services are, to some extent, additional and complementary within this international offer of like-minded partners, as it targets specific countries and partners. However, at the same time, there is regular co-existence of different support providers that work with the same partners.

This coexistence is known, at the level of like-minded partner, as DECP exchanges information and coordinates its activities with these organisations, notably similar programmes from Norway, Sweden, and Denmark (Nordic partners) and with ILO. Several of the DECP partners receive substantial support from these Nordic partners and in several instances also from other donors. DECP regularly meets with these like-minded partners in twice-yearly coordination meetings in Europe, during which they share information on each other's interventions. The

European-level coordination among like-minded organisations occasionally leads to cooperation on the ground, although this is not systematic. Despite these coordination efforts, the exchange between support providers to EOs in DECP partner countries is not systematic, so the specific support streams at the specific partner level are not always collectively known, and therefore the complementarity of support is not secured. For instance, in Indonesia APINDO receives substantial and long-term support from Japan, a fact unknown to DECP. This example highlights room for improvement in securing the complementarity of certain support activities with individual partners. On a different note, it was found that national EOs are not always fully transparent about being DECP's main (and only) partner in the country, as noted in the Côte d'Ivoire case study.

Relevant for the question on complementarity is the finding that in some countries – particularly Peru, Vietnam, and Indonesia – DECP has invested in the training of local trainers in social dialogue aspects and technical areas such as CBA, OSH, and social security. These support activities have led to certain yet still incipient training and TA capacity that is becoming available to EOs at the national level. While these trainings and TA initiatives are complementary to the support provided by DECP targeting the national-level EOs, a local network of trainers reaches out to lower levels of sectoral organisations and possibly the individual company (member) level. The initiatives to set up national pools of trainers and advisors are undertaken with the intention of ensuring sustainability of this supply in the form of commercial business services on the local market in the longer term.



Based on the analysis of survey responses and KIIs, specific areas in which the knowledge and expertise of DECP as a sister organisation to its partner EOs in developing countries seems indispensable (i.e., not offered by other international programmes of EOs) are as follows:

- Apply principled negotiation approaches and techniques (inspired by the Dutch polder model) in social dialogue and collective bargaining processes;
- Secure linkages between private sector demand for skills and the education and TVET sector;
- Make the international network and contacts of VNO-NCW available to partners, as is currently on the DECP website in post-COVID-19 recovery subjects;
- Train the trainer services to establish national-level pools of trainers in CBA and social dialogue on a wide range of issues.

## 4.4 Coherence <sup>28</sup>

The support provided by DDE to DECP is coherent with other PSD interventions supported by the Netherlands in DECP partner countries under the overall objective of DDE to contribute to inclusive sustainable development in its partner countries. In this broader PSD context, DECP targets specific partner EOs that are not considered in other DDE-supported programmes and partners, and this support contributes to an improved business-enabling environment in these other programmes and projects. The coherence of DECP is therefore most directly related to its complementarity with other DDE-supported programmes, particularly the VMP (support program to TUs) and Dutch support to ILO. Possibilities for more direct complementarity and synergy with other PSD support programmes to enhance coherence of the full range of sustainable economic development support interventions of DDE have not been sufficiently explored and utilised by DDE, by more actively involving DECP and its national partners in full support-portfolio (JC 4.1-4.3).

Within the DDE support portfolio in sustainable economic development, DECP occupies a specific place in the area of improving the enabling environment for sustainable economic development, focusing on industrial relations and employment issues. Within the DDE portfolio, DECP is contributing to creating better conditions for other PSD projects and partners

to become more effective in achieving sustainable economic development-related objectives. In this respect, DECP's role and position in the DDE portfolio are similar and complementary to the longer-existing VMP through which DDE supports Mondiaal FNV and CNV Internationaal. With these two support programmes, DDE is enabling capacity development to workers' organisations and EOs in bi-partite social dialogue and strengthening both of these organisations' positions in tripartite social dialogue.

Respondents confirm that the provision of support to both sides of the table in bi-partite social dialogue is very important to ensure a balance of social partners in social dialogue and promote bi- and tri-partite social dialogue as the most effective way to reach sustainable solutions in labour- and industrial relations-related challenges. Strengthening only one side of the negotiation table may be disrupting this balance and thus reducing the coherence of the overall interventions in improving the enabling environment for sustainable economic development.

While DECP and VMP are synergetic and complementary in design and setup, DDE guides and follows up with these programmes independently from each other, with different support modalities and conditions. DECP and the Dutch TUs have mutually engaged in cooperation activities on their own initiative and accord, and while this has contributed to greater synergies between the two programmes, this was mainly done through bilateral arrangements between DECP and one of the trade union partners in the VMP in specific countries, rather than being linked to a broader strategic cooperation framework also including DDE's own active involvement.

Further, while DDE also provides support to ILO, the evaluation did not find a strong link between this area of support and the one provided to DECP and VMP. It can be argued that this would be rather advantageous, particularly at the level of tripartite social dialogue. Indeed, with its tripartite constituency and its presence on the ground in many DDE PSD partner countries, ILO has a strong convening power to bring partners to the table of social dialogue and motivate social partners to contribute to an improved business-enabling environment that is contributing to inclusive economic growth. Moreover, DECP and the VMP partners work closely with ILO, particularly ITC-ILO in the training of their partner organisations within the context of their respective programmes. This means that conditions to tighten working relations already exist and can easily be extended with a closer involvement of DDE and by introducing meta-level dialogue and coordination of initiatives within the context of DDE's overall support portfolio.

The complementarity of DECP support with other areas of support in DDE portfolio is limited, as can be seen in DECP's own programme, where the ToC pillar on connecting has remained limited to a small number of concrete activities with Dutch companies. In some countries, DECP has developed cooperation with other partners, although these are not typically within the context of private sector actors but rather with organisations working closely with the private sector. In Togo, DECP collaborated with Agriterro in organising agricultural sector companies into the national employers' federation of Togo (CNPT). With VET Toolbox – an EU- and GiZ-funded initiative – DECP works on linking skills with the labour market in the regions of East and West Africa.

<sup>28</sup> Coherence refers to the extent to which an intervention is in line with policies and strategies of key stakeholders in this intervention and that the interventions supports these policy and strategy intentions

Cooperation with other partners around international supply chains is not yet a strong element in DECP planning and programming, despite a clear and growing interest among partners in developing strategies and initiatives by employers to address challenges in the international supply chains such as sustainability and climate change, RBC, and (gender) inclusion. Within the country-level support activities, these interests are regularly included in the programme, e.g., the focus on palm oil and textile and garments sectors in Indonesia. However, in these specific initiatives, there are not yet examples of linking actions with other private sectors (related) partners such as CBI and IDH, and with companies involved in the Dutch sectoral covenants. There is no close exchange and dialogue among the DDE portfolio partners, DDE staff and DECP to explore more concrete forms of cooperation around business behaviour in international supply chains, although there are likely and immediate possibilities for concrete initiatives that can have substantial impact at the level of specific international supply chains.

**The coherence and complementarity of DECP with PUM – as two separate programmes implemented under the umbrella of VNO-NCW – have only been recently explored and mainly as a result of DDE introducing this subject. VNO-NCW has been receptive to closer collaboration and explored possible synergies, complementarity and coherence of the two programmes, concluding that a merger of the programmes is desirable and feasible. The merger of DECP and PUM will start in April 2022, to be fully effectuated from January 2023 and beyond. Within the context of this merger, coherence and complementarity with the wider set of PSD programmes and partners have yet remained unexplored (JC 4.1 and 4.2, focusing on DECP and PUM).**

On 17<sup>th</sup> February 2022, DECP and PUM announced their decision to merge these two VNO-NCW-managed and -implemented programmes, both of which are funded by MoFA. The merger process will start administratively in April 2022 and will lead to a full programmatic merger from January 2023.

At first sight, this merger comes somewhat unexpected, because the two programmes – despite both being housed, managed and implemented under the same umbrella of VNO-NCW and funded by the same donor (MoFA/DDE) – have a quite different approach and focus and are very different in size and modes of implementation. Moreover, both organisations are governed by their own boards (MKB Nederland is also involved in the DECP board).

DECP has historically targeted (national) EOs in developing countries and engaged with them as a sister organisation within the IOE to provide peer-to-peer support to partner EOs, particularly in strengthening their own organisations as membership-based organisations and empowering them to effectively participate in tri- and bi-partite social dialogue. DECP does this with a very small staff and a small and flexible layer of paid senior experts.

PUM has historically targeted individual companies in developing countries and mobilised the membership of VNO-NCW (and others) as volunteers to provide practical TA to companies to improve their national and international business strategies and operations. PUM is significantly larger than DECP in size and number of staff (particularly volunteers).

While historically DECP and PUM have not closely cooperated on the ground, DECP has occasionally involved PUM volunteers in providing technical support in operational and administrative areas to partner EOs. DECP and PUM meet and align in broader coordination and exchange mechanisms – e.g., as partners of RVO – and both programmes were involved in providing inputs in the Africa Strategy of VNO-NCW. While DECP and PUM regularly meet in these forums and activities, DECP has more frequent cooperation with the trade union partners in the VMP.

During interviews in this evaluation, key informants stated that the merger has been motivated by both internal and external factors as follows:

**Internal factors:** Following up on the evaluation recommendations, in recent years PUM has gradually moved from support to specific individual companies to the sectoral level of operations to increase its (possibilities to achieve) impact. PUM has developed a programmatic approach in which specific TA missions to specific companies are linked with each other to contribute to changes at the level of collective companies (and their branch organisations) at the sector level. With this shift, PUM has increasingly reached out to sector-level organisations such as chambers of commerce, sector associations, industrial boards, etc. At the same time, DECP has experienced that tripartite social dialogue at the national level has often been very challenging because achieving tangible results at this level is often testing and dependent on many actors outside of the programme's direct sphere of influence. DECP and partners have learned that results are more easily obtained at the level of sectoral social dialogue and negotiations, more confined to

bi-partite social partners. In this respect, both PUM and DECP experience processes in which they are gradually moving closer to each other, partnering with the same or similar partners at the sector level. Most stakeholders foresee that a merger of these programmes will facilitate developing a more specific and powerful strategy by DECP and PUM with their key partners and stakeholders.

**External factors:** VNO-NCW and DDE key informants all agree with the observation that the idea to explore a possible merger of the DECP and PUM programmes originates from DDE. DDE is interested in achieving more alignment and synergy of different initiatives supported by this department, and in this light it makes sense to observe whether two separate programmes managed by the same partner can be more aligned with each other. In doing so, DDE also sees clear advantages of scale and reduced administration, monitoring and follow-up and transaction costs. Notably, both PUM and DECP were interested in the idea of a closer alignment and a possible merger introduced by DDE, including in the light of the internal factors explained above and the continuation of the partnership between VNO-NCW and MoFA/DDE.

While the decision to merge the PUM and DECP programmes clearly introduces the possibility of increased alignment and synergy between the two programmes as well as increased perspectives to reach impact at the sector level, the merger also presents certain well-defined challenges for DECP and DDE in supporting DECP that need to be further explored and addressed in the coming period. These are listed below:

### Strategically and programmatically

- This evaluation of DECP has shown that the DECP is synergetic with several other MoFA-/DDE-supported initiatives in improving the business-enabling environment contributing to sustainable economic growth. As such, DECP is complementary to other programmes, particularly the VMP and Dutch support to ILO and it contributes to the coherence of the full DDE portfolio. Therefore, a challenge is to avoid losing these and possible other synergies, complementarity and coherence. DDE, PUM and DECP have not yet developed a strategy that allows DECP to maintain its current potential for synergies: in other words, to preserve the specific and much-valued strengths of DECP. This requires the partners to clearly contextualise the DECP-PUM merger in a broader stakeholder constellation;
- While the move of both PUM and DECP to more sector-level interventions makes sense from the perspective of feasibility and speed of reaching results at the sectoral level, a challenge is to secure the inclusiveness of processes and results at the sector level by keeping workers' organisations and the trade union partners in VMP involved. At the sector level, focus should not come at the cost of less attention to tripartite social dialogue at the national level, since supportive national legislation on labour and industrial relations is a crucial enabling factor to reach results at the sector level;
- An important challenge and opportunity for both DECP and PUM is to reconsider the current identity of the programmes as 'Dutch' programmes, recruiting almost entirely Dutch experts. While

the North-South exchange of Dutch expertise has always been important in both programmes, other forms of exchange of expertise such as South-South are also relevant and regularly mentioned by DECP partners. Partners stress that they would welcome more exchange across countries. The COVID-19 pandemic and the global climate change challenges also work against the traditional way of 'sending a Dutch expert', a trend ever-increasingly falling out of line with current developments.

### Organisationally and administratively

- In the process of a merger, it is often a challenge for the smaller entity not to be 'swallowed' by the larger entity. As the smaller entity, DECP faces challenges to ensure that its specific focus on strengthening representative bodies of business organisations and bi- and tri-partite social dialogue is not lost in the process;
- The merger might bring about change in the current relations with the small team of paid senior experts to a broader and more diverse pool of senior experts who work as volunteers in line with the regulations of the PUM programme, in which thousands of volunteers are recruited. While this is a challenge for DECP to change from its current mode of operations, it is also an opportunity to increase the diversity of experience in its pool of experts, including more women, youth and more diverse ethnical backgrounds in its team;
- Timeframes of TA provision in the DECP and PUM programmes are very different. DECP provides

long-term advisory support to partners that can easily span a decade, while PUM usually provides TA support that is short to medium term, comprising a small number of missions of individual experts. The PUM approach to TA provision is now changing with the shift to sector-level support in a more programmatic way, although the timeframes of the two programmes still remain different. The provision of long-term TA support and peer-to-peer cooperation is key to the identity of DECP, and this modality of TA provision may be challenged in the merger of PUM and DECP.

**DECP has an extensive network of international partners and can rely upon resources that are widely available in the Dutch VNO-NCW network. However, this networking capacity of DECP has remained mostly confined to DECP itself, managing its bilateral relations with partners in different countries in a country-level programming modality in the DECP business plan. Opportunities to expand networking and introduce more varied forms of exchange, pooling resources of different partners in the North and South have not systematically developed. While the Dutch experience and expertise is clearly relevant to partners worldwide, its pallet of services and expertise is somewhat limited (JC 4.3).**

Over the more than fifteen years of DECP's existence, the team and programme has built experience in over 25 countries across the continents of Africa, Asia, and Latin America. In doing so, it has reached out to a large number of partners and experts in these countries, as well as within the Netherlands and Europe by cooperating with the Nordic EOs in Scandinavia and ILO and ITC-ILO. Within VNO-NCW and with other Dutch partners, many people have been involved in

DECP activities through the involvement of experts and exposure visits. While these wide networks have certainly supported DECP's work across countries, DECP has remained as the centre of this network to a considerable extent, as the sun radiates to partners in external and concentric circles worldwide. To a lesser extent, these networks have become available to specific partner EOs in specific countries that receive TA from DECP as a ray of light from the central sun in the system, although horizontal and diagonal relations in the solar system have remained limited.

DECP has historically undertaken programming and planning of its operations in country-specific agreements with specific partners, complemented with cross-cutting regional budgets, which in some instances are allocated with regional activities with multiple partners, although the country-level programming modality has remained paramount in DECP's programming. The country's focus in programming is only to a limited extent complemented with regional partners, such as the relation with SAFE. Activities in DECP programming at a regional level – such as exchange events with regional partners or linking with processes of regional integration – were occasionally included, particularly during pre-COVID-19 years.

DECP's mode of capacity development and TA is based on making available VNO-NCW's experience in social dialogue and industrial relations, mainly obtained in the Dutch and European context. This is also embodied in the pool of experts deployed by DECP, which mainly comprises Dutch experts complemented with a limited number of European experts. Concerning gender, age, and ethnic background, the DECP expert team is also not very diverse, as observed by the previous DECP

evaluation in 2017. While this long-term and strongly embedded experience of experts is clearly a core strength of DECP's capacity development approach, at the same time it poses limitations to bring in a more diverse and inclusive experience within its pool of experts and enable diagonal and horizontal relations between EOs at the regional and international level. In the survey, partner EOs regularly indicated that regional exchange and cooperation with other EOs on specific issues is an area of specific interest. This may also include a facilitative role of DECP to support BMOs in helping each other as sister organisations, based on specific national and regional cultural contexts and socio-economic realities, including regional economic integration processes.

#### 4.5 Efficiency<sup>29</sup>

**The DECP is implemented as a small and flexible programme, ensuring the cost-effective provision of TA and training services across the partner EOs. As the small programme is implemented with a considerable number (25) of partner organisations in 22 different countries, its implementation at the specific country level is somewhat fragmented. (JC 5.1).**

The current DECP business plan specifies working relations with partner EOs in 22 different countries. As the DECP cooperation is also at the level of sub-national EOs through four partners in Bolivia, this brings the total number of partners to 25. In addition to these 25 partners, DECP also provides modest support to

<sup>29</sup> Efficiency is looked at from a variety of angles, combining financial efficiency, timeliness, flexibility in providing (rapid) responses and adapt to changing circumstances and capacities in budget depletion.



SAFE, as a regional EO in Asia. With an overall annual budget of 2 M €, the DECP expenditures at the country level are well below 100,000 €. In 2020, less than half of the partner EOs received TA support with a value above 50,000 €: Malawi, Uganda and Zambia in Africa, Cambodia, Indonesia, the Philippines and Vietnam in Asia, and Bolivia and Peru in Latin America. In 2018, prior to COVID-19, there were even fewer countries with TA budgets over 50,000 €: Kenya and Zambia in Africa, Indonesia and Vietnam in Asia, and Peru in Latin America. Cross-cutting TA budgets have been oscillating around 200,000 € in East Africa and Asia and 100,000 € in West Africa and Latin America. There is also significant variance in TA budgets across years and countries, with the smallest budgets being allocated to West African EOs in Guinea, Niger, Mali, and Senegal, only with small expenditures effectuated in Mali. Other West African countries (Benin, Burkina Faso, Côte d'Ivoire and Togo) received small budgets of 17,500 € in 2020. Other 'small' countries in the DECP budget were Mongolia, Bangladesh and Nepal in Asia and Burundi in East Africa. Over recent years, budgets have changed due to structural under-expenditures, particularly during the COVID-19 pandemic. From 2020 onwards, this has led to additional COVID-19 budget allocations to all partners and cross-cutting programmes.

Accumulated under-expenditures in 2020 have reached almost 30%, although under-expenditures were also significant in earlier years at 20%. While under-expenditures in more recent years can be well explained by the drastic reduction in travel and mission costs, in earlier years there is no such clear explanation. In general, DECP encounters challenges in spending its country budgets effectively and according to plans, particularly in several countries with very small budgets.



At the same time, the M&E data of DECP and the case studies show some evidence that countries that have consumed larger budgets have also shown above-average growth in values of performance indicators. This could be observed particularly in the larger countries in Africa and Asia, except for Zambia, which despite a large budget showed a decline in indicator values. Therefore, the evidence of a correlation between budget and results of DECP interventions remains thin. The countries with the largest percentages of underspending (in 2020) were Côte d'Ivoire, Vietnam, Bangladesh, Nepal, and Peru, all having expenditure rates of less than 50%. Out of these countries, Bangladesh and Peru showed negative growth performance indicators, although this was not the case in Côte d'Ivoire, Vietnam and to a lesser extent in Nepal, where positive growth performance was recorded.

Overall, the low expenditure rates at the country level and the small budgets allocated to a large number of countries clearly point to efficiency challenges in the DECP activity implementation caused by fragmentation of the budget, time and effort dedicated to specific partners in a large number of countries.

On the other hand, DECP has shown good efficiency in several aspects and actions:

- DECP cooperates with ITC-ILO for the delivery of training to its partners. This mechanism of cooperation is efficient, as ITC-ILO has a long-standing reputation of good quality training that is tailored to the needs of EOs (and also TUs) and therefore can be seamlessly tuned in the further support of DECP provided to partners;

- The quick and proactive COVID-19 responses of DECP, in moving the provision of TA and training quickly to online modus to replace physical visits and training activities. The same goes for the additional budget-allocation for COVID-19 responses of its partners, enabling them to quickly respond to urgent emerging needs in their countries. DECP was also quick in developing services and information provision (including on its website) to attend to COVID-19 information needs of its partner EOs;
- On some, but limited, occasions, DECP has pooled knowledge and resources with other Nordic EOs in the provision of support to partner EOs in developing countries. This cooperation leads to efficiency gains in programme implementation, as DECP can draw upon experience and recourses of specialised other partners. Close cooperation on the ground with other (Nordic) partners is rather limited, thus this possibility to capitalise on efficiency gains is not yet fully utilised by DECP.

**The small and flexible organisational structure of DECP – working with a small core staff and external country and thematic advisors – has contributed to the efficiency of TA delivery, although the small size of the programme has led to limited variety in the supply of technical expertise (JC 5.2).**

A key feature of DECP's efficiency is the small and flexible setup of DECP as a programme and a team in the VNO-NCW organisation. The fixed key staff comprises only three persons, with in-house service support from VNO-NCW in financial accounting, reporting and internal auditing of the programme. The small team uses office space in the VNO-NCW

offices. These combined features make DECP a programme with low management and administration costs. This is particularly the case because the director and vice-director – two of the three staff members of DECP – are also active as technical advisors in the programme for a considerable percentage of their time.

The layer of technical advisors and country managers built around DECP is flexible and mobilised based on the demand and size of operations in specific countries and regions. This flexible setup guarantees that this layer of experts and country managers is mainly used to implement activities on the ground, although occasionally this flexible layer of experts is engaged in meetings and activities of DECP to plan and strategize and jointly learn from programme implementation. This is achieved through biannual meetings of the team (during COVID-19 times conducted digitally).

The setup of the team of advisors and country managers is framed in such a way that country management tasks are combined with specific thematic expertise. The specific thematic expertise of different country managers can then be used in other countries if and when needed. Some of the advisors do not have country-specific tasks and focus on specific areas of thematic expertise. With this setup, DECP can guarantee a useful mix of country expertise with thematic expertise in a range of key subjects: CBA negotiation, social dialogue, OSH, social security, RBC, and skills development for the labour market. However, as the team of experts provides this expertise mainly based on experiences obtained in the Dutch and European context, the variety in technical support provision is limited.

DECP and DDE have developed a close and constructive dialogue, although this cooperation has not been translated into effective linking of DECP with other programmes and partners of DDE, except for the TUs under the VMP programme. In particular, effective and efficient working relations were not always maintained with Netherlands embassies, particularly during the COVID-19 pandemic, leading to an under-utilisation of the potential to achieve outcomes (JC 5.3).

DDE and DECP have historically had frequent and good quality dialogue and cooperation on the development and implementation of the DECP over time. However, as also noted in section 4.5, the dialogue between DDE and DECP has been limited to bilateral dialogue and exchange to a considerable extent. Different staff members at DDE are responsible for compartmentalised management and follow-up of different programmes and partners. In particular, the DDE dialogue and support to DECP, VMP and ILO could gain depth and identify more opportunities for synergies and complementarity if undertaken in a collective forum or group, organised around the theme of social dialogue and/or industrial relations. The group of interested parties is even broader when more specific sectoral interests and subjects are explored: partners that have signed sectoral covenants, within RVO and among the PSD coaches of RVO, IDH and CBI with a focus on specific supply chains and sectors, including in the agricultural sector, where Agriterra – which works with producer’s organisations – is also a relevant stakeholder, although this organisation is not a direct partner in DDE-funded actions.

The dialogue between DDE and DECP and PUM has been strongly influential in the decision of VNO-NCW

to merge the two programmes. While this will lead to closer alignment of the two programmes, from the DDE perspective it is also relevant to look at broader alignment and synergies at the level of its entire portfolio. Improved alignment and synergies between different programmes and partners of DDE are likely to not only benefit the efficiency of these programmes and partners but also enhance the effectiveness and coverage of these programmes and partners.

A specific challenge in achieving more synergy and cooperation and linking different partners on the ground is related to the fact that several of the Netherlands’ embassies in partner countries are not well aware of the existence of DECP and its potential to contribute to improvements in the business-enabling environment. In the case study countries, this evaluation has observed that embassies are usually more aware of the private sector, and trade and investment development interests of Dutch organisations and businesses. Embassies provide substantial support in establishing business linkages, although their awareness of the potential contribution of DECP and VMP to social dialogue, improved industrial relations and subsequently an improved business environment appears limited. Here lies an important task of DDE, while at the same time DECP has – particularly during the absence of travelling in COVID-19 times – not invested sufficiently to proactively engage with embassies to seek possibilities for cooperation and synergies.

<sup>30</sup> The questions in the ToR and evaluation matrix under sustainability and impact were related and combined under one heading.

## 4.6 Sustainability/Impact <sup>30</sup>

DECP’s partner EOs indicate that capacity development support has led to sustainable changes in organisational practices. However, at the same time partner EOs indicate that they wish to count on continued support by DECP over time, particularly in the context of post-COVID-19 recovery processes. Despite recommendations in the previous evaluation, DECP has no clearly-developed graduation of partners strategies with a corresponding planned exit strategy in its current business plan (JC 6.1).

In the survey, KIIs and case studies, key informants consistently confirmed that DECP has provided very important support to partner EOs in developing countries. The partner EOs indicated that the support of DECP has contributed to improved and institutionalised performance in management and administration capacities of EOs, particularly in the area of membership recruitment and services and the capacities of EOs to effectively participate in processes of collective bargaining and social dialogue. The four country case studies all show these effects, albeit with some variance in focus: while in Bangladesh more progress in membership-related services was acknowledged, in Indonesia most progress was seen in capacities in social dialogue, even against the backdrop of some decline in the membership of APINDO during recent COVID-19 years.

Respondents to the survey indicate that although specific individual leaders and managers in the EOs are targeted with training and TA services, these individuals transfer the knowledge and experience in the organisation. While partners acknowledge that some knowledge and experience leaks away from

the organisation when people move on, they also indicate that these persons are likely to still apply this knowledge in their new positions, which are sometimes at the level of high political influence (e.g., the ex-president of APINDO has moved into an advisory position of the Minister of Manpower).

DECP has supported efforts in several countries (Indonesia, Peru, and Vietnam) to provide training of trainers (ToT) services to local partners and support in setting up the national trainer and advisor groups or organisations. This is an important measure to overcome the leaking away of experience and expertise by developing a local capacity to renew training. These services are set up as commercially viable initiatives to guarantee that these training and advisory service providers can be sustained over time. The DECP portfolio shows the room and need to further invest in this type of services to guarantee the sustainability of capacity development interventions at the national level over time, without depending on continued services by DECP (and ITC-ILO in the case of training).

DECP has developed a monitoring system to look at the organisational maturity of its partner EOs, introducing a four-level scoring table from the basic to master level. This system was inspired by recommendations of the 2017 Berenschot evaluation, which suggested introducing a graduation strategy in DECP's partner support approach. However, DECP has not yet used its organisational maturity indicator set to develop an exit and transfer strategy in its longer-term partnership relations, and to timely prepare partners for a possible exit of DECP once sufficient maturity of the partner EO is achieved. The DECP business plan does not present a sustainability and exit strategy in its partner relations.

**DECP's interventions and support to partner EOs have contributed to more professional engagement and operations of EOs in social dialogue and lobby and advocacy. At the same time, the case studies and the survey in this evaluation show that achieving systems-level changes in the business-enabling environment in terms of legislation and rules and regulations is often not quick and easy to achieve, and hence a medium-to long-term approach to capacity development is required. The achievement of sustainable results in social dialogue and lobby and advocacy is generally more effective at the sector and thematic level and more sustainable when these results can be followed up by the bi-partite parties involved at sector and thematic level (JC 6.2).**

The DECP support to EOs in lobby and advocacy and social dialogue has generally shown increased capacities of partner EOs. These capacities are also recognised by external partners in the case studies. However, when looking at national political and economic developments and contexts, all case studies show that there are considerable challenges in achieving structural changes at the national policy and legislation level. In Uganda and Indonesia, important labour and wage-related legislation are stalled and subject to fierce debate among tripartite social partners. National governments and ministries of labour are not always open to dialogue or constructive at the table of tripartite social dialogue. The COVID-19 pandemic has further challenged some of these negotiations and dialogue processes due to new and immediately urgent political and economic priorities.

DECP has indicated that it has experienced many setbacks and difficulties in national-level tripartite social dialogue, often related to difficult external political

contexts and a lack of political will at the government level to enable and support tripartite social dialogue. As a result, DECP is now inclined to move towards specific sector-level and bi-partite social dialogue. DECP believes that it is easier to achieve solutions more quickly at this level. Examples of this can be found in the case studies; for example, in the textile and garments sectors in Indonesia and Bangladesh and in palm oil sector in Indonesia. While this is probably true, the national tripartite social dialogue and continued lobby and advocacy on national labour legislation-related issues are also needed. Moving forward in tripartite national-level social dialogue might require more concerted efforts of DECP together with VMP partners and there is a particular role for ILO in bringing the social partners together at the table of national social dialogue.

DECP's strategy to focus more at the sector level and on bi-partite dialogue and negotiation provide new opportunities to engage with specific partners at the sector level and find more concrete and tailored solutions that can be quickly implemented at this sector level. This possibility has also featured as an argument in the merger of DECP and PUM, both of which can complement each other with specific TA to partners at the sector level.

At the same time, the focus on specific sectors also increases the practical feasibility of solutions and actions that are often specific; for example, in OSH and social security-related issues or linking skills development with specific sectoral needs. In this light, the strategy of DECP to move more closely towards sector-level interventions makes sense, although it should not come at the cost of fully moving away from national policy-, legislation- and regulation-related issues.

## 4.7 Reconstruction of theory of change

The DECP has used a generic ToC for its programme, as presented in section 3.2 of this report. Based on the findings presented in the sections above, the evaluation team has reconstructed this ToC to reflect the actual design and implementation reality of DECP. The reconstructed ToC – in different versions – was presented to DECP and DDE management and further inputs were received for its final elaboration. These inputs were combined with further research findings and integrated into a semi-final version of a reconstructed ToC, which was presented and discussed during a debriefing and validation of findings workshop with DECP and DDE.

The final version of the reconstructed ToC is presented in Figure 13 below. The purpose of this ToC is to further guide the design and development of a possible next phase of the DECP after ending the current programme period. In this process, further development and fine-tuning of the ToC in the light of future developments and the prospective merger between DECP and PUM may be desired. Therefore, the ToC presented in this section should be considered as a living document and work in progress, subject to further adaptations and fine-tuning over time by the key partners involved.

The ToC diagram presented in Figure 13 starts with the key intervention areas and corresponding inputs of the DECP 2018-2022 business plan in the light blue boxes. On the bottom left side, the diagram depicts two core areas of DECP interventions: (a) capacity development, focusing on enhancing the performance of BMOs, partners of DECP; and (b) social dialogue, focusing on improving relations between BMOs, TUs,

and government. A third intervention area mentioned in the 2018-2022 business plan refers to connecting various actors in specific initiatives for dialogue and BMO activities, focusing on (Dutch) companies that operate in DECP partner countries. This intervention area is presented separately (bottom right side of the diagram), as it has not prominently featured in the DECP interventions in the period under review in this evaluation. To some extent, this third intervention area can be considered as explorative and opportunity-based: when possibilities for linkages emerge, DECP might take them up in programming and report on eventual results, although they might not be (and certainly have not been in the past) structurally and strategically linked with the other key intervention areas of DECP. Evaluator observation – although not visualised here – is that possibilities for connecting require broader cooperation and action not by DECP alone but rather together with DDE, particularly including other partners and projects that are supported by DDE in DECP partner countries such as CBI, IDH, MVO Nederland and partners in specific sector covenants.

**Above the key intervention areas depicted at the bottom**, the ToC diagram presents three pathways of changes that lead to ultimate impact changes presented at the top of the diagram (pink and dark blue boxes). Reduction of poverty and inequality is the ultimate impact (pink box), which is shared between DDE and DECP in their partnership. This impact requires addressing the challenge to ensure an increase of formal economic activity in developing countries and the gradual incorporation of the informal sectors into the formal economy, thus contributing to inclusive economic growth and employment. Just below the ultimate impact box, the diagram presents two areas of

change needed to contribute the impacts (blue boxes). With these higher-level results below the ultimate impact of reduced poverty and inequality, the ToC diagram illustrates the logic that, an enabling business environment needs to be secured to achieve economic growth, which in turn is established by constructive platforms and good performance of partners in social dialogue at the bi- and tri-partite levels.

**The middle part of the diagram** illustrates the pathways through which the programme builds its logic of contributing to impacts with its key support interventions (light blue boxes). Two areas of capacity development and social dialogue are necessary starting steps to prepare partner EOs to effectively participate in social dialogue and contribute to an improved business environment. Capacity development of partner EOs is the first entry point for DECP and a necessary step to prepare EOs in improving their value proposition to their membership (first blue box on the left-hand side of the diagram). EOs first need to guarantee that they are sufficiently representative of the business community to raise their voice in lobby and advocacy and participate in social dialogue on behalf of their membership. In several cases of partnership, DECP started with investing in this area of capacity building, before moving to its second key support area of social dialogue.

With its pathways, the diagram further demonstrates that once a partner EO has sufficient membership representativity, the programme invests in capacity development in the area of social dialogue. Capacity development in organisational development may continue parallel to these actions in social dialogue. However, in cases where DECP only provides support

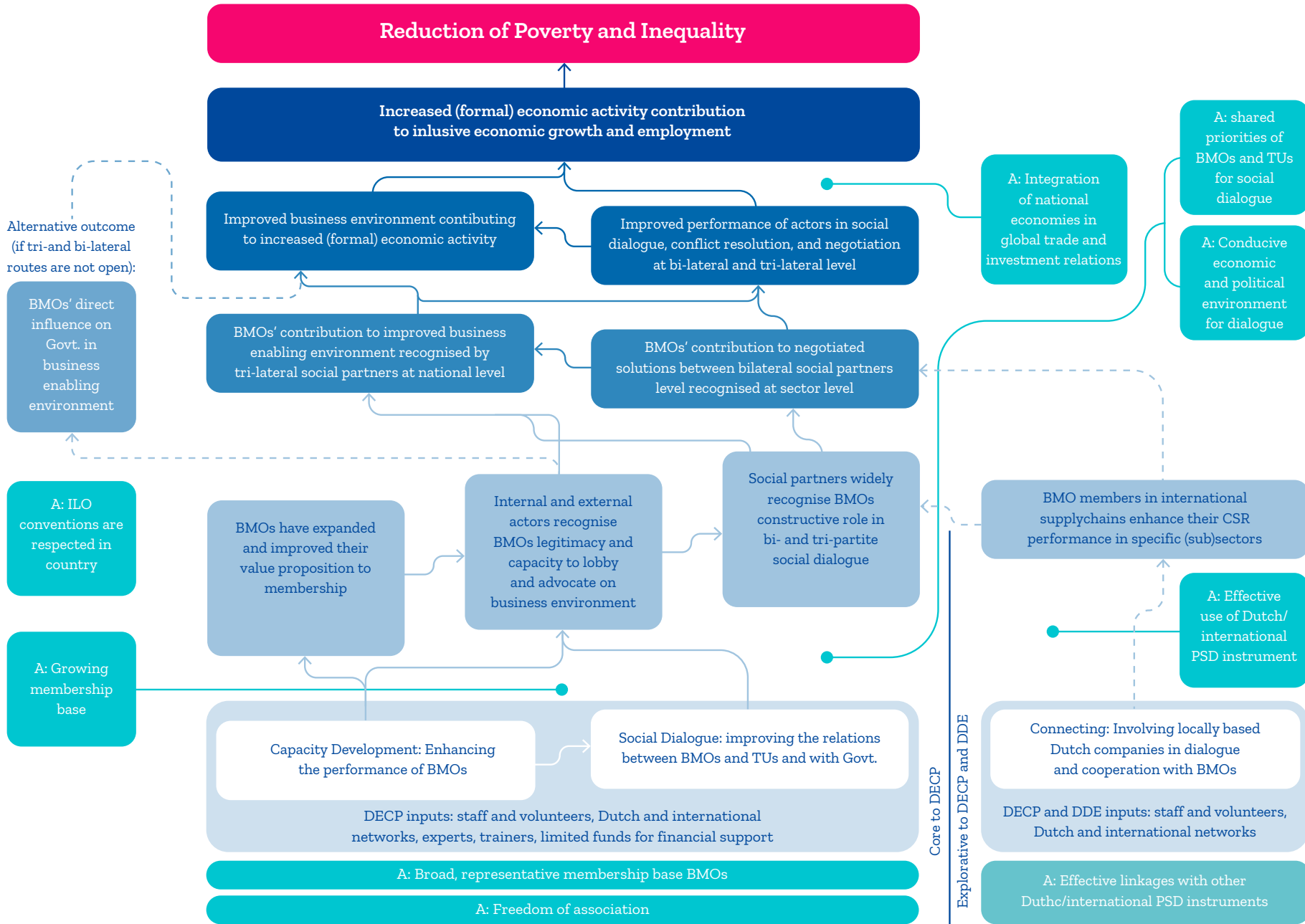


Figure 13 DECP's Theory of change reconstructed for the purpose of this evaluation

to social dialogue, it does so based on the assumption that the partner EO is already sufficiently strong and representative to act as the voice of the business community. After investing in capacity development, DECP further supports this partner to gain external recognition as a credible partner in lobby and advocacy (second blue box in the middle), and once this is achieved it can move on to the final step of building increased recognition among partners of its constructive role in bi- and/or tri-partite social dialogue (third blue box to the right). The blue boxes are connected with step-like arrows to illustrate that the one placed lower is a step towards the other one placed higher, i.e., reaching a higher-placed result requires concrete advances in lower-placed ones. A fourth blue box on the right-hand side of the diagram is only slightly connected (dotted arrows) with other results as it is linked to the explorative side of DECP's operations, not yet developed in the practical implementation of the programme.

**The boxes above the four mentioned ones** denote key longer-term outcomes that can only be achieved when the DECP partner EOs have achieved the step of being sufficiently recognised as a credible and representative partner of the business community. Two in the middle present the key and preferred pathways of change of DECP. The first pathway is through national-level tripartite social dialogue, based on the constructive relations between EOs and workers' organisations and government and recognition of EOs' role in social dialogue. A second pathway is based on the same recognition of EOs in social dialogue, although it focuses on bi-partite social dialogue at the sector level. Depending on

national and sectoral political and economic context in DECP partner countries, one or both pathways may be followed. A lesson learned by DECP in the implementation of its programme – as presented in earlier sections – is that in some instances it is easier and quicker to follow the route of bi-partite sectoral dialogue to achieve tangible results.

An alternative outcome placed to the left of the diagram is a longer-term outcome and it presents a scenario that is not preferred by DECP, although in some contexts it is the only feasible scenario to achieve higher-level impact. In those situations where industrial relations are tense and EOs and workers' organisations have very poor relations and thus find themselves on the brink of open conflict, EOs may choose to apply a direct line of lobby and advocacy to the government to influence the business-enabling environment in bilateral agreements with government actors and bypassing workers' organisations. While this is not a preferred scenario, in the ToC of DECP it remains open as an alternative road and longer-term outcome leading to the higher-level impacts.

The final pathway of sector-level bi-partite social dialogue in the diagram above is more closely linked to the right-hand side of the ToC diagram, with DECP's explorative area plan of connecting. This side of the diagram and the corresponding pathway of change requires closer cooperation of DECP, DDE and other DDE-supported partners to develop cooperation targeted at specific international supply chains in key economic sectors (the sector covenants, and sectors covered by IDH and CBI, for example). This pathway of change on the right-hand side is not (yet) a reality of DECP's actions, but it may become so in the future.

The ToC diagram also presents key assumptions that are important to consider when moving upwards in specific pathways of changes (green-blue boxes with the letter 'A'). These assumptions may need further elaboration and fine-tuning in the future depending on the specific focus that DECP may choose. This also indicates that this ToC in its entirety should be considered preliminary and subject to change, and it may be considered in the development of the next DECP business plan (in the merger with PUM). Once that is achieved, it is recommendable to update, add and fine-tune the key assumptions.

Conclusions

5

## 5 Conclusions

The conclusions in this chapter combine key findings under the different evaluation criteria from the previous chapter to generate a limited and manageable number of comprehensive conclusions relevant to the strategic level of DECP design and implementation.

1. **DECP is a relevant and effective capacity development support programme for EOs in developing countries.** DECP's peer-to-peer support provided to sister organisations of VNO-NCW is relatively unique, matched although comparable to international BMO support programmes of EOs in Scandinavian countries – known as the 'Nordic' partners – with which DECP closely coordinates. The peer-to-peer support mechanism provides an opportunity for close and confidential relations between DECP and EOs, based on which the programme has strong leverage on stimulating improvement in EOs' internal operations, increasing value propositions to their membership, and advancing their performance in managing external relations including lobby and advocacy on behalf of their membership. DECP's support is not only strongly appreciated by the receiving partners but also by external stakeholders, particularly TUs, the ILO and sectoral organisations. External stakeholders confirm that they see improvements in the performance of EOs (DECP partners) in specific thematic- and sector-level social dialogues as well as lobby and advocacy skills, with a positive effect on possibilities for more transparent dialogue and cooperation.
2. **Since its foundation fifteen years ago, DECP has developed productive and open dialogue and growing cooperation with Dutch TUs** (Mondiaal FNV and CNV Internationaal in the framework of the VMP) that also support their sister organisations in developing countries in social dialogue. **In several countries, initiatives for cooperation on the ground are developed and implemented that have resulted in unequivocal progress in bilateral social dialogue and collective bargaining negotiations between TUs and EOs.** Improvements in social dialogue – with contributions from DECP and VMP – are particularly recognised in bi-partite and sectoral or thematic levels, and less so in tripartite dialogue and relations with governments (institutions), particularly at the national level. These limitations in reaching out to governments and contributing to tripartite social dialogue are recognised by DECP and reflect the reason behind the programme's motivation to move towards a stronger focus on sectoral and thematic level social dialogue, particularly at the bi-partite level with trade union partners. While this may strengthen the perspective of achieving tangible results in specific sectors (e.g., garments, flowers, palm oil) and themes (e.g., skills development, OSH, RBC), the need for continued attention to the national tripartite social dialogue remains, primarily to ensure that national labour law and related legislation on industrial relations enable sector-level changes and vice versa to ensure that sector-level changes and innovations can feed into national-level policies and strategies. In this process, the convening power of ILO with its tripartite constituency and its presence on the ground in many DECP partner countries makes the organisation an important partner for DECP, alongside the TUs.
3. **Results achieved by DECP in specific areas and sectors significantly vary across countries and partner organisations.** According to DECP KPIs, partner EOs' performance improvements are strongest in African countries, while some countries in Asia and Latin America experience more challenges in achieving the predefined targets. According to the survey and KIIs, a particular area where challenges are encountered is achieving progress in social security issues. This may be related to the fact that social security is more dependent on the active and constructive participation of governments and their institutions, while CBAs on OSH and skills development may be resolved in bi-partite social dialogue with a focus on specific sectors. Notably, in several DECP partner countries – such as in Indonesia and Uganda in the case studies in this evaluation – relations of both EOs and workers' organisations with their governments are not smooth and cooperative, which results in slow progress and in some cases even setbacks in national legislation or (labour law) reforms.
4. **Implementing DDE's cross-cutting policy priorities (poverty reduction, gender equality, human rights, sustainable development, climate change) was not required by DDE and was not an integral part of DECP programming, yet DECP has made efforts and achieved some progress on these priorities.** Following up on a recommendation of the previous DECP evaluation (Berenschot, 2017), gender equality is now included in several KPIs (gender composition of EO staffing, activities focusing on women's entrepreneurship, advocacy and dialogue effects on gender equality and RBC), which are actively monitored. Further, DECP has made an



effort towards changing the composition of its experts' network to include more gender-diverse staff, although it has not succeeded. The evaluation found that while gender equality is neither among the strategic priorities of the DECP 2018-2022 business plan nor do most partner EOs have specific gender equality strategies, both DECP and EOs are gradually paying more attention to the inclusion of women and gender equality. This shift in attention is even stronger in cross-cutting dimensions such as sustainability and climate change, and respect for human rights. Attention to compliance with inclusion, human rights and sustainability principles as elements of RBC<sup>31</sup> has strongly increased in the past decade and is currently high on the agenda of BMOs. The reason for this is that BMO members – particularly those integrated in international supply chains – increasingly require guidance and support in adhering to RBC principles. It can be inferred that the reason for DECP not working on dimension of gender equality and equity is that it is less subject to 'buyer pressure' and therefore has not been as high on BMOs' and their members' agenda as the above themes, and consequently among services areas of a demand-driven DECP. BMOs' appreciation of these cross-cutting issues and the way in which they are addressed in international supply chains has developed over recent years and may further change in the near future, requiring more systematic research by DDE and DECP in coming years.

5. **An important dilemma in organising and strengthening BMOs is how to deal with the phenomenon of the large informal economy in developing countries, as well as how to include this huge – and in several countries, growing – sector in sustainable and inclusive economic development.**

Almost by default, BMOs represent formally-registered businesses, which are usually larger in size and provide formal employment subject to national labour law and related regulations. However, in many of the DECP partner countries, the informal economy is rather large compared to the formal economy. In some instances, the informal economy is ever-growing, in a trend that may become even stronger in the near future with the recent economic impacts of the COVID-19 pandemic. In this context, DECP has tried to organise informal economy groups within BMOs, as was done with agricultural producers in Togo in cooperation with Agriterra.. However, the focus of DECP's support on the BMOs in their role as a representative of the formal business community in lobby and advocacy and social dialogue stands in the programme's way to pay more attention to the inclusion of informal businesses. TUs largely share the challenge of including the informal economy and organising informal workers for social dialogue. Considering the magnitude and persistence of the phenomenon of the informal economy – particularly in (post-)COVID-19 times – there is a strong need for concerted efforts of different partners, EOs and workers' organisation equally to involve, include and organise the informal economy and lead its participants towards the formal economy. Such an approach is not yet strongly included in the current DECP programming.

6. **DECP misses out on guiding and orienting the planning and implementation of its capacity development interventions with a specific and elaborated ToC.** DECP follows a generic ToC on capacity development of BMOs developed by the World Bank. DECP identifies three key areas of interventions: capacity development (focusing on internal operations of BMOs), social dialogue, and connecting. In particular, the activity area of connecting has not been developed into a specific pathway of change from interventions to the higher-level anticipated changes. Matching this ToC to the reality of DECP's work reveals the uneven emphasis on key areas of interventions. While connecting is one of the three, doubts are expressed about the role of DECP in connecting to Dutch businesses and its relation to DECP's core mandate (i.e., strengthening BMOs in its partner countries), and while expanding the membership base and representativeness of BMOs is considered very important by DECP, its place in the ToC (as a step in a pathway or an assumption) is not yet clear. This evaluation facilitated a discussion among stakeholders about the possible (reconstructed) design of a more explicit and detailed ToC for the DECP. A proposal for such a ToC – developed by the evaluation team – is included in this report. This proposal may be considered by DECP as input to guide and orient the planning and implementation of possible future DECP interventions.

<sup>31</sup> Responsible business conduct is defined according to the OECD as follows: "making a positive contribution to economic, environmental and social progress with a view to achieving sustainable development and avoiding and addressing adverse impacts related to an enterprise's direct and indirect operations, products or services" See: <https://mneguidelines.oecd.org/RBC-and-the-sustainable-development-goals.pdf>



7. DECP occupies a rather specific, small and somewhat isolated niche in the framework of the Sustainable Economic Development Department of MoFA, DDE's broader strategy and ToC as well as the framework of VNO-NCW's overall business strategy. Opportunities for synergy, linkages and cooperation on the ground have only been exploited to a limited extent by both DECP and DDE. As such, the programme is 'small but beautiful' (as observed under conclusion 1 above), while being insufficiently linked with other development-oriented interventions (programmes and instruments) of DDE and with VNO-NCW international strategies and activities. Although VNO-NCW's own interests are not leading in these programmes, from the federation's perspective DECP and PUM are important programmes to contribute to a vision of "socially responsible" EOs in the context of international development cooperation. This perspective has recently been changing to some extent, with the elaboration of its Africa Strategy and discussions on the merger of PUM and DECP. These developments can strengthen PUM's and DECP's roles in international strategy development and implementation, although VNO-NCW believes that they should primarily focus on shaping IRBC in VNO-NCW's activities rather than paving the roads for Dutch business interests.

Furthermore, from the perspective of DDE, the DECP support is isolated from other DDE-supported PSD interventions to a considerable extent. As a result, DDE's possibilities to generate synergies and structural cooperation are constrained, subsequently limiting the strategic importance that DECP could have in the DDE's portfolio of sustainable economic development interventions. The current dialogue

between DDE and VNO-NCW that resulted in the merger of DECP and PUM is an attempt to arrive at more coordination and stronger synergies, although it remains confined to the bilateral relation between DDE and VNO-NCW.

Other possibilities for synergies to increase relevance and cooperation between DECP and other DDE partners exist and are specified in chapter 6 of this report under recommendation 1, for DECP and DDE to consider. These possibilities for synergies hold interest to VNO-NCW, although acknowledging that the first priority is ensuring that the merger between DECP and PUM is effectively shaped and implemented.

8. **In several DECP partner countries, the embassies are only vaguely aware of the strategies and interventions of DECP** (as observed in the case studies of Indonesia and Uganda) **and have limited capacity to link DECP interventions with other PSD-related actors and interventions at the country level.** While embassies are not reaching out to DECP to explore cooperation, DECP is similarly not proactive in getting in touch with embassies and other relevant development partners – as it does with the TUs and occasionally with other partners – in the wider PSD ecosystem. This has become particularly evident during the COVID-19 pandemic as DECP staff were no longer able to visit the embassies in person, while the programme also did not replace these meetings with regular online updates. Another key stakeholder excluded from regular updates at the country level is ILO (while in Europe cooperation with ILO-ICT and exchange within the like-minded organisations group is regular), particularly in DECP partner

countries where Dutch government support is also provided to ILO. An additional reason why ILO should be kept in the loop is the fact that the organisation is often present on the ground and has a strong convening power in bringing tripartite social and other partners together in dialogue and cooperation.

9. **The capacity development approach and methodology applied by DECP is largely 'traditional', by deploying Netherlands- (and Europe-)based senior experts, mainly transferring relevant knowledge in a 'North-South' direction.** The Dutch experience in social dialogue and principled negotiation is highly relevant and strongly appreciated by international partners. It is also a key competency of DECP that needs to be secured in the future, albeit complemented with a more diverse pallet of services. Further, the current offer of DECP expertise is limited in diversity, considering the gender, age, and ethnic background of all – very knowledgeable – DECP experts. The design of DECP and the capacity development delivery strategies have not changed much throughout the history of DECP, although in the current planning period a number of South-South exchange meetings have been incorporated in the programme. However, due to the COVID 19 pandemic these meetings were interrupted and did not result in a more systematic approach for South-South, regional, and diagonal capacity development interventions. An important change in capacity development approach and methodology was shifting (almost entirely) the delivery of services to an online modality due to the COVID-19 pandemic. In fact, DECP responded very well to the pandemic, providing – with the changed modality – more direct support to BMOs.

10. **DECP has recently focused more on linking and developing skills for the labour market, particularly in expanding its activities in West Africa, which provides excellent possibilities to expand cooperation and linking with other development initiatives in the education and skills development sectors** (as one of the options identified under conclusion 7). This focus within DECP is linked with available resources and staff for West African countries but is equally important for other regions and countries. Further exploration of opportunities might also require thinking outside the box of DECP's traditional BMO partners and DDE's PSD partners.
11. **DECP maintains close dialogue and coordination with ILO and the Nordic partners for international capacity development of EOs through regular coordination meetings. Generally, there is a reasonable awareness of each other's relations and interventions, albeit not yet translated into close coordination, cooperation, and joint programming on the ground.** In countries and regions where multiple BMO support organisations are active and supporting the same partners, there is a considerable risk of parallel and overlapping funding. This is particularly the case in East Africa, where most BMO support organisations are active. To some extent, like-minded international organisations/ programmes are identifying and exploring specific task divisions to improve complementarity, such as deploying DECP's expertise in the skills development sector in other programmes and deploying Norway's skills in ICT in DECP. The existing initiatives to explore task division and complementarity have not yet advanced to the level of joint programming on the ground.

12. **The DECP capacity development partnership relations with its partners in developing countries as a peer organisation are long term.**

This corresponds well with the long-term nature of capacity development programmes and DECP's ambitions in the area of strengthening the organisational performance of the BMO as membership-based organisations, including in social dialogue. However, a longer-term approach to organisational capacity development requires an exit and transfer strategy or at least a medium- to longer-term vision on gradual shifts in focus on specific intervention levels (national, sectoral, local) or themes (OSH, social security, skills, RBC) in the function of changing trends and developments. The DECP business plan does not present such exit and transfer strategies, nor is there a shift in the programme's relations with partners throughout different business plan periods. Seemingly, a recommendation from the previous evaluation of DECP (Berenschot, 2017) of paying attention to the 'graduation' of partners has not become part of the DECP business plan. Indeed, the 2018-2022 business plan has no specific indicators and targets to identify the desirability and right moment for such graduation, although DECP has adopted another recommendation of the same evaluation to shift from its previous spiderweb to a new KPI approach, which is a good first step towards a more effective performance system.

13. **VNO-NCW feels strong ownership of its DECP, and DECP is considered strategic for the development of international relations and strategies, such as VNO-NCW's recent Africa Strategy in 2019. This strategic importance of DECP for VNO-NCW is translated into a substantial organisational commitment to DECP's operations** in terms of staffing and office support, although its financial contribution to DECP is limited: key informants confirm that it is highly unlikely that DECP would be maintained without the financial support provided by DDE, as the sole financial contributor to this programme. This poses a threat to the sustainability of DECP as a specific programme implemented by VNO-NCW. This risk can be mitigated to some extent by the merger of the DECP and PUM programmes, looking for increased advantages of scale and synergies and possible cost-savings in management and administration. The longer-term institutional ownership and commitment of VNO-NCW to the merged DECP and PUM programmes in the future will remain important for the longer-term continuation of DECP and PUM. MoFA/DDE usually requires a minimum percentage of own financial contribution by partners when stepping in with co-funding (as is seen in the VMP and in CSO support by MoFA). Such a percentage is not specified and required by DDE for the provision of its funding to DECP. As a result, the continuation of DECP almost entirely depends on DDE's continued interest in partnering with VNO-NCW in the DECP and PUM programmes in the future.

14. **DECP has achieved efficiency in the provision of its capacity development support, particularly in having a small and flexible team that can easily be deployed according to the needs and demands of partners. However, its efficiency is diminished by allocating small budgets to a high number of partners, leading to fragmentation of budget and efforts.** The DECP team only comprises a small staff of three persons, complemented with a flexible layer of key experts who are mobilised according to the needs and demands of specific partners. Two members of the core staff (the director and vice-director) also dedicate a large portion of their time to providing country-level support to partners, thus minimising management and administration costs. The staff and external experts combine country- and partner-level tasks with sectoral and thematic expertise that can be made available to other countries and partners. This matrix structure of DECP combined with the size of the organisation has secured low management and administration costs of operations. The quick and flexible nature of DECP is also clearly visible in the quick response to the COVID-19 pandemic in its re-allocation of budgets for COVID-19 activities and quickly providing online support services to partners. One factor that has reduced efficiency is the fact that DECP spreads its resources thinly over many countries and partners, not sufficiently allowing for comprehensive and longer-term capacity development interventions in a programmatic approach. This has limited DECP's potential for more in-depth longer-term impact and has resulted in relatively high transaction costs at the specific partner level.

Recommendations

6

## 6 Recommendations

1. **Now that the decision to effectuate the merger of the two programmes has been taken, the DECP and PUM boards and management teams are recommended to start preparing the outline of a new programme for international cooperation between BMOs at the national, sectoral and company-level individual members.** In the development of this new programme, a specific focus on strengthening EOs' value proposition to members and on social dialogue to improve the business-enabling environment and industrial relations – key characteristics of the current DECP – should be retained. Considering the limited time available until the next programming round of both programmes starting in 2023, **it is further recommended to develop the new programme with two different time perspectives: a) the next five-year planning cycle of DECP and PUM; and b) longer-term development of the merged DECP-PUM programme within a broader context of actors and interventions, supporting sustainable and inclusive economic growth, in line with the policy objectives and ToC of MoFA/DDE.**
  - a) Next five-year planning cycle: considering the different characteristics, scope and size of DECP and PUM, the evaluation team recommends focusing on developing and strengthening the synergy and complementarity of the two programmes. It is suggested to look at the ToCs of both programmes as a starting point and investigate whether a single ToC for the merged programme is possible, e.g., through linking and combining specific pathways. If deemed

infeasible, separate ToCs could be kept and the links between the two specific ToCs specified to indicate where and how the two programmes can mutually reinforce each other. Furthermore, it is advised that DECP pays attention to the following levels of interventions to be included in the new joint programme:

- National and tripartite social dialogue, continuing and deepening DECP's cooperation with VMP, ILO and the Nordic EOs supporting BMOs in developing countries;
- Sectoral and bi-partite social dialogue, continuing and deepening DECP's cooperation with VMP, and sectoral partners such as VET Toolbox, Agriterra and possibly others, as well as developing specific components and actions where DECP and PUM interventions can meet at the sector level, particularly in areas such as CBAs, social security, OSH, skills development, RBC, mobilising specific PUM expert advice in areas at the company and sector level;
- Strengthening BMOs in the direct representation and lobby and advocacy activities targeting national or regional governments and/or sectoral bodies, in those country contexts where tri- and bi-partite routes in social dialogue are not possible or feasible.

Moreover, specific attention is needed for managerial and operational aspects:

- DECP is advised to take the merger with PUM as an opportunity to rebuild its team with more diverse characteristics in terms of gender, age, and ethnic background;
  - When recruiting new experts for its BMO-oriented services, DECP is advised to adhere to PUM's model of volunteer services of experts when phasing out its current contracted expert services, to avoid the co-existence of two categories of experts causing divisions in the new merged programme;
  - Together with PUM, DECP needs a shared vision and strategy for more diverse, North-South, South-South and diagonal routes of capacity development support that include involving Southern BMOs and networks of BMO trainers in peer-to-peer exchange. This should be done while maintaining a clear branding of the merged programme as an initiative of Dutch employers.
- b) In the longer term, beyond the scope of the next joint programme cycle, VNO-NCW and the joint DECP-PUM boards and management are advised to work on a further contextualisation of the DECP-PUM merger in the wider environment of actors and initiatives supported by DDE in its portfolio of sustainable and inclusive economic development. This will require close dialogue with DDE and other partners supported by DDE. A stronger contextualisation of the joint DECP-PUM

programme should include closer coordination and cooperation with at least the following partners and initiatives:

- The VMP programme: while DECP already maintains close cooperation with Mondiaal FNV and CNV Internationaal, the cooperation can be intensified and expanded to include other partners (the TUs and Nordic partners);
- ILO: exploring how and where ILO in specific countries with challenges in bi- and tri-partite social dialogue can be more closely involved to convene the tripartite social dialogue partners. Moreover, it is recommended to explore how the successful cooperation with ITC-ILO can be strengthened and expanded;
- The sectoral covenants and parties that have signed these covenants: in these sectors, specific support can be provided to strengthen sectoral- and company-level social dialogue and CBA negotiations and address challenges in OSH, social security, (gender) equality and inclusion, and skills development;
- RVO: as an organisation with which DECP and PUM formally partner, albeit where cooperation in concrete initiatives has remained limited. Cooperation is particularly relevant in the area of sectoral covenants and RBC in international supply chains, where RVO's PSD coaches can be helpful;
- CBI (with the aforementioned RVO as implementing agency) and IDH: these

two DDE-supported programmes have a clear focus on specific sectors and provide tailored support to companies and sector organisations. Particularly in the new setup of the merged DECP-PUM programmes, with an increased focus on specific economic sectors, more coordination and possibly direct cooperation is needed to ensure the synergy and complementarity of these different programmes (based on conclusions 1, 7 and 8).

2. **DECP<sup>32</sup> and DDE are recommended – also inviting the partners in the VMP and ILO – to develop a common approach to bi- and tri-partite social dialogue and specify its relevance and importance for improving the business-enabling environment for sustainable and inclusive economic growth.**

This is required to ensure that Dutch support to BMOs in developing countries is better connected with other initiatives and partners supported by DDE and thus increase the relevance of DECP in the DDE sustainable economic development portfolio. This includes tapping into the Dutch experience in tripartite social dialogue institution building in the national Social Economic Council (SER). The approach on social dialogue should include the issues of RBC, increased concerns with sustainability (more recently including climate change and mitigation) and currently strategies

<sup>32</sup> Because the following recommendations are focused more specifically at DECP, these recommendations are addressed to DECP, although it is recognised that these recommendations will have to be followed up in the context of the merged DECP-PUM programme. It is assumed that within this merged structure, specific dedicated capacity will remain to follow up on DECP-focused recommendations.

to recover from the COVID-19 pandemic. These issues require all partners – from their own specific mandates and identities – to contribute to sustainable, inclusive and future-proof economic development strategies. DDE is recommended to also consider itself as a tripartite partner and take a more proactive approach to bring its different Dutch-supported partners together and ensure that Netherlands embassies in DECP partner countries are well informed and – where possible – actively engaged as partners (conclusions 2 and 3).

3. **DECP and DDE are advised to reconfirm the selection of eligible countries for DECP support to ensure that it can continue to be provided in countries with contextual and institutional conditions that allow DECP to contribute to systemic changes. This focus may deviate from the Netherlands' development support, which is increasingly focusing on (West) African countries and lowest-income countries only. This requires a broad list of eligible PSD countries at DDE, including lower-middle-income countries and possibly also upper-middle-income countries. Subsequently, DECP is advised to review the match of the available budget for DECP activities and the number of countries and partners supported during specific programming cycles to ensure the sufficient long-term timeframe, depth and intensity of support provided.** The ToC of DECP shows that to be effective in the provision of TA to BMOs and achieve tangible results in social dialogue, a minimum situation of social-economic and political stability is required that allows BMOs to act as representative organisations and where different partners have at least a basic interest and inclination to jointly

engage in social dialogue. These basic conditions for the success of DECP might not always be met in the partner countries currently considered and prioritised in the DDE portfolio. A broad set of options for country selection – including lower-middle-income and possible upper-middle-income countries, although largely adhering to DDE's PSD country list – will allow DECP to identify partners and contexts where it sees the most possibilities for success. In the selection of countries, possibilities for connecting with sector organisations and (Dutch) companies in specific sectors and international supply chains should also be considered. While responding to the recommendation above, DECP is recommended to establish more focus and allow a larger scale of longer-term support interventions in a smaller number of countries – possibly within a stronger regional approach – to avoid fragmentation of available expertise and technical and financial resources. To ensure that BMOs from other countries also benefit from DECP's interventions, the regional approach that is already used in West Africa – for instance – needs to be maintained and further built upon (conclusions 3, 4 and 14).

4. **It is recommended for DECP to systematically provide attention in its capacity development approach and support interventions to cross-cutting policy priorities of poverty reduction and inclusion, gender equity and equality, human rights, and sustainable development and climate change. This may more easily be achieved under the concept of RBC.** This should be undertaken while maintaining the demand-oriented approach of DECP towards partners and recognising that partners do not always share the same vision and

interests on all cross-cutting issues. This might require selecting a good starting point for dialogue on cross-cutting issues, depending on the specific context and characteristics of partner BMOs. This can result in working on specific cross-cutting issues, on which DECP and partners share specific interests and can be achieved under the concepts and guidance of IRBC principles, promoted by OECD. When no common ground can be found on cross-cutting issues, DECP is recommended to use this as a criterion not to engage in a relationship with a specific BMO. To increase capacity in the DECP team to address cross-cutting issues, more diversity in its team of experts is required. DECP could consider tasking experts with specific cross-cutting priorities, like is currently also done with thematic expertise in the DECP team. For more systematic mainstreaming of gender equality and equity – both internally and in its services – DECP is advised to make use of widely-recognised tools such as the **Gender Results Effectiveness Scale (GRES)** and **Gender@work** frameworks. Working with women wings of TUs and/or on topics of female entrepreneurship and/or ministries that promote gender equality is also recommended (conclusion 4).

5. **DECP is recommended to explore – in close cooperation with DDE, the VMP partners and ILO – a specific focus area in its future programme cycle on formalising the informal economy and avoiding the informalisation of the formal economy, with the latter as a phenomenon that has suddenly increased during the COVID-19 pandemic. Addressing challenges of the informal economy in developing countries may well require developing a specific additional pathway in DECP's ToC.**

The challenges in the area are complex and far-reaching and hence require the aforementioned partners to develop comprehensive strategies and approaches to effectively tackle them. It is recommended in the next DECP programming cycle to develop a number of pilot initiatives of the multiple partners, further inform the construction of a specific pathway in DECP's ToC and develop specific expertise and experience in this subject area for further future programming cycles (conclusion 5).

6. **DECP is recommended to continue to build thematic strength in specific sectors and subjects such as linking skills with the labour market, in which DECP has invested in recent years. This should be complemented with coordination and cooperation with other specific partners to improve perspectives for results and impact in specific sectors.** The attention provided by DECP for skills development for the labour market provides a range of opportunities to more closely collaborate with other partners, such as already is done with VET Toolbox. In several of the DECP partner countries, other – sometimes large – initiatives exist in the skills development and TVET sector. Dutch partners such as Nuffic, W&D and Edukans and international partners such as GiZ and Enabel are active in skills development and TVET in many of the DECP partner countries. This provides many opportunities for cooperation with other partners, which are particularly in need of closer relations with employers in their skills development strategies (conclusions 7 and 10).



7. **DECP is recommended to intensify its current coordination and cooperation with the Nordic international support programmes of EOs and with ILO and ITC-ILO, particularly in closer cooperation in support interventions on the ground with shared partners. This will require joint programming by different partners when engaging with the same EO partners.** While DECP and its like-minded partners maintain frequent contact and exchange around their international support programme, this close coordination does not always translate into coordinated support at the country or partner level. Several partners of DECP also receive support from other like-minded organisations, although DECP is not always aware of specific support arrangements with these partners. DECP and its like-minded partners need to harmonise their support and in doing so they should explore investing more in specific complementary competencies that can be offered to other partners, such as now is occasionally done in the ICT sector where the Confederation of Norwegian Enterprise (NHO) has provided support to DECP and in the skills development sector where DECP has provided support to the Confederation of Danish Industry (DI). Cooperation and alignment should also be sought with specific (Better Work) programmes and projects (e.g., SCORE, Effects of Trade and Employment) of ILO in specific DECP partner countries (conclusions 7 and 11).
8. Netherlands embassies in DECP partner countries could play a larger role in linking different interventions and partners. This will require – as recommended earlier – closer guidance of embassies by DDE, and adequate capacity at the embassies. Additionally, **in orientation and task descriptions of their staff members who are involved in economic diplomacy, international trade and investment promotion and specific sectors such as skills development and TVET, DDE and Netherlands embassies are recommended to include specific attention for the work of DECP and VMP partners as well as ILO and their potential contribution to improved business-enabling environment.** To become more proactive and effective in establishing linkages between partners in specific initiatives, embassy staff members need to have more knowledge on subjects of social dialogue and industrial relations, which can be fed by DDE and DECP. **DECP is recommended to more pro-actively and regularly reach out to Netherland's embassies** in the countries where it operates to provide more information and exposure to the reality of the work of DECP with its partners (conclusion 8).
9. **DECP is recommended to enrich its current approach in capacity development to include more diverse forms of capacity development services to increase its relevance to specific partners and the contexts in which it operates.** This can be achieved by including more diverse experiences and competencies, as was already suggested under recommendation 4 and should be complemented with increased attention to South-South and diagonal exchange of experiences between partner
- BMOs in a peer-to-peer capacity development approach, and recruiting more regionally- and nationally-based expertise, including national BMO trainer networks established by DECP and its BMO partners.** In the delivery of TA services, based on its recent swift and successful adaptation to the online delivery of these services, **DECP is recommended to consider hybrid forms of TA and training services** instead of returning entirely to field visit-based TA and location-based training. These adaptations in the pallet of services and to the forms of delivery will not only improve flexibility in the delivery of TA services but will also offer possibilities for cost reduction and reduce CO2 emissions through reduced international travel (conclusions 9 and 14).
10. **DECP is advised to continue with its current M&E systems and indicator set to measure progress in achieving results and capacity development among its partner BMOs.** In doing so, DECP should review and update – together with DDE – some of its eighteen current priority indicators, possibly replacing some and adding a few (but not too many) indicators to better capture developments under specific thematic issues, such as skills development for the labour market, (temporarily) post-COVID-19 economic recovery strategies, and specific cross-cutting issues. With respect to the maturity scoring scale, DECP is further recommended (also suggested in the DECP 2017 evaluation, Berenschot, 2017) to **use this scoring scale and assessments as an instrument for planning and implementation of exiting strategies, when specific partner BMOs can be considered as graduated** (conclusion 12).



11. VNO-NCW and the boards of DECP-PUM are recommended to consider how ownership of the merged DECP-PUM programme can be secured in the long term, as well as to develop a coherent fundraising strategy that will secure the longer-term continuation of DECP while reducing the dependence of the programme's continuation on external support from DDE alone. While the support of VNO-NCW to the DECP has been substantial in kind, its financial contribution to the programmes is limited when compared with other programmes from the TUs (VMP) and CSOs, where a higher financial commitment of programme partners is demanded. A more substantial own contribution by VNO-NCW may also strengthen its autonomy and capacity to direct the focus of DECP-PUM interventions to regions, sectors and themes that are aligned with VNO-NCW's strategic interests vis-à-vis following Dutch development cooperation priorities. In this respect, DDE is recommended to ensure that its funding requirements and conditions for project and programme funding establish a level playing field for all partners supported by DDE (conclusion 13).

