



# Evaluation of Danish Support to Framework Conditions for Private Sector Development, 2008-2021

**Mali Country Report**  
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## List of Abbreviations

|          |  |
|----------|--|
| API      | Investment Promotion Agency, <i>L'Agence pour la Promotion des Investissements au Mali</i>   |
| APCAM    | Assemblée Permanente des Chambres d'Agriculture du Mali  |
| BER      | Business Environment Reform  |
| CIEM     | <i>Conseil des Investisseurs Européens au Mali</i>   |
| CNPM     | <i>Conseil National du Patronat Malien</i> , National Employer Organisation  |
| DNFP     | Direction Nationale de la Formation Professionnelle  |
| DNGR     | Infrastructures Directorate at the Ministry of Agriculture, <i>Direction Nationale du Génie Rural</i> .  |
| DREFP    | Direction Régionale de l'Emploi et de la Formation Professionnelle   |
| DSIF     | Danida Sustainable Infrastructure Finance  |
| ECOWAS   | Economic Community of West African States  |
| ELQ      | Evaluation, Learning and Quality department  |
| EPEC     | Third phase BER programme, <i>Environnement propice à l'entrepreneuriat de Croissance</i>  |
| ERG      | Evaluation Reference Group   |
| ESIAS    | Environmental and Social Impact Assessments  |
| FC       | Framework Conditions   |
| DGP      | Gross Domestic Product   |
| GoM      | Government of Mali   |
| IFAD     | International Fund for Agricultural Development  |
| IFC      | International Finance Corporation  |
| IFU      | Investment Fund for Developing Countries   |
| MCIP     | Ministère du Commerce de l'Industrie et de la Promotion des Investissements  |
| MFA      | Danish Ministry of Foreign Affairs   |
| MINUSMA  | United Nations Multidimensional Integrated Stabilisation Mission in Mali   |
| MTR      | Midterm Review   |
| OECD-DAC | Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC)   |
| PAFP4    | Programme d'Appui à la Formation Professionnelle, Phase 4  |
| PACEPEP  | Second phase, PSD support programme, <i>Programme d'Appui à la Croissance Économique et Promotion de l'Emploi stimulées par le Secteur Privé du Mali</i> |
| PCR      | Programme Completion Report  |
| PNFP     | Politique Nationale de la Formation Professionnelle  |

|           |   |
|-----------|---|
| PAPESPRIM | First phase, PSD support programme, <i>Programme d'Appui à la Promotion de l'Emploi dans le Secteur Privé</i> |
| PSD       | Private Sector Development  |
| PSDP      | Third phase, PSD support programme, <i>Programme de Développement du Secteur Privé</i>                        |
| SME       | Small and Medium Enterprises  |
| TA        | Technical Assistance  |
| ToC       | Theory of Change  |
| ToR       | Terms of Reference  |
| WBG       | World Bank Group  |



# Executive Summary

## Background and methodology

The Evaluation of Danish support for improving framework conditions for Private Sector Development (PSD) in the Global South during the period 2008-2021 is implemented in four countries: Mali, Ghana, Kenya and Tanzania. For all four country studies, a common theory-based and utilisation-focused approach has been developed. The overall Theory of Change (ToC) was adjusted for the Mali context. The main data collection methods were document analysis, interviews with various groups of stakeholders and validation workshops. The country visit to Mali took place in March 2022, after which the first version of the country report was written and commented upon by stakeholders. The final version of the Mali report has been fed into the synthesis report for this Evaluation.

The Evaluation objectives focus on accountability and learning. On the one hand, the past performance of the Danish interventions is assessed in accordance with the OECD-DAC evaluation criteria (relevance, coherence, effectiveness, impact, sustainability and efficiency). On the other hand, this Mali country study aimed to feed lessons learned and recommendations into the formulation of the new PSD programme, which was planned for 2023. However, in February 2022, due to political events, Denmark suspended its aid to the government of Mali, as well as preparations for a new country programme. Instead, Denmark is planning to prolong a few of the existing engagements until the end of the transition period, planned for April 2024. Denmark will await concrete developments in the transition, before deciding whether to resume preparations for a new country programme for development cooperation between Mali and Denmark, including a private sector programme. This volatile context affects concrete learning from this Evaluation in the short term.

The sample and analysis in Mali have been structured around three major framework condition themes where Danish support has been concentrated: 1) Business environment reform (BER), i.e., changes in the legislative and regulatory framework for the private sector including the public-private sector dialogue; 2) Infrastructure development; and 3) Vocational training/skills development.

## Mali: the context of increasing fragilisation

During the decade 2000-2010, Mali was politically relatively stable and experienced a sustained economic growth rate and GDP grew at an average annual rate of 5.7%, although poverty remained widespread and unemployment high.

However, in 2012 the situation radically changed. In 2012, a military coup took place and armed groups occupied the north and invaded other parts of the country. International forces have been active since July 2014 (including Denmark). This crisis revealed the factors of fragility and tipped the country from a growing economy to one in deep recession over the period of 2012-2013. After recovery from 2014 onwards, the situation deteriorated again in 2020 and 2021 after the new coups. This led to sanctions imposed by the Economic Community of West African States. In January 2022, Mali's ruling military junta took another step by asking Denmark to withdraw recently arrived soldiers. This led to international reactions and the suspension of aid to the Government of Mali.

Throughout the entire evaluation period, the private sector remained dynamic, although dispersed, but it has been affected by regime changes and sanctions.

### **Danish support to framework conditions**

The Royal Danish embassy in Mali opened in September 2006 and the governments of Denmark and Mali signed a cooperation agreement in November 2006. Development cooperation programmes were developed and implemented during three periods: 2008-2012, 2013-2018 and 2019-2022. The first private sector development programme was implemented mainly at the regional level via the Government of Mali with technical assistance support. This changed in 2012, due to the political instability, and the second programme was implemented by a variety of national and international non-government partners also with technical assistance support. The third most recent programme was to a large extent contracted out to international organisations.

Most of the private sector development support (DKK 793 million) – approximately three-quarters of the total volume of support – consists of direct support to the private sector (mainly small and medium enterprises) and the remainder is support to the three themes of framework conditions support (business environment reform, infrastructure development and vocational training). In practice, no clear distinction between direct Danish support to the private sector and support to framework conditions could be made as these two types of support were mixed to an important extent.

### **Main findings regarding business environment reform**

The Danish support for the development of economic infrastructure has been relevant and responds to real needs and challenges faced by the private sector. However, most of the infrastructure support consisted of economic infrastructure for SMEs such as slaughterhouses and dams for irrigation, which can be considered as direct support to SMEs. There has been very little Danida infrastructure support that can be considered an improvement of framework conditions for the private sector. There is good evidence on the realisation of outputs i.e., the number of infrastructures realised. However, there is no robust information on outcomes, impacts and sustainability of results i.e. continued use, operation and maintenance of the infrastructures.

### **Main findings regarding skills development**

The Danish support for skills development has been very relevant and responds to private sector needs and the needs of many young women and men to have income opportunities, either through access to employment or through running an own business. Most of this support focused on providing skills training to a variety of target groups in rural and semi-urban areas. It was also the intention to strengthen vocational training systems at the national or regional level. In the second phase, Denmark co-funded a programme already funded for three phases by the Swiss Cooperation, which led to the scaling up and training of almost 50,000 people that could potentially improve their incomes. However, the skills development support did not succeed to bridge the important gap between the demand and supply for skilled labour. Furthermore, there is some evidence of the strengthening of vocational training systems at the regional level, but this support was not continued (some regions became less accessible). Therefore, the sustainability of this support can be questioned.

### **Conclusions**

1. The changing context in Mali over the period 2008-2021 – from a champion regarding the implementation of the Paris Agenda for Aid Effectiveness in the early years to a fragile state from 2012 onwards – has considerably affected Denmark's support to framework conditions for private sector development and its performance. Denmark developed a flexible approach to address the challenges of this evolving context.

2. Since 2008, Denmark has provided continuous support to private sector development, consisting of a mix of direct support and support to framework conditions. This responded to some priority needs of the private sector in Mali regarding an improved enabling environment. However, aid modalities and approaches changed too frequently, which led to a lack of continuity.
3. Denmark is considered by stakeholders in Mali – government, private sector and other donors – as an important, flexible and reliable donor regarding private sector development, and this is, in particular, based on its direct support to SMEs (training, guidance, guarantee funds, infrastructure support).
4. The results of Denmark's support to framework conditions have been mixed with some positive results in the areas of vocational training and realisation of infrastructure, mainly based on direct support to the private sector. In the area of business environment reform very limited results were found. Nevertheless, there is hardly any information regarding higher-level lasting results for the private sector in terms of reduced costs and risks of doing business leading to more investments and employment.
5. The main explanatory factors for the limited results and also the efficiency problems of the framework conditions support are the increasing fragilisation of Mali in the first place, followed by specific programme design problems, weak monitoring and evaluation and limited donor coordination after 2012. Sufficient capacity at the embassy is needed to manage private sector development programmes in a fragile state.
6. Denmark's direct contribution to improved framework conditions has remained limited but its main contribution has been to strengthen the private sector, which is now better able to lobby for its interests and act as a driver for change in the enabling environment.
7. There has been insufficient attention to internal coherence between components of bilateral PSD programmes. Linkages to global PSD programmes hardly received any attention. However, global PSD programmes have so far not been active in Mali as risks were considered too high.
8. Donor coordination has varied over the years, with a rather intensive donor coordination from 2008 to 2012, followed by an incidental collaboration of some donors in specific areas of support in the later years. Recently, donors – especially EU donors – are more interested to intensify the collaboration and if possible, engage in policy dialogue.

## Lessons

1. In a fragile context such as Mali, it is extremely difficult to provide effective and efficient support to improving framework conditions for a bilateral donor such as Denmark. Therefore, a mix of direct support to the private sector and framework conditions support based on private sector needs appears appropriate.
2. Based on the findings of this country Evaluation, Danida's standard procedures for programming, monitoring and evaluating its support to framework conditions in fragile contexts, have shown some shortcomings and changes should be considered.
3. As an improvement of framework conditions in a fragile country is extremely challenging, good donor coordination is required to achieve at least some results and duplication and competition should be avoided to the extent possible.
4. Given Denmark's policies as presented in the 2021 document "The World We Share" and new approaches such as Doing Development Differently, there should be more attention paid to realising synergies among the various components of bilateral support, but also to engage at least one of the global programmes. This requires sufficient capacity at the embassy.



5. Denmark aims to pay more attention to green growth, gender equality and integration of youth in private sector development. Although insufficient attention has been given to these issues in implementation, there is no need to develop completely new programmes to address these priorities but they should be an integrated part of PSD programmes based on learnings from past experience.
6. Supporting framework conditions in a fragile country such as Mali requires a good balance between flexibility of the support on the one hand and continuity on the other. This balance should be part and parcel of the new Doing Development Differently approach but requires further operationalisation.

### **Recommendations for future programming of private sector development support in Mali**

Denmark is currently awaiting concrete developments in the transition period, ending in April 2024, before deciding whether to resume preparations for a new country programme. Furthermore, the war in Ukraine has also led to geopolitical changes that will affect future programming. This means that recommendations for future programming will be outdated by the time new programming starts. Nevertheless, based on the conclusions and lessons presented above, the following recommendations might be considered:

- A. In a fragile context, such as Mali, with a relatively dynamic private sector, supporting the private sector as a driver for change, is the best entry point for contributing to improved framework conditions and a more enabling business environment.

Denmark has already embarked on this path with the direct support of the private sector. Even during the transition period, more attention could be paid to strengthening the advocacy capacity of the private sector to increase the demand for change, in addition to the direct support to SMEs. This would require some small flexible funding in line with the DDD approach.

- B. For future PSD programming in Mali (and other fragile states) direct support of the private sector should be combined with complementary framework conditions support for a larger impact, with the private sector as a driver for change.

For future support, the focus should remain on direct support to the private sector, with linkages to reinforcing the private-private dialogue to bring about broader private-sector-driven change in the enabling environment. This could be accompanied by some targeted form of support to the government to implement the reforms agreed upon.

- C. Actors of the global PSD programmes, such as SSC and DSIF, should be stimulated to develop at least some activities in fragile countries where Denmark has bilateral country programmes focusing on PSD and/or green growth to further contribute to improved framework conditions.

Choices for new Danida PSD programming should be based on good insights into results achieved and their (potential) sustainability, analysis of the comparative advantage of Denmark in this area as well as an overview of advantages and disadvantages of different aid instruments and modalities. If global PSD programmes would be active in fragile contexts, this could substantially contribute to improved framework conditions if proper risk analysis will be done including mitigation solutions. In addition, the capacity of the embassy should also be considered and/or options for technical assistance support.

## **Résumé en français**

## Contexte et méthodologie

L'évaluation du soutien danois à l'amélioration des conditions-cadres pour le développement du secteur privé (DSP) dans les pays du Sud au cours de la période 2008-2021 est mise en œuvre dans quatre pays: le **Mali**, le Ghana, le Kenya et la Tanzanie. Pour les quatre études de pays, une approche commune basée sur la théorie et axée sur l'utilisation a été développée. La théorie globale du changement a été ajustée au contexte malien. Les principales méthodes de collecte de données ont été l'analyse de documents, des entretiens avec différents groupes d'acteurs et des ateliers de validation. La visite pays au Mali a eu lieu en mars 2022, après quoi une première version du rapport pays a été rédigée et commentée par les parties prenantes. La version finale du rapport du Mali a alimenté le rapport de synthèse de cette évaluation.

Les objectifs de l'évaluation sont axés sur la responsabilisation et l'apprentissage. D'une part, les performances passées des interventions danoises sont évaluées conformément aux critères d'évaluation du CAD de l'OCDE (pertinence, cohérence, efficacité, impact, durabilité et efficience). D'autre part, cette étude de pays sur le Mali vise à intégrer les leçons apprises et les recommandations dans la formulation du nouveau programme PSD, qui est prévu pour 2023. Cependant, en février 2022, en raison d'événements politiques, le Danemark a suspendu son aide au gouvernement du Mali, ainsi que les préparatifs d'un nouveau programme de pays. Au lieu de cela, le Danemark prévoit de prolonger quelques-uns des engagements existants jusqu'à la fin de la période de transition, prévue pour avril 2024. Le Danemark attendra des développements concrets de la transition avant de décider s'il convient de reprendre les préparatifs d'un nouveau programme national de coopération au développement entre le Mali et le Danemark, comprenant un programme pour le secteur privé. Ce contexte volatil affecte les enseignements concrets de cette évaluation à court terme.

L'échantillon et l'analyse au Mali ont été structurés autour de trois grands thèmes de conditions-cadres où l'appui danois s'est concentré: 1) Réforme de l'environnement des affaires (BER), c'est-à-dire des changements dans le cadre législatif et réglementaire pour le secteur privé, y compris le secteur public-privé dialogue; 2) Développement des infrastructures; et 3) Formation professionnelle/développement des compétences.

### **Mali: contexte de fragilisation croissante**

Au cours de la décennie 2000-2010, le Mali était politiquement relativement stable et a connu un taux de croissance économique soutenu, matérialisé par une augmentation du PIB à un taux annuel moyen de 5,7%, bien que la pauvreté soit restée généralisée et le chômage élevé.

Cependant, en 2012, la situation a radicalement changé. En 2012, un coup d'État militaire a eu lieu et des groupes armés ont occupé le nord et envahi d'autres parties du pays. Les forces internationales sont actives depuis juillet 2014 (dont le Danemark). Cette crise a révélé les facteurs de fragilité et a fait basculer le pays d'une économie en croissance à une économie en profonde récession sur la période 2012-2013<sup>1</sup>. Après une reprise à partir de 2014, la situation s'est à nouveau détériorée en 2020 et 2021 après de nouveaux coups d'État. Cela a conduit à des sanctions imposées par la Communauté économique des États de l'Afrique de l'Ouest. En janvier 2022, la junte militaire au pouvoir au Mali a franchi une nouvelle étape en demandant au Danemark de retirer les soldats récemment arrivés. Cela a conduit à des réactions internationales et à la suspension de certaines aides au gouvernement du Mali.

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<sup>1</sup> Mali economic update, janvier 2013 Banque Mondiale.

Pendant toute la période d'évaluation, le secteur privé, bien qu'assez dispersé, est resté dynamique mais il a été touché par les changements de régime et les sanctions.

### **Soutien danois aux conditions-cadres**

L'ambassade royale du Danemark au Mali a ouvert ses portes en septembre 2006 et les gouvernements du Danemark et du Mali ont signé un accord de coopération en novembre 2006. Des programmes de coopération au développement ont été élaborés et mis en œuvre au cours de trois périodes: 2008-2012, 2013-2018 et 2019-2022. Le premier programme de développement du secteur privé a été mis en œuvre au niveau régional principalement par le biais du gouvernement du Mali avec un appui d'assistance technique. Cela a changé en 2012, en raison de l'instabilité politique. Ce faisant, le deuxième programme a été mis en œuvre par divers partenaires non gouvernementaux nationaux et internationaux également avec un soutien technique. Le troisième programme le plus récent a été dans une large mesure sous-traitée à des organisations internationales.

La majeure partie de l'aide au développement du secteur privé (793 millions de DKK) – environ les trois quarts du volume total de l'aide – consiste en un soutien direct au secteur privé (principalement des petites et moyennes entreprises) et le reste est un soutien aux trois thèmes du cadre conditions d'appui (réforme de l'environnement des affaires, développement des infrastructures et formation professionnelle). En réalité, il était difficile d'établir une distinction claire entre le soutien danois direct au secteur privé et le soutien aux conditions-cadres, car ces deux types de soutien étaient mélangés dans une large mesure.

### **Principaux constats concernant la réforme de l'environnement des affaires**

Danida a choisi simultanément le gouvernement du Mali et les organisations du secteur privé comme points d'entrée pour améliorer l'environnement propice. L'appui de Danida était principalement axé sur l'amélioration de la prestation de services au secteur privé, la modification des lois et réglementations et l'amélioration du dialogue public-privé. En principe, ce sont des domaines d'appui pertinents compte tenu des besoins du secteur privé, bien que les principales contraintes liées à une justice commerciale très faible, à une fiscalité excessive et à la corruption n'aient pas fait l'objet d'une attention directe de la part de Danida et n'aient pas été abordées. De plus, la conception des programmes a montré de sérieuses faiblesses. Les résultats de l'aide danoise ont été plutôt limités: la capacité de lobbying du secteur privé a été renforcée, ce qui a entraîné des améliorations temporaires du dialogue public-privé, de nouvelles lois ont été adoptées et un guichet unique pour l'enregistrement des nouvelles entreprises a été mis en place (rôle limité pour le support Danida). Cela a conduit à une certaine réduction du temps et des coûts pour le secteur privé, mais il n'existe aucune preuve convaincante d'améliorations substantielles pour le secteur privé.

### **Principaux constats concernant le développement des infrastructures**

Le soutien danois au développement des infrastructures économiques a été pertinent et répond aux besoins et défis réels auxquels est confronté le secteur privé. Cependant, la majeure partie du soutien aux infrastructures consistait en des infrastructures économiques pour les PME telles que des abattoirs et des barrages pour l'irrigation, qui peuvent être considérées comme un soutien direct aux PME. Et il y a eu très peu de soutien aux infrastructures de Danida qui puisse être considéré comme une amélioration des conditions-cadres pour le secteur privé. Il existe de bonnes preuves de la réalisation des extrants, c'est-à-dire du nombre d'infrastructures réalisées. Cependant, il n'y a pas d'informations solides sur les résultats, les impacts et la durabilité des résultats, c'est-à-dire l'utilisation, l'exploitation et l'entretien continus des infrastructures.

## Principaux constats concernant la formation professionnelle et le développement des compétences

Le soutien danois au développement des compétences a été très pertinent et répond aux besoins du secteur privé et aux besoins de nombreux jeunes femmes et hommes d'avoir des opportunités de revenus, soit par l'accès à l'emploi, soit par la gestion de leur propre entreprise. La majeure partie de ce soutien visait à fournir une formation professionnelle à divers groupes cibles dans les zones rurales et semi-urbaines. L'intention était également de renforcer les systèmes de formation professionnelle au niveau national ou régional. Pendant la deuxième période, le Danemark a cofinancé un programme déjà financé en trois phases par la coopération suisse, qui a conduit à la mise à l'échelle et à la formation de près de 50 000 personnes susceptibles d'améliorer leurs revenus. Cependant, le soutien au développement de la formation professionnelle n'a pas réussi à combler l'écart important entre la demande et l'offre de main-d'œuvre qualifiée. En outre, il existe des preuves du renforcement des systèmes de formation professionnelle au niveau régional, mais ce soutien n'a pas été poursuivi (certaines régions sont devenues moins accessibles). Par conséquent, la durabilité de ce soutien peut être remise en question.

## Conclusions

1. L'évolution du contexte au Mali au cours de la période 2008-2021 – passant d'un champion de la mise en œuvre de l'Agenda de Paris pour l'efficacité de l'aide dans les premières années, à un État fragile à partir de 2012 – a considérablement affecté le soutien du Danemark aux conditions-cadres développement du secteur et ses performances. Le Danemark a développé une approche flexible pour relever les défis de ce contexte en évolution.
2. Depuis 2008, le Danemark a fourni un soutien continu au développement du secteur privé, consistant en une combinaison de soutien direct et de soutien aux conditions-cadres. Cela a répondu à certains besoins prioritaires du secteur privé au Mali concernant un environnement favorable amélioré. Cependant, les modalités et les approches de l'aide ont changé trop fréquemment, ce qui a conduit à un manque de continuité.
3. Le Danemark est considéré par les parties prenantes au Mali – gouvernement, secteur privé et autres bailleurs de fonds – comme un bailleur important, flexible et fiable en matière de développement du secteur privé, et cela est notamment basé sur la pertinence et l'efficacité de son soutien direct aux PME (formation, orientation, fonds de garantie, soutien aux infrastructures).
4. Les résultats du soutien du Danemark aux conditions-cadres ont été mitigés avec quelques résultats positifs dans les domaines de la formation professionnelle et de la réalisation d'infrastructures, principalement basées sur un soutien direct au secteur privé. Dans le domaine de la réforme de l'environnement des entreprises, des résultats très limités ont été constatés. Néanmoins, il n'existe pratiquement aucune information concernant des résultats durables de niveau supérieur pour le secteur privé en termes de réduction des coûts et des risques de faire des affaires conduisant à davantage d'investissements et d'emplois.
5. Les principaux facteurs explicatifs des résultats limités ainsi que des problèmes d'efficacité de l'appui aux conditions-cadres sont d'abord la fragilisation croissante du Mali, suivie par des problèmes spécifiques de conception des programmes, la faiblesse du suivi et de l'évaluation et coordination limitée des donateurs après 2012. Une capacité suffisante à l'Ambassade est nécessaire pour gérer les programmes de développement du secteur privé dans un État fragile.

6. La contribution directe du Danemark à l'amélioration des conditions-cadres est restée limitée, mais sa principale contribution a été de renforcer le secteur privé, qui est désormais mieux à même de défendre ses intérêts et d'agir comme moteur du changement dans un environnement favorable.
7. La cohérence interne entre les composantes des programmes bilatéraux de DSP n'a pas fait l'objet d'une attention suffisante. Les liens avec les programmes mondiaux de DSP n'ont guère retenu l'attention. Cependant, les programmes DSP en général n'ont jusqu'à présent pas été actifs au Mali car les risques étaient considérés comme trop élevés.
8. La coordination des donateurs a varié au fil des ans, avec une coordination plutôt intensive des donateurs de 2008 à 2012, suivie d'une collaboration fortuite de certains donateurs dans des domaines d'appui spécifiques au cours des dernières années. Récemment, les donateurs – en particulier les donateurs de l'UE – sont plus intéressés à intensifier la collaboration et, si possible, à s'engager dans un dialogue politique.

## Leçons

1. Dans un contexte fragile comme le Mali, il est extrêmement difficile d'apporter un soutien efficace et efficient à l'amélioration des conditions-cadres d'un bailleur bilatéral comme le Danemark. Par conséquent, un mélange de soutien direct au secteur privé et de soutien aux conditions-cadres basé sur les besoins du secteur privé semble approprié.
2. Sur la base des conclusions de cette évaluation de pays, les procédures standard de Danida pour la programmation, le suivi et l'évaluation de son soutien aux conditions-cadres dans les contextes fragiles ont montré certaines lacunes et des changements doivent être envisagés.
3. Étant donné que l'amélioration des conditions-cadres dans un pays fragile est extrêmement difficile, une bonne coordination des donateurs est nécessaire pour obtenir au moins certains résultats et les doubles emplois et la concurrence doivent être évités dans la mesure du possible.
4. Compte tenu des politiques du Danemark telles que présentées dans le document de 2021 "Le monde que nous partageons" et des nouvelles approches telles que *Doing Development Differently*, il faudrait accorder plus d'attention à la réalisation de synergies entre les différentes composantes de l'aide bilatérale, mais aussi s'engager au moins dans l'un de ces programmes globaux ou multi bailleurs. Cela nécessite une capacité suffisante à l'ambassade.
5. Le Danemark entend accorder plus d'attention à la croissance verte, à l'égalité des sexes et à l'intégration des jeunes dans le développement du secteur privé. Bien qu'une attention insuffisante ait été accordée à ces questions lors de la mise en œuvre, il n'est pas nécessaire d'élaborer des programmes entièrement nouveaux pour répondre à ces priorités, mais ils devraient faire partie intégrante des programmes de DSP sur la base des enseignements tirés de l'expérience passée.
6. Soutenir les conditions-cadres dans un pays fragile comme le Mali nécessite un bon équilibre entre la flexibilité du soutien d'une part et la continuité d'autre part. Cet équilibre devrait faire partie intégrante de la nouvelle approche *Doing Development Differently*, mais nécessite une opérationnalisation plus poussée.

## Recommandations pour les programmations futures de l'appui danois au développement du secteur privé au Mali



Le Danemark attend actuellement des développements concrets au cours de la période de transition, qui s'achèvera en avril 2024, avant de décider de reprendre ou non les préparatifs d'un nouveau programme de pays. De plus, la guerre en Ukraine a également entraîné des changements géopolitiques qui affecteront la programmation future. Cela signifie que les recommandations pour la programmation future seront dépassées au moment où la nouvelle programmation commencera. Néanmoins, sur la base des conclusions et enseignements présentés ci-dessus, les recommandations suivantes pourraient être envisagées:

- A) Dans un contexte fragile, comme le Mali, avec un secteur privé relativement dynamique, soutenir le secteur privé comme moteur du changement est le meilleur point d'entrée pour contribuer à l'amélioration des conditions-cadres et à un environnement des affaires plus favorable. Le Danemark s'est déjà engagé dans cette voie avec son soutien direct au secteur privé. Même pendant la période de transition, une plus grande attention pourrait être accordée au renforcement de la capacité de plaidoyer du secteur privé pour accroître la demande de changement, en plus du soutien direct aux PME. Cela nécessiterait un petit financement flexible conforme à l'approche DDD.
- B) Pour la future programmation du DSP au Mali (et dans d'autres États fragiles), le soutien direct du secteur privé doit être combiné avec un soutien aux conditions-cadres complémentaires pour un impact plus important, avec le secteur privé comme moteur du changement.

Pour le soutien futur, l'accent devrait rester sur le soutien direct au secteur privé, avec des liens pour renforcer le dialogue privé-privé afin d'apporter un changement plus large impulsé par le secteur privé dans l'environnement propice. Cela pourrait s'accompagner d'une forme ciblée de soutien au gouvernement pour mettre en œuvre les réformes convenues.

- C) Les acteurs des programmes mondiaux de DSP, tels que la SSC et la DSIF, devraient être incités à développer au moins certaines activités dans les pays fragiles où le Danemark a des programmes nationaux bilatéraux axés sur le DSP et/ou la croissance verte afin de contribuer davantage à l'amélioration des conditions-cadres.

Les choix pour la nouvelle programmation DSP de Danida doivent être basés sur de bonnes informations sur les résultats obtenus et leur durabilité (potentielle), une analyse de l'avantage comparatif du Danemark dans ce domaine ainsi qu'un aperçu des avantages et des inconvénients des différents instruments et modalités d'aide.

Si les programmes DSP mondiaux étaient actifs dans des contextes fragiles, cela pourrait contribuer considérablement à l'amélioration des conditions-cadres à condition qu'une analyse des risques appropriée soit effectuée en amont, y compris des solutions d'atténuation. En outre, la capacité de l'ambassade devrait également être prise en compte et/ou les options d'assistance technique.

# 1 Introduction

## Evaluation focus and objectives

The Evaluation, Learning and Quality department (ELQ) of the Danish Ministry of Foreign Affairs (MFA) launched an Evaluation of Danish support for improving framework conditions for Private Sector Development (PSD) in the Global South. This Evaluation was commissioned to Nordic Consulting Group (NCG). The Terms of Reference (ToR) indicate that the Evaluation would consist of four country studies: **Mali**, Ghana, Kenya and Tanzania. It should be noted that the Evaluation focuses explicitly on the Danish support to framework conditions, which is only one part of the Danish support to private sector development. The bulk of the Danish support consists of direct support to the private sector. This direct support is examined from a coherence and relevance point of view but is not the main focus of this Evaluation.

The evaluation objectives focus on accountability and learning. The first objective requires evaluating the past performance of the Danish interventions in accordance with the OECD-DAC evaluation criteria. In addition, it is necessary to understand what has worked and under which circumstances, to draw lessons and provide recommendations in the context of Denmark's new development strategy from 2021 "The World We Share". Regarding the second objective related to learning, this Mali country study aimed to feed lessons learned and recommendations into the formulation of the new PSD programme, which was planned for 2022. However, Denmark suspended its aid to the Government of Mali based on political events and no new programme will be prepared until the end of the transition period, which is expected to be extended until February/March 2024. Denmark will await concrete developments in the transition, before deciding whether to resume preparations for a new country programme for development cooperation between Mali and Denmark, including a private sector programme. This volatile context affects concrete learning from this Evaluation in the short term.

In addition, it deserves to be mentioned that the Mali study is the only one that relates to a fragile state. Denmark is increasingly focusing its bilateral support on fragile states and it has to be examined to what extent lessons from this country study apply to other fragile partner countries.<sup>2</sup>

In this report, the findings and conclusions of the Mali country study are presented.

## Evaluation criteria and questions

There are five main evaluation questions related to the OECD-DAC evaluation criteria:

1. **Relevance:** To what extent has Danish support to framework conditions for PSD responded to the evolving needs and challenges the private sector is facing in partner countries?
2. **Coherence:** To what extent have there been complementarities and synergies between the various types of Danish support to framework conditions for PSD on the one hand and PSD support by other actors on the other?
3. **Effectiveness and impact:** What are the results of the Danish support to framework conditions for PSD and what are the main factors affecting the results?
4. **Efficiency:** What have been the main efficiency challenges of the Danish support to framework conditions for PSD and how have these challenges been addressed?

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<sup>2</sup> The issue of lessons to be learned from the four country studies for other partner countries has been discussed during the inception phase. The client ELK made it clear that the focus should be on the four country studies.

5. **Sustainability:** To what extent has Danish support to framework conditions for PSD been sustainable?

In addition, there are various sub-questions and for each sub-question indicators and data collection methods have been identified in the evaluation matrix (see Annex 2).

### Country study Mali

For the four country studies, a common theory-based and utilisation focused approach has been developed.<sup>3</sup> In the Inception Report, a sample of Danida's programmes for each country was identified for in-depth research (see Chapter 2, Table 2.1 for the sample). Two consultants have been responsible for the Mali study Anneke Slob and Fiacre Adda, while Emma van Leenen and Jakob Kjærtinge Faarbæk have provided useful assistance in the preparation phase by collecting and analysing programme documents and organising scoping interviews.

The sample and analysis in Mali have been structured around three major framework condition themes where Danish support has been concentrated:

1. Business environment reform (BER), i.e., changes in the legislative and regulatory framework for the private sector including the public-private sector dialogue;
2. Infrastructure;
3. Vocational training or skills development.

As indicated above, the linkages to direct private-sector support have been taken into account as well.

During the preparation phase, some scoping interviews with key stakeholders such as former ambassadors and the staff at the embassy were organised and documents were collected. Prior to the field visit, Mission Preparation Notes were prepared and shared with the embassy and ELK, including the ToC, the sample, preliminary findings and gaps in information emerging from document analysis and the work programme for the field visit that took place from 20 to 25 March 2022.

The main data collection methods were document analysis (see Annex 1 for the list of documents) and interviews.<sup>4</sup> The field mission started with a discussion with the embassy staff in charge of private sector development, also focusing on validation of the ToC. The Evaluation Team received very valuable support from the embassy in Bamako in the various phases: search of programme documents, invaluable assistance in setting up interviews, availability and active interest in various intensive meetings including validation workshops.

In total 35 persons were interviewed before, during and after the mission. These stakeholders included (former) embassy staff, staff at MFA Copenhagen, representatives from government authorities in Mali at the central and local levels, implementing agencies, other donors, private sector organisations and entrepreneurs. The mission ended with a debriefing for the embassy staff making use of a PowerPoint presentation, which allowed the Evaluation Team to validate preliminary findings. After the mission, additional online interviews took place to fill gaps in information and for further validation. As many stakeholders showed interest in this Evaluation, an online validation workshop (*restitution*) was organised on 11<sup>th</sup> April to discuss broader findings.

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<sup>3</sup> A theory-based evaluation is based on an explicit Theory of Change or logic model that explains the theory of a development intervention or set of interventions. Utilisation-focused evaluations are based on the principle that an evaluation should be judged according to how useful it is to its primary intended users.

<sup>4</sup> The list with people interviewed will not be included in the final version of the report as this is not compliant with GDPR regulations.

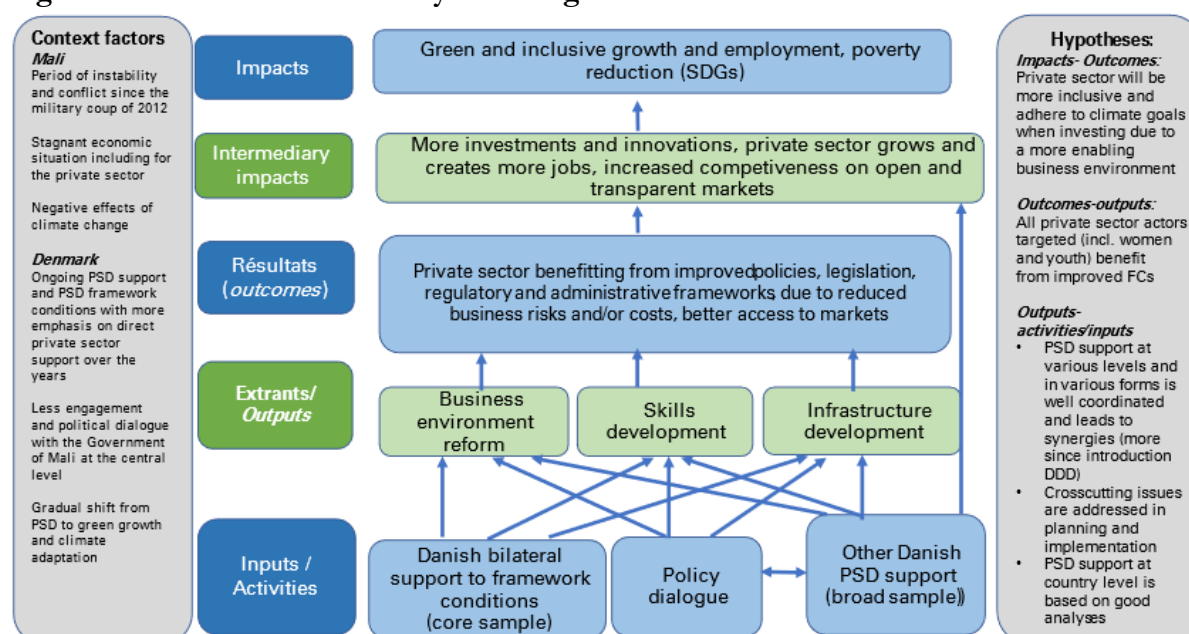
The points raised during the debriefing and validation workshop have been included in this report.

This report is based on careful triangulation of findings from different sources and various validation meetings. The report presents the background in Chapter 2, followed by three chapters dealing with the assessment of specific aspects of relevance, effectiveness and sustainability of each Framework Conditions (FC) theme. Chapter 6 presents the assessments of other aspects of relevance, coherence, effectiveness and impact and efficiency across the three FC themes. Comments of the embassy, ELK and the Evaluation Reference Group have been addressed in the final version of this Mali country report, while also consistency with the Final synthesis report for this Evaluation has been assured.

## Theory of Change

During the preparation for the Mali field visit, the Evaluation Team reconstructed a ToC for Mali, which is based on the overall ToC presented in the inception report. The ToC for Mali was validated in the briefing session at the start of the field mission with the embassy staff.

**Figure 1.1 Reconstructed Theory of Change**



At the lower level of the results chain in the ToC, a distinction is made between support to framework conditions for the private sector on the one hand and direct support to the private sector on the other (inputs/ activity level), while policy dialogue is related to both types of support. The support to framework conditions is provided to the three main themes as mentioned above, which form the output level. This level also includes capacity strengthening of the capacity of government and private sector actors. The main focus of the Evaluation is on the realisation of outcomes, which are the results for the private sector that benefits from improved framework conditions. There are some important underlying assumptions regarding the inclusiveness of the support and the coordination of various forms of Danish PSD support.

## Evaluation challenges

The country study Mali met various specific evaluation challenges that are briefly summarised below:

- Despite the many documents received from the embassy, there are hardly any reports containing information at the outcome level. In addition, overall information, especially reliable quantitative information regarding private sector development in Mali is not available. This risk has been mitigated to the extent possible by making use of various data collection methods as indicated above focusing on qualitative information.
- The context in Mali has become increasingly fragile over time and the relations between the Government of Mali and neighbouring ECOWAS countries but also with European countries have deteriorated since the beginning of this year, which has affected private sector development. The Evaluation has paid attention to contextual factors in line with the theory-based approach.
- While the ToC is based on the idea that there would be a clear distinction between direct support to the private sector on the one hand, and support to framework conditions on the other, in practice, no such clear distinction existed in Mali. Direct support and framework conditions support were mixed to an important extent. To address this challenge, the Evaluation Team further classified the activities within the programmes and components that were part of the core sample to follow the evaluation approach. However, given the mix of types of support, a full Evaluation of Danish PSD support to Mali -not limited to framework conditions – would have provided a more complete picture and could have led to more concrete lessons for PSD support to fragile states.



## 2 Overview of Danish PSD Support in Mali

### 2.1 Mali: Context of increasing fragilisation

#### Political context

Mali had a democratically elected regime since 1992 and remained relatively stable until 2012. However, Mali has been going through a period of instability and conflict since the 2012 military coup and the occupation of the north by armed groups. The United Nations Multidimensional Integrated Stabilisation Mission in Mali (MINUSMA) has been active since July 2014. France launched Operation Barkhane in 2014 to assist Malian forces in the anti-jihadist fight within the country. In 2018, Task Force Takuba was created when European allies (including Denmark) joined the movement and moved to Mali.

Meanwhile, political instability worsened when Ibrahim Boubacar Keïta, president re-elected in 2018, was overthrown in a military coup on August 18, 2020, after several weeks of protests. Mediation led by the Economic Community of West African States (ECOWAS) made it possible to establish an 18-month transition with the appointment in September 2020 of a President and a Prime Minister from the civil society. However, a new military coup took place in May 2021, which led to international reactions, notably from the Economic Community of West African States (ECOWAS). ECOWAS countries have closed their borders with Mali and suspended their financial exchanges with the country.

In January 2022, ECOWAS leaders adopted even tougher sanctions against Mali over the failure of the ruling junta to meet a February deadline for elections to restore a civilian regime. The Malian government condemned what it called "illegal and illegitimate" sanctions imposed on the country by ECOWAS. Towards the end of January, Mali's ruling military junta took another step by asking Denmark to withdraw recently arrived soldiers to join the Takuba special forces group, after which the Danish troops withdrew. This request came amid a showdown between the junta and part of the international community. The two parties did so far not agree on holding the elections in the near future. Some of the international support such as the World Bank support was suspended. Other donors including Denmark considered partial suspension of their support but most development and humanitarian support continued. Denmark did continue to provide direct support to the private sector and civil society but suspended its support to the Government of Mali.

#### Economic context

Mali is a low-income country with an undiversified economy exposed to fluctuations in commodity prices. The Malian economy is based on agriculture, animal husbandry and fishing and more recently on mining, especially gold. It is characterised by a very large informal sector present in practically all branches of activity. Economic growth is essentially driven by the primary sector, which employs nearly 80% of the working population. This sector represents between 34 and 36% of the GDP. The economy remains heavily dependent on climatic hazards and external aid and is not very diversified. Indeed, given the importance of the primary sector, rainfall is a very important factor in economic growth. The main export products are gold and cotton.

During the decade 2000-2010, Mali experienced a sustained economic growth rate and GDP grew at an average annual rate of 5.7%. Most of this growth has resulted from the development of gold production, the good performance of the agricultural sector, the development of certain

services (telecommunications, tourism, construction, etc.) and the good budgetary situation of the State related to the provision of general budget support by development partners (including Denmark).

Although the private sector has always been pretty dynamic, there have been main impediments to further economic growth. In addition to climate change, other main challenges are the very strong demographic growth (nearly 3.6% per year) leading to a great employment challenge to integrate young people into the economy. Other impediments will be discussed in the following chapters of this report.

It was against this backdrop of a dynamic but fragile economy that the deepest political and institutional crisis in Mali's history occurred in 2012. This crisis revealed the factors of fragility and tipped the country from a growing economy to one in deep recession over the period of 2012-2013. After the 2012 crisis, Mali returned to economic dynamism in 2014 when the growth rate was 7.1%. Indeed, GDP growth reached 5.3% in 2017, 4.7% in 2018 and 5.6% in 2019 due to exceptional agricultural production since 2014.<sup>5</sup>

In April 2022, the World Bank stated in its update on the economy of Mali that the pandemic, as well as the military coup of August 2020, have led to a contraction of economic activity, plunging the country into its first recession since 2012, when the country had a military coup. Real GDP is projected to have contracted by 2.0% in 2020 (4.9% in per capita terms). All major drivers of growth in recent years including export and subsistence agriculture, cattle husbandry, construction and several service sectors were severely affected. For the first time since 2013, agricultural production contracted sharply. However, a recovery began in early 2021 in certain key sectors of the economy related to services and agriculture. This was again negatively affected by the continuation of the Covid-19 pandemic, the sanctions imposed on Mali by ECOWAS in January 2022 and the war in Ukraine that affects global oil and food prices.

### Private sector

A recent World Bank Group (WBG) private sector diagnostic for Mali<sup>6</sup> states that "Notwithstanding a challenging context, Mali is endowed with a vibrant and resilient private sector that constitutes a veritable engine to lead a strong economic recovery post-COVID-19. The formal private sector represents one-third of the country's GDP and three-fourths of exports. Economic resilience in the face of a fragile environment is due in part to the fact that more than 80% of Mali's economic activity occurs in the southern regions of the country, which have been less affected by the crisis despite an uptick in armed conflict in the northern and central regions over the recent years". Mali is one of the least diversified exporters in the world and the fifth least-diversified economy in Sub-Saharan Africa.

Agriculture (including livestock) represents 40% of GDP and 58% of direct and indirect employment of Mali's working-age population, the sector provides livelihood to 11 million Malians. Accounting for more than one-third of GDP and four-fifths of employment, resilient agriculture production has been the backbone of the Malian economy, mainly in the form of subsistence agriculture, according to the WBG. The emergence of gold mining as well as transport, telecommunications and banking services, are other parts of the Malian private sector. The contribution of manufacturing to the Malian economy has remained comparatively low.

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<sup>5</sup> <https://www.worldbank.org/en/country/mali/overview#1>.

<sup>6</sup> WBG, Mobilising the Private Sector for Economic Resilience and Recovery CREATING MARKETS IN MALI, April 2022.

## 2.2 Overview of Denmark's private sector development programmes in Mali

The Royal Danish embassy in Mali opened in September 2006. The Governments of Denmark and Mali signed a cooperation agreement in November 2006, after which development cooperation programmes were developed that started to be implemented from 2008 onwards. Only for the most recent period, 2016-2021, a Mali Country Policy Paper has been collected, followed by a Mali Country Programme document, 2017-2022.<sup>78</sup> According to interviews with stakeholders that were active at the time when the Danish cooperation programme with Mali was being developed, there was a lot of optimism at the time. The focus was on government-to-government cooperation, which was very much in line with the 2005 Paris Agenda for Aid Effectiveness and the 2008 Accra Agenda. The crisis in Mali caused by the 2012 Coup d'Etat affected the programming considerably with three main programming periods with different priorities as indicated in Table 2.1

**Table 2.1 Denmark-Mali Partnership, an overview of programming priorities, 2006-2021**

|                                   | 2006-2012   | 2013-2018   | 2017-2022   |
|-----------------------------------|---|---|---|
| <b>Private Sector Development</b> | PAPESPRIM<br>Programme d'Appui à la Promotion de l'Emploi dans le Secteur Privé | PACEPEP<br>Programme d'Appui à la Croissance Économique et Promotion de l'Emploi stimulées par le Secteur Privé du Mali | PSDP<br>Programme de Développement du Secteur Privé |
| <b>Agriculture</b>                | Agriculture Sector Support (PASAM)  |   |   |
| <b>General Budget Support</b>     | General Budget Support (2009-2011)  |   |   |
| <b>Water and Sanitation</b>       | Water and Sanitation (2006-2010)  | Water and Sanitation (2010-2014)  |   |
| <b>Peace and Stability</b>        |   |   | Peaceful coexistence                                |
| <b>Governance</b>                 | Good Governance (2009-2013)   |   | Decentralisation                                    |

Sources: Programme documentation.

Table 2.1 shows that there have been substantial changes in Danish programming priorities for Mali and only the support to the private sector development has not changed since the start of the cooperation. The Denmark-Mali partnership started at a time of optimism when the governance situation in Mali was considered to be relatively good. In line with the objectives of the various High-Level Fora on Aid Effectiveness<sup>9</sup> resulting in the 2005 Paris Declaration and the 2008 Accra Agenda for Action<sup>10</sup>, Denmark aimed to closely collaborate with the Government of Mali (GoM) regarding its development cooperation programme. This resulted in various sector programmes and a short period of General Budget Support (see Table 2.1).

<sup>7</sup> It is likely that for previous periods also country strategies were elaborated, but neither the embassy nor MFA HQ could provide these documents.

<sup>8</sup> Danida, DENMARK – MALI, Country Policy Paper, 2016-202, February 2016 and DENMARK-MALI Partnership Country Programme Document, 2017-2022, February 2017.

<sup>9</sup> The High Level Fora on Aid Effectiveness in Rome, Paris, Accra and Busan in 2003, 2005, 2008 and 2011. See <https://www.oecd.org/dac/effectiveness/thehighlevelforaonaideeffectivenessahistory.htm>.

<sup>10</sup> Five principles of the Paris Declaration: Ownership, Alignment, Harmonisation, Results and Mutual accountability. See <https://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm>.

This situation changed in 2012 due to the political crisis and the deteriorating security situation. After a temporary suspension of donor assistance in 2012, gradually new support programmes were developed by donors including by Denmark, but these programmes were formulated from the perspective of support to a fragile state. Denmark started new programmes focusing on peaceful coexistence and decentralisation, in addition to the PSD programme.

A closer look at the three PSD programmes should allow to make a distinction between direct support to the private sector and various types of support to framework conditions for the private sector. In the inception report, six main themes of support to framework conditions have been distinguished of which three are relevant for Mali: 1) Business Environment Reform, 2) Skills development/vocational training and 3) Infrastructure.<sup>11</sup> In Table 2.2 the main components of the three PSD programmes and the relation to the three framework condition's themes are presented (the full sample is presented in Annex 3).

Table 2.2 shows that in all three periods support to each of the three framework condition themes has been provided. While the first classification was made in the inception phase, the overview in Table 2.2 has been further adjusted based on additional insights gained during the country study, showing that BER support was also provided during the second period (PAPEPRIM, Component 2 as indicated above).

**Table 2.2 Denmark-Mali Private Sector Development Programmes, Framework Condition themes and direct support**

| PAPESPRIM<br>2007 – 2013  | PACEPEP<br>2013-2018   | PSDP<br>2018-2022   |
|---|--|---|
| 1. Skills development   | 1. Strengthening the competitiveness of private sector <ul style="list-style-type: none"> <li>Including Guarantee Fund for medium enterprises</li> </ul> | 3. Environnement propice à l'entrepreneuriat de croissance (EPEC) <ul style="list-style-type: none"> <li>Inclusif (value chains)</li> <li>FACEJ (employment)</li> <li>Guarantee Fund</li> </ul> Infrastructure (decentralisation programme) |
| 2. Support for SMEs at regional level including: <ul style="list-style-type: none"> <li>Enabling environment regional level</li> <li>Economic infrastructure</li> </ul> | 2. Economic infrastructure   |   |
| 3. Improvement of access to Microfinance <ul style="list-style-type: none"> <li>Rural infrastructure (agriculture programme)</li> </ul>                                 | 3. Skills development  |   |
|   |  | 2021-2023   |
|   |  | Training and employment programme CIEM  |

Three framework conditions themes: 1. Business environment reform 2. Infrastructure 3. Skills development.  
Sources: Programme documents PAPESPRIM, PACEPEP and PDSP, plus component documents.

Furthermore, support to framework conditions also included direct support (for example, PACEPEP, Component 1, but also EPEC). In addition, via other programmes also support to

<sup>11</sup> The other three themes are Business Advocacy, Trade Facilitation and Labour Markets Reform.

framework conditions has been provided, in particular to infrastructure (agricultural sector support programme 2007-2013 and the decentralisation programme from 2018 to 2022). The fact that most programme components consisted of a mix of support complicated the analysis, as already indicated in the evaluation challenges outlined in Chapter 1.

The original calculation in the inception phase, based on the portfolio overview, was that during the period 2008-2021, DKK 332 million was committed to support to framework conditions and another DKK 461 million to direct support to private sector in Mali, i.e., approximately 40% of total PSD support 2007-2021 should have been committed to framework conditions support. (See Annex 3). However, given the mix of support and the contribution to framework conditions by other direct support programmes, it is impossible to provide precise figures. Based on further information from document review and interviews, the percentage committed to framework conditions support is lower and does not exceed 25% of total Danish PSD support to Mali according to an estimate by the Evaluation Team.<sup>12</sup>

Furthermore, the aid modalities of the various PSD programmes changed substantially over the years. While the first programme (2007-2012/3) was implemented mainly via the GoM with Technical Assistance (TA) support, the second programme (2013-2018) was implemented via a variety of partners such as the National Council of Employers of Mali (*Conseil National du Patronat du Mali*, CNPM) and Swisscontact (a Swiss NGO specialised in vocational training) also with TA support, the third and most recent programme (2018-2022) was to a large extent contracted out to main international organisations such as the International Finance Corporation (IFC, member of the World Bank Group, implementing EPEC) and the International Fund for Agricultural Development (IFAD, implementing INCLUSIF). Whether different aid modalities have led to different results will be examined in the following chapters.

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<sup>12</sup> There is one component consisting of 100% framework conditions support: PAPERPRIM vocational training. For the other core sample projects the following percentages of framework conditions support have been applied based on an analysis of programme documents: PACEPEP, Component 1 25%, EPEC 80%, Vocational training PACEPEP 30%, Economic infrastructure PACEPEP 50%, PASAM rural infrastructure 80% (not part of the core sample originally). This led to a total commitment of DKK 189.4 million, i.e. 24% of total PSD support.



## 3 Business Environment Reform

In this chapter the Danish contribution to Business Environment Reform (BER) will be analysed in line with the evaluation matrix (see Annex 2) focusing on the assessment of relevance, effectiveness and explanatory factors. Findings regarding coherence and efficiency of BER support, together with some aspects of relevance – political economy analysis and cross-cutting issues – and effectiveness – impact and quality of M&E – are dealt with in Chapter 6 together with findings on the other two themes. As indicated in the inception report, business environment has been defined as a complex of policy, legal, institutional and regulatory conditions that govern business activities. BER can be situated at national level as well as at sub-national and local level, although policy and legislation are often prepared and approved at national level. BER also includes the public-private sector dialogue as the private sector has a direct interest in BER. As indicated in Table 2.2, during all three programming periods there were components focused on BER making use of different aid modalities as will be set out below. The ToC (see Figure 1.1) serves as point of departure for the analysis.

### **Main findings regarding Danish contribution to Business Environment Reform (BER) in Mali:**

- Both the GoM and the private sector were chosen as entry points for improving the enabling environment. The main focus was on improvement of the public-private dialogue with attempts to improve service delivery to the private sector and to improve laws and regulations. In principle, these are relevant areas of support given private sector needs, although key constraints related to very weak commercial justice, excessive taxation and corruption have not been addressed. In addition, the design of the programmes shows serious weaknesses.
- The results have been rather limited: the lobbying capacity of the private sector has been strengthened resulting in temporary improvements of the public-private dialogue, some new laws have been adopted and a one-stop shop for registering new businesses has been set-up (limited role for Danida support). This led to some reduction of time and costs for private sector, but there is no convincing evidence for substantial improvements for the private sector.

### 3.1 Relevance

#### **Addressing key needs of the private sector**

In all three PSD programmes, Danida aimed to improve framework conditions for the private sector, albeit in different ways. Since, 2008, all three programmes aimed to improve the public-private sector dialogue and to contribute to changes in the policy, legislative and regulatory frameworks. As this was also in line with Danish policy priorities, from a general point of view the programmes working on improving the framework conditions can be considered as relevant. Nevertheless, there are also major differences among the three programmes as shown in Table 3.1.

**Table 3.1 Main characteristics of BER support during three programming periods, 2008-2018**

| Support period | Support title    | Main partners   | Type of support  | Aid modality   |
|----------------|------------------|---|--|--|
| 2008-2012      | <b>PAPESPRIM</b> | GoM at national level and regional level<br>Private sector organisations at national and regional level (Ségou and Mopti) | Strengthening of public-private sector dialogue at national and regional level<br>Strengthening the planning and regulatory capacity of both the public and private sector at regional level | Programme support, initially implementation delegated to GoM, but later TA acted as implementing party |
| 2013-2018      | <b>PACEPEP</b>   | CNPM (employers' organisation) as main partner  | Strengthening of public-private sector dialogue at national level<br>Improvement of framework conditions driven by the private sector  | CNPM as delegated authority for implementation with TA in advisory role                                |
| 2013-2018      | <b>PDSP EPEC</b> | GoM at national level   | Improving policy, regulatory and administrative frameworks<br>Strengthening the public-private dialogue  | Implementation delegated to IFC  |

Sources: Programme documents PAPESPRIM, PACEPEP and PDSP, plus component documents.

As was already mentioned in Chapter 2, the first PSD programme PACEPEP aimed to work closely together with the GoM at national and regional level. According to interviews, no programme of collaboration could be established with the Ministry of Economy and Investment Promotion.<sup>13</sup> Nevertheless, through the support to SMEs at the regional level (Component 2 PAPESPRIM) support was provided to strengthening of framework conditions in the regions of Ségou and Mopti, with linkages to the national level. In addition to direct support to SMEs, due attention was paid in the programme document to strengthening the planning and regulatory capacity of both the public and private sector at regional level. This can be considered as quite an ambitious set-up.

The second PSP programme PACEPEP, started in 2013, after some delays in formulation due to the political crisis in 2012. The PACEPEP programme document<sup>14</sup> indicates that given the importance of the private sector for the development of the country, the explicit choice was made to make the private sector i.e., the national employers' organisation CNPM responsible for the management of Component 1 aiming to strengthen the competitiveness of the private sector in an enabling environment.<sup>15</sup> In this way, improvement of the framework conditions would be mainly driven from a private sector perspective, which was assumed to increase the relevance. This meant that the main focus of this component was on providing direct support to SMEs

<sup>13</sup> A programme was set up with the Ministry of Employment and Vocational Training (*Ministère de l'Emploi et de la Formation Professionnelle*, MEFP) (see Chapter 4).

<sup>14</sup> Programme d'Appui à la Croissance Économique et Promotion de l'Emploi stimulées par le Secteur Privé du Mali (PACEPEP), 2013 – 2018, Document De Programme, Version août 2013.

<sup>15</sup> Through this component direct financial and technical support would be provided to enterprises, a value chain approach would be adopted while at the same time the public-private dialogue would be strengthened and also relevant public institutions would be reinforced.

through CNPM, while the support to framework conditions was a secondary objective. This can be considered an appropriate choice in the given context.

The third programme PDSP claimed to have learned lessons from the PACEPEP experience and aimed to give more explicit attention to improving the framework conditions by having a separate support programme that would be implemented by the World Bank Group/IFC that was considered to have specific expertise in that area.<sup>16</sup> The programme document stated: “Finally, support given to enhance the enabling environment for private sector through engagement with the national business council and engagement with the private sector ministry has not had the intended effect. The lesson learned is that working with reforms of the legal and regulatory framework to create better framework conditions for private sector requires collaboration, stronger technical assistance and the possibility to work with a multitude of partners not confined to individual engagements. Hence, the new programme will seek to work in collaboration with other development partners with more expertise and weight in this area that can reach out to a larger group of actors in the field.”<sup>17</sup> Apparently, it was not explored whether there were any examples of successful BER programmes in fragile states. This programme aimed to support the ease of creating a business, structural reforms (e.g. in fiscal and legal areas), the new actors in the entrepreneurial/innovation ecosystem and private sector organisation and public-private policy dialogue. This again can be considered as very ambitious in the context of Mali.

Finally, Denmark is also responsible for coordinating the donors around the Enhanced Integrated Framework (EIF) in Mali (see broad sample, Annex 3). EIF is focusing in Mali on four agriculture value chains (Arabic gum, karité, mangos and sesame) with the aim to increase exports. There are some relations to framework conditions such as compliance with export standards and certification, an area where also PACEPEP tried to make improvements, which can be considered as relevant.

### Quality of the design

The justifications for the BER support are relatively well articulated in the various programme and component documents, but risk assessments are rather limited, while also the choice for specific reform areas is not well articulated. For all programmes result frameworks have been elaborated, which show serious weaknesses in almost all cases. These weaknesses were in some cases mentioned in appraisal reports, but did not lead to fundamental changes. This means that in most cases results frameworks did not clearly capture outcomes, which affected monitoring and Evaluation.

A logframe for PAPERPRIM was developed and the main objective for the regional component was “The private sector in the regions of intervention contributes significantly and sustainably to economic growth, poverty reduction and the promotion of employment, with particular emphasis on the needs of women and young people”.<sup>18</sup> The direct objectives mentioned in the logframe focus on strengthening of planning frameworks and capacities of the public and private sector. No specific indicators are mentioned. The risk analysis is fairly limited; limited capacities of implementing actors are mentioned as the main risk. Apparently the PAPERPRIM mid-term review pointed at the huge programme ambitions that were not in line with the capacity of the

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<sup>16</sup> USAID provided financial support from 2008 to 2018 to a Business Environment Reform Programme in Mali implemented by IFC and Denmark was willing to continue this support.

<sup>17</sup> PSDP programme document, no date, p. 4-5.

<sup>18</sup> PAPERPRIM programme document, Annexe 1: Cadre Logique Du Papesprim, p.69.

main actors. Therefore, a restructuration of the programme was recommended and implemented with less responsibility for the regional teams and more responsibilities for the TA.

The PACEPEP programme document includes a detailed logframe per component.<sup>19</sup> However, indicators for improvement of framework conditions are situated only at output level or even activity level such as number of public-private consultation meetings or number of public institutions supported. The PACEPEP appraisal report also pointed at shortcomings in the logframe, but these were not really addressed.<sup>20</sup>

For the third programme EPEC, the priorities appear to have shifted considerably since the formulation, which has been the case also for the two previous programmes. While it is difficult to find the reasons for most of these changes. The PDSP appraisal report<sup>21</sup> was critical of the set-up of EPEC as it was considered that the choice of activities and intervention areas was not clearly articulated. The appraisal team recommended to revise the intervention logic and to develop a logframe with clear indicators. This recommendation was only followed up to a limited extent as the embassy did not agree with most recommendations. An analysis of the PDSP and EPEC programme documents from the formulation to implementation<sup>22</sup> shows considerable changes over time. Support to fiscal reforms was abandoned as other donors were active in this area, while in the area of commercial justice the Commercial court of Mali wanted hardware but EPEC provides 'soft' assistance. Therefore, no activities in these areas have taken place. On the other hand, EPEC developed some new support activities such as cadastre reform and direct support to private sector including support to start-ups<sup>23</sup> and the set-up of a Women Business Centre. Furthermore, the PDSP document does not mention Special Economic Zones<sup>24</sup>, while it is included in the EPEC programme document and the 2021 progress reports mentions that several SEZ activities such as studies have been implemented. While the embassy is aware of these changes, there was no direct dialogue between the embassy and IFC on abandoning some areas of activities and starting new ones.

While the three PSD programmes paid attention to some aspects of BER, the main attention has been on the public-private sector dialogue and to some extent on improvements of some laws and regulations. However, main challenges as mentioned in reports and by interviewees such as the lack of functioning courts and fiscal pressure<sup>25</sup> have received limited attention, although some studies have been done, such as by the WBG and commissioned by the EU (see Annex 1).

### 3.2 Effectiveness, impact and sustainability

As indicated above, most BER support programmes are a mix of direct private sector support and framework conditions support. During programme implementation, in most cases direct support has increased in importance at the expense of framework conditions support. This means that reporting has been more focused on direct PSD support, which is not included here. Very little evidence has been found on positive BER outcomes that can be linked to Danish support. There have been a few improvements over time such as the introduction of a one-stop shop (output level) which shortened the time for registering a business and (Outcome level) and

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<sup>19</sup> PACEPEP, 2013 – 2018, Document De Programme, Version août 2013 Annex 2, page v.

<sup>20</sup> Mission d'appréciation préalable (phase terrain), Programme d'Appui à la Croissance Economique et à la Promotion de l'Emploi stimulées par le Secteur Privé au Mali – PACEPEP, 3 – 7 juin 2013, Version finale, p. 10.

<sup>21</sup> Danida, Programme Thématique Appui Au Secteur Privé 2019-2022, La Coopération Dano-Malienne, Rapport d'Appréciation Préalable, August 2018, p.24.

<sup>22</sup> All EPEC annual progress reports have been reviewed, included the latest 2021 progress report.

<sup>23</sup> By the Mali'Innov network.

<sup>24</sup> IFC/ WBG have elaborated the concept of Special Economic Zones in other developing countries.

<sup>25</sup> DUE, François Kacelenbogen et Daoulé Maïga, Mission d'analyse et de recommandations sur la facilitation d'un dialogue public-privé au Mali, TPSDE Facility, Rapport Provisoire, Juin 2021.

some changes in policy, legal, administrative and regulatory conditions from which private sector benefitted. Nevertheless, the Danish contribution is not very obvious. It should be taken into account that there have been serious setbacks in the overall enabling environment for PSD.

## Outputs

In Table 3.2 an overview of outputs as listed in the final reports for the programmes is presented. When preparing the overview, the ToC and related indicators at output and outcome level are used as point of departure. There are no main differences between output indicators reported by the programmes and outputs as defined in this Evaluation. However, the programme's outcome indicators also include various output indicators according to the definitions used for this Evaluation. Therefore, some redefinition has taken place for consistency reasons. Outputs related to direct support to the private sector have not been included.

**Table 3.2 Realisation of outputs of BER support during three programming support periods, 2008-2018**

| Support period | Support title        | Realised outputs  | Comments   |
|----------------|----------------------|---|--|
| 2008-2012      | <b>PAPESPRIM</b>     | Training of public and private sector actors at regional level in Ségou and Mopti<br>Strengthening of planning capacity at regional level<br>Improved service delivery to the private sector by business advisory services  | Early termination of funding by the embassy following the conclusions of the 2010 MTR<br>No national level outputs reported  |
| 2013-2018      | <b>PACEPEP</b>       | Strengthening of CNPM capacity<br>Organisation of a forum « Invest in Mali» and of annual entrepreneur days.<br>Set-up of a digital one-stop shop for business registration<br>Inventory of SMEs<br>Value chain studies (maize, onions, milk, meat, lait, livestock/meat, poultry and mangos) for strengthening private sector organisations<br>Strengthening of the private-private dialogue<br>Anti-corruption campaign | Interviews made clear that the digital registration system is still not functioning<br>Information is not very specific  |
| 2018-2022      | <b>PSDP<br/>EPEC</b> | Support provided for capacity-building API<br>12 reports (assessments, surveys, manuals, Phase I/strategic option reports, research, analytical, evaluations, etc.) completed<br>Assistance provided to cadastre reform<br>Training on Doing Business and other training and workshops provided<br>Law texts prepared on Special Economic Zones<br>Some progress on digitalisation of GoM procedures                      | Information is not very specific<br>Only in the area of study reports, outputs achieved are higher than targeted. The progress reports mention delays partly due to the Covid pandemic and partly due to the difficult environment |

Sources: PCRs PAPESPRIM and PACEPEP and progress reports EPEC.

For PACEPEP the focus was mainly on direct support to the private sector, for which no outputs or outcomes are reported in this Evaluation.<sup>26</sup> For PACEPEP, interviewees indicated

<sup>26</sup> The PACEPEP completion report p. 4 mentions that in total 544 SME projects were approved, of which 382 projects were funded. 162 approved projects were not funded, because the own financial contribution could not be made.



that the approach to strengthen private sector with a mix of direct support and framework conditions support via CNPM was interesting but risky as CNPM did not have much experience with programme implementation. PACEPEP did contribute to strengthening CNPM management experience in projects and the staff that was recruited at the time is still active in providing support to enterprises.

All three BER support components provided support to the GoM institution API (*L'Agence pour la Promotion des Investissements au Mali*), which plays an important role in developing the private sector through its efforts at the initial stage of business creation. However, the nature of this support has not always been clear. The joint PACEPEP completion report indicates that the programme contributed to the digitalisation of the one-stop shop for business registration, which is the responsibility of API.<sup>27</sup> The one-stop shop was set up around 2009 – well before PACEPEP started – and digital registration would further reduce the registration time for businesses. However, the Evaluation Team learned in interviews that in 2022 the digital system is still not operational as there were problems with the software delivered by UNIDO. While API is proud of its achievements – for example the one-stop-shop and improved service delivery – they are not of the opinion that apart from several studies commissioned by EPEC they received much direct support. Also, the EPEC and PACEPEP narrative and financial programme documents are not clear on the type of support provided. The interviews made clear that the relations between the IFC programme team and API and the Ministry are not very smooth, for which there are various explanatory factors such as the IFC team operating at a distance (further aggravated by the Covid pandemic) and a leadership change at API.

## Outcomes

At the outcome level, results are related to the extent to which the private sector benefitted from reforms (see Figure 1.1, ToC). There is some reporting regarding capacity strengthening of public and private sector actors, which can be considered as intermediate outcomes and that have been included in the outputs chapter above. In Table 3.3 an overview of outcomes of BER support is presented.

Table 3.3 shows that limited tangible outcomes have been reported. All three programmes aimed to provide support to relevant public sector institutions including ministries such as the Ministry of Economy and Investment Promotion and institutions such as API. API indicated that it commissioned a client satisfaction survey in 2019, but despite various requests the Evaluation Team did not receive this survey report. In 2021, EPEC commissioned another satisfaction survey among API clients, apparently without consulting API<sup>28</sup>. In general, the clients are satisfied with the services provided, including the one-stop shop for which all services are positively appreciated including the time for registering a business. The clients would like to see more support and guidance by API. It should be mentioned that the methodology used for the survey is not clearly explained in the report and the presentation of results is not very user-friendly.

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<sup>27</sup> PACEPEP completion report, p. 5.

<sup>28</sup> Donya Conseil, API, IFC, ARD, Enquête de satisfaction de l'Agence pour la promotion des Investissements, Résultats, 2021 (sans date).

**Table 3.3 Realisation of outcomes of BER support during three programming support periods, 2008-2018**

| Support period | Support title        | Realised outcomes   | Comments  |
|----------------|----------------------|---|---|
| 2008-2012      | <b>PAPESPRIM</b>     | No tangible outcomes reported   |   |
| 2013-2018      | <b>PACEPEP</b>       | Strengthened public-private dialogue<br>Some successful lobby activities leading to some tax reduction<br>Better service delivery by API leading to reduced time for business registration? | In interviews and the validation workshop reference was made to some results for the private sector. However, no clear evidence could be provided |
| 2018-2022      | <b>PSDP<br/>EPEC</b> | Improved service delivery by API?<br>Preparation of new laws, but no implementation   | No evidence at outcome level  |

Sources: PCRs PAPESPRIM and PACEPEP and progress reports EPEC.

The API survey indicates that the administrative procedures for starting a business have been simplified (although they can still be improved). The aim of the one-stop shop was to complete the registration formalities in less than 72 hours from the filing date. The number of days of completion of formalities is 11 days (still far from 72 hours) and includes five procedures according to the Doing Business 2020 Report, but it constitutes clear progress compared to the situation in 2008: 26 days and 11 procedures. The progress made is reflected in the reduced cost of setting up a business. The latter, which represented 132% of per capita income in 2007, was reduced to 55% in 2019 and at the same time, the level of minimum capital required fell from 435% to 9% of national income per capita.

For 2021, EPEC also reported an increase in the number of businesses annually registered by API which increased from 17,820 in 2019, to 14,868 in 2020 and to 22,449 in 2021. One of the reasons mentioned for the increase in 2021 is the obligation for Orange telecom shops to be registered. As there has been limited direct support from EPEC to API and as there may be various external factors contributing to the number of new enterprises registered, this cannot be considered as a direct outcome of EPEC. In addition, the various BER components aimed to contribute to new laws, in particular EPEC that worked on a new Investment Code and a Law for Special Economic Zones. However, this has proven to be rather problematic as the government has different ideas and the support was not demand-driven. Therefore, there is limited progress in the adoption of new laws. Furthermore, some fundamental differences of opinion between the external expert team of IFC in this case and stakeholders in Mali on issues such as exemptions in the new investment code may hinder progress.

The public-private dialogue has been strengthened, at regional level during the first period (but no information regarding any lasting results at regional level) and especially at national level during the second period. This dialogue is being continued but its intensity varies over time. Private sector is being consulted on changes of policies and laws. Some new laws have been adopted such as the 2011 Law on Private Sector Orientation. There are also indications that the CNPM effectively lobbied for some changes such as reform of employment taxation, public procurement regulation and on VAT issues.<sup>29</sup> Various reports and interviewees indicated that

<sup>29</sup> DUE, François Kacenelenbogen et Daoulé Maïga, Mission d'analyse et de recommandations sur la facilitation d'un dialogue public-privé au Mali, TPSDE Facility, Rapport Provisoire, Juin 2021, p. 32.

there is limited tangible change in the public-private sector dialogue over the years. This was confirmed in the validation workshop. The various Danish-supported programmes aimed to improve the structures of the dialogue and contributed to organisation of meetings, but these efforts did apparently not lead to any structural improvement of the dialogue.

### **Sustainability**

Given the limited outcomes that can be contributed to BER support provided by Denmark, sustainability of outcomes cannot be assessed given the limited results. In addition, the approach was changed in every programming period, which led to scattered results for which sustainability cannot be easily assessed.

## **3.3 Explanatory factors and lessons**

What are the main explanatory factors for the limited effectiveness and efficiency of BER support over a long period of time? The following factors have been discussed and validated with the main stakeholders:

- The volatile government situation with various crises and changes since 2012 is the first main external factor to be mentioned.
- Given the fragile situation, the main question is whether appropriate and effective BER support can be provided when there is limited demand from government. On the other hand, there is a relatively dynamic, although rather dispersed, private sector that wants to operate in a more enabling environment. The experience of PACEPEP during one programming period where the private sector was taken as entry point for some BER reforms rather than the government, might be promising for a fragile context. Nevertheless, even during this experience there were setbacks and results remained limited.
- The lack of continuity in programming and the lack of insight in results has been a relative weakness in the Danish support. The change to different aid modalities, contracting out to international organisations that are relatively expensive and with whom Denmark has limited experience, did not lead to the expected positive change.
- Support to BER in a fragile state such as Mali, where relations between the government and donors may be tense at times, requires good donor coordination and agreements based on comparative advantages. This has for a long time not been given due attention, but recently donors show more interest in joint action.

## 4 Infrastructure

In this chapter, the analysis focuses on the contribution of Danish support to infrastructure development in supporting the improvement of framework conditions for PSD. In line with the ToC (see Figure 1.1) and the evaluation matrix (see Annex 2) the focus is on the assessment of relevance, effectiveness, sustainability and explanatory factors. Findings regarding coherence and efficiency of infrastructure support, together with some aspects of relevance – political economy analysis and cross-cutting issues – and effectiveness – impact and quality of M&E – are dealt with in Chapter 6 together with findings on the other two themes.

Infrastructure is an important factor in economic growth and constitutes an essential theme for improving the framework conditions for PSD. As shown in Table 2.2, the infrastructure development support component was present in all three programme periods, but was part of different sector programmes. Finally, Danida Sustainable Infrastructure Finance (DSIF) started formulating a project for a transmission line in the Kayes region, which is part of the broad sample. The overview of infrastructure support analysed for this Evaluation is presented in Table 4.1.

**Table 4.1 Overview of infrastructure support during three programming support periods, 2008-2018**

| Support period | Sector programme           | Infrastructure component | Type of support   |
|----------------|----------------------------|--------------------------|---|
| 2008-2012      | <b>PASAM (agriculture)</b> | Rural infrastructure     | Combination of direct support to farmers (e.g. dams for irrigation) and broader support infrastructure (rural roads, markets) |
|                | <b>PAPESPRIM (PSD)</b>     | Economic infrastructure  | Combination of infrastructure support to vulnerable communities and direct support to farmers (agro-processing units)         |
| 2013-2018      | <b>PACEPEP</b>             | Economic infrastructure  | Combination of direct support to farmers (e.g. dams for irrigation) and broader support infrastructure (rural roads, markets) |
| 2018-2022      | <b>Decentralisation</b>    | Infrastructure           | Mix of social and economic infrastructure (outside the scope of this Evaluation)  |

Sources: Programme documents PAPESPRIM, PACAM, PACEPEP and Decentralisation, plus component documents.

#### **Main findings regarding Danish contribution to Infrastructure Development in Mali:**

- The Danish support for the development of economic infrastructure has been relevant and responds to real needs and challenges faced by the private sector. However, most of the infrastructure support can be considered as direct support to SMEs and there has been very little infrastructure support that can be considered as improvement of framework conditions for larger parts of the private sector.
- There is good evidence on the realisation of outputs i.e., the number of infrastructures realised. However, there is no robust information on outcomes, impacts and sustainability of results i.e., continued use, operation and maintenance of the infrastructures.
- The performance of the infrastructure support is negatively affected by some shortcomings such as weak risk identification and mitigation and lack of continuity, which led to insufficient attention for consolidation and strengthening of the achievements of past interventions. In addition, the deteriorating security situation also negatively affected performance.

## **4.1 Relevance**

### **Response to specific government and private sector challenges and needs**

Denmark's support to infrastructure development in Mali since 2007 has aimed to address specific challenges faced by the private sector and the GoM including the local authorities. However, the Danish support faced difficulties in finding the right approach and how to make a distinction between direct infrastructure support and infrastructure development as part of improved framework conditions. The direct support formed the majority of Danish infrastructure support and is aimed at (groups of) SMEs (slaughterhouses, dams, irrigation basins, market gardening areas, storage warehouses, etc.). The ToC for this Evaluation considers infrastructure development as a key framework condition from which broader private sector would benefit.

A study by the African Business Institute<sup>30</sup> pointed at the lack of or inadequacy of infrastructure as the second most impediment to business expansion in Mali after financing. The low quality, low access and high price of infrastructure (transport, telecommunications, energy, etc.) tend to increase the risk for new investors as well as productivity and revenue losses for companies.<sup>31</sup> The GoM identified the private sector as the "engine of growth", particularly through SMEs, the agricultural sector and agro-industry as reflected in the Agricultural Orientation Law (2006) and the Private Sector Development Policy Letter (2006) and later the Private Sector Orientation Law, (2010). The PACEPEP infrastructure programme document describes agriculture as the major sector of the Malian economy (representing 1/3 of the GDP), with under-exploited potential.

During the first period of support (2007-2012), Danish infrastructure support to Mali focused on filling the infrastructural deficit in support of agricultural production in the regions of Mopti and Ségou both via the agricultural sector programme PASAM and the PSD programme PAPERPRIM. During this period, Denmark's support targeted the construction of a limited number of general infrastructures related to framework conditions such as rural roads and a large

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<sup>30</sup> Without date.

<sup>31</sup> Component description, p. 1 (C2\_component document).

number of direct support infrastructures for SMEs.<sup>32</sup> The support was aligned with GoM sectoral strategies and public implementation procedures. For the rural infrastructure support, the needs of the agricultural sector formed the point of departure and relevant support was provided.

For the PAPERPRIM infrastructure support, in addition to central Ministries<sup>33</sup>, the Territorial Collectivities (*Régions, Cercles* and municipalities), in accordance with the stipulations of the texts on decentralisation, were almost always designated as the owners of these infrastructures. In the early years, the support was oriented towards poverty reduction<sup>34</sup>, by targeting the most vulnerable municipalities as a priority. The choice was made by local authorities and very often proved to be weakly aligned with the real needs of the private sector. The infrastructures built were therefore more of a social (e.g. schools, health posts) than an economic nature (i.e. rural roads, small, small livestock vaccination parks, rural market sheds) and less oriented to the needs of the (agricultural) private sector. The mid-term review of 2010 emphasised the need to focus on private sector needs and the support was stopped.

In the second period of support (PACEPEP), the shortcomings of the previous phase and the socio-political context, which had become very unstable and fragile, were taken into account to formulate a new Economic Infrastructure Component. The approach was to place private sector actors at the heart of the process of identifying, prioritising, selecting and operating the infrastructures to be built, without denying local authorities their legislative right on these infrastructures. With this central role for the private sector in the choice of infrastructure, relevance in relation to the PSD would be enhanced. The appraisal mission also indicated that this component was relevant as private sector actors were targeted in view of the development of rural areas and enhanced competitiveness in agricultural value chains. This finding was largely confirmed in interviews, both with government stakeholders as well as private sector. Also, this approach was in accordance with the provisions of the Malian law on the private sector, which stipulates in article 62 that “the State would determine PSD needs in collaboration with local authorities, professional organisations and civil society”.

It should however be emphasised that the organisational framework for implementation was complicated with a construction company as Delegated Project Management Agent responsible for the construction of the infrastructures and local authorities designated as Project Owners (owners of the infrastructures). Private sector actors were responsible for operating the infrastructure. On the operational level, TA located at the Roads Directorate (DNGR) was responsible, among other things, for supporting the public authorities (local authorities, State) and the private sector organisations to establish public-private partnerships for the choice and management of infrastructures. This complicated set-up led to sustainability challenges as set out below. This support was implemented in a larger geographical area, including the regions of Ségou, Sikasso, Mopti and the district of Bamako. In addition, the PACEPEP appraisal report also stated that the focus on linking economic (agricultural) actors and strengthening agribusiness, was in line with the development cooperation strategy of Denmark at the time.

This bilateral infrastructure support is relatively small in volume, while the needs of Mali are very high. Denmark did realise this and there are two other main global instruments to fund larger

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<sup>32</sup> Including individual entrepreneurs and SME groups such as hydro-agricultural facilities, commercial equipment, agricultural product processing units, craftsmen's houses, etc.

<sup>33</sup> The Ministry of Agriculture (MA), the Ministry of Livestock and Fisheries (MEP) and the Ministry of Employment and Vocational Training (MEFP) were the institutional partners.

<sup>34</sup> Rapport Revue mi-parcours PASAM, p.4.



infrastructure projects from Copenhagen: 1) Danida Sustainable Infrastructure Finance (DSIF, previously Danida Business Finance – DBF), 2) IFU (Investment Fund for Developing Countries). IFU has invested in a power plant that became operational in 2019 in the Kayes Region (see Section 4.2) and in solar panels. The 2013-2018 economic infrastructure component aimed to contribute to broader infrastructure needs by creating synergies with DBF according to the programme document, but this was never realised.

In addition, from 2018 onwards, DSIF prepared a project on a transmission line also in the Kayes region (see also Section 4.2). These projects aim to fulfill main needs of Mali, and in particular also of the private sector that suffers from power cuts. It was expected that eight large mining industries, 100 SMEs and 1,000 small artisanal and agricultural enterprises would be connected to the national interconnected grid, in addition to two small towns and many villages. During the preparation, which was put on hold given the political situation, due attention was paid to risk analysis and corruption was considered as the main risk. In addition, civil society but also some Danida staff questioned the relevance of this investment as it was feared that mainly the gold mining companies would profit and environmental risks would be high. This debate that might be continued if the political relations improve show the complexities of funding large infrastructure in a fragile state. However, as there is an enormous infrastructure deficit in Mali from which the private sector suffers, risks cannot be avoided but should be well assessed and mitigated.

### **Quality of the design**

For the infrastructure programme components, logframes have been developed, but in almost all cases these logframes show serious weaknesses as the focus was primarily on outputs. These weaknesses were sometimes mentioned in the appraisal and/or MTR reports, but this did not lead to fundamental changes. This meant that in most cases the logframes did not clearly capture results at various levels, which affected monitoring and evaluation.

The risk analysis is also quite limited, mainly for the first period of support. The decision to align with public expenditure procedures for the execution of infrastructure works was more due to Denmark's desire to support the Malian government's choice to move towards sector budget support and less based on an assessment of the risks related to public expenditure procedures (both in terms of administrative red tape as well as corruption).

Although lessons from the first period were learned and taken into account in the PACEPEP support, which led to a different organisational set-up for the PACEPEP infrastructure support, a new approach again was adopted for the third phase. The third phase support, as part of the decentralisation programme, appears to go back to the approach in the first phase albeit without an explicit role for national government. Infrastructure needs at local level – both social and economic needs – are addressed by the programme, but no specific approach for economic infrastructure has been developed. Infrastructure is not part of PSDP anymore in the third phase. This points at a lack of continuity in design and limited attention for operation & maintenance, which affected sustainability (see Section 4.5).

## **4.2 Effectiveness and impact**

In this section outputs, outcomes and impact are presented in line with the ToC. A complication is that most infrastructure support can be considered as direct infrastructure support to SMEs. As it is impossible to draw a clear line between direct support and framework conditions support, this section deals with all bilateral infrastructure support from 2008 to 2018, as the

infrastructure programme 2018-2022 is part of the decentralisation programme and outside the scope of this Evaluation<sup>35</sup>.

## Outputs

Table 4.2 below presents the levels of achievement of outputs from the implementation of successive support from Denmark for the development of infrastructure in support of Mali's private sector.

**Table 4.2 Realisation of outputs of infrastructure components 2008-2018**

| Support period | Support title                            | Expected outputs   | Actual outputs  | Gross achievement rate | Comments   |
|----------------|--|--|---|------------------------|--|
| 2008-2012      | <b>PAPESPRIM Economic infrastructure</b> | 15 commercial and agro-food processing infrastructures in the regions of Ségou and Mopti | Five infrastructures built: <ul style="list-style-type: none"> <li>three shallot and tomato processing units</li> <li>two artisan houses</li> </ul> | 33%                    | Early termination of funding by the embassy following the conclusions of the 2010 MTR                          |
|                | <b>PASAM Agricultural infrastructure</b> | 174 km rural roads rehabilitated/built   | 168.5 km of roads rehabilitated/built   | 97%                    | Realisation in line with planning  |
|                |  | 11 livestock marketing and processing facilities constructed                             | 10 livestock marketing and processing facilities constructed  | 91%                    |  |
| 2013-2018      | <b>PACEPEP Economic infrastructure</b>   | Nine rural markets rehabilitated/expanded  | 10 rural markets and warehouses constructed   | 111%                   | Low realisation rate due to the high cost of the Loulouni road responsible for 71% of the “Rural Roads” budget |
|                |  | 250 km of rural roads  | 99 km of rural roads constructed  | 40%                    |  |
|                |  | 20 commercial infrastructures  | 19 commercial infrastructures constructed   | 95%                    |  |
|                |  | Five business infrastructures: commercial and  | 16 warehouses constructed   | 300%                   | More infrastructure due to the smaller size  |

<sup>35</sup> Internal coherence has been assessed of this most recent infrastructure component.

| Support period | Support title | Expected outputs             | Actual outputs | Gross achievement rate | Comments                       |
|----------------|---------------|------------------------------|----------------|------------------------|--------------------------------|
|                |               | industrial areas, warehouses |                |                        | and other type of construction |

Sources: Programme documents PAPERPRIM, PASAM, PACEPEP & completion reports PAPERPRIM, PASAM, PACEPEP.

The table shows that outputs were realised, but for the PAPERPRIM infrastructure component, outputs lagged far behind planning, while for the PACEPEP direct infrastructure support outputs exceeded the planning.

### Outcomes

Table 4.3 below presents the realised outcomes of the infrastructure programmes as reported in completion reports.

**Table 4.3 Realisation of outcomes of infrastructure components 2008-2018**

| Support period | Support title                            | Expected Outcomes/direct effects  | Achieved Outcomes/direct effects  |
|----------------|--|---|---|
| 2008-2012      | <b>PAPERPRIM Economic infrastructure</b> | Number of jobs created  | Nine jobs created   |
|                |  | Number of infrastructures supporting women's activities   | Not Defined (ND)  |
|                |  | Increase in the volume of activities around infrastructures   | ND  |
|                | <b>PASAM Agricultural infrastructure</b> | 1200 permanent jobs to be created   | ND  |
|                |  | 669,000 working days (temporary jobs) created   | 324,582 working days created including 17,191 for women                       |
|                |  | 310 million FCFA of additional annual revenue generated   | ND  |
| 2013-2018      | <b>PACEPEP Economic infrastructure</b>   | At least 90% of the economic infrastructure built is operated   | 92.5% of the infrastructures built (37/40) put into service are actually used |
|                |  | Number of beneficiaries   | 50,000  |
|                |  | Increase in the production and marketing of products for which coherent infrastructure programs have been carried out | ND  |

Sources: Programmes/ documents PAPERPRIM, PASAM, PACEPEP & completion reports PAPERPRIM, PASAM, PACEPEP.

The table shows that there is very limited information at outcome level. This justifies the “b” score of low satisfaction in the completion reports. The focus of the infrastructure components has been on planning and realisation of the infrastructure.

During the second support period (PACEPEP) an effort was made to carry out a so-called impact study on the first block of infrastructure built<sup>36</sup>, which pointed at the following findings:

- A clear increase in income for operators with an improvement in the economic dynamics around infrastructure;
- an important increase in the mobility of people and goods on the roads created, the average monthly traffic of motorised vehicles and carts having increased on average from 252 units before rehabilitation to 3616 after rehabilitation;
- some infrastructures experiencing operational difficulties due to their non-functionality or poor functionality, which have caused losses for the beneficiary populations.

The limited information the Evaluation Team could collect during the field visit suggests that there might have been clear outcomes of (direct) infrastructure support. Nevertheless, realisation of outcomes as well as sustainability could benefit if more guidance would have been provided as illustrated in the following text box.

#### **Slaughterhouse at Kambila**

The Evaluation Team visited a slaughterhouse that was constructed by the PACEPEP economic infrastructure programme. The slaughterhouse is situated next to the main toll road from Bamako to Morocco through Maritania. During the identification phase, the construction of a slaughterhouse was identified as an important need as it would allow butchers to slaughter the animals – mainly cattle – in more hygienic conditions. A design was made for the infrastructure including a water pump and offices for the veterinarian and for meetings. Formally, the local authorities are owner of the buildings, while the group of butchers are responsible for management and maintenance. The butchers pay a monthly sum to the local authorities for the use of the building and for maintenance.

The visit made clear that the building is well used, and the number of cattle increased from 15 on average per day to 40. The market opportunities also increased because of the toll road. The butchers indicated that they have benefitted from the infrastructure. When the water pump was broken, they did not wait for the authorities to repair it but they bought a solar pump to replace it.

The butchers did receive some basic training to make them responsible for management and they take this seriously. However, the hygienic situation of the slaughterhouse was far below standard. The tiles of the floor were broken and there were no other butcher facilities such as tables to further process or a cold house to store the meat.

In fact, this infrastructure can be considered as direct support to a group of butchers that clearly benefitted to some extent from this support. However, further guidance should have been given to meet acceptable standards for slaughtering and to better exploit market opportunities. This exemplary infrastructure support has very little to do with overall improved infrastructure framework conditions.

### **4.3 Sustainability**

The available data do not allow for a full assessment of the sustainability of infrastructure results as ex-post evaluation was done and M&E did not focus on operation and maintenance issues. Interviews indicated that some of the infrastructures are still operating and maintained as indicated in the text box on the slaughterhouse. However, at programme completion no overview was made of factors affecting sustainability per infrastructure. As most infrastructures cannot be visited anymore given the security situation, only very scattered and not very reliable information is available. On the one hand, there are indications that an unknown number of

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<sup>36</sup> The quality of this impact study was quite limited and outputs, outcomes and impacts were not clearly defined.

infrastructures is still functioning, while on the other there is lack of evidence on what has become of these infrastructures and in what state of service they are currently. This is partly due to the lack of focus regarding follow-up on past achievements.

#### **4.4 Explanatory factors**

Both external and internal factors have affected the performance of the infrastructure components. Among the most important external factors are fragility and security issues that have led to cancellation of several infrastructure projects and also a change of regions where infrastructures are realised. Almost the whole country, except the region around Bamako and the Kayes region, is now classified as a risk zone by the embassy security service. It can be assumed that in insecure regions infrastructures might be not well maintained and there is no way to assess this. In addition, there are the continuous problems of land disputes. Furthermore, there is the multi-stakeholder nature of the choice and construction of infrastructure, which has led to considerable delays and coordination problems. However, the presence of social intermediation in the regions has been in some cases useful (crucial in fact) for the successful use of the infrastructures after installation.

Regarding internal factors, the main issue is the lack of continuity in approach from one phase to another in combination with weak M&E.

## 5 Skills Development

In this chapter, the analysis focuses on the contribution of Danish support to skills development /vocational training in supporting the improvement of framework conditions for PSD in line with the ToC (see Figure 1.1) and the evaluation matrix (see Annex 2) focusing on the assessment of relevance, effectiveness and explanatory factors. Findings regarding coherence and efficiency of skills development support, together with some aspects of relevance – political economy analysis and cross-cutting issues – and effectiveness – impact and quality of M&E – are dealt with in Chapter 6 together with findings on the other two themes.

Skills development is an important factor in economic growth and constitutes an essential theme for improving the framework conditions for PSD. This theme was present in the various programming periods as shown in Chapter 2 and in Table 5.1 below. The support from 2018 onwards focused mainly on employment and has not been part of the core sample.

**Table 5.1 Overview of skills development support during programming support periods**

| Support period | Programme                | Skills development component   | Type of support   |
|----------------|--------------------------|--|---|
| 2008-2012      | <b>PAPESPRIM</b>         | Improving the framework for policy and strategy formulation, coordination and monitoring of employment promotion and vocational training | FC support at national and regional level   |
| 2013-2018      | <b>PACEPEP</b>           | Vocational training  | Main focus on providing vocational training, with some attention for improving systems at regional level                  |
| 2018-2022      | <b>PDSP</b>              | Supporting the creation and development of micro – and small enterprises of young men and women (FACEJ)                                  | Focus on employment creation for young men and women  |
| 2021-2023      | No overall PSD programme | Vocational training for the private sector   | Pilot initiative with the Council of European Investors in Mali (CIEM) to bridge the gap between training and employment. |

Source: Programme documentation.

### **Main findings regarding Danish contribution to Skills Development in Mali:**

- The Danish support for skills development has been very relevant and responds to real needs and challenges faced by the private sector and the needs of many young women and men to have income opportunities, either through access to employment or through running an own business.
- While the Danish support addressed some key challenges through a mix of direct support and framework conditions support at regional level, no convincing solution was developed to bridge the important gap between the demand and supply for skilled labour.
- In the period 2013-2018, Denmark decided to co-fund a programme already funded for three phases by the Swiss Cooperation, which led to scaling up and training of almost 50,000 people that could potentially improve their incomes. This was the result of direct support.
- There is no information on strengthening of vocational training systems at national or regional level of which the private sector could reap the benefits. From 2013 to 2018, vocational training systems at regional level have been strengthened, but this support was not continued (some regions became less accessible). Therefore, the sustainability of this support can be questioned, which also applies for the national-level support from 2008 to 2012.



## 5.1 Relevance

### Response to specific government and private sector challenges and needs

The private sector in Mali needs qualified and well-trained people to invest and grow, which are not easily available. On the other hand, young people do – even when trained – not easily find jobs or income-generating opportunities. Denmark has aimed to fill this gap through its PSD programmes in various ways, and from that perspective the Danish support to skills development is relevant. However, the different approaches in different phases of support show on the one hand the continuous search for effective interventions, but on the other hand the lack of continuity.

Well-trained and competent human resources are an essential dimension of the framework conditions conducive to private sector development. In 2007, at the start of development cooperation between Denmark and Mali, vocational training was still far behind as a "tool for accelerating" economic growth, largely due to the mediocrity of the educational offer and the lack of decentralisation (which reinforced the weak educational offer in many regions)<sup>37</sup>. The formulation documents for a vocational training component indicated that the insufficiency of national and local capacities (regions, circles and communes) in terms of formulation, implementation, coordination and monitoring of policies, strategies and programs to promote employment and vocational training in the private sector was a major constraint impeding private sector growth. Thus, during the first period of support 2008-2013, Danida financed through PAPESPRIM (Component A) support for improving the 'Framework for policy and strategy formulation, coordination and monitoring of employment promotion and vocational training'. The long name points at the focus on framework conditions, which was in line with the management of this component that was delegated to the Ministry of Employment and Vocational Training (MEFP). During this period of support, Denmark's focus was on aligning and supporting Mali's strategic and institutional frameworks by emphasising: (i) The development of national capacities and regional authorities to plan and implement policies, strategies and programmes to promote employment and vocational training in support of the private sector<sup>38</sup> and (ii) integration and consistency with the national policies,<sup>39</sup> which formed the basis for the activities.<sup>40</sup>

During the second period of support 2013-2018, Denmark maintained support for vocational training as an essential pillar of its new PSD programme but the aid modality changed given the Coup d'Etat. In 2013, salaried employment represented only a small proportion of economic activity (3.9%)<sup>41</sup>. It was clear according to the formulation document that to promote employment and economic growth, vocational training policies must focus more on rural areas and on the informal economy. Denmark delegated the implementation of this component to the NGO Swisscontact and started co-funding the Support Programme for Vocational Training, Phase 4 (PAFP4) together with the Swiss Cooperation. Although this was meant as a support programme for the operationalisation of the National Vocational Training Policy (PNFP), the main focus was on the development of regional capacity (with linkages to the other decentralised units: *cercles* and *communes*).<sup>42</sup> While the component remained in line with national needs and

<sup>37</sup> PACEPEP Component 3 description (PAFP4), p. 10-11.

<sup>38</sup> The National Directorate of Employment (DNE) and the National Directorate of Vocational Training (DNFP) ensured the national leadership of the process and the Regional Directorates (DRTEFP) the regional leadership.

<sup>39</sup> CSLP II, National Employment Policy (PNE), National Technical and Vocational Education Policy, Decentralisation Policy, sectoral policies, action plans, etc.

<sup>40</sup> PAPESPRIM Component 1 description, p. 10.

<sup>41</sup> PACEPEP Component 3 description (PAFP4), p. 12.

<sup>42</sup> La loi N° 2012/007 du 07 février 2012 portant code des collectivités territoriales.

policies, the focus shifted to creating framework conditions at regional level and providing direct training support. Interviewees and documents indicate that this was perceived as a relevant approach at the time but a main constraint is that vocational training programmes do not automatically create employment for young people.

Therefore, a main challenge is how to create employment and/or income-generating opportunities for young, trained people. This gap is not automatically addressed when supporting vocational training systems. That is the reason why the focus of Danish support shifted in the third period of PSD support (2018-2022) to the generation of employment for young people through the FACEJ programme. This programme is, after a tender procedure, also implemented by Swisscontact. This programme realised that there is a need to strengthen the technical capacity of young project leaders and beneficiaries of ongoing support interventions, particularly those of FACEJ. Indeed, the report on the impact study of the implementation of FACEJ commissioned by the embassy expressly emphasises that especially post-financing technical support is needed for the companies that received support. These companies cover several sectors (livestock, ICT, communications, agri-food, etc.) in which the facilitators do not necessarily have the required expertise. This shows the continuous challenge of providing employment to young, trained people.

A 2021 study commissioned by the EU Delegation, also concluded that the Malian system of vocational and technical training does not generate enough employees whose qualifications correspond to the needs of Malian and foreign companies, particularly in the industry sector (agro-industry and extractive industries). Many companies recruit employees from the sub-region, in particular from Benin or Togo.<sup>43</sup> It is in this context and in line with Danish policy priorities with an emphasis on employment, that the embassy has formulated a pilot project called Vocational Training to meet the priority skills needs of the private sector. The pilot project aims to meet the priority labor needs of the formal private sector. This responds to the private sector needs for qualified employees and also responds to the challenge of integrating trained young people, although the scale is limited. Therefore, the question of scaling up will need attention.

### Quality of the design

The quality of the programme design in the first period 2008-2012 was rather weak, while it was of good quality during the period 2013-2018 although outcomes could have been given more attention.

For the first period, the justification was clearly elaborated and the objectives and results were set out in a logical framework. The component indicators were defined as a contribution to the national indicators and would thus complement the system for monitoring and evaluating sectoral policies in relation to the monitoring of the Strategic Framework for the Fight against Poverty II (CSLP II). The 2010 mid-term review (MTR) mission found that the objectives/results were vaguely worded. They were neither specific enough nor quantified and were difficult to measure. The MTR recommended making the indicators more specific, but the completion report does not indicate that this was done.

For the second support period, the component document is quite well developed and structured. It includes a good justification for the support, a logical framework, a description of the results

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<sup>43</sup> Rapport mission d'analyse sur la facilitation du Dialogue Public-Privé au Mali, UE, 2021.

chain, the measuring indicators of change, the concept of attribution, analysing systemic changes and publishing the results. Nevertheless, there is less attention to the outcome and impact level.

## 5.2 Effectiveness and impact

In this section outputs, outcomes and impact are presented in line with the ToC. A complication is that most skills development support can be considered as direct support and not as overall improvement of vocational training systems. As it is impossible to draw a clear line between direct support and framework conditions support, this section deals with all vocational training support from 2008 to 2018.

### Outputs

Table 5.2 below shows the outputs from the Danish support to vocational training and skills development in support of Mali's PSD.

**Table 5.2 Realisation of outputs of vocational training components, 2008-2018**

| Support period | Support title                | Expected outputs  | Actual outputs   | Gross achievement rate |
|----------------|------------------------------|---|--|------------------------|
| 2008-2012      | <b>PAPESPRIM Component A</b> | Existence of a sector programmatic framework  | Development of the Ten-Year Vocational Training for Employment Programme (PRODEFPE) and its Medium-Term Expenditure Framework (MTEF)   | 100%                   |
|                |                              | Adoption and operationalisation of training programmes and skills acquired                  | Establishment and operationalisation of the monitoring-evaluation system and vocational training centers   | 100%                   |
|                |                              |   | Adoption of the job-profession sheet of Mali   | 100%                   |
|                |                              |   | Establishment of a nomenclature of professions   | 100%                   |
|                |                              |   | Development and validation of 15 training programmes and materials in support of modular training  | 100%                   |
| 2013-2018      | <b>PACEPEP – PAFP4</b>       | 40,000 people trained   | 48,415 trained (including 25,398 women, 52%)   | 121%                   |
|                |                              | 95% of the training operations carried out concern the priority sectors of the five regions | 98% of the projects financed fall within the priority sectors of the regions, as defined in the purpose of the Program (Agriculture, rural crafts, construction and services). | 103%                   |

Sources: Documents de Programmes/Composantes PAPESPRIM, PACEPEP-PAFP4 & completion reports PAPESPRIM, PACEPEP-PAFP4.

This table, based on the completion reports, points at realisation of outputs in line with the planning, or even exceeding the planning. The table also clearly shows that the support during the first period was focused on creating framework conditions, while the support in the second period was mainly directly focused on training more than 40,000 people of which more than

50% women. However, other reports and interviews pointed at improved framework conditions for vocational training at regional level through strengthening of the Regional Councils, thanks to the Regional Partnership Management Framework (CRGP) mechanism put in place.

## Outcomes

Table 5.3 below presents the outcomes of successive Danish support to vocational training and skills development in support of Mali's PSD.

**Table 5.3 Realisation of outcomes of vocational training components, 2008-2018**

| Support period | Support title                | Expected Outcomes/direct effects  | Achieved Outcomes/direct effects   |
|----------------|------------------------------|---|--|
| 2008-2012      | <b>PAPESPRIM Component A</b> | Not available   | Substantial increase in capacity for professional training framework planning  |
|                |                              |   | Better management of employment and vocational training activities with a more in-depth view of the Directions Régionales de l'Emploi et de la Formation Professionnelle (DREFP) |
| 2013-2018      | <b>PACEPEP PAFP4</b>         | 90% (36,000) of the 40,000 people trained are professionally active in promising sectors and value chains | 30,984 people (86%) improved their income, of which 25,593 increased it by 20% or more.  |
|                |                              | 80% (1600) of companies using trained people improved their turnover by 20%                               | 106% (1706) of companies using trained people improved their turnover by 20%   |
|                |                              | 80% of the 10,000 unemployed are integrated   | 8400 (84%) young people inserted in employment   |
|                |                              | 50% of women inserted or reinserted   | ND   |

Sources: Documents de Programmes/Composantes PAPESPRIM, PACEPEP-PAFP4 & completion reports PAPESPRIM, PACEPEP-PAFP4.

The completion report for the first phase only points at some capacity-building of government actors at national and regional level but fails to give any clear indication of actual outcomes for the private sector employing better trained people or that trained people have improved access to employment. Nevertheless, the PAPESPRIM completion report assigned an overall rating of “a” which is equivalent to “satisfactory” to this component, while there is no evidence at outcome (or impact) level.

Swisscontact did prepare a publication at the end of the four phases of the vocational training programme PAFP<sup>44</sup>, including the figures presented in that table above. In this report, the main successes and challenges are highlighted, and these were also discussed in interviews. On the one hand, there is evidence that the majority of people trained – often for a short period of time –

<sup>44</sup> Swisscontact, Historique du Programme d'Appui à la Formation Professionnelle (PAFP) au Mali, 2018; Denmark only co-funded the fourth and last phase PAFP4.

did benefit as their incomes were increased. In addition, 5,735 young people were supported within the framework of the *Espaces Orientation Jeunes* and approximately 200 youth micro-enterprises were supported. On the other hand, there is no evidence of increased incomes over a longer period of time. Moreover, beneficiaries had difficulties obtaining formal employment or setting-up their own enterprises and their expectations were not met.<sup>45</sup> These shortcomings are partly due to the missing linkages between the various components of support. The historical review by the programme implementors also questioned whether a training of short duration (only a few weeks) could really enhance the incomes and livelihoods of rural people. In addition, the selection of trainees has been an issue for discussion. In addition, there is no information on any positive or negative effects for the private sector of the strengthening of the regional councils. The “b”-rating in the completion report, which is equivalent to “not very satisfactory”, can be justified on the basis of the shortcomings, but achievements are still substantial especially compared with the first period of support.

### Sustainability

As there is mainly output information and some outcome information at the level of direct training of individuals, it is not possible to assess the sustainability of the support to framework conditions, especially because the support has been discontinued. There might have been options for better vocational training systems and improved linkages between private sector demand for skilled people at regional level and the improved offer of trained people at regional level, but there is no information to further assess this. In the absence of continuing support in the increasingly fragile situation of most regions in Mali, it is not likely that results have been sustained at this level.

## 5.3 Explanatory factors

Among the most important external factors are the security problems, which have led to a reduction in interventions in the regions at risk, mainly Mopti.

In addition, the internal factors explaining the performance in the area of vocational training are the constant search for a relevant approach to bridge the gap between the need of the private sector for better skilled people and the enormous need of a large and increasing mass of young men and women to have some income perspective. At regional level, through direct support tens of thousands of people were assisted, income opportunities were to some extent enhanced. However, there is no evidence that the Danish support contributed to bridging the gap between the demand for skilled labour by the private sector and the need for stable employment by the masses of young women and men. Some interesting approaches appear to have been developed, but there was too limited adequate M&E to allow for learning lessons to adjust the approach further.

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<sup>45</sup> Swisscontact, *Historique du Programme d'Appui à la Formation Professionnelle (PAPF) au Mali*, 2018, p. 42.

## 6 Overarching Findings across Framework Conditions Themes

In this chapter, the findings related to various evaluation criteria across the three framework conditions are presented. The analysis focuses on coherence (internal and external) (Section 6.1), efficiency (efficiency challenges, organisational efficiency, quality of M&E) (Section 6.2), one underlying assumptions of the ToC regarding the use of political economy analysis (PEA), cross-cutting issues (Section 6.3) and overall impact (Section 6.4).

### **Main overarching findings regarding Danish contribution to framework conditions in Mali:**

- There has been some attention for political economy factors in programming and implementation, which has remained mainly implicit. There is no evidence that the design of the support has been based on solid political economy analysis.
- In programming documents due attention has been paid to cross-cutting issues such as gender equality, youth and environment, but with the exception of some components the attention for these issues has been limited during implementation (in vocational training support 2013-2018 inclusiveness was well addressed and in economic infrastructure support during the same period some environmental issues were given due attention).
- There has been insufficient attention for internal coherence between components of bilateral PSD programmes. Linkages to global PSD programmes hardly received any attention, even though an explicit link between economic infrastructure support (2013-2018) and DBF was foreseen. However, PSD programmes were not active in Mali as risks were considered to be too high.
- Especially from 2008-2012, donor coordination in the area of PSD was high on the agenda, but this situation changed in 2012 with the military coup. From that time onwards, Denmark aimed to work with like-minded donors and collaborated directly in co-funding specific programme components. While overall donor coordination has remained weak in this area, there is renewed attention to intensify collaboration, for example through Team Europe.
- The quality of M&E has been problematic during the entire evaluation period. There are hardly external evaluation reports. Progress and completion reports focus on activities and realisation of outputs. MTRs played a useful role to speed up implementation and improve the efficiency.
- The aid modalities and focus of support have changed considerably over time, partly as response to a change in context and partly as response to perceived limited results. Nevertheless, for all aid modalities major efficiency challenges in terms of delays and proper accounting of fund use occurred. The changes in approach and modalities have further contributed to inefficiencies.

### 6.1 Internal and external coherence

#### **Internal coherence**

There is some attention in PSD programme documents and appraisal reports for the synergy between the various components of the bilateral PSD programmes and for the synergies with previous PSD programmes. However, in practice, there is no concrete evidence on the realisation of synergies, which is also due to different implementing agencies. There is also no attention for potential synergies between bilateral PSD programmes and global PSD programmes or multilateral support.

For PAPERPRIM a joint programme document for the three components and a programme log frame were developed, giving attention to the linkages between the three components. Various



types of synergies were envisaged such as a) linkages between regional support to SMEs and national/regional employment strategies through regional master plans for employment and vocational training, b) through improved access to micro-finance (Component C) trained women, young people and farmers would be targeted and c) linkages with the agricultural support programme PASAM to create rural employment opportunities. For the first 2008-2012 period, both the PSD programme PASEPRIM and the agricultural sector programme PASAM had infrastructure components that were meant to be complementary to each other. The PASEPRIM was focused on providing direct support and the second was focused on improving the enabling environment aiming for functional synergy between the two programs. However, this did not work in practice. This weakness was well noted by the various reviews, which pointed at the lack of concrete cooperation between PASAM and PASEPRIM. The direct consequence was that out of a set of 15 economic infrastructures planned under PASEPRIM, only five were implemented. This component closed earlier than planned, because of a lack of results (see Section 5.2). There was also no mention at all of global PSD programmes or expected coherence. Likewise, the synergy between the various components was not clearly addressed in the progress reports

The PACEPEP programme document indicates that it was based on experiences from the PASEPRIM and previous agriculture sector support programme, which had identified the lack of synergy between the components as one of the main weaknesses. This weakness was addressed in the formulation of PACEPEP, where the two types of infrastructure development – direct and indirect – were merged in one component. The logic was that the infrastructure to be built would meet the needs of the private sector actors supported by the BER-component. The training offered through Component 3 would meet the capacity building needs of the project promoters of Component 1 and Component 2 service providers<sup>46</sup>. However, according to the MTR findings, this did not work as planned, especially at start-ups when the actors in charge of implementation of the various components were busy with their start-up and no operational synergies were established.<sup>47</sup> In the BER component dealing with strengthened competitiveness, which was implemented by CNPM, attention was paid to synergies between the various activities such as studies focused on specific value chains, public-private dialogue based on study results, government support such as certification aiming to address constraints mentioned in the studies. The final completion report noted that the implementers of the three different components met regularly to align their objectives and activities, but it does not provide any evidence on concrete synergies.

In the 2018-2022 period, the infrastructure component was moved to the decentralisation programme and no active efforts have been made to establish synergies with the PSD programme. The changes in programming priorities made it difficult to realise synergies over time. The changing context required changes in programming, while also keeping an eye on continuity. This meant that a careful balance had to be struck between coherence and flexibility, which proved to be very difficult.

The embassy has aimed also to raise the interest of Danish investors for larger infrastructure projects. As the risk levels in Mali are very high, additional support would be required via global PSD programmes or via IFU. IFU invested in a power plant in the Kayes region and in solar panels, but these have been the only investments so far. Global PSD programmes tend to stay

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<sup>46</sup> Component mission report, p. 74 (C2\_Mission report, August 2014).

<sup>47</sup> Programme d'Appui à la Croissance Economique et Promotion de l'Emploi stimulées par le Secteur Privé du Mali (PACEPEP) 2014-2018, AIDE MEMOIRE DE REVUE A MI-PARCOURS Version finale Octobre 2016, p.4.

away from fragile countries and no incentives have been put in place to stimulate these investments. One of the reasons is that DSIF is strategically anchored at the Department for Green Diplomacy and Climate, which defines the priorities. This is clearly shown by the failure to create linkages between the 2013-2018 bilateral economic infrastructure programme and DBF (now known as DSIF). This was even part of the component's logical framework. The reasons for this abandonment are not mentioned in any of the implementation documents and not even in the completion report.<sup>48</sup> The explanation given in interviews was the risk-averse attitude both from the global programmes as well as the investors.

### External coherence

Donor coordination issues were high on the agenda from 2008 to 2012, in line with the Paris agenda at the time and the good relations between the Government of Mali and donors. This changed considerably from 2012 onwards, but gradually Denmark started to work together with other donors on specific programmes. Recently, especially related to EU activities, there is more attention again for donor coordination.

In the period 2008-2012, there was due attention to donor coordination in Mali and this was also the case for private sector development. According to the PAPERPRIM programme document, active PSD donors were the World Bank, AfDB, the EU, Switzerland, GIZ, USAID, Canada, the Netherlands and France, in addition to Denmark.<sup>49</sup> Denmark's specific regional focus was based on mapping of donor interventions. The donors aimed for harmonisation of their interventions and more joint initiatives. There was a donor coordination group for PSD and also for subsectors such as vocational training. The regional support to SMEs component even had as specific objective to strengthen the coordination between all government and private sector actors at regional and local level, including the donors.<sup>50</sup> However, there is no clear reporting on how this evolved over time.

During the second period of support, there was little or no attention to overall donor coordination given the changed context (see Chapter 2), although many donors were still engaged in BER, infrastructure (AfDB, EU, USAID, World Bank (SREP))<sup>51</sup> and vocational training. The intention was still to coordinate activities among donors, but there is no concrete evidence of coordination. On the other hand, new forms of collaboration emerged as some infrastructure projects were co-funded with other donors. This was the case of the Loulouni-Nimbougou-Ouéléni cross-border track in Sikasso region, for which the preparatory studies were financed by the Swiss Cooperation and which was implemented by PACEPEP. Donors supporting vocational training also developed more direct collaboration. Denmark joined the Swiss Cooperation in co-funding the fourth phase of a vocational training programme (*Programme d'Appui à la Formation Professionnelle – PAFP*). Switzerland had a comparative advantage in vocational training and decentralisation in Mali for more than 10 years and already worked with the specialised NGO Swisscontact that also implemented vocational training programmes for a variety of other donors. The PACEPEP programme document does not mention any other donor activities in the area of BER. Nevertheless, apparently a USAID funded BER project implemented by the WBG was active during the period 2008-2018.

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<sup>48</sup> Document de description de Composante 2 PACEPEP, pp.18,48.

<sup>49</sup> PAPERPRIM programme document, p.23.

<sup>50</sup> Programme d'Appui à la Promotion de l'Emploi dans le Secteur Privé (PAPERPRIM), 2008-2012, Composante B: Appui aux Petites et Moyennes Entreprises au Niveau Régional, Version finale, Description de Composante, Octobre 2007, p. 65.

<sup>51</sup> Voir rapport étude: Étude permettant de définir les possibilités de complémentarité du nouveau programme danois 2013-2017; 28/07/2011.

For the third period, the PDSP programme document mentions that the USAID project would come to an end<sup>52</sup> and “the Danish embassy has decided to provide funding for a trust fund in the WB Group for the implementation of a new similar programme for two reasons: a) The World Bank has the capacity to influence public reform processes through investment programmes and budget support; and b) working through a trust fund arrangement makes it possible to collaborate both with key public actors and key private sector actors”.<sup>53</sup> It was expected that other donors would join the Trust fund and the Netherlands decided later to provide co-funding to the EPEC programme.<sup>54</sup> The main reason was that Denmark had a good reputation in PSD support, while the Netherlands also wanted to work closely together with another EU Member State. The choice for international partners to implement PSD programmes is dealt with in the efficiency section below. Recently, there is increased attention among donors active in the field of vocational training and employment (EU, WB, AFD, Germany, Luxembourg, Switzerland, Denmark, etc) to better coordinate their actions.<sup>55</sup> The various donors have set up a working group to harmonise their activities, share information and engage in policy dialogue.

Apart from co-funding programmes such as EPEC, recently coordination among donors appears to be higher on the agenda as well, especially among EU Member States, which might be related to the recent political tensions. The Team Europe Initiative has been mentioned but has not yet become concrete around PSD. However, no evidence was found that donors took a common stance on BER issues to be discussed with the GoM.

## 6.2 Efficiency

### Efficiency challenges

In all three programming periods, there were substantial efficiency challenges that presented themselves in different ways. The MTRs pointed at efficiency problems and also the embassy was aware of the challenges and this led to frequent changes in programming and aid modalities. After some start-up problems, some programme components were efficiently implemented (vocational training and infrastructure during the second period), while others (especially BER support) continued to face efficiency challenges. Apart from delays, there were also cases of misuse of funds that were adequately addressed but led to temporary suspension of support. The change of aid modalities and contracting out to international agencies in the third period did not lead to efficiency gains.

The first PAPERPRIM programme had a very ambitious set-up, including the regional component that focused on some framework conditions. Part of the funds were channelled via the National Treasury (in line with the principles of national ownership), while also actors at regional level had some management responsibility. Another part of the funds was channelled via the international TA. There were delays in implementation because of the high ambitions and management problems were reported. This led to a restructuring after the MTR, giving more management responsibilities to the TA rather than to the regions. This made the programme more costly and negatively affected efficiency. For the infrastructure components, there were some specific challenges: (i) the difficulty of realising the planned infrastructure, which led to a low realisation rate (see Table 4.2) (ii) the non-completion of certain infrastructure projects in the case of PASAM. This has generated significant delays in the implementation of projects as

<sup>52</sup> Mali Investment Climate 3 (MIC3) programme.

<sup>53</sup> PDSP programme document, no date, p.11.

<sup>54</sup> In addition to Dutch support provided to the employment programme FACEJ, see overview in Chapter 2 and Chapter 5.

<sup>55</sup> In the third period, Denmark started funding an employment programme (FACEJ), also implemented by Swisscontact, which is co-funded by the Netherlands.

highlighted in the mid-term review of 2010: "even if the execution of PASAM in 2010 was much improved compared to the first two years of the programme, the complicated programme procedures, public financial management cycle and seasonal constraints have caused significant delays in implementation". The programme document pointed at this risk, without providing for mitigation measures. Therefore, PASAM was also extended for two additional years in order to complete all the construction projects initiated.

The set-up of PACEPEP was based on the changed context and aimed to reflect on lessons learnt from the problems. Lessons were learned in the new set-up for PACEPEP where CNPM became responsible for programme management, albeit with TA support. There was a sub-component providing support to government organisations. Also, this set-up was rather ambitious and the start was rather challenging with substantial delays. In addition, in 2015, audits reported misuse of funds and project activities were suspended. The situation was corrected and funds were fully reimbursed. Towards the end of PACEPEP, some progress was made. The programme was able to flexibly react to changed circumstances. The costs were not very high and the BER component, given the flexibility, appeared to be relatively efficient. Also for the infrastructure component, difficulties were reported during the start-up phase, as well as certain problems of non-compliant and sometimes abusive use of funds according to the audits. It is reported that action had been taken in this regard by the Danish embassy and all funds were fully refunded. In addition, weaknesses in risk analysis were also noted during this phase, particularly with regard to the mobilisation of land for the installation of the infrastructure to be built. This risk was minimised, which contributed, among other things, to delays in the implementation of infrastructure projects due to the numerous land disputes that had arisen during the execution of the infrastructure construction phase. The completion report specifies that none of the infrastructure built has been spared from a land dispute which has lengthened the implementation schedules. The embassy decided on a one-year extension of the TA mandate for the infrastructure component of PACEPEP to ensure effective completion of all the works: closure in 2019, rather than at the theoretical end of 2018, leading to no cases of non-completion for the projects initiated and a budget consumption rate of 100%.

During the third period, EPEC has been facing efficiency challenges related to the changing context including the Covid pandemic and the deteriorating political situation that led to suspension of WB support to Mali. In addition, the fact that the IFC team mainly operates from Abidjan and online due to the pandemic further limited efficient implementation.

Also the pilot for a new vocational training project that is delegated to the European Council for Investors faces specific efficiency challenges. This project started with delays as the recruitment for TA proved to be very challenging and the procedure had to be changed. This shows the difficulties of implementing this type of projects in fragile circumstances and the need for careful risk assessment and mitigation.

### **Organisational efficiency**

The changing role of the embassy is a main indicator to assess organisational efficiency. The embassy was opened in 2006 and gradually more development cooperation staff was recruited, both expatriates as well as Malian experts. There is a specific section in the embassy dealing with PSD, under the responsibility of the Head of Cooperation, while the ambassadors have also been involved in the policy dialogue on PSD issues. The role of the embassy changed with the various aid modalities in the different periods of support, especially in the second phase, the embassy staff was relatively closely involved in planning and monitoring of the infrastructure component.

The aid modality appears to be the main factor determining the level of efficiency of implementation for the embassy. In the first period, the GoM was given main responsibility for implementation, and this led to delays and the TA taking over some implementation responsibilities after the MTR.

In the second phase, the delegation of implementation of the vocational training component to a professional NGO led to efficiency gains. Also, the co-funding with the Swiss cooperation is described as efficient by the interviewees. During this period, the TA contracted for guiding (or managing the PSD programmes) led to reasonable oversight for the embassy staff according to interviews. However, as indicated above, the embassy staff was heavily involved in management especially when it came to corrective measures regarding misuse of funds, which was done in an adequate way and led to efficiency gains.

The choice was made to radically change the aid modalities for the third programming period as some embassy staff deplored the management problems during the previous period. Therefore, main PSD programmes were contracted out to international organisations and the embassy staff for PSD was reduced.<sup>56</sup> As the IFC implemented USAID funded BER programme came to an end in 2018, a Trust Fund was set up for the new EPEC programme to be implemented by IFC. However, the embassy in Mali had no expertise with WBG Trust Fund programmes and how to deal with a powerful implementing partner such as IFC with also relatively high costs of implementation. Comparable problems occurred with IFAD as implementing partner of INCLUSIF.<sup>57</sup> Contrary to initial expectations, only the Netherlands joined the EPEC Trust Fund with limited funding. As indicated above, the EPEC implementation cannot be considered as very efficient for a variety of reasons. In addition, contracting out to international organisations did not lead to a reduction of the management burden.

In the coherence section above, the challenges regarding the realisation of synergies have already been mentioned. For Mali, there are no indications that the Doing Development Differently approach has brought about any changes in the way the embassy is working.

### Quality of M&E

In the absence of final evaluation reports, most information on results comes from progress and completion reports. These reports are activity and output focused and hardly contain any outcome information, let alone impact information. The MTRs were mainly process-oriented and reported on limited progress. Therefore, MTRs led to adjustments to allow the programmes to speed up implementation.

The sections on quality of design pointed at various weaknesses in the logframes, which explain to some extent the problems with reporting. Only for the vocation support component of the second period, more results information is available as an impact and traceability assessment was carried out. In addition, Swisscontact made an overview of 20 years of vocational training support in Mali (of which the last four years co-funded by Denmark). Nevertheless, the post-training monitoring of people trained beyond a few months (in terms of employment and income) remains a challenge. Furthermore, the efficiency of infrastructure projects (especially economic ones) can be assessed on the basis of quality-cost ratios of the investments made and 'Value for Money' type studies. No such studies were done.

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<sup>56</sup> One staff member working in the PSD section dealing with the economic infrastructure component was transferred to the decentralisation team dealing in this team with infrastructure support.

<sup>57</sup> INCLUSIF is part of the broad sample.

The only evaluations that are available are mid-term reviews (MTRs) of PSD programmes i.e., covering all components. There is evidence that concrete steps have been taken based on the MTRs, especially regarding the management of PAPERPRIM and PACEPEP. Also discontent with the perceived problematic performance of BER-support led to changes in approach and aid modalities.

### 6.3 Underlying assumptions

#### Political economy analysis

No signs of political economy analysis have been found in the PSD programmes documents that have directly informed programming or implementation. However, the change in choice of aid modalities appears to have been influenced by some political economy considerations. Political economy refers to the interests and power relations shaping the behaviour of government and private sector. The assumption in the ToC that programme design is based on good political economy analysis only holds to a limited extent.

The interviews showed that both Danish and Malian stakeholders have a good general sense of the power relations that determine private sector development. Since 2012, there have been various coup d'États and government changes, see Chapter 2. In addition, the ministries and government agencies dealing with private sector were restructured several times. This made the governance quite volatile as shown also by frequent changes (every six to eight months) of Ministers responsible for Economy, Commerce and Investment Promotion. While some key officials remained in place, this lack of continuity negatively affected private sector development.<sup>58</sup> Nevertheless, interviewees also indicated that despite the changes in government, some agencies continued to function relatively well providing services to the private sector, such as API.

The private sector is on the one hand reasonably well organised, but on the other also hugely diversified. The CNPM is the main body in charge of private sector coordination and representing its interests. CNPM is an organisation that has quite some resources as it receives substantial annual allocations from the government and from its members such as the mining companies (estimated annual budget € 2 million per year). The resources are distributed among the member organisations including chambers of commerce, professional organisations at national and regional level, etc. There is currently a serious leadership crisis, which is fought out in court, which shows the divergent interests. Nevertheless, despite the leadership crisis the staff continues to perform its duties.

The distinction between the formal and informal private sector can be characterised as an antagonistic relationship creating tensions as the formal private sector suffers from heavy tax pressure and the informal private sector hardly pays taxes. Within the formal private sector, the distinctions are huge as well. On the one hand, there are entrepreneurs who work closely together with government in mutually beneficiary relationships, which provides these entrepreneurs with privileged access to market information that is not publicly available, for which they are prepared to pay (i.e. increasing the risks of corruption). On the other hand, there are the many SMEs that work in isolation or are working together in associations. Between those two extremes, there is a large spectrum of different private sector actors.

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<sup>58</sup> DUE, François Kacenenelbogen et Daoulé Maïga, Mission d'analyse et de recommandations sur la facilitation d'un dialogue public-privé au Mali, TPSDE Facility, Rapport Provisoire, Juin 2021, p. 20.



The first and second PSD programmes – PAPESPRIM and PACEPEP – did pay due attention to different employers/private sector organisations as well as relevant government organisations at regional as well as national level as indicated in Table 3.1. However, the analysis remained more at the level of a stakeholder analysis rather than a real political economy analysis in which the interests and the formal and informal power relations are addressed. In addition, the various programme and component documents show a reasonable in-depth knowledge of the various socio-economic problems and needs in Mali and the linkages to decentralisation.

### **Cross-cutting issues including green growth, gender and youth**

According to the ToC, a main assumption is that support to framework conditions, pay integral attention to the cross-cutting themes in order to contribute to green and inclusive growth. Indeed, in all programme documents – PAPESPRIM, PACEPEP and EPEC – attention is paid to the three main cross-cutting issues; gender, youth and green growth. However, in none of the programmes this has been made very specific and there is limited evidence that these issues have been adequately addressed during implementation. For vocational training, in the second programming period more attention was paid to inclusiveness.

In the PAPESPRIM programme – first period – considerable attention is paid in the analysis to the role of women, both women entrepreneurs as well as attention for their role in decision-making, equal access to services, capital etc. A deliberate choice was made not to create a separate component for women but to opt for an approach focused on gender equality and mainstreaming. Specific indicators for women participation were set. Also, environment, human rights and HIV/AIDS were explicitly mentioned, but in less detail and without specific indicators. In practice, there is hardly any reporting on these issues.

The PACEPEP appraisal report – second period – mentions that gender issues are only marginally addressed and this would need to be strengthened.<sup>59</sup> The same applies for the theme green growth, which would require further elaboration as well according to the appraisal. These themes were not explicitly addressed at all in the support to framework conditions. Specific attention is given to youth in the vocational training programme, but not in the other programme components. The identification and selection of the infrastructures was done in collaboration with the beneficiary groups, i.e., the private sector, local authorities, women's groups, youth representatives, NGOs, technical experts, etc. The mid-term review and completion report for infrastructure development mentioned that women were involved in the identification of collective productive infrastructures, which were also accessible in an equitable way for women, although this is a rather vague statement. However, the logical frameworks do not present indicators, which would allow to measure progress on these issues. It is reported that the implementing partner, the construction company, had formulated human rights guidelines for its processes (procedures, analysis and implementation). In the next period 2013-2018, these shortcomings appear to have been largely corrected, mainly regarding issues of inclusion, gender equality and youth. The vocational training programme was based on a good understanding of existing social challenges (gender, class, youth, ethnicity) and how this affected inclusion. This resulted in adequate targeting of sectors where many jobs are "disadvantaged", addressing the differences between men and women when organising training, public communication of equal access to the program. Therefore, this programme component targeted 40% female participation, while the completion report points at almost equal participation. However, the vocational training is an exception as other progress reports for the second period do not report

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<sup>59</sup> Mission d'appréciation préalable (Phase terrain), Programme d'Appui à la Croissance Economique et à la Promotion de l'Emploi stimulées par le Secteur Privé au Mali – PACEPEP, 3 – 7 juin 2013, Version finale, p. 9 and 22.

on improved gender equality in terms of jobs generated for women, or other gender – or age specific indicators. The completion report also does not include clear gender – or age specific indicators.

Regarding environmental aspects, the ambition was that infrastructure projects would be based on innovative and green solutions. New technologies or practices would be introduced that could be adopted by others. However, in practice, the achievements were not very innovative in terms of the use of local materials/eco-materials, or a quasi-absent labour-based approach.<sup>60</sup> However, data from progress reports and information gathered during interviews suggest that some efforts have been made in this direction, particularly through the development and systematic implementation of Environmental and Social Impact Assessments (ESIAs), the integration/ adoption of green solutions for equipment and energy sources for the operation of productive and commercial infrastructures (solar pumping, solar lighting, etc.).

In the PDSP programming documents -third period – attention is paid to the specific problems women and youth are facing when setting up their own businesses or finding employment. Also, the issue of green growth gets attention. Some of the EPEC indicators are made gender specific such as the number of enterprises receiving support from EPEC, but there are no specific targets or indicators set for youth or green businesses. At the initiative of UN Women, a Women Business Centre was set up during programme implementation that is part of EPEC. This centre is an operational single window for women that ensures women entrepreneurs have access to opportunities guaranteed by the Investment Code. In fact, this is meant as direct support to women-entrepreneurs.

## 6.4 Impact

In the context of continuing fragilisation and limited outcomes of Danish support to framework conditions, there is no evidence of a clear Danish contribution to impact in terms of improved framework conditions that have led to more sustainable and inclusive growth due to private sector investments.

As indicated in Chapter 2, there have been a lot of setbacks in the enabling environment for PSD in Mali during the evaluation period. There are only a few positive changes in framework conditions such as improvements in infrastructure. The workshop participants and also literature points at improved infrastructure in Mali due to new energy infrastructure (such as the IFU-funded plant in the Kayes region), improved digitalisation, improved roads (such as the road to Morocco) and improved water supply. The private sector would reap the benefits of this improved infrastructure. However, due to the deteriorating security situation also infrastructure is not maintained or in some cases not operational anymore. Denmark mainly provided direct infrastructure support to groups of entrepreneurs or to communities and very little broader infrastructure support aiming to improve the framework conditions for PSD was provided. This were mainly rural roads, for which no recent data on maintenance and use are available. Therefore, the Danish contribution to overall infrastructure development cannot be assessed.

Given the limited outcomes that can be contributed to BER support provided by Denmark and given the limited progress in overall economic development, no substantial impact from BER reforms that were aimed for in Danish support can be expected.

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<sup>60</sup> HIMO Haute Intensité de Main d'Œuvre.

A very generic indication is provided by the Doing Business Index, according to which Mali's ranking improved from 162<sup>th</sup> place in 2008 to the 148<sup>th</sup> place in 2019. The World Bank discontinued the Doing Business Index reporting in 2021 due to data irregularities. While the index had some use for comparisons between countries, interviewees in Mali pointed at the limited usefulness and appropriateness for the specific challenges faced by private sector in Mali. Nevertheless, one of the useful indicators mentioned above was the time to register a business.

Recent developments in Mali over the evaluation period support the hypothesis of a strong correlation between political and economic stability. Indeed, from 1991 to the beginning of 2012, Mali was considered a beacon of democracy and political stability. This period was marked by two peaceful democratic transfers of power and also corresponded to a period of strong economic dynamics with a sustained rate of economic growth. Unfortunately, Mali's progress in terms of building a democratic political system has not, however, translated into a responsible governance system, which has been set out above. This has been a major hindrance for BER. Despite progress in a few areas as indicated above – one stop shop, some ease of regulations – major bottlenecks related to taxation, corruption and weak commercial justice have remained unchanged.

There is no reliable information available – neither in documents, nor from interviews – to assess the impact from Denmark's support to vocational training. Despite some indications for strengthened capacity at national and especially at regional level (until 2018), there is no evidence that this led to better curricula and systems for vocational training. The major challenge for the private sector to attract well-qualified staff has definitely not been solved, as was argued in interviews and in the restitution workshop.

## 7 Conclusions, Lessons and Recommendations

In this chapter, based on the findings presented in the previous chapters, overarching conclusions are formulated that have been the basis for the formulation of lessons learned and recommendations. The preliminary findings, conclusions, lessons and recommendations have been discussed in a debriefing meeting with the embassy and in the validation workshop with a variety of stakeholders.

### 7.1 Conclusions

- 1. The changing context in Mali over the period 2008-2021 – from a champion regarding the implementation of the Paris Agenda for Aid Effectiveness in the early years, to a fragile state from 2012 onwards – has affected considerably Denmark’s support to framework conditions for private sector development and its performance. Denmark developed a flexible approach to address the challenges of this evolving context.**

The context of increasing fragility in Mali during the evaluation period affected seriously Denmark’s programming and support of enabling framework conditions for the private sector. Denmark started its support in a completely different period when there was much optimism in Mali and many donors worked closely together with the Government of Mali, although there were quite some implementation challenges at the time. This changed abruptly in 2012 with the military coup and increasing rebellion attacks in the North. Denmark has been always very aware of these changes and aimed to adjust to the changed circumstances while providing continuous support.

- 2. Since 2008, Denmark has provided continuous support to private sector development, consisting of a mix of direct support and support to framework conditions. This responded to some priority needs of the private sector in Mali regarding an improved enabling environment. However, aid modalities and approaches frequently changed, which led to a lack of continuity.**

The PSD programmes funded by Denmark in three periods of support (2008-2012, 2013-2018 and 2019-2022) all have components of direct support to the private sector and components aiming to improve framework conditions. Denmark did address important private sector needs related to the three main themes of framework conditions support: business environment reform, infrastructure and skills development. Business environment reform proved to be the most problematic area and key constraints such as commercial justice and taxation were targeted for interventions but no progress could be made, while other areas such as corruption could not be addressed.

This shows that, in practice, the distinction between direct support and framework conditions is not very clear-cut. The framework conditions components that were selected as part of the core sample all included direct private-sector support. In most cases this choice was justified as it proved to be too problematic or too difficult to focus on changes in the enabling environment, while the private sector is dynamic and needs direct support. On the other hand, direct support components also included some contributions to changes in framework conditions that were initiated by the private sector. While the mix of direct and indirect support is not problematic,

the frequent change in aid modalities and approaches from one programming period to another, led to reinventing the wheel, which caused inefficiencies. Moreover, there has been insufficient attention to sustaining good results achieved.

- 3. Denmark is considered by stakeholders in Mali – government, private sector and other donors – as an important, flexible and reliable donor regarding private sector development and this is, in particular, based on its direct support to SMEs (training, guidance, guarantee funds, infrastructure support).**

Denmark has a very positive reputation as a reliable supporter of private sector and is especially known for its flexible direct support, both at national and regional level. This is less related to its support to framework conditions. As the focus of this Evaluation is on Danish support to framework conditions, the effects of most of the direct PSD support have not been analysed. However, the direct support components of infrastructure development and skills development support appear to be more effective than the framework conditions support of these components.

- 4. The results of Denmark's support to framework conditions have been mixed with some positive results in the areas of vocational training and realisation of infrastructure, mainly based on direct support to the private sector. In the area of business environment reform very limited results were found. Nevertheless, there is hardly any information regarding higher-level lasting results for the private sector in terms of reduced costs and risks of doing business leading to more investments and employment.**

There is clear evidence of positive outputs especially for infrastructure (dozens of infrastructures established) and skills development (more than 50,000 people trained with probably some increased incomes). However, at the more overall level important challenges regarding better linkages between skills development on the one hand and the needs of private sector for skilled labour were not fundamentally addressed. Concrete results in the areas of business environment reform have remained limited, but in the second period there has been a positive contribution to the public-private dialogue. Nevertheless, there is hardly any evidence on Danish contribution at outcome and impact level i.e. positive changes perceived by the private sector leading to more investments and employment.

- 5. Main explanatory factors for the limited results and also the efficiency problems of the framework conditions support are the increasing fragilisation of Mali in the first place, followed by specific programme design problems and weak monitoring and evaluation. Sufficient capacity at the embassy is also needed to manage private sector development programmes in a fragile state.**

The internal explanatory factors are related to problems in programme design with often relatively weak results frameworks. In combination with M&E deficiencies, in particular the almost complete lack of results-oriented evaluations, this led to an insufficient results focus. In such a complex context, for each new period new priorities were set and new implementing partners were selected. The choice for these changes were not always justified. Especially the choice in the third programming period, from 2018 onwards to opt for contracting out the PSD components to international organisations did not work out well. The embassy staff responsible for the management of these programmes was also reduced, while the management burden did not decrease.

**6. Denmark's direct contribution to improved framework conditions has remained limited but its main contribution has been to strengthen the private sector, which is now better able to lobby for its interests and act as a driver for change in the enabling environment.**

Denmark did contribute together with other donors to some improvements in the enabling environment for private sector in Mali infrastructure development, access to finance and improved regulations such as business registration (one-stop shop), which are difficult to quantify. However, the situation is also characterised by stagnation and setbacks due to continued corruption, a deteriorating security situation and political tensions. Denmark's specific contribution to improved framework conditions has therefore remained limited, with more successes in its direct support to private sector. However, the most important contribution of Denmark is that private sector in Mali has been strengthened and is more empowered to lobby for its interests and insist on changes. The private sector remains dynamic and despite being very dispersed and having different interests it can act as a catalyser of change.

**7. There has been insufficient attention for internal coherence between components of bilateral PSD programmes. Linkages to global PSD programmes hardly received any attention. However, global PSD programmes have so far not been active in Mali as risks were considered to be too high.**

Realising synergies between bilateral PSD programme components has not been very high on the agenda. Also, internal coherence between PSD programmes over time received limited attention. The same applies to linkages to global PSD programmes even though an explicit link between economic infrastructure support (2013-2018) and Danida Business Finance was foreseen, but this was not realised. The global programmes appear to be rather risk-averse as indicated by interviewees. If Denmark would have paid more attention to internal coherence and if global PSD programmes would have engaged in Mali, a more substantial contribution could probably have been realised. For Mali, there are no indications that the Doing Development Differently approach has brought about any changes in the way the embassy is working.

**8. Donor coordination has varied over the years, with rather intensive donor coordination from 2008 to 2012, followed by incidental collaboration of some donors in specific areas of support in the later years. Recently, donors – especially EU donors – are more interested to intensify the collaboration and if possible, engage in policy dialogue.**

In a fragile country, it is very important that donors share insights on the changes in political economy and grasp the limited opportunities for donor dialogue to change the framework conditions. While donor coordination was good at the start of the evaluation period, this became more problematic after 2012, after the first coup. Nevertheless, there was still exchange of information among donors and attempts to work together. The co-funding by Denmark of Swiss-funded training programmes and the co-funding by the Netherlands of the recent Danish-funded business environment reform programme and the employment programme are examples of increasing external coherence. Nevertheless, after 2012, there have been limited examples of effective policy dialogue, although with some Ministers donors had good discussions. The workshop to validate the findings of this country study with good donor participation also showed the interest in enhancing external coherence and realising synergies.



## 7.2 Lessons

As indicated in the introduction and the conclusions above, the fact that this Evaluation has focused on Denmark's support to framework conditions for PSD does not allow to draw full lessons (as it represents not more than a quarter of total PSD support to Mali), but the positive impression of flexible and direct support to the private sector is taken into account.

- 1. In a fragile context such as Mali, it is extremely difficult to provide effective and efficient support to improving framework conditions for a bilateral donor such as Denmark. Therefore, a mix of direct support to private sector and framework conditions support based on private sector needs appears appropriate.**

As Denmark's strength is to provide direct support to private sector, this comparative advantage should be the basis also for its support to framework conditions. Separate programmes in areas where Denmark has limited experience such as business environment reform should be avoided as risks are too high and results of all three programming periods are limited. On the other hand, the experience of the second programme period 2013-2018 when support was channelled via private sector organisations showed that it was possible to contribute to some improved framework conditions, maintain flexibility and mitigate the risks. It should be realised that the private sector in Mali is rather dynamic and can constitute a driver for development of the country.

- 2. Based on the findings for this country evaluation, Danida's standard procedures for programming, monitoring and evaluating its support to framework conditions in fragile contexts have shown some shortcomings and changes should be considered.**

The embassy is in charge of formulating private sector development programmes. The programming has been based among others on analysis of the context and private sector needs, personal experience, exchange with headquarters at Copenhagen and recommendations from mid-term reviews. This has been done to the best of abilities of the available staff, but often under considerable time pressure, which means that political economy factors have been insufficiently analysed and did not guide programming choices and/or risk analysis and mitigation. Also, recommendations of appraisal missions were not always taken seriously for different reasons, as sometimes the embassy was not convinced of the robustness of recommendations and/or the embassy disagreed with the recommendations. This led to limited opportunities for evidence-based learning that could be the basis for adjustment of programmes over time. In practice, quite some radical changes in programming of framework conditions support were made from one programming period to another that were not really based on evidence.

Mid-term reviews in Mali have been very process-oriented and did not address the fundamental question as to what extent the programme components were on the right track to achieve the intended results. Therefore, mid-term reviews tended in some cases to point at new programming directions that are not very evidence-based. This led to a lack of continuity and lack of attention for sustainable results, especially also because Danida apparently does not have a practice of doing evaluations at the end of programmes.

- 3. As improvement of framework conditions in a fragile country is extremely challenging, good donor coordination is required to achieve at least some results and duplication and competition should be avoided to the extent possible.**

As indicated in the conclusions, there has been variable attention to donor coordination over the evaluation period. Recently, there is more interest in working closely together – for example, through a Team Europe approach – and this is absolutely essential for realising changes in framework conditions in such a complex and volatile context.

- 4. Given Denmark's policies as presented in the 2021 document "The World We Share" and new approaches such as Doing Development Differently, there should be more attention paid to realising synergies among the various components of bilateral support, but also to engage at least one of the global programmes.**

In practice, not only the sector programmes are implemented in isolation but also the components of the private sector development programmes are not very well linked. This situation is even more difficult to manage with international agencies as project implementers. In the past, especially the second programming period, there were some emerging positive experiences with TA for the various components, where TA was also responsible for realising synergies. So far, the embassy has not managed, despite several attempts, to attract global PSD programmes and there have been no targets or incentives for these programmes to be active in fragile partner countries.

- 5. Denmark aims to pay more attention to green growth, gender equality and integration of youth in private sector development. Although insufficient attention has been given to these issues in implementation, there is no need to develop completely new programmes to address these priorities, but they should be an integrated part of programmes based on learnings from past experience.**

It is inevitable that policy priorities change, but Denmark is committed to provide continuous support to private sector if it takes into account the challenges of climate change, is focused on green growth and addresses gender equality and needs of the youth. So far, mainly lip service has been paid to these cross-cutting issues, which deserve more attention. This can be realised without completely changing the programming again, but by learning from the past.

- 6. Supporting framework conditions in a fragile country such as Mali requires a good balance between flexibility of support on the one hand and continuity on the other. This balance should be part and parcel of the new Doing Development Differently approach, but requires further operationalisation.**

Donors operating in fragile settings need to be sufficiently flexible to adjust programming and implementation to radical political changes as reflected in the recent decision of Danida to suspend direct support to the GoM, while continuing the support to private sector and civil society. On the other hand, some continuity of support is equally important as changing the framework conditions takes time. Insufficient attention has been given to the continuity of Danida support, and aid modalities were changed too frequently. The new DDD approach should allow to address these challenges in practice, but so far experiences with this approach in Mali have been limited.

### **7.3 Mali-specific recommendations**

Denmark is currently awaiting concrete developments in the transition period, ending in April 2024, before deciding whether to resume preparations for a new country programme. Furthermore, the war in Ukraine has also led to geopolitical changes that will affect future programming. This means that recommendations for future programming will be outdated by

the time new programming starts. Nevertheless, based on the conclusions and lessons presented above, the following recommendations might be considered:

- A. In a fragile context, such as Mali, with a relatively dynamic private sector, supporting the private sector as driver for change, is the best entry point for contributing to improved framework conditions and a more enabling business environment.**

Denmark has already embarked in this path with its direct support of private sector. Even during the transition period, more attention could be paid to strengthening the advocacy capacity of private sector to increase the demand for change, in addition to the direct support to SMEs. This would require some small flexible funding in line with the DDD approach.

- B. For future PSD programming in Mali (and other fragile states) direct support of private sector should be combined with complementary framework conditions support for larger impact, with private sector as driver for change.**

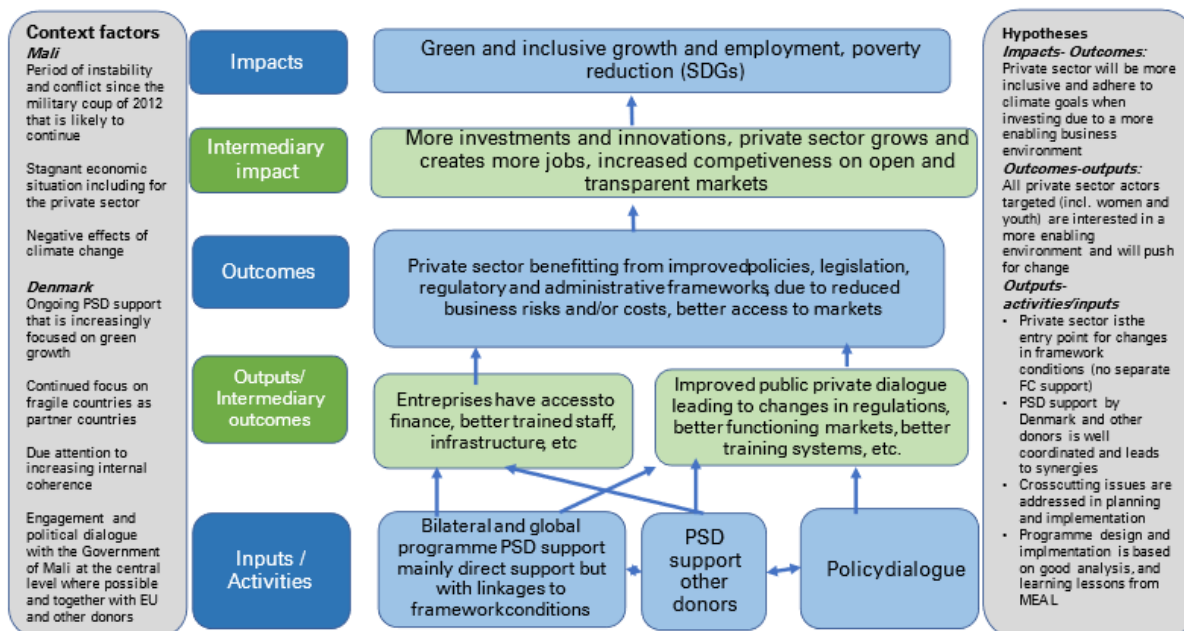
For future support the focus should remain on direct support to the private sector, with linkages to reinforcing the private-private dialogue to bring about broader private-sector driven change in the enabling environment. This could be accompanied with some targeted form of support to government to implement the reforms agreed upon.

- C. Actors of the global PSD programmes, such as SSC and DSIF, should be stimulated to develop at least some activities in fragile countries where Denmark has bilateral country programmes focusing on PSD and/or green growth to further contribute to improved framework conditions.**

Choices for new Danida PSD programming should be based on good insights into results achieved and their (potential) sustainability, analysis of the comparative advantage of Denmark in this area as well as an overview of advantages and disadvantages of different aid instruments and modalities. If global PSD programmes would be active in fragile contexts, this could substantially contribute to improved framework conditions if proper risk analysis will be done including mitigation solutions. In addition, the capacity of the embassy should also be considered and/or options for technical assistance support.

The following very basic ToC for future Danish support to the private sector in Mali is developed, based on the recommendations above. This figure was discussed with the embassy staff at the debriefing and has been further developed, based on the findings and conclusions. The choice not to have a separate support to framework conditions in such a volatile environment reflects the choices in the second programming period 2013-2018, where the organisational set up showed shortcomings, which could have been addressed. In addition, the future ToC should pay due attention to creation of synergies between various types of PSD support. On the one hand, between the various components of bilateral PSD support but especially also between bilateral PSD support and the global PSD programmes that should be stimulated to become active in fragile states as indicted above. On the other hand, synergies with PSD support by other donors require attention.

Figure 6.1 Elements for a future Theory of Change for PSD support to Mali



## Annex 1 Bibliography

In addition to country strategy and programme documents for the core and broad sample the following documents have been consulted:

Due, François Kacenelenbogen et Daoulé Maïga, 2021. *Mission d'analyse et de recommandations sur la facilitation d'un dialogue public-privé au Mali*, TPSDE Facility, Rapport Provisoire  
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UNCTAD, 2021. *World Investment Report*.

World Bank, 2015. *Financial Sector Assessment Program – Development Module, Mali*.

World Bank, *Doing Business Reports*.

World Bank, 2021. *Mali Economic Update, Protecting the Vulnerable During The Recovery*.

World Bank, 2022. *Mobilising the Private Sector for Economic Resilience and Recovery. CREATING MARKETS IN MALI*.

## Annex 2 Evaluation Matrix

| No  | Evaluation questions   | Indicators   | Methods   | Sources  |
|-----|--|--|---|--|
| 1   | <b>Relevance: To what extent has Danish support to framework conditions for PSD responded to the evolving needs and challenges private sector is facing in partner countries?</b>                      |  |   |  |
| 1.1 | Has the support been focused on specific challenges and needs of governments and private sector in partner countries regarding framework conditions?   | <ul style="list-style-type: none"> <li>• Main BER challenges private sector has been facing in the four countries during the period 2008-2021</li> <li>• Main IC challenges private sector has been facing in the four countries, 2008-2021</li> <li>• Main BER and IC priorities defined by governments in four partner countries, 2008-2021</li> <li>• Contextual factors affecting priority-setting regarding BER and IC in four partner countries</li> </ul> | <p>Document review at all three levels of analysis:</p> <ul style="list-style-type: none"> <li>• Overall strategic level</li> <li>• Country level</li> <li>• Thematic level</li> </ul> <p>Interviews at three levels</p> <p>Workshops country level</p> | <p>Strategic docs<br/>Programme docs<br/>International literature</p> <p>MFA staff HQ and embassies<br/>Staff global programmes<br/>Implementors programmes<br/>Gvt partner countries<br/>BMOs<br/>Experts<br/><br/>BMOs</p> |
| 1.2 | Have clear objectives been defined (making use of logframes or ToCs) for the Danish support to framework conditions for PSD in line with Danish strategic priorities and has the design been adequate? | <ul style="list-style-type: none"> <li>• Clarity of objectives at different levels</li> <li>• Alignment of objectives with Danish strategic priorities</li> <li>• Use of logframes or ToCs</li> <li>• Quality of logframes/ToCs/design</li> </ul>  | Document review   | Strategic and programme docs   |
| 1.3 | How have specific challenges in the area of green growth been addressed?   | <ul style="list-style-type: none"> <li>• Extent to which specific framework conditions for green growth have been defined</li> </ul>   | Document review at all three levels of analysis:  | Strategic docs<br>Programme docs<br>International literature   |



|          |   |  |  |  |
|----------|---|--|--|--|
|          |   | <ul style="list-style-type: none"> <li>• Alignment of support to green growth with global climate change priorities</li> <li>• Innovative adjustment of definitions on framework conditions to green growth requirements</li> </ul>  | <ul style="list-style-type: none"> <li>• Overall strategic level</li> <li>• Country level</li> <li>• Thematic level</li> </ul> |  |
| 1.4      | To what extent has political economy analysis contributed to the design and implementation of the support to framework conditions for PSD?  | <ul style="list-style-type: none"> <li>• References made to political economy analysis in overall (country and global programme) planning documents</li> <li>• References made to political economy analysis in specific project documents</li> <li>• Depth of PE analysis in terms of analysis of structure, institutions and actors</li> <li>• Evidence of actual use of political economy analysis to adapt programming</li> </ul>  | Interviews at three levels<br><br>Workshops country level  | MFA staff HQ and embassies<br>Staff global programmes<br>Implementors programmes<br>Govt partner countries<br>BMOs<br>Experts<br><br>BMOs            |
| 1.5      | How well has the Danish support integrated inclusiveness and attention to cross-cutting issues, specifically human rights, gender equality and youth?   | Extent to which attention is paid in programming and implementation to: <ul style="list-style-type: none"> <li>• Inclusive business</li> <li>• Gender equality</li> <li>• Youth</li> <li>• Human Rights based approaches</li> </ul>  |  |  |
| <b>2</b> | <b>Coherence: To what extent have there been complementarities and synergies between the various types of Danish support to framework conditions for PSD on the one hand and PSD support by other actors on the other?</b>            |  |  |  |
| 2.1      | Internal coherence: To what extent have there been complementarities and synergies within the bilateral country programmes and between the bilateral programmes and other channels of Danish support to framework conditions for PSD? | Complementarities and synergies between: <ul style="list-style-type: none"> <li>• Bilateral core support focused on FCs for PSD and other bilateral PSD support</li> <li>• Bilateral core support focused on FCs for PSD and other bilateral support (GBS, governance, sector support)</li> <li>• Bilateral core support focused on FCs for PSD and policy dialogue</li> <li>• Bilateral core support focused on FCs for PSD and global or regional PSD programme support</li> </ul> | Document review<br><br>Interviews<br><br>Workshops country level   | Strategic docs<br>Programme docs<br>International literature<br><br>MFA staff HQ and embassies<br>Staff global programmes<br>Implementors programmes |

|          |   |   |   |  |
|----------|---|---|---|--|
|          |   | <ul style="list-style-type: none"> <li>• Bilateral core support focused on FCs for PSD and multilateral support (core, soft-earmarked) focused on FCs for PSD</li> <li>• Bilateral core support focused on FCs for PSD and NGO, or research focused on FCs for PSD and bilateral PSD support</li> <li>• Mechanisms for improving internal coherence</li> </ul>  |   |  |
| 2.2      | External coherence: To what extent is the Danish support to framework conditions for PSD in line with the global evolving norms and standards and is it well-coordinated and complementary to support of other development actors in this area? | <ul style="list-style-type: none"> <li>• Extent to which the Danish support to FCs for PSD has been adjusted in line with international norms and standards</li> <li>• Evidence of lessons learned from international experience with PSD FC support</li> <li>• Extent to which at global, regional and country level comparative advantages of different actors are taken into account for the Danish support and duplication is avoided</li> <li>• Coordination mechanisms at country level for the support to FCs for PSD with specific attention for the role of Denmark and the partner country government <ul style="list-style-type: none"> <li>◦ Perceptions of the role of Denmark in the support to FCs for PSD at regional and national level</li> </ul> </li> </ul> | Document review<br><br>Interviews<br><br>Workshops country level  | DCED guidelines<br>International literature<br>Docs from other donors<br>Docs regarding PSD coordination in partner countries<br><br>MFA staff HQ and embassies<br>Other donors<br>Partner country representatives |
| <b>3</b> | <b>Effectiveness: What are the results of the Danish support to framework conditions for PSD and what are the main factors affecting the results?</b>   |   |   |  |
| 3.1      | What have been the outputs and (intermediary) outcomes of Danish support to framework conditions for PSD?   | Improvements in BER frameworks (and the way these frameworks address issues of inclusiveness, gender equality, human rights and climate change): <ul style="list-style-type: none"> <li>• Business administration and licensing procedures</li> <li>• Tax policies and administration</li> <li>• Labour laws and administration</li> <li>• Land titles, land registry and land market administration</li> <li>• Commercial justice/courts and dispute resolution</li> </ul>   | Document review at all three levels of analysis: <ul style="list-style-type: none"> <li>• Overall strategic level</li> <li>• Country level</li> <li>• Thematic level</li> </ul> Interviews at three levels<br><br>Workshops country level | Strategic docs<br>Programme docs<br>International literature<br><br>MFA staff HQ and embassies<br>Staff global programmes<br>Implementors programmes<br>Govt partner countries                                     |

|  |  |  |  |                                     |
|--|--|--|--|-------------------------------------|
|  |  | <ul style="list-style-type: none"> <li>• Public-private dialogue (incl. informal operators and women) and business advocacy incl. capacity building and effective lobbying</li> <li>• Access to market information</li> <li>• Access to finance – BER focus</li> <li>• Quality of regulatory governance and compliance enforcement</li> <li>• Competition policy, accounting, auditing and business transparency (incl. integrity/ anti-corruption)</li> <li>• Norms and standards (technical, social/labour, environmental)</li> <li>• Trade policies, laws, regulations (<i>trade regimes</i>)</li> </ul> <p>Improvements in investment climate (incl how issues of inclusiveness, gender equality, human rights and climate change have been taken into account):</p> <ul style="list-style-type: none"> <li>• Infrastructure development</li> <li>• Value chain and market systems development</li> <li>• Technological development, R&amp;D, innovation</li> <li>• Skills development</li> <li>• Labour market development</li> <li>• Financial market reform</li> <li>• Trade facilitation</li> </ul> <p>Evidence that private sector has benefitted from BER and IC improvements:</p> <ul style="list-style-type: none"> <li>• Reduced costs</li> <li>• Reduced business risks</li> <li>• Improved market access</li> <li>• Evidence that private sector is adhering to new targets, norms and standards regarding climate change (no-deforestation, reduced CO2 emissions, etc.</li> </ul> |  | <p>BMOs<br/>Experts</p> <p>BMOs</p> |
|--|--|--|--|-------------------------------------|

|     |   |   |   |  |
|-----|---|---|---|--|
| 3.2 | What have been the main external and internal factors contributing to effectiveness? What are specific explanatory factors in fragile and other country contexts?             | <p>External factors:</p> <ul style="list-style-type: none"> <li>• Income status</li> <li>• Governance situation</li> <li>• Fragility</li> </ul> <p>Internal factors:</p> <ul style="list-style-type: none"> <li>• Role of embassies (see EQ 4.2)</li> <li>• Targeting of PC PSD support</li> <li>• Internal and external coherence of Danish support (see EQ 2)</li> <li>• Quality of programme design</li> </ul>   | <p>Document review at all three levels of analysis:</p> <ul style="list-style-type: none"> <li>• Overall strategic level</li> <li>• Country level</li> <li>• Thematic level</li> </ul> <p>Interviews at three levels</p> <p>Workshops country level</p> | See above  |
| 4   | <b>Efficiency: What have been main efficiency challenges of the Danish support to framework conditions for PSD and how have these challenges been addressed?</b>              |   |   |  |
| 4.1 | What have been main efficiency challenges (including value for money)?  | <ul style="list-style-type: none"> <li>• Timeliness of planning and delivery of support</li> <li>• Evidence of support provided in economic way (minimising costs)</li> <li>• Evidence of support provided in an efficient way (good outputs against reasonable cost)</li> </ul>  | <p>Document review at all three levels of analysis:</p> <ul style="list-style-type: none"> <li>• Overall strategic level</li> <li>• Country level</li> <li>• Thematic level</li> </ul>  | See above: focus on Danish docs and interviewees |
| 4.2 | What are the main factors affecting organisational efficiency with specific attention for the role of the Danish embassies, including changes due to the introduction of DDD? | <ul style="list-style-type: none"> <li>• Formal role of the Danish embassies in coordinating global and national FC PSD support, 2008-2021</li> <li>• Coordination between embassies and central level in relation to different channels of PSD-FC support</li> <li>• Extent to which embassies are informed on PSD support</li> <li>• Capacity of the embassy (FTEs and profiles), 2008-2021</li> <li>• Perceptions on the changing role of the embassies in view of DDD, 2008-2021</li> <li>• Perceptions of other stakeholders (partner country stakeholders and other donors) on Danish FC PSD support</li> </ul> | <p>Interviews at three levels</p> <p>Workshops country level</p>  |  |

|          |  |  |   |           |
|----------|--|--|---|-----------|
| 4.3      | To what extent are the MEAL systems a useful basis for assessing the performance and do they lead to learning and/or changes in programming (adaptive programming)?      | <ul style="list-style-type: none"> <li>• Quality of monitoring as reflected in progress and completion reports</li> <li>• Frequency and quality of MTRs, (external) evaluations and impact studies</li> </ul>  |   |           |
| <b>5</b> | <b>To what extent has Danish support to framework conditions for PSD been sustainable?</b>   |  |   |           |
| 5.1      | To what extent are the results of Danish support to framework conditions for PSD sustainable?  | <ul style="list-style-type: none"> <li>• Evidence that results (outputs and outcomes) are sustained without external support</li> <li>• The supported organisations continue to deliver services of the same quality to their members after withdrawal of support</li> </ul> | Document review at all three levels of analysis: <ul style="list-style-type: none"> <li>• Overall strategic level</li> <li>• Country level</li> <li>• Thematic level</li> </ul> Interviews at three levels<br><br>Workshops country 1 | See above |
| <b>6</b> | <b>Is there evidence on (intended or unintended, positive or negative) intermediary impact and overall impact of the Danish support to framework conditions for PSD?</b> |  |   |           |
| 6.1      | Is there evidence on (intended or unintended, positive or negative) intermediary impact and overall impact of the Danish support to framework conditions for PSD?        | <ul style="list-style-type: none"> <li>• Increase in investments</li> <li>• Job creation</li> <li>• Economic growth</li> </ul>   | Triangulation of all methods and sources  |           |

## Annex 3 Evaluation Sample Mali

| FC Themes                      | Mali      |   |  |             |
|--------------------------------|-----------|---|--|-------------|
|                                | Period    | Core sample   |  | DKK million |
|                                | 2007-2013 | PAPESPRIM   | Enabling environment regional level  | 9           |
| BER                            | 2013-2018 | Programme d'appui à la croissance économique et l'emploi stimulé par le secteur privé PACEPEP | Component 1 <b>Renforcement de la compétitivité des acteurs du secteur privé malien dans un environnement favorable</b>                                      | 102         |
|                                | 2018-2022 | Private sector development programme Mali   | Development Engagement 3: <b>Enhancement of Framework Conditions for Entrepreneurship (EPEC)</b>   | 28          |
| Skills Development             | 2007-2013 | Programme support to promotion of employment in the private sector                            | Component 1: <b>Improving the framework for policy and strategy formulation, coordination and monitoring of employment promotion and vocational training</b> | 28          |
|                                | 2013-2018 | Programme d'appui à la croissance économique et l'emploi stimulé par le secteur privé PACEPEP | Component 3: <b>Formation professionnelle</b>  | 50          |
| Infrastructure                 | 2007-2013 | PAPESPRIM 2007-2013   | Economic Infrastructure  | 11          |
|                                | 2007-2013 | PASAM 2007-2013   | Rural Infrastructure   | 22          |
|                                | 2013-2018 | Programme d'appui à la croissance économique et l'emploi stimulé par le secteur privé PACEPEP | Component 2: <b>Infrastructures Économiques</b>  | 110         |
| Core sample total              |           |   |  | 360         |
| Broad sample: All Themes       |           |   |  |             |
| Other PSD programme components | 2007-2013 | Programme support to promotion of employment in the private sector                            | Component 2: Support for SMEs at regional level  | 98          |
|                                |           |   | Component 3: Improvement of access to micro-finance  | 36          |
|                                | 2018-2022 |   | Development engagement 1: Inclusive Finance and Facilitation of Agricultural Value Chains – INCLUSIF   | 135         |



|                       |           |  |   |    |
|-----------------------|-----------|--|---|----|
|                       |           | Private sector development programme Mali  | Development engagement 2: Supporting the creation and development of micro – and small enterprises of young men and women (FACEJ) | 70 |
|                       |           |  | Development engagement 4: Guarantee Fund for financing SMEs in Agricultural Value Chains  | 3  |
|                       | 2021-2023 | Vocational education and training linked to the needs of the private sector project                                  |   | 30 |
| Global PSD programmes | DSIF      | Mali transmission line   |   |    |
| Multilateral support  | WBG       | Linkages between multilateral support and the main FC themes will be considered, Denmark is EIF facilitator in Mali. |   |    |
|                       | ILO       |  |   |    |
|                       | AfDB      |  |   |    |
|                       | WTO       |  |   |    |

Sources: Programme documents, component documents, completion reports, evaluations and other documents.