Management Response to the PUM Midterm Evaluation 2023- 2026

Overall response to the evaluation

The PUM Programme: NL Employers 4 SDG8 2023 - 2030, 'Energising Businesses and Business Ecosystems' is funded by the Directorate-General for International Cooperation (DGIS), through the Sustainable Economic Development Department (DDE) of the MoFA, and consists of a total of EUR 77 million for the period 2023 – 2030. The programme has two phases: from 2023 to the end of 2026, and from 2027 to the end of 2030. The Midterm evaluation of the PUM programme was undertaken to provide input for the second phase of the subsidy period.

The evaluation was conducted by ACE-Europe, selected from a total of 26 applicants, based on a thorough assessment by both the internal and external reference group. ACE-Europe worked with a team consisting of Belgian evaluators, as well as local consultants, in the three selected countries.

The mid-term evaluation of the PUM programme is intended to provide key insights, reflections and recommendations on its effectiveness, sustainability, relevance, alignment (coherence), efficiency and additionality, with a specific focus on PUM's approach to working in business ecosystems.

Methodology
The evaluation team employed a mixed-methods approach, combining quantitative data from PUM's CRM system and surveys with qualitative insights from desk research, three field visits, and 25 interviews with PUM experts. Three countries were selected for field visits—Benin, Bangladesh, and Zimbabwe—based on criteria covering focus sectors, ecosystem experience, and inclusion of women and youth-led SMEs. The sample included 16 SMEs and 8 business support and member organisations, allowing the team to analyse changes at client level.

Adequacy of findings
PUM welcomes the evaluation report that provides clear findings and conclusions, as well as relevant and useful recommendations for the second phase of the subsidy period. The evaluation process was consultative, evidence-based, objective and forward-looking. The evaluation confirms PUM's experts remain its most valuable asset: their senior expertise, commitment and coaching approach drive meaningful change for SMEs and organisations. Effectiveness is clear for the majority of clients, and PUM demonstrates good cost-efficiency (through the low-cost volunteer model). While the conclusions are generally positive, the evaluators didn't shy away from critical observations, summarised in 6 high-level and 27 more detailed recommendations, such as translating corporate strategic choices related to the ecosystem approach, making social and environmental issues clear priorities, focusing on a limited number of programmes in each country, and steering selection towards clients with higher potential for sustained change.
PUM agrees with 14 of the 27 recommendations provided, partially agrees with 11 of them and does not agree with one of the recommendations (see table below).

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Limitations in the process and outcome

Some limitations affected the evaluation's conclusiveness. Data challenges included limitations in baseline information, unclear classification of organisations and limited detail in plans and reports. Despite these challenges, the evaluation could establish PUM's contribution to the changes at client level that are considered to be intermediate steps leading to potential impact. Field visit constraints involved limited client availability, weak networks with other development players (hindering benchmarking), and an inability to differentiate cost-efficiency across project types. The sample included only one social dialogue project, which did not allow for a thorough assessment of PUM's work on social dialogue.

Additional insights not articulated in the recommendations

Especially in the conclusions and recommendations, PUM's contributions to entrepreneurship could be highlighted more strongly as its unique selling point, reflecting what PUM could do to further support an entrepreneurial mindset and (sustainable) economic growth.

Planned use of the evaluation

The management response has been developed by the PMEL team in consultation with PUM's Management Team. The table below reflects the recommendations, proposed actions, time frame, and who is responsible, as presented in the evaluation report. The column 'response' reflects the outcome of the assessment made jointly by the Management Team: agree, partially agree or disagree, with a justification. The <u>underlined text</u> was added or adapted by the Management Team in relation to what was proposed by the evaluation team. This action list will be monitored quarterly by the Management Team.

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Recommendations and actions

	Recommendation	Response: Agree Partially agree Don't agree Justification	Actions <u>Underlined: changes to evaluation report</u>	Time frame Short < 1yr Medium 1-2 y Long Term > 3y	Responsible
1. Strengthen corporate strategy and strategic positioning of PUM					
1.1	Adopt a more strategic approach at corporate level, combining demand-driven work with a longer-term vision, draft clear guidelines (on the choices) and integrate this into corporate and country planning (CIP) supported by training.	**Partially agree** Not adopt but translate; not so much about definitions, more about priority-setting in terms of ecosystems, gender.	Translate corporate strategic choices (e.g. related to ecosystem approach, attention for social and environmental/green issues, youth owned SMEs) <u>into clear priorities.</u> Monitor whether this is reflected in programme and country plans, project plans and reports.	Short-term/ medium-term	Management Team
1.2	Reinforce positioning and build stronger relations with Dutch institutions and organisations - start with operationalising collaboration with CNV at HQ and country level - for social dialogue.	**Partially agree** First look at the objective of the relations, whether there is synergy, complementarity and additionality.	Strengthen relationships with RVO, financial institutions, Dutch businesses, Embassies, other Dutch NGOs. (Broaden the list) For social dialogue, follow where CNV is working well. Define joint programmes or activities, at country level (to be included in country plans)	<u>Short-term</u>	Management team
1.3	Clarify 'Support to Dutch Businesses' with the MoFA and engage with the Ministry about the role of embassies to support PUM's synergy with other Dutch stakeholders.	**Agree**	Meeting with MoFA to discuss what support to Dutch business means, and what embassies can do in supporting 'synergy with Dutch stakeholders.	Short-term	Board
1.4	Fundraising: develop tailored propositions (and integrate responsibility for fundraising in job descriptions).	**Agree**	Fundraising strategy (in development), make sure to balance fundraising efforts with field implementation capacity.	<u>Short-term</u>	Management team

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2. Country level: Improve focus and collaboration with other actors as part of a more effective eco-system approach					
2,1	Limit the number of sectors to work in in each country.	**Agree**	Define for each country a maximum number of programmes in 2027 country plans, aligning to MFA and embassy only where possible. Maintain space for opportunities that are innovative or very promising.	Short-term	Management team (country Managers)
2.2	Map local business support providers, donor programmes and potential overlaps per country.	**Partially agree** Focus BSO assessment at national level.	Mapping of national BSOs and donor programmes in countries, (inter)national programmes in country plans.	Short-term	Country Manager
2.3	Support country teams in building relations and collaborations with programmes and organisations.	**Partially agree** Implementing partners not only through HQ, there is room to start on a country-level.	Build relationships through HQ of international players, but also start at country level. Make sure there is a good coordination between the two levels.	Medium-term	Country Manager (supported by management team and CEO) and programme magers
2.4	Stimulate country teams to develop closer partnerships with BSOs, BMOs and universities and INGOs as key actors.	**Partially agree** Depends on the purpose, focus is on BMOs/BSOs. Needs to be a clear purpose.	Provide guidance to country teams on potential roles and partnerships; Focus on actors that are able to reach youth and women, and that support ecosystems.	Medium-term/ long-term	Heads of Regions Heads of Programmes Country Managers and programme managers
2.5	Support the country teams to develop learning mechanisms at country level with groups of clients and potential future clients.	**Agree** Except for organising “learning circles”, which is not PUM’s role/capacity.	Create a multiplier effect to reach SMEs that are not (yet) PUM client. Group the clients along value chain or the ecosystem or another shared feature. Organise dissemination of advice that works at country and sector level, e.g. through webinars. Involve PUM experts and associate key BSO and BMO clients in this effort for learning as co-organisers. This will stimulate them to further disseminate knowledge amongst their members and target groups.	Medium-term/ long-term	Country Managers Heads of regions

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3. Consolidate and operationalise the ecosystem approach					
3.1	Create a common understanding and train staff on what working in business ecosystems entails across the organisation and the countries.	**Agree**	Training on business ecosystems for all (new) staff, make sure to explain key role of BMOs and BSO in supporting ecosystem approach, referring to practical examples. Recognise risks of ecosystem approaches such as exclusion of smaller actors, high coordination costs.	Short-term	Management team with support from PMEL
3.2	Support country teams and programme managers to analyse systems, actors, and power relations, and to integrate an ecosystem lens in project identification and implementation by developing guidelines and formats on the 'how to'.	**Partially agree** Integrate an ecosystem lens is important; analyse systems and power relations is too theoretical. Task force of experts supported by country and programme managers too heavy.	Develop guidelines and formats to integrate ecosystem lens in project identification and to further support country managers, representatives and programme managers. Focus on practical tools and specific questions for learning. Business ecosystem advisor role to be further developed.	Medium-term	PMEL, Heads of Programmes, Heads of Regions, business ecosystem advisors
3.3	Continue to invest in the capacity of PUM staff to understand the actual meaning of social dialogue in collaboration with CNV.	**Agree**	Analyse and document examples of social dialogue at country level, ensure dissemination and training on social dialogue (in collaboration with CNV).	Medium-term	Programme manager associations, education & social dialogue
3.4	Ensure to experts with ecosystem experience and assess skills of (new) experts.	**Agree**	Experts with skills to navigate complex relations, deal with governance issues, and more 'political' environments. Translate into concrete skills and expertise criteria for recruitment.	Short-term	Programme managers Recruitment

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4. Strengthen monitoring, evaluation and organisational learning					
4.1	Reinforce the MEL function: clarify mandate and position in the organisation and explain utility.	**Agree**	Systematically include strategy & PMEL topics in onboarding of new employees. Stronger mandate of MEL team (define what is means to reinforce MEL function).	Short-term	CEO, management team
4.2	Support use of M&E data through user friendly dashboards and case-studies.	**Agree**	User-friendly dashboard are already in place, check accessibility. Stimulate learning through case studies. Topics e.g.: access to finance; financial management and profitability; Social dialogue (Topics to be defined).	Medium-term/ long-term	PMEL team (with support of country Managers and programme managers)
4.3	Continue WISE but ensure systematic triangulation with expert findings.	**Partially agree** WISE should be improved, but not necessarily using triangulation by experts.	Improve set-up and process for WISE survey: put enough focus on assessing changes in the capacity of BSO/BMO to support their target group; for SMEs: continue with a wider question about change.	Medium-term	PMEL team and programme managers
4.4	Support organisations (BSOs and BMO) with data collection and analysis on reach and changes.	**Partially agree** Support to BMOs and BSO should be on their request only.	Develop methods and training for MEL by BSOs and BMOs, to strengthen their capacity in how to effectively support target groups and how to measure the contribution to change.	Medium-term	PMEL team and programme managers
4.5	Develop a realistic approach for measuring cost-effectiveness through learning with and from other development players.	**Partially agree** It will remain very challenging to collect reliable data on employment creation and revenue increase, and to calculate cost-effectiveness.	Study how other development players are measuring cost-effectiveness and learn about most appropriate ways to capture reliable data on employment creation and SME revenue increase. After having developed an appropriate approach, PUM can engage in a case study on a small sample of clients.	Medium-term/ long-term	PMEL team (with programme managers and experts)
4.6	Strengthen PUMs capacity to capture changes in ecosystem dynamics through appropriate indicators and/or specific evaluations.	**Agree**	Develop indicators and a method for the MEL of ecosystems, capturing system change.	Medium/ long-term	PMEL (and country managers)

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5. Support to SMEs: enhance effectiveness and inclusive economic development					
5.1	Steer selection towards clients with higher potential for sustained change.	**Partially agree** Missing language of entrepreneurial mindset & economic growth.	Develop guidelines for CM to assess the potential of clients, e.g. SMEs in development phase 3, while maintaining flexibility to reach. strategically important groups such as women and youth-led SMEs. This means setting aside a certain % of the budget for working with women and youth-led SMEs (preferably through BSOs and BMOs). Use SMEs from development phase 3 up to 5 to integrate smaller and weaker SMEs in their value chain (as such working as a change maker).	Short-term	Management team (supported by a selection of experts, programme managers, and country Managers)
5.2	Improve pre-intervention analysis of client needs by paying more attention to business models/finance and context (ecosystem) analysis by the expert	**Agree**	A first project with a client could combine diagnosis and advise, and could ensure a better documentation of the financial situation and capacity of the client. Make sure experts take the financial feasibility for the implementation of the recommendations into account.	Medium-term	Programme managers (supported by PMEL)
5.3	Encourage better coordination of multiple expert inputs	**Agree**	Allow sequenced projects when needed and promising, should not be standard approach; also look at follow-up with multiple companies.	Medium-term	Country Managers
5.4	Develop targeted approaches for women and youth entrepreneurs per region and/or sector and learn with other development players	**Partially agree** Need more concrete& practical actions.	Learn with others and seek collaboration with organisations that have specific expertise on working with women and youth led SMEs, e.g. though incubators.	Short-term	Programme managers with experts (involving Country Managers)
5.5	Explore potential to contribute to the realisation of green economy	**Agree**	Define what the label 'green' means, and actively search for clients and projects. Promote remote advice as a specific feature of PUM.	Short-term	Programme managers with experts and Country Managers

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6. Adapt and refine PUM approaches of working with organisations					
6.1	Promote a better understanding at the level of PUM of the specific nature and importance of BMOs in particular and BSOs as key actors in an ecosystem approach	**Partially agree** Should be relevant per specific sector/country.	Pay more attention to the specific nature, governance, and mandate of various organisations: business support organisations, educational institutes, incubators, and business member organisations are very distinct. Refine definitions, selection criteria, ensure that the design of projects aligns with the specificities of organisations	Short-term	CEO, Programme Manager Associations, education & social dialogue, and country managers
6.2	Ensure a good share of projects with BSOs and BMOs as leverage actors depending on what is possible in the context (30% could serve as a target but numbers are less important than capacity of organisations to leverage change).	**Disagree** Don't use a target (30%) for the share of projects with BSOs and BMOs. Focus on what their contribution can be to realise more impact. Is very dependent on the context (e.g. availability of BSOs and BMOs).	Make sure that the BSOs and BMOS selected as clients have a clear role and capacity to leverage change	Medium-term/ long-term	Country Managers, supported by programme managers
6.3	Develop appropriate approaches and PUM expertise for working with BMO clients	**Agree**	Make sure to assess skills of experts for supporting organisational development. Ensure that projects with organisations are always and clearly linked to improved service delivery and effect on members/target groups. Use specific questions to assess this. Make sure that local business advisors acquire knowledge and skills to multiply/replicate PUM work. Promote mentor or shadowing projects where staff of BMO and BSO can run along with the PUM expert.	Medium term	Programme managers and experts (with PMEL support) Recruitment