

# Annex 5.2

## Kampala Principles Assessment (KPA) Methodological Note

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### OVERVIEW

This note describes the methodology for how the information collected through the Kampala Principles Assessment (KPA) is treated and analysed to generate results. The KPA is the fourth component within the “Whole-of-society” dimension of the GPEDC monitoring framework. The KPA, which looks at private sector engagement in development co-operation (PSEDC), is made up of four Key Metrics, described in Table 1. Together these four metrics assemble fifteen traits of PSEDC. This note supplements the [Guidance for the Kampala Principles Assessment](#), which contains the questionnaire used for this assessment, and builds on the [Methodological Note](#) which contains the methodology for all other components of the monitoring framework (hereafter “core methodology”) and also describes in detail the core notation. Section A briefly recalls the structure of the KPA, and Section B describes the methodology.

TABLE 1 | KEY METRICS OF THE KAMPALA PRINCIPLES ASSESSMENT

Key Metric	Description
1	The state of policies on private sector engagement in development co-operation
2	Inclusive dialogue on private sector engagement in development co-operation
3	The quality of private sector engagement in development co-operation in partner countries
4	The ease of partnering in private sector partnerships in development co-operation

### A. THE NATURE OF THE KPA AND NOTATION

**This note relies on the notation developed for the core methodology. It is thus highly recommended to review the introductory sections of that [Methodological Note](#) before proceeding.** There are, however, additional refinements to reflect two specific traits of the KPA (hereafter also referred to as “this assessment”). First, the KPA is offered to partner country (PC) governments as an optional element of the GPEDC monitoring exercise. As such, the number of PCs with KPA measurements is a subset of the total number of PCs participating in the monitoring exercise.<sup>1</sup> Second, the number of development partners (DP) which report to the KPA is limited to those DPs with PSEDC in a given PC, so is itself a subset of the total number of DPs operating in that PC. The following notations reflect these characteristics:

- **The total number of partner countries (PC) with a KPA measurement.** While the subscript  $\{i\}$  still refers to any undetermined country, the expression  $\{I^K\}$  will now refer to the total number of countries that undertook the KPA. This number is smaller, or equal to,  $\{I\}$  that stands for the total number of countries as described in the core methodology:  $\{I^K\} \leq \{I\}$ .

1. The KPA cannot be undertaken independently of the overall GPEDC monitoring exercise.

- **The total number of development partners (DP) with PSEDC.** The subscript  $\{j\}$  still refers to any undetermined DP; however, the expression  $\{J_i^K\}$  will now refer to the total number of DPs with PSEDC in any PC. This number is smaller than or equal to the total number of DPs in a particular country:  $\{J_i^K\} \leq \{J_i\}$ . The notation aims to improve the interpretation of results, in particular those concerning DPs that are based on aggregated measures from cross-country information.<sup>2</sup> For brevity, this distinction is made explicit here at the outset, and is not repeated henceforth across this document.

**Units of analysis and units of identification of information.** Both PCs and DPs are the main units of analysis in the construction of KPA indicators. There are, however, up to six potential units of identification of information: (1) the PC government [reported by the national co-ordinator]; (2) the DPs; (3) a representative for civil society organisations (CSO hereafter); (4) a representative for trade unions (TU hereafter); (5) a representative for small firms of the private sector (SF hereafter); and (6) a representative for large firms of the private sector (LF hereafter).<sup>3</sup> The superscript  $\{k = PC, DP, CSO, TU, SF, LF\}$  is often used to indicate these units of identification. This distinction is only made explicit as needed.

**Question identification.** In the questionnaire, the sections identified with the codes **KA**, **KB** and **KC** contain questions devoted to PC, DPs and CSO respectively. The code **KD** is devoted to TU questions while the codes **KE** and **KF** refer to those for private sector representatives (for small [SF] and large [LF] firms respectively). This allows for a unique question identification through an alphanumeric code that summarises both the content and the respondent. For instance, the code **KA1\_1** refers to question 1 in section KA1 (Key Metric 1, questions reported by the partner country).

**Data structure.** There are two types of datasets. Dataset type 1 describes a common structure across respondents where every line reflects the answer of a specific stakeholder group (out of CSO, TU, SF, LF) for each PC. There are five individual datasets within this dataset type; one for each stakeholder group.<sup>4</sup> Dataset type 2 contains data for each DP with PSEDC for each PC. Each line represents a specific DP-PC link.

## B. METHODOLOGY

### 1. The state of policies on private sector engagement in development co-operation

#### 1.1 Existence of policies or strategies for partner country governments and development partners that articulate how the private sector should be engaged in development co-operation.

#### Measurement at the PC level

**Construction:** This indicator employs data provided by the national co-ordinator at the country level. The unit of analysis is partner countries (Dataset type 1). The indicator describes the existence of government guidance for PSEDC. A dichotomous variable ( $G_i^{PC}$ ) receives the value of 1 when such guidance is in place as reported in question **KA1\_1** (*Does your government have a policy/strategy that articulates how the private sector should be engaged in development co-operation to achieve sustainable development?*).

2. This evidence is drawn only from the set of countries undertaking the KPA and so may not necessarily reflect a DP's behaviour across the full set of countries where the DP engages with the private sector through development co-operation.

3. The terms "small firms" and "large firms" are used for brevity in this note. Refer to the Guidance for the KPA for more precise descriptions of the segments of the private sector meant to be represented, which are more nuanced than suggested by this terminology.

4. There is a common dataset for the two private sector representatives. The structure of this information is identical since both answer the exact same questionnaire. This database contains two lines per PC: one for SF and one for LF.

The indicator is obtained as follows:

$$G_i^{PC} = \begin{cases} 1 & \text{if a policy/strategy is in place} \\ 0 & \text{otherwise} \end{cases}$$

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$G_g^{PC} = \frac{\sum_{i=1}^{I^k} (G_i^{PC})}{I^k} \quad (1.1.A)$$

Where ( $I^k$ ) is the total number of countries reporting to the KPA.

### Measurement at the DP level

**Construction:** This indicator employs data provided by DPs ( $j$ ) in a PC ( $i$ ). The unit of analysis is DPs (Dataset type 2). A set of dichotomous variables ( $g_{ij}^{DP}$ ) individually receives the value of 1 if a DP has guidance on PSEDC as reported in question **KB1\_1** (*Does your government have a policy/strategy on engaging the private sector in development co-operation?*).<sup>5</sup> The indicator is obtained as follows:

$$g_{ij}^{DP} = \begin{cases} 1 & \text{if a policy/strategy is in place} \\ 0 & \text{otherwise} \end{cases}$$

The procedure to obtain an indicator at the DP level is as follows:

$$G_j^{DP} = \frac{\sum_{i=1}^{I^k} g_{ij}^{DP}}{I^k} \quad (1.1.B)$$

Where the denominator ( $I^k$ ) is the number of countries reporting to the KPA with which the DP has PSEDC.

**Interpretation:** This indicator is defined over a range of zero to one [0, 1] for every DP. The closer to the maximum value, the higher the proportion of countries for which a particular DP has PSEDC-related guidance.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$E_g^{DP} = \frac{\sum_{j=1}^{J^k} (G_j^{DP})}{J^k}$$

Where ( $J^k$ ) is the total number of DPs with PSEDC in partner countries which reported to the KPA.

## 1.2 Key characteristics of PSEDC-related policies or strategies (including if they target vulnerable and marginalised groups).

### Measurement at the PC level

**Construction:** This indicator builds on information at the PC level reported by the national co-ordinator at the country level. The unit of analysis is PCs (Dataset type 1). First, a series of dichotomous variables ( $p_{qi}^{PC}$ ) individually receive the value of 1 if a key characteristic of a PSEDC policy/strategy is in place as reported in questions ( $q$ ) **KA1\_1.1 - KA1\_1.6**.<sup>6</sup> These variables are 0 otherwise. The indicator is obtained as follows:

$$p_{qi}^{PC} = \begin{cases} 1 & \text{if the characteristic is in place} \\ 0 & \text{otherwise} \end{cases}$$

<sup>5</sup> The dual subscript (ij) used in this notation describes a particular DP-PC link.

<sup>6</sup> The sub-indicator for question KA1\_1.5 becomes 0 if the answer to question KA1\_1.4 is "no".

The relevant questions are as follows:

(q)	Question Identification	Question/Characteristic	In place if answer
1	KA1_1.1	Does this policy/strategy outline the rationale for working with the private sector in development co-operation?	Yes
2	KA1_1.2	Does this policy/strategy define specific sectors (e.g. education, health) that are a priority for private sector engagement through development co-operation (PSE in DC)?	Yes
3	KA1_1.3	Does this policy/strategy define regions that are a priority for PSE in DC?	Yes
4	KA1_1.4	Does this policy/strategy define target groups that are a priority for PSE in DC?	Yes
5	KA1_1.5	Do the target groups that are prioritised for PSE in DC include vulnerable and marginalised populations?	Yes
6	KA1_1.6	Does this policy/strategy outline the roles and responsibilities of stakeholder groups engaged in PSE in DC?	Yes

The sub-indicator ( $p_{6i}$ ) is only considered in place if at least one stakeholder group is selected in the answer to question **KA1\_1.7** (*Specify for which stakeholder groups*). The sum of these sub-indicators yields the following indicator:

$$C_i^{PC} = \frac{\sum_{q=1}^{q=6} p_{qi}^{PC}}{6} \quad (1.2.A)$$

The indicator is a missing value if there is no policy/strategy in place, as reported in question **KA1\_1** (*Does your government have a policy/strategy that articulates how the private sector should be engaged in development co-operation to achieve sustainable development?*).

**Interpretation:** This measurement is defined over a range of zero to one [0, 1]. The closer to the maximum value, the more comprehensive is the policy/strategy in terms of inclusion of the key characteristics indicated above.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$C_g^{PC} = \frac{\sum_{i=1}^{i=I^k} (C_i^{PC})}{I^k}$$

Where ( $I^k$ ) is the total number of countries reporting to the KPA.

### Measurement at the DP level

**Construction:** This indicator builds on information at the PC level reported by each DP. The unit of analysis is DPs (Dataset type 2). A series of dichotomous variables ( $g_{qij}^{DP}$ ) individually receive the value of 1 if a key characteristic of a PSEDC policy/strategy is in place, as reported in questions ( $q$ ) **KB1\_1.1** – **KB1\_1.7** and **KB1\_1.10**.<sup>7</sup> These variables are 0 otherwise. The indicator is obtained as follows:

$$g_{qij}^{DP} = \begin{cases} 1 & \text{if the characteristic is in place} \\ 0 & \text{otherwise} \end{cases}$$

7. The sub-indicator for question KB1\_1.6 becomes 0 if the answer to question KB1\_1.5 is "no".

The relevant questions are as follows:

(q)	Question Identification	Question/Characteristic	In place if answer
1	<b>KB1_1.1</b>	Does this policy/strategy outline the rationale for working with the private sector through your development co-operation?	Yes
2	<b>KB1_1.2</b>	Does the policy/strategy require alignment with the country's development priorities?	Yes
3	<b>KB1_1.3</b>	Does this policy/strategy define specific sectors (e.g. health, education) that are a priority for private sector engagement in development co-operation (PSE in DC)?	Yes
4	<b>KB1_1.4</b>	Does this policy/strategy define regions that are a priority for PSE in DC?	Yes
5	<b>KB1_1.5</b>	Does this policy/strategy define target groups that are a priority for PSE in DC?	Yes
6	<b>KB1_1.6</b>	Do the target groups that are identified as important for PSE in DC include vulnerable and marginalised populations?	Yes
7	<b>KB1_1.7</b>	Does this policy/strategy outline roles and responsibilities of stakeholder groups engaged in PSE?	Yes
8	<b>KB1_1.10</b>	Does the policy/strategy require the development of a business case to engage the private sector in projects/programmes?	Yes

The sub-indicator ( $g_{ij}^{DP}$ ) is only considered in place if at least one stakeholder group is selected in the answer to question **KB1\_1.8** (*Specify for which stakeholder groups*). This variable is 0 otherwise.

The indicator is obtained in two stages. First, the sum of all these sub-indicators yields a proportion for every DP-PC link:

$$C_{ij}^{DP} = \frac{\sum_{q=1}^{q=8} g_{qij}^{DP}}{8}$$

This proportion is a missing value if there is no PSEDC policy/strategy as reported in question **KB1\_1** (*Does your government/organisation have a policy/strategy on engaging the private sector in development co-operation?*). Then, an indicator at the DP level can be obtained in the second stage as follows:

$$C_j^{DP} = \frac{\sum_{i=1}^{i=I^k} P_{ij}^{DP}}{I^k} \quad (1.2.B)$$

Where ( $I^k$ ) stands for the total number of countries, reporting to the KPA, where a DP has PSEDC.

**Interpretation:** This measurement is defined over a range of zero to one [0, 1]. The closer to the maximum value, the higher the proportion of countries in which a DP has more comprehensive policies/strategies in terms of inclusion of the key characteristics indicated above.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$C_g^{DP} = \frac{\sum_{j=1}^{j=J^K} (C_j^{DP})}{J^K}$$

Where ( $J^K$ ) is the total number of DPs with PSEDC in partner countries which reported to the KPA.

### 1.3 PSEDC-related policies or strategies of partner country governments and development partners developed through an inclusive process.

#### Measurement at the PC level

**Construction:** This indicator employs data provided by the national co-ordinator at the country level. The unit of analysis is PCs (Dataset type 1). A dichotomous variable ( $g_{is}$ ) receives the value of 1 if a particular stakeholder (s) participated in developing this policy/strategy as reported in question **KA1\_1.9** (*Which of the following stakeholder groups have participated in developing this policy/strategy on PSE in DC?*). These variables are 0 otherwise. The indicator is obtained as follows:

$$P_i^{PC} = \frac{\sum_{s=1}^{s=S_i} g_{is}}{S_i} \quad (1.3.A)$$

Where ( $S_i$ ) is the maximum number of stakeholders – in this case, seven.<sup>8</sup>

The indicator is a missing value if there is no policy/strategy in place, as reported in question **KA1\_1** (*Does your government have a policy/strategy that articulates how the private sector should be engaged in development co-operation to achieve sustainable development?*).

**Interpretation:** This measurement is defined over a range of zero to one [0, 1]. The closer to the maximum value, the more inclusive was the process to develop the policy/strategy in terms of the number of stakeholders involved.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$P_g^{PC} = \frac{\sum_{i=1}^{i=I^k} (P_i^{PC})}{I^k}$$

Where ( $I^k$ ) is the total number of countries reporting to the KPA.

#### Measurement at the DP level

**Construction:** This indicator employs data provided by each DP at the country level. The unit of analysis is DPs (Dataset type 2). A dichotomous variable ( $g_{ijs}$ ) receives the value of 1 if a particular stakeholder group (s) participated in developing the policy/strategy as reported in question **KB1\_1.12** (*Which of the following country-level stakeholder groups [in the partner country] have been engaged in developing the PSE policy/strategy for this country?*).<sup>9</sup> These variables are 0 otherwise. The indicator is obtained in two stages. First, the proportion of stakeholders engaged in the development of a policy/strategy for each DP in a PC ( $P_{ij}^{DP}$ ), a DP-PC link, is obtained as follows:

$$P_{ij}^{DP} = \sum_{s=1}^{s=S} (g_{ijs} * w_s)$$

Where ( $S$ ) is the maximum number of stakeholders, in this case six<sup>10</sup>, and ( $w_s$ ) is their respective weight. This normative weight reflects the particular importance of DPs engaging the national government in the development of such a policy/strategy. While it is true that DPs should engage a range of stakeholder groups in this process, the national government has a unique role in the development of policies/strategies concerning their country. As such, involvement of the national government receives a fifty percent weight.

8. These are: a) Parliament, b) Domestic civil society organisations, c) Trade unions, d) Domestic philanthropic organisations, e) Domestic private sector, f) Subnational governments, g) Development partners. Except: h) Other.

9. The triple subscript (ijs) uniquely identifies a stakeholder for a particular DP in a specific PC.

10. These are: a) Domestic civil society organisations, b) Trade unions, c) Domestic philanthropic organisations, d) Domestic private sector, e) National government, f) Subnational governments. Except: g) Other.

These weights add up to 1 within a country as follows:

$$w_s = \begin{cases} 0.5 & \text{if } s = \text{National government} \\ 0.1 & \text{if } s = \text{Domestic civil society organisations} \\ 0.1 & \text{if } s = \text{Trade unions} \\ 0.1 & \text{if } s = \text{Domestic philanthropic organisations} \\ 0.1 & \text{if } s = \text{Domestic private sector} \\ 0.1 & \text{if } s = \text{Subnational governments} \end{cases}$$

The indicator is a missing value if there is no PSEDC policy/strategy as reported in **KB1\_1** (*Does your government/organisation have a policy/strategy on engaging the private sector in development co-operation?*). The second stage yields an indicator for each DP as follows:

$$P_j^{DP} = \frac{\sum_{i=1}^{I^k} P_{ij}^{DP}}{I^k} \quad (1.3.B)$$

Where ( $I^k$ ) is the total number of countries reporting to the KPA where a DP has a PSEDC-related policy/strategy.

**Interpretation:** This measurement is defined over a range of zero to one [0, 1]. The closer to the maximum value, the higher the proportion of countries in which a DP has had a more inclusive process to develop their PSEDC-related policies/strategies.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$P_g^{DP} = \frac{\sum_{j=1}^{J^K} (P_j^{DP})}{J^K}$$

Where ( $J^k$ ) is the total number of DPs with PSEDC in countries reporting to the KPA.

#### BOX 1

#### **Key Metric 1.4: AWARENESS OF PSEDC-RELATED POLICIES OR STRATEGIES**

This element of Key Metric 1 (1.4) looks at the awareness across stakeholder groups of PSEDC-related policies or strategies of partner country governments and development partners.

Results that emerge from the KPA on this issue are based on responses of four stakeholder groups (CSOs, TUs, small firms, and large firms). For PCs, these four stakeholder groups respond respectively to question **KC1\_2/KD1\_2/KE1\_2** (*Are you aware of any national policy/strategy of the government on the private sector's role in development co-operation?*). For DPs, these four stakeholder groups respond respectively to question **KC1\_4/ KD1\_4/ KE1\_4** (*Are you aware of any of your development partners' policies or strategies which guide their PSE in DC in this country?*). In light of the perception-based nature of this element of the assessment, results will not be calculated in the form of an indicator, but an overview of the perceptions of the various stakeholder groups will be presented as part of the KPA results of a given partner country.

## 2. Inclusive dialogue on private sector engagement in development co-operation

### 2.1 Multistakeholder dialogues and/or consultations on PSEDC held by partner country governments and development partners.

#### Measurement at the PC level

**Construction:** This indicator employs data provided by the national co-ordinator at the country level. The unit of analysis is PCs (Dataset type 1). A dichotomous variable ( $g_i$ ) receives the value of 1 when a PSEDC dialogue was organised as reported in question **KA2\_1** (*Has your government organised a national dialogue on PSE in DC?*). These variables are 0 otherwise. The indicator is obtained as follows:

$$D_i^{PC} = \begin{cases} 1 & \text{if a dialogue was organised} \\ 0 & \text{otherwise} \end{cases} \quad (2.1.A)$$

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$D_g^{PC} = \frac{\sum_{i=1}^{I^k} (D_i^{PC})}{I^k}$$

Where ( $I^k$ ) is the total number of countries reporting to the KPA.

#### Measurement at the DP level

**Construction:** This indicator employs data provided by DPs ( $j$ ) in each country ( $i$ ). The unit of analysis is DPs (Dataset type 2). A set of dichotomous variables ( $d_{ij}^{DP}$ ) individually receives the value of 1 if a DP organised consultations on PSEDC as reported in question **KB2\_1** (*Has your government/organisation organised dialogues and/or consultations with country-level stakeholder groups on PSE?*).<sup>11</sup> These variables are 0 otherwise. The indicator is obtained as follows:

$$d_{ij}^{DP} = \begin{cases} 1 & \text{if a dialogue was organised} \\ 0 & \text{otherwise} \end{cases}$$

The procedure to obtain an indicator at the DP level is as follows:

$$D_j^{DP} = \frac{\sum_{i=1}^{I^k} d_{ij}^{DP}}{I^k} \quad (2.1.B)$$

Where the denominator ( $I^k$ ) is the number of countries reporting to the KPA with which the DP has PSEDC.

**Interpretation:** This measurement is defined over a range of zero to one [0, 1] for every DP. The closer to the maximum value, the greater the proportion of countries where a DP organises such dialogues.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$D_g^{DP} = \frac{\sum_{j=1}^{J^k} (D_j^{DP})}{J^k}$$

Where ( $J^k$ ) is the total number of DPs with PSEDC in countries reporting to the KPA.

11. The dual subscript describes a particular DP-PC link.



## 2.2 Multistakeholder dialogues and/or consultations are inclusive.

### Measurement at the PC level

**Construction:** This indicator employs data provided by the national co-ordinator at country level. The unit of analysis is PCs (Dataset type 1). A set of dichotomous variables ( $g_{is}$ ) individually receives the value of 1 if a particular stakeholder ( $s$ ) was involved in the dialogue on PSEDC as reported in question **KA2\_1.3** (*Which stakeholder groups were invited to participate in the most recent national dialogue on PSE in DC?*). When  $s = \{\text{Private Sector}\}$ , the corresponding dichotomous variable receives the value of 1 conditional on specifying at least one group in question **KA2\_1.4** (*Which private sector stakeholder groups were invited to participate in the most recent national dialogue on PSE in DC?*).<sup>12</sup> All these variables are 0 otherwise. The degree of stakeholders' involvement in these dialogues ( $C_i^{PC}$ ) is measured by the following proportion:

$$C_i^{PC} = \frac{\sum_{s=1}^S g_{is}}{S} \quad (2.2.A)$$

Where ( $S$ ) is the maximum number of stakeholders - in this case, seven.<sup>13</sup> The resulting value is vetoed with information from question **KA2\_1** (*Has your government organised a national dialogue on PSE in DC?*). The indicator is 0 if no dialogue was organised.

**Interpretation:** This measurement is defined over a range of zero to one [0, 1] and reflects the extent to which a PC engages a diversity of stakeholders in dialogues on PSEDC. The closer to this maximum value, the more extensive was the engagement of stakeholders in these dialogues.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$C_g^{PC} = \frac{\sum_{i=1}^{I^k} (C_i^{PC})}{I^k}$$

Where ( $I^k$ ) is the total number of countries reporting to the KPA.

### Measurement at the DP level

**Construction:** This indicator employs data provided by DPs ( $j$ ) in each country ( $i$ ) (Dataset type 2). A set of dichotomous variables ( $g_{ijs}$ )<sup>14</sup> individually receives the value of 1 if a particular stakeholder ( $s$ ), in a PC, was involved in the dialogue on PSEDC as reported in question **KB2\_1.3** (*Which stakeholder groups were invited to participate in the most recent dialogues and/or consultations you initiated on PSE?*). When  $s = \{\text{Private Sector}\}$  the corresponding sub-indicator receives the value of 1 conditional on specifying at least one group in question **KB2\_1.4** (*Please indicate which representatives from the private sector were invited to participate in the most recent dialogues and/or consultations that you initiated on PSE?*).<sup>15</sup> All these variables are 0 otherwise.

12. Any of these references are possible: a) Business associations, b) Chambers of commerce, c) Multinational companies, d) Large domestic companies, e) Small and medium-sized enterprises, f) Microenterprises, g) Informal private sector.

13. These are: a) Subnational government, b) Parliament, c) Development partners, d) Private sector, e) Civil society organisations, f) Philanthropic organisations, g) Trade unions. Except: g) Other.

14. The triple subscript indicates that information is reported by each DP in every PC for a particular stakeholder.

15. Any of these references are possible: a) Business associations, b) Chambers of commerce, c) Multinational companies, d) Large domestic companies, e) Small and medium-sized enterprises, f) Microenterprises, g) Informal private sector.

The procedure to obtain an indicator at the DP level is performed in two steps. First, the proportion of stakeholders involved in the dialogue on PSEDC for each DP in a PC ( $d_{ij}^{DP}$ ) is obtained as follows:

$$d_{ij}^{DP} = \sum_{s=1}^{s=S} (g_{ijs} * w_s)$$

Where ( $s$ ) is the maximum number of stakeholders, in this case seven, and ( $w_s$ ) is their respective weight.<sup>16</sup> This normative weight reflects the particular importance of DPs engaging the national government in the dialogues/consultations. While it is true that DPs should engage a range of stakeholder groups in these dialogues/consultations, the national government has a unique role in this process. As such, involvement of the national government receives a fifty percent weight. These weights add up to 1 within a country as follows:

$$w_s = \begin{cases} 6/12 & \text{if } s = \text{National government} \\ 1/12 & \text{if } s = \text{Parliament} \\ 1/12 & \text{if } s = \text{Civil society organisations} \\ 1/12 & \text{if } s = \text{Trade unions} \\ 1/12 & \text{if } s = \text{Philanthropic organisations} \\ 1/12 & \text{if } s = \text{Private sector} \\ 1/12 & \text{if } s = \text{Subnational governments} \end{cases}$$

The resulting value in ( $d_{ij}^{DP}$ ) is vetoed with information from question **KB2\_1** (*Has your government/organisation organised dialogues and/or consultations with country-level stakeholder groups on PSE?*). The indicator is 0 in a particular country if no dialogue was organised. The second stage produces a group-based indicator at the DP level:

$$C_j^{DP} = \frac{\sum_{i=1}^{i=I^k} d_{ij}^{DP}}{I^k} \quad (2.2.B)$$

Where ( $I^k$ ) is the number of countries reporting to the KPA with which the DP has PSEDC.

**Interpretation:** This measurement is defined over a range of zero to one [0, 1] and reflects the extent to which a DP engages a diversity of stakeholders in dialogues on PSEDC. The closer to the maximum value, the more extensive was the engagement of stakeholders across countries where a DP has a PSEDC.<sup>17</sup>

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$C_g^{DP} = \frac{\sum_{j=1}^{j=J^K} (C_j^{DP})}{J^K}$$

Where ( $J^k$ ) is the total number of DPs with PSEDC in countries reporting to the KPA.

16. These stakeholders are: a) National government, b) Subnational government, c) Parliament, d) Private sector, e) Civil society organisations, f) Trade unions, g) Philanthropic organisations. Except: g) Other.

17. Missing value shows the absence of the required information to compute this indicator.

## BOX 2

**Key Metric 2.3: RELEVANCE OF TOPICS DISCUSSED IN PSE DIALOGUES OR CONSULTATIONS**

This element of Key Metric 2 (2.3) looks at the relevance of the topics discussed in the most recent national dialogues or consultations on PSE initiated by PCs and DPs.

For PCs, results that emerge from the KPA on this issue are based on responses of five stakeholder groups (DPs, CSOs, TUs, small firms, and large firms). These five stakeholder groups respond respectively to question **KB2\_2.2/KC2\_1.1/KD2\_1.1/KE2\_1.1** (*Has the most recent national dialogue organised by the government on the role of the private sector in development co-operation addressed the issues that are important to you?*). For DPs, results are based on responses of five stakeholder groups (PC, CSOs, TUs, small firms, and large firms). These five stakeholder groups respond respectively to question **KA2\_2.2/KC2\_2.1/KD2\_2.1/KE2\_2.1** (*Have dialogues or consultations on PSE in DC organised by development partners addressed the issues that are important to you?*). In light of the perception-based nature of this element of the assessment, results will not be calculated in the form of an indicator, but an overview of the perceptions of the various stakeholder groups will be presented as part of the KPA results of a given partner country.

## BOX 3

**Key Metric 2.4: DIALOGUES AND/OR CONSULTATIONS HAVE RESULTED IN MULTI-STAKEHOLDER COLLABORATION**

This element of Key Metric 2 (2.4) looks at whether the most recent national dialogues or consultations on PSE initiated by PCs and DPs resulted in joint collaboration between stakeholder groups.

For PCs, results that emerge from the KPA on this issue are based on responses of six stakeholder groups (PC, DPs, CSOs, TUs, small firms, and large firms). These six stakeholder groups respond respectively to question **KA2\_1.5/KB2\_2.3/KC2\_1.3/KD2\_1.3/KE2\_1.3** (*Has the most recent national dialogue on the role of the private sector in development co-operation resulted in joint collaboration with other stakeholder groups?*). For DPs, results are based on responses of five stakeholder groups (DPs, CSOs, TUs, small firms, and large firms). These five stakeholder groups respond respectively to question **KB2\_1.5/KC2\_2.2/KD2\_2.2/KE2\_2.2** (*Have dialogues or consultations on PSE in DC organised by you/development partners resulted in joint collaboration between you and/with other stakeholder groups?*). In light of the perception-based nature of this element of the assessment, results will not be calculated in the form of an indicator, but an overview of the perceptions of the various stakeholder groups will be presented as part of the KPA results of a given partner country.

### 3. The quality of private sector engagement in development co-operation in partner countries

#### 3.1 Private sector engagement brings added value and delivers development results where needed most.

##### Measurement at the PC level

**Construction:** This indicator employs data provided by the national co-ordinator at country level ( $i$ ) (Dataset type 1). The indicator builds on two sub-indicators. First, a set of dichotomous variables ( $v_{is}$ ) individually receives the value of 1 if PSEDC is considered to have added value in terms of fund raising, building expertise or in risk reduction for development outcomes based on a set of specific statements ( $s$ ) in question **KA3\_1** (*Does PSE in DC add value by contributing to development in your country?*) described in the following table. These variables are 0 otherwise.

(s)	Answer code	Statements	Criteria
1	<b>KA3_1a</b>	PSE in DC has helped to raise funds to make/deliver products and/or services relevant for development outcomes	Selected
2	<b>KA3_1b</b>	PSE in DC has helped build skills or expertise to make/deliver products and/or services for development outcomes	Selected
3	<b>KA3_1c</b>	PSE in DC has helped reduce the perceived risk of the private sector to make/deliver products and/or services relevant for development out-comes	Selected
4	<b>KA3_1d</b>	Other [answer specified by respondents]	A solid answer is provided <sup>18</sup>

This information is summarised in the following sub-indicator:

$$V_i^{PC} = \begin{cases} 1 & \text{if } \sum_{s=1}^{s=4} v_{is} \geq 1 \\ 0 & \text{otherwise} \end{cases}$$

A second sub-indicator builds on a set of questions that describe the extent to which the PSEDC delivered specific results in sectors, regions and target groups described in the table below.

(q)	Answer code	Questions
1	<b>KA3_3</b>	Is PSE in DC delivering results geared towards sectors your government considers priorities?
2	<b>KA3_4</b>	Is PSE in DC delivering results geared towards regions your government considers priorities?
3	<b>KA3_5</b>	Is PSE in DC delivering results geared towards target groups your government considers priorities?

The answers to each of these questions is graded in three levels: very much, somewhat, or not at all. These categories are attached to the following point-based system:

$$r_{iq} = \begin{cases} 1.0 & \text{if Very much} \\ 0.5 & \text{if Somewhat} \\ 0 & \text{if Not at all} \end{cases}$$

This information is summarised in the following sub-indicator:

$$R_i^{PC} = \frac{\sum_{q=1}^{q=3} r_{iq}}{3}$$

18. The Kampala Principles and the related Toolkit will be the basis to evaluate the solidity of the answer provided under "other" (answer option d) in questions KA3\_1.

Finally, the following indicator synthesises this information:

$$Q_i^{PC} = \frac{V_i^{PC} + R_i^{PC}}{2} \quad (3.1.A)$$

**Interpretation:** This measurement is defined over a range of zero to one [0, 1]. The closer to the maximum value, the greater the extent to which PSEDC is perceived by the PC as adding value and delivering results where needed the most.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$Q_g^{PC} = \frac{\sum_{i=1}^{I^K} (Q_i^{PC})}{I^K}$$

Where ( $I^k$ ) is the total number of countries reporting to the KPA.

### Measurement at the DP level

**Construction:** This indicator employs data provided by DPs ( $j$ ) in each country ( $i$ ) (Dataset type 2). A composite indicator is obtained in two stages. Two sub-indicators are obtained in the first stage. The first sub-indicator builds on a set of dichotomous variables ( $v_{ijs}$ ) that individually receives the value of 1 if the PSEDC is considered to have added value according to statements ( $s$ ) reported in question **KB3\_1** (*Do PSE projects and programmes supported by your government/organisation add value by contributing to development in this country?*).<sup>19</sup> These variables are 0 otherwise. These statements and the criteria used to assess the added value appear in the following table.

(s)	Answer code	Statements	Criteria
1	<b>KB3_1a</b>	PSE has helped to raise funds to make/deliver products and/or services relevant for development outcomes	Selected
2	<b>KB3_1b</b>	PSE has helped build skills or expertise to make/deliver products and/or services for development outcomes	Selected
3	<b>KB3_1c</b>	PSE has helped reduce the perceived risk of the private sector to make/deliver products and/or services relevant for development out-comes	Selected
4	<b>KB3_1d</b>	Other [answer specified by respondents]	A solid answer is provided <sup>20</sup>

This information is summarised as follows:

$$V_{ij}^{PC} = \begin{cases} 1 & \text{if } \sum_{s=1}^{s=4} v_{ijs} \geq 1 \\ 0 & \text{otherwise} \end{cases}$$

19. The triple subscript indicates a specific statement for a DP in a PC.

20. The Kampala Principles and the related Toolkit will be the basis to evaluate the solidity of the answer provided under "other" (answer option d) in questions KA3-1.

A second sub-indicator builds on a set of questions that describe the extent to which the PSEDC delivered specific results in sectors, regions, and target groups. These questions collect respondents' perceptions according to three qualitative levels: very much, somewhat, or not at all.

(q)	Answer code	Questions
1	KB3_3	Are PSE projects/programmes supported by your government/organisation delivering results geared towards sectors you consider priorities in this country?
2	KB3_4	Are PSE projects/programmes supported by your government/organisation delivering results geared towards regions you consider priorities in this country?
3	KB3_5	Are PSE projects/programmes supported by your government/organisation delivering results geared towards target groups you consider priorities in this country?

The answer to each of these questions is attached to the following point system:

$$a_{ijq} = \begin{cases} 1.0 & \text{if Very much} \\ 0.5 & \text{if Somewhat} \\ 0 & \text{if Not at all} \end{cases}$$

This information is summarised in the following sub-indicator:

$$R_{ij}^{DP} = \frac{\sum_{q=1}^{q=3} a_{ijq}}{3}$$

The following indicator synthesises these two sub-indicators as follows:

$$Q_{ij}^{DP} = \frac{V_{ij}^{DP} + R_{ij}^{DP}}{2}$$

Finally, the second stage yields an indicator at the DP level:

$$Q_j^{DP} = \frac{\sum_{i=1}^{i=I^K} Q_{ij}^{DP}}{I^K} \quad (3.1.B)$$

Where ( $I^K$ ) is the set of PCs where a DP has PSEDC.

**Interpretation:** This measurement is defined over a range of zero to one [0, 1]. The closer to the maximum value, the greater the extent to which PSEDC is perceived as adding value and delivering results where needed the most.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$Q_g^{DP} = \frac{\sum_{j=1}^{j=J^K} (Q_j^{DP})}{J^K}$$

Where ( $J^K$ ) is the total number of DPs with PSEDC in countries reporting to the KPA.

BOX 4

**Key Metric 3.2: CAPACITY BUILDING THROUGH PRIVATE SECTOR ENGAGEMENT IN DEVELOPMENT CO-OPERATION**

This element of Key Metric 3 (3.2) looks at whether private sector engagement in development co-operation in a given partner country is building the capacities of the domestic private sector, trade unions, and civil society organisations.

For PCs, results that emerge from the KPA on this issue are based on responses of six stakeholder groups (PC, DPs, CSOs, TUs, small firms, and large firms), but with slightly differentiated questions which recognise the degree to which each group can be expected to hold perceptions of capacity building of each of the three potential beneficiary groups. PCs respond to questions **KA3\_6/7/8** (*Is PSE in DC building the capacity of the domestic private sector/trade unions/civil society organisations to contribute towards development outcomes in your country?*). DPs respond to questions **KB3\_6/7/8** (*Are PSE projects/programmes supported by your government/organisation building the capacity of the domestic private sector/trade unions/civil society organisations to contribute towards development outcomes in this country?*). CSOs, TUs, and small and large firms respond respectively to questions **KC3\_3/KD3\_3/KE3\_3** (*Is PSE in DC building your capacity to contribute towards development outcomes?*). In light of the perception-based nature of this element of the assessment, results will not be calculated in the form of an indicator, but an overview of the perceptions of the various stakeholder groups will be presented as part of the KPA results of a given partner country.

**3.3 Private sector engagement is aligned to relevant national and international standards.****Measurement at the PC level**

**Construction:** This indicator employs data provided by the national co-ordinator at country level ( $i$ ) (Dataset type 1). The indicator builds on two dichotomous variables that individually receive the value of 1 if the PSEDC projects/programmes are aligned with national ( $n_i$ ) or international ( $t_i$ ) standards as reported in **KA3\_9** (*Are PSE in DC projects/programmes aligned with relevant national standards, such as environmental, social and governance standards or labour standards?*) and **KA3\_10** (*Are PSE in DC projects/programmes aligned with relevant international standards?*) respectively. These variables are 0 otherwise (KA3\_9/10 = "No" or "Not applicable as not aware of such standards"). The procedure to obtain an indicator at the PC level is as follows:

$$S_i^{PC} = \frac{n_i^{PC} + t_i^{PC}}{2} \quad (3.3.A)$$

**Interpretation:** This measurement is defined over a range of zero to one [0, 1]. The closer to the maximum value, the greater the extent to which PSE in DC projects/programmes are aligned with national and international standards.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$S_g^{PC} = \frac{\sum_{i=1}^{I^K} (S_i^{PC})}{I^K}$$

Where ( $I^K$ ) is the total number of countries reporting to the KPA.

### Measurement at the DP level

**Construction:** This indicator employs data provided by DPs ( $j$ ) in each country ( $i$ ) (Dataset type 2). A series of dichotomous variables for each DP-PC link individually receives the value of 1 if the PSEDC projects/programmes are aligned with national ( $n_{ij}$ ) or international ( $t_{ij}$ ) standards as reported in **KB3\_9** (*Are PSE projects/programmes supported by your government/organisation aligned with relevant national standards such as environmental, social and governance standards or labour standards?*) and **KB3\_10** (*Are PSE projects/programmes supported by your government/organisation aligned with relevant international standards?*) respectively. These variables are 0 otherwise (KB3-9/10 = “No” or “Not applicable as not aware of such standards”).

This measurement is obtained in two stages. First, obtain the average for every PC-DP link as follows:

$$s_{ij}^{DP} = \frac{n_{ij}^{DP} + t_{ij}^{DP}}{2}$$

Then, obtain the average across PCs as follows:

$$S_j^{DP} = \frac{\sum_{i=1}^{I^K} s_{ij}^{DP}}{I^K} \quad (3.3.B)$$

Where the denominator ( $I^K$ ) is the number of countries reporting to the KPA with which the DP has PSEDC.

**Interpretation:** This measurement is defined over a range of zero to one [0, 1]. The closer to the maximum value, the greater the extent to which PSE in DC projects/programmes supported by DPs are aligned with national and international standards.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$S_g^{DP} = \frac{\sum_{j=1}^{J^K} (S_j^{DP})}{J^K}$$

Where ( $J^K$ ) is the total number of DPs with PSEDC in countries reporting to the KPA.

## 3.4 Inclusive due-diligence processes are conducted by development partners.

### Measurement at the DP level

**Construction:** This indicator employs data provided by DPs ( $j$ ) in each country ( $i$ ) (Dataset type 2). The indicator is obtained in two stages. First, a sub-indicator builds on a series of dichotomous variables for each DP-PC link that individually receives the value of 1 if a DP carries out risk assessments of PSE projects/programmes ( $r_{ij}$ ) as reported in **KB3\_11** (*Do you carry out assessments of the potential environmental, social and governance risks of PSE projects/programmes supported by your government/organisation as part of due diligence in this country?*). These variables are 0 otherwise.

An indicator at the DP level is obtained in the second stage as follows:

$$R_j^{DP} = \frac{\sum_{i=1}^{I^K} r_{ij}}{I^K} \quad (3.4)$$



Where the denominator ( $J^K$ ) is the number of countries reporting to the KPA with which the DP has PSEDC.

**Interpretation:** This measurement is defined over a range of zero to one [0, 1] for every DP. The closer to the maximum value, the higher the proportion of countries for which a particular DP conducts risk assessments as part of due diligence processes.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$R_g^{DP} = \frac{\sum_{j=1}^{J^K} (R_j^{DP})}{J^K}$$

Where ( $J^K$ ) is the total number of DPs with PSEDC in countries reporting to the KPA.

### 3.5 Results of private sector engagement are tracked and made publicly available.

#### Measurement at the PC level

**Construction:** This indicator employs data provided by the national co-ordinator at country level ( $i$ ) (Dataset type 1). The indicator builds on two sub-indicators. A dichotomous variable ( $t_i$ ) receives the value of 1 if results on PSEDC are tracked as recorded in **KA3\_12** (*Does your government monitor and collect results on PSE in DC projects/programmes?*) A second dichotomous variable ( $p_i$ ) receives the value of 1 if these results are also publicly available as reported in **KA3\_12.1** (*Does your government make the results of PSE in DC projects/programmes publicly available?*). These variables are 0 otherwise. This indicator is obtained through a point-based system as follows:

$$A_i^{PC} = \begin{cases} 1.0 & \text{if } t_i = 1 \text{ and } p_i = 1 \\ 0.5 & \text{if } t_i = 1 \text{ and } p_i = 0 \\ 0 & \text{if } t_i = 0 \end{cases} \quad (3.5.A)$$

**Interpretation:** This measurement is defined over a range of zero to one [0, 1]. The closer to the maximum value, the greater the extent to which the PC tracks and makes publicly available the results of PSE in DC projects/programmes.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$A_g^{PC} = \frac{\sum_{i=1}^{I^K} (A_i^{PC})}{I^K}$$

Where ( $I^K$ ) is the total number of countries reporting to the KPA.

#### Measurement at the DP level

**Construction:** This indicator employs data provided by DPs ( $j$ ) in each country ( $i$ ) (Dataset type 2). The indicator builds on two sub-indicators. A dichotomous variable ( $t_{ij}$ ) receives the value of 1 if results on PSEDC are tracked as recorded in **KB3\_12** (*Do you monitor and collect results on PSE projects/programmes supported by your government/organisation in this country?*) A second dichotomous variable ( $p_{ij}$ ) receives the value of 1 if these results are also made publicly available as reported in **KB3\_12.1** (*Do you make the results of PSE projects/programmes supported by your government/organisation in this country publicly available?*). These variables are 0 otherwise. The measurement is obtained in two steps. First, obtain the following point-based sub-indicator as follows:

$$a_{ij} = \begin{cases} 1.0 & \text{if } t_{ij} = 1 \text{ and } p_{ij} = 1 \\ 0.5 & \text{if } t_{ij} = 1 \text{ and } p_{ij} = 0 \\ 0 & \text{if } t_{ij} = 0 \end{cases}$$

Then, obtain the average across PCs as follows:

$$A_j^{DP} = \frac{\sum_{i=1}^{I^k} a_{ij}^{DP}}{I^k} \quad (3.5.B)$$

Where the denominator ( $I^k$ ) is the number of countries reporting to the KPA with which the DP has PSEDC.

**Interpretation:** This measurement is defined over a range of zero to one [0, 1]. The closer to the maximum value, the higher the proportion of countries in which a DP tracks and makes publicly available the results of PSE in DC projects/programmes.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$A_g^{DP} = \frac{\sum_{j=1}^{J^k} (A_j^{DP})}{J^k}$$

Where ( $J^k$ ) is the total number of DPs with PSEDC in countries reporting to the KPA.

### 3.6 Partner countries and development partners have adequate PSE-related grievance processes or mechanisms.

#### Measurement at the PC level

**Construction:** This indicator employs data provided by the national co-ordinator at country level. The unit of analysis is partner countries (Dataset type 1). The indicator describes the existence of grievance processes/mechanisms for PSEDC. A dichotomous variable ( $g_i$ ) receives the value of 1 when such processes/mechanisms are in place as reported in question **KA3\_13** (*Does your government have a process or mechanism through which stakeholder groups can share grievances or file complaints on PSE in DC?*). This variable is 0 otherwise. The indicator is obtained as follows:

$$M_i^{PC} = \begin{cases} 1 & \text{if a process or mechanism is in place} \\ 0 & \text{otherwise} \end{cases} \quad (3.6.A)$$

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$M_g^{PC} = \frac{\sum_{i=1}^{I^k} (M_i^{PC})}{I^k}$$

Where ( $I^k$ ) is the total number of countries reporting to the KPA.

#### Measurement at the DP level

**Construction:** This indicator employs data provided by DPs ( $j$ ) in a PC ( $i$ ). The unit of analysis is DPs (Dataset type 2). A set of dichotomous variables ( $g_{ij}^{DP}$ ) individually receives the value of 1 if a DP has grievance processes/mechanisms for PSEDC as reported in question **KB3\_13** (*Do PSE projects/programmes include processes or mechanisms through which stakeholder groups can share grievances or file complaints?*).<sup>21</sup> This variable is 0 otherwise. The indicator is obtained as follows:

$$M_{ij}^{DP} = \begin{cases} 1 & \text{if a process/mechanism is in place} \\ 0 & \text{otherwise} \end{cases}$$

<sup>21</sup> The dual subscript (ij) used in this notation describes a particular DP-PC link.

The procedure to obtain an indicator at the DP level is as follows:

$$M_j^{DP} = \frac{\sum_{i=1}^{I^K} M_{ij}^{DP}}{I^K} \quad (3.6.B)$$

Where the denominator ( $I^K$ ) is the number of countries reporting to the KPA with which the DP has PSEDC.

**Interpretation:** This indicator is defined over a range of zero to one [0, 1] for every DP. The closer to the maximum value, the higher the proportion of countries for which a particular DP has grievance processes/mechanisms for PSEDC projects/programmes.

**Aggregation:** An aggregated measure, at the global level ( $g$ ), can be obtained as follows:

$$E_g^{DP} = \frac{\sum_{j=1}^{J^K} (G_j^{DP})}{J^K}$$

Where ( $J^K$ ) is the total number of DPs with PSEDC in partner countries which reported to the KPA.

#### 4. **The ease of partnering in private sector partnerships in development co-operation**

BOX 5

##### **Key Metric 4: EASE OF PARTNERING**

Key Metric 4 looks at the perceptions of various stakeholders on the ease of partnering in private sector engagement in development co-operation in a particular partner country.

For PCs, results that emerge from the KPA on this issue are based on responses of six stakeholder groups (PC, DPs, CSOs, TUs, small firms, and large firms). These six stakeholder groups respond respectively to question **KA4\_1/KB4\_1/KC4\_1/KD4\_1/KE4\_1** (*Based on your overall experience, how easy is it for the private sector to access resources from development partners and engage in related partnerships in this country?*). In light of the perception-based nature of this element of the assessment, results will not be calculated in the form of an indicator, but an overview of the perceptions of the various stakeholder groups will be presented as part of the KPA results of a given partner country.