Supporting private sector development

Lessons of experience

Rakesh Nangia, Evaluator General
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18 Multilateral reports
15 Bilateral reports

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Private Sector Development Challenges
Doing Business

Top obstacles identified to doing business in Africa (% of Firms)

Source: Enterprise surveys 2006-2015

- Access to Finance: 20.9%
- Electricity: 15.9%
- Political instability: 10.1%
- Practices of informal sector: 10.0%
- Corruption: 7.9%
- Tax rates: 7.5%
- Crime, theft and disorder: 4.3%
Key findings
Broad strategic alignment but challenges translating into interventions
Lack of common theory of change

“I think you should be more explicit here in step two.”
Interventions targeting regulatory reforms effective, but not sufficient
Gap filling not a successful strategy
Sustainability as a primary focus during program design is rare
Key Take-aways
• Additionality / catalytic effects have to be at the heart of PSD program design.
• Changing laws and regulations can be promising start to improving business environment but commitment to longer-term institutional development measures is needed for impact.
• A rigorous diagnostic and M&E system need to be integrated into life cycle of PSD interventions.
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