

# Quality Criteria for Private Sector Development

In one way or another, private sector development forms part of many ADA actions. It is not always possible or necessary to have the documents reviewed by PSD experts.

The ten following questions provide assistance in assessing the quality of a planned intervention:

1. Has the market or the market segment been analysed comprehensively (i.e. in its economic, social, ecological and political dimensions) and is the planned intervention based on the results of such analysis?
2. Are the underlying causes of existing problems in the system defined (or only its symptoms)?
3. Is market access of poor/disadvantaged women and men restricted and does the action aim to lift these restrictions?
4. Was inclusiveness a criterion for selecting the market system and the partners?
5. Is it clear how the planned interventions affect results, and vice versa (cause/effect logic)?
6. Have both public and private actors been considered for the interventions?
7. Does development cooperation adopt the role of a facilitator?
  - a) Or does the action advocate direct business support? If so, is the decision who to assist subject to a transparent, competitive process?
  - b) Will direct support to single market players change the market system (or simply support the market players)?
8. Is it clear why the interventions are deemed sustainable?
9. Have all dimensions of sustainability been taken into account: economic, social, political, ecological?
10. Is it clear at which point development cooperation will have fulfilled its role? Is there a clear exit strategy?

**If all questions are answered in the affirmative, the intervention will contribute to inclusive and sustainable development.**

If some of the questions are answered in the negative, please reflect and explain why the action should nevertheless be carried out.

If most questions are answered in the negative, the action will not have a sustainably positive effect on the development of the partner country.