

A Work Project, presented as part of the requirements for the Award of a Master's degree in
Management from the Nova School of Business and Economics.

**EXPANDING GEOGRAPHICAL REACH IN THE MARKET OF INTERNATIONAL
COOPERATION**

**THE ROLE OF REFERENCES IN DRIVING CESO'S GROWTH AND GEOGRAPHICAL
DIVERSIFICATION THROUGH PARTNERSHIPS**

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Abstract

This work project examines CESO's geographical diversification strategy, as well as the role of differentiating services to overcome the challenges faced by consulting firms in the International Development sector. This paper begins with a Case Study about the challenges that CESO encountered after deciding to grow and diversify geographically, including the strict references prerequisites. This is further examined in a Teaching Note where this diversification challenge is discussed. Finally, it includes an analysis of the importance of strategic partnerships for geographical diversification and strategic recommendations for the future in the Project Evaluation Report.

Keywords: CESO, International Development Consulting, International Development and Cooperation, Geographical Diversification, Partnerships, References, Backstopping, International Organizations, Economic Growth, International Business, Sustainable Growth, Strategy, SDG.

CASE STUDY

HOW CESO ESTABLISHED ITSELF IN THE EUROPEAN MARKET OF INTERNATIONAL COOPERATION PROJECTS TO ACHIEVE GEOGRAPHICAL DIVERSIFICATION

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CASE STUDY

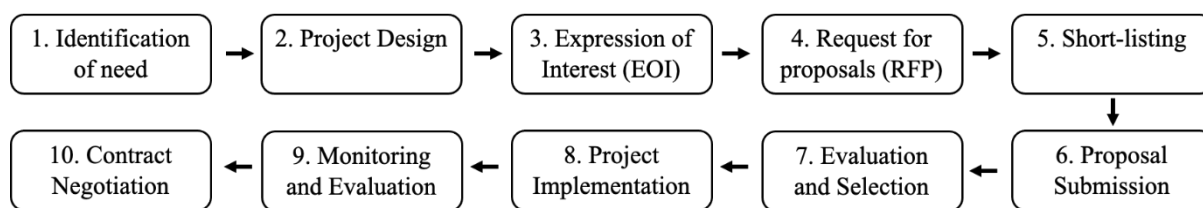
Introduction

As a consulting company within the International Development sector, CESO reports several entry barriers and obstacles to the growth of Small and Medium-sized Enterprises (SMEs), notably in the European Union's procurement system related to external aid. As a result, the company has adapted its business model and developed strategies to establish itself in the market. CESO implements consulting services contracts for institutional development, operating in the tender market issued by National Governments (NGs) and International Organizations (IOs), in demand for contractors to implement Development consulting projects. During the 1990s, to avoid overdependence from its main market, the Portuguese-speaking African countries (PALOP), CESO, led by its founder, Américo Ramos dos Santos, opted to pursue geographical diversification. To strive towards this objective, CESO's board outlined a path to pursue having the European Commission (Commission of the European Communities before 1993) as its primary client. CESO achieved that goal by seeking certain value-adding competitive advantages, such as its backstopping service, and by leveraging strategic opportunities to ensure a reputable and solid market share through diversification.

Behind CESO's operations

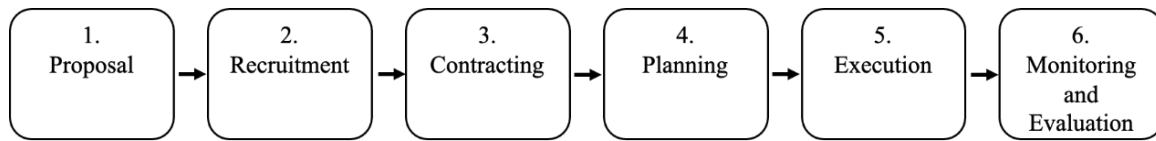
CESO operates within the scope of its clients – NGs development agendas and IOs' strategies to meet beneficiary countries' national agendas. Organizations design and fund programs related to health, education, economic growth, clean water, and the remaining topics addressed in the UN 2030 Agenda, Sustainable Development Goals (SDGs), to address challenges that countries face in multiple sectors and execute them through tendering processes. These mechanisms allow organizations to select consulting firms to execute projects scheduled in their programs.

Figure I – Flowchart of Tendering processes launched by IOs



The first formal interaction between CESO and its clients is pursued by responding to requests for expressions of interest and proposals to provide specialized consulting services in various fields (Figure I). These fields can include project management, technical assistance, policy and institutional development, monitoring and evaluation, among other types of projects. Despite serving a market with multiple niches, CESO, among its workforce, relies on its senior executives, who have specialized expertise to function as field consultants, unlike CESO’s remaining employees. However, CESO’s in-house capacity is not sufficient to meet demand. Therefore, CESO’s delivery primarily relies on partnerships and sub-contracted experts to be competitive in the tender market. Considering that CESO is a consulting company that does not specialize in any specific industry, the firm’s primary operational activity is project management. This comprises a comprehensive process of planning, executing, monitoring, and demands accompanying each project’s needs, involving budget management, stakeholder coordination, and designing solutions. CESO’s generalist profile allowed the company to pursue projects in various sectors in fields such as Partnerships and Financing for Development, Trade & Private Sector, Public Sector & Governance, Transport, Energy and Environment, Macro Economy, Statistics and Public Finance Management, Social Affairs, and Rural Development. (Appendix 1). However, it is more experienced in Strategic Partnerships, Education, SME and Private Sector, and Strategic Planning projects. In each area of intervention that CESO operates, it provides services of multiple nature, namely advice and studies, institutional strengthening, monitoring and evaluation, training, and capacity building (Appendix 2).

Figure II – Consulting Project lifecycle of CESO



The recognition of the Angolan and Mozambican markets’ importance, along with the understanding of the value of establishing a local presence, drove CESO to establish operations in both Angola and Mozambique. Besides CESO *Consultores Internacionais* (CESO CI) headquarters in Portugal, CESO currently owns two non-Portuguese companies (Appendix 3). First, CESO CI Moçambique, a Mozambican firm founded in 2001 that provides technical assistance services. The company specializes in strategies for Economic and Social Development and Institutional Strengthening in Mozambique. Besides, CESO also has a major stake in CODANG, founded in 2019, to provide development consulting services in the country where the group has continuously been the most active since the end of the 1990’s – Angola. This firm was constituted to contribute to this country’s sustainable development mainly through strategic planning, capacity building, advice, and studies (CESO 2023) (CESO 2022).

In the period 1976-2023, CESO has implemented more than 500 projects worldwide in 117 countries across four continents. Besides having close to 30 employees, it counts on a network of 15,000 outsourced consultants from universities, research centers, public administrations, and private companies. CESO’s most significant clients are the European Union (EU), the Angolan Government (AG), and the World Bank (WB). Since its foundation, the European Commission has been responsible for half of CESO’s billing. Nonetheless, the AG and the WB have financed nearly one-fourth and one-fifth of the company’s projects, respectively. Amongst its diversified portfolio of clients, CESO has also worked with the African Development Bank (AfDB), the Inter-American Development Bank (IDB), and the United

Nations Development Programme (UNDP), among other United Nations (UN) agencies (CESO 2022).

A mission towards a brighter future for PALOP countries

The foundation

CESO's roots go back to 1976, two years after Portugal's Carnation Revolution, with the creation of a political editorial project run by *Cooperativa Economia e Socialismo* (CESO 2023). This collective was composed of economists and political scientists, committed to promoting social sciences by publishing several books and magazines and advocating for public debate. This initiative later evolved into a center of economic and societal studies in 1982, constituted by academics and government officials whose purpose was to perform technical assistance missions in the newly independent PALOP countries (Portuguese-speaking African countries). To detach the international calling of the organization from the collective's political sphere, twelve of its members formed CESO CI (*CESO Consultores Internacionais*), led by CESO's Chairman and founder, Américo Ramos dos Santos, in 1988.

The mission

With a single purpose, CESO continued to pursue its mission to assist Portuguese-speaking countries with its multiple development challenges. During 1974-1976, five countries (Angola, Cape Verde, Guinea Bissau, Mozambique, and São Tomé and Príncipe) gained independence from Portugal, leading to an institution-building period. These countries faced political instability, a fragile economy, poor infrastructures, socioeconomic inequality, and a lack of human capital. From 1981 until 1988, through technical assistance missions, the collective assisted Guinea-Bissau, Cape Verde and Angola with multiple projects in the macroeconomics and public administration sectors, with vocational training, and capacity building services. São Tomé and Príncipe was considered a limited market for CESO due to its economic size and

population (120,000 people in 1990); therefore, the number of projects and its relevance was also limited. Later in 1989, Mozambique was added to CESO's portfolio.

Given the pronounced need for assistance, derived from the fragility of Portuguese-speaking countries, combined with Portugal's cultural similarities and shared language, the firm was on a clear path toward establishing itself as a key player in that market. By 1990, CESO had already managed 27 projects in Cape Verde, 24 in Guinea-Bissau, 6 in Angola, and 4 in Mozambique. Due to the importance of Guinea-Bissau in CESO's operations, Guiné Consult as founded in 1990 – the first company outside national borders to participate in the CESO group (Appendix 1).

Overdependence on the Portuguese-speaking market

During the 1980s, the Portuguese-speaking market did not have many competitors. CESO's competitors were mainly Portuguese companies due to the natural advantage that language represented in those countries, but the firm was well positioned in the market. Guinea-Bissau and Cape Verde were the firm's most significant markets since its entrance into the African continent; however, during the 1990s, new competitors from Italy and France started penetrating the Guinea-Bissau market. The case of Mozambique was unique: unlike the remaining Portuguese-speaking countries, companies from multiple nationalities were operating locally since consulting firms often shared their origins with funders of development projects. This determined the establishment of multiple competitors in the country, which were close to the decision-making level, making it harder for CESO to operate there. Lastly, there was Angola; until 1995, due to the emphasis of IOs on the humanitarian crisis during the Angolan civil war, the areas in which CESO was involved were not prioritized. CESO's presence in the country was not significant, yet from 1995 onwards, it started implementing an increasing number of projects.

Nevertheless, during the 2000s, the competitive environment of the Portuguese-speaking market progressed, resulting in intense competition in the PALOP market by 2010, according to CESO's CEO (Santos, personal interview, March 9, 2023).

The route toward diversification

As a result of the evolution of the Portuguese-speaking market and CESO's internal approach to risk diversification, at the beginning of the 1990's, its board identified the need to expand its geographical reach; however, that constituted a significant challenge. The company was experienced in the Portuguese-speaking market, and until 1990, CESO's major clients were the World Bank and the UNDP (CESO 2022). Since Angola and Mozambique were undergoing civil wars over the decade, development projects funded by IOs targeted Humanitarian aid, an area in which CESO does not operate. It was challenging for CESO to expand to other regions since, in the WB, the process of procurement of external contractors to execute projects funded by the Bank is decentralized and conducted by the borrower countries (World Bank 2010). By submitting proposals to tenders in uncharted geographies funded by the WB, CESO faced the added challenge of standing unfamiliar to local decision-makers. Regarding UNDP, CESO continued to apply to its development projects; however, it often failed to have its proposals accepted: UNDP's absence of Expressions of Interest (EOIs) in its bidding procedures made it challenging to prepare proposals, assess competitors, and identify potential partners, thus impacting the process of winning tenders. Furthermore, CESO experienced a constant lack of transparency in the procurement process from the organization regarding delivered proposals, making it difficult for the company to count on UNDP as a regular client.

Notwithstanding, unlike the WB, the decision-making procedures for contractors working with the European Commission (EC), during the 1990's were held by EC officials directly. This fact could benefit CESO due to the EU's transparency policies in tender processes (European Commission 2016). Therefore, CESO's board faced a choice. It could continue relying in the

PALOP market but face the potential risk of a decline in the number of projects won in the coming years due to increasing competition. It could also pursue projects funded by the WB and UNDP whereas at risk of a lack of transparency in the process and with higher barriers to successfully achieve diversification. Lastly, it could try accessing more projects financed by a different client, such as the EU, which could facilitate the company's goal to pursue different geographies (around the world) with the benefit of centralized decision-making. As a result, in its pursuit of geographic expansion, CESO recognized the significance of having the European Commission as its primary client to tackle the need for diversification.

The journey through a new market

First steps into the unknown

Through its experience in the Portuguese-speaking market, CESO won its first contract with the EC in the 1990s to execute a project funded by the European Development Fund in Senegal related to the organization of the African Industrialization Forum, which involved countries where CESO had already built experience and a reputation, including Guinea, Guinea-Bissau, and Cape Verde (CESO s.d.).

With the dissolution of the Soviet Union in 1991, a new set of countries in the process of post-communist integration and consolidation of their institutions emerged in the market for international development (Britannica 2022). Thus, CESO leveraged its own market experience in Portugal during the process of European integration in the 1980s to enter this market (European Union s.d.). The first international public tender that CESO won in a non-Portuguese-speaking country was in Estonia, in 1994, funded by the European Commission. CESO led its first international consortium outside of the Portuguese-speaking countries market in the context of the Phare Program, which was a European instrument created to assist Central and Eastern European countries that were interested and had applied to join the EU, together with the *Société Française de Conseil en Développement* (France), the Royal Institute

of Public Administration (United Kingdom), the *Institut International d'Administration Publique* (France), and the KU Leuven Public Governance Institute (Belgium). This project intended to support Estonia's administrative restructuring and prepare civil servants and local administrations for modern society's decision instruments (KU Leuven 2022).

Overcoming Obstacles

During CESO's first steps with EU contracts, CESO's board foresaw many obstacles in establishing itself to diversify its geographical reach. Of these, the technical capacity requirements were the most prominent. When companies submit bids for tenders, their portfolio of references from previous projects is evaluated. To carry out a project, it must satisfy technical requirements regarding expertise, scope, and size of projects, among other experience-related factors such as familiarity with projects' whereabouts. Even though CESO had executed several projects in the PALOP market, CESO had to exert considerable effort to have enough key references to gain the confidence of IOs in this new market. IOs have progressively increased their demand for rigorous reference requirements in project portfolios, posing difficulties for smaller companies such as CESO that possess limited experience in the EU market. Therefore, larger companies had an advantage over smaller ones trying to grow or just entering the market, as they had an extensive portfolio of project references. Their track record of successful projects allowed them to show a more robust reputation. Since only firms with substantial experience are winning international tenders, growing a solid reference portfolio becomes increasingly challenging – "If you do not have experience, how do you gain it?!", commented CESO's current CEO (Santos, personal interview, March 9, 2023).

CESO's relationships with the EU intensified in the early 2000s when the company included a range of low-budget projects in its portfolio acquired through a new financial tool made available by the European Commission named Framework contracts (FCs). The FCs were influential in promoting partnerships and increasing CESO's references portfolio. While the

evaluation process for traditional contracts takes close to a year to select a contractor, the evaluation process for FCs would be completed in approximately one month. The EC's FCs are structured into multiple lots, which undergo changes with each new series of contracts. There are currently six lots. Each lot corresponds to a distinct technical sector, and they are assigned different indicative budgets for their duration, which is five years. This allocation of budgets ensures effective procurement of services in each specific technical sector. Currently, the FC in support of EU external action is divided into lots related to Sustainable management of natural resources and resilience, Infrastructure, sustainable growth, Human Rights, Democracy and Peace, Human Development and safety net, Budget Support and Innovative financing for Development. In the 2000s, projects had a maximum budget value of €200,000, which then became €300,000 and, in 2018, went up to €1 million. Firms must apply to participate for the lots of their preference, usually as part of a consortium of companies. If selected, they will compete for many projects in the following years with the remaining companies selected for each lot. (European Commission 2023). These agreements between the EC and pre-selected companies were, according to CESO's CEO, "an endless stream of opportunities for the company, dozens of contracts per year" (Santos, personal interview, March 9, 2023). With these contracts, the FC contract awarded firms now had a continuous cash flow in their businesses – "it gives small businesses the possibility to grow in terms of financial possibilities, because they have a continuous cash flow, so they can be more independent of clients" or of more bureaucratic tenders, as stated by the former Head of ACE International Consultants' FCs division (Garron, personal interview, March 30, 2023). This opportunity was, therefore, essential not only for CESO's growth but also for several other SMEs in the industry.

The need to form more consortia arose to get into more lots and consequently have access to more projects, through which CESO could increase its reference portfolio and work sectors.

Consortia are partnership structures formed by multiple companies in which a leading party brings together member companies and negotiates the terms of each partnership, formed to have a greater chance of winning projects and to mitigate the risk of failure. The projects are made available through complex tenders, through which multiple parties forming each consortium can share their resources, such as personnel, equipment, networks, expertise, and competitive advantages. Thus, each consortium is more equipped to win new projects and more likely to carry them out more efficiently and to develop more innovative solutions that can better impact the communities it serves. As CESO's COO stated, "Through these agreements, CESO was able to participate in consortia in areas with less experience such as Good Governance, Decentralization, Public Administration, Macro-Economy, and Financial Management" (Valente, personal interview, March 27, 2023).

The focus on relationship building was crucial to endure in the industry and execute multiple projects while siding with other companies. While facing this obstacle, CESO understood how partnerships established with other companies could allow it to build a stronger and more resilient portfolio. By partnering with well-established peers in the market, CESO was progressively allowed to participate in multiple projects and become familiar with the industry. Although Framework contracts did not represent a significant portion of CESO's invoicing, partly because they were low-budget projects, pursuing them was significantly valuable since they allowed CESO to increase its references to apply for more significant tenders, establish partnerships with several companies in the same sector, broaden its geographical reach, as well as increase its reputation and credibility in the market. The fluid nature of these dynamics enabled CESO to expand its operations into new geographies and to deliver its value to countries such as Algeria, Kenya, and China (CESO 2022).

Backstopping, a Competitive Advantage

CESO operates in several sectors and offers its clients a wide range of technical consulting assistance services. In order to deliver the best possible service, the firm provides backstopping support throughout the execution of its projects as part of its value proposition (CESO 2023) (CESO 2022) (Valente, personal interview, March 27, 2023).

Despite being a standard practice in this sector, for CESO, it is also a strategic competitive advantage, as it surpasses conventional expectations. Backstopping helps ensure that work produced by consultants in the field is completed within schedule and budget limits while meeting the company's high-quality standards and the client's needs and expected results. By monitoring their progress and evaluating its effectiveness, CESO's backstopping team offers expertise, quality support, and resource allocation guidance to help them address challenges that may arise during the project. These challenges may be technical or logistical and usually require additional support to experts (CESO 2023). Backstopping activities encompass tasks such as reviewing, correcting, and refining reports or documents for delivery to clients or beneficiaries, as well as optimizing expense allocation in each process step. This service guarantees that consultants have the necessary resources, including equipment, funding, and personnel, to efficiently carry out their work (Valente, personal interview, March 27, 2023). CESO's backstopping team provides unique and personalized support to its stakeholders, demonstrating its commitment to its projects.

In the consulting sector, firms can be classified as generalists or specialized considering the sectors in which they operate. Then, for project implementation, they can either rely on outsourced experts, or utilize in-house technical experts. The close proximity of in-house firms to projects allows them to provide comprehensive backstopping support. Conversely, outsourcing firms often manage projects remotely, leading to a lack of meaningful support. CESO, as a generalist firm with in-house technical expertise, occupies a unique position highly

esteemed by stakeholders. It seeks to offer dedicated backstopping while granting field consultants autonomy, distinguishing itself from competitors that prioritize differently; nonetheless, this approach demands increased resource allocation.

CESO's market knowledge in Portuguese-speaking countries and the dedication and effort put into its projects are significant reasons for having a good reputation among its partners, as stated by the Managing Director of DT Global Europe (Garron, personal interview, March 30, 2023). Thus, the backstopping support is crucial to CESO's value offer. Through this proximity to the project, its consultants, and stakeholders, CESO assesses the suitability of a field consultant and "ensures responsiveness" to ensure their services and clients' needs satisfaction. As mentioned by CESO's COO, CESO's staff resembles "almost a consultant's shadow", facilitated by the remote work practices resulting from the Covid-19 pandemic (Valente, personal interview, March 27, 2023). Furthermore, this positioning is also perceived and valued by the field consultants who work with CESO. CESO's staff ensure a follow-up of the project as a "personal assistant," always available to help with what the consultant needs (Expert consultant linked to CESO, personal interview, March 30, 2023).

Backstopping has been a critical element for CESO's growth, as it is a significant factor differentiating it from other consulting firms operating in the sector. Among its partners, CESO is recognized for its backstopping support, which is perceived as an asset within the consortia they participate in. The Managing Partner of DT Global Europe, a prominent player in the sector, stated that "CESO gets involved and gives feedback; it is engaged in the implementation of the project, and it is on top of everything". This trait has given CESO a solid reputation among its peers and made them a valuable partner in the market (Valente, personal interview, March 27, 2023).

Where to go now?

Until today, CESO has carried out projects in Africa, Europe, America, and Asia, however the market for international development keeps getting more competitive, and obstacles to win tenders continue to increase. The PALOP market has experienced heightened competition since the 2010s, with countries like Cape Verde, an example of good governance, is developing its own national consulting companies, some of which highly competitive (Baker 2009). More international consulting companies are settling in the PALOP countries, and language does not constitute an advantage as once was.

Beyond that, competition in EU funded projects continues to increase, with the entry of larger companies from both Europe and North America, like Cowater International and DT Global, which IOs believe have more comprehensive services and market knowledge due to their extensive portfolio of project references (Garron, personal interview, March 30, 2023). The number of lots in FCs is increasing from six (SIEA 2018) to seventeen lots (services for EU's external action 2023) and the number of consortia that are allowed into each lot is decreasing from six to four (European Commission s.d.) (European Commission 2022), making categories more specialized and limiting access to fewer companies. Furthermore, in traditional contracts of technical assistance, there is a tendency towards launching fewer and larger projects, instead of smaller and rather numerous projects, due to the "transaction costs associated to managing each contract", says CESO's CEO, (Santos, personal interview, March 9, 2023).

However, high entry barriers have persisted since CESO's initiation in the development market and the company has managed to penetrate and operate within its boundaries. The pursuit of EU as CESO's main client while forging partnerships and backstopping their stakeholders allowed the company to grow in the Development consulting market. Regardless, is this strategy sustainable in the long-term considering the increasing barriers in the current market? Is further diversification or specialization the recipe for future growth? Should the company approach this issue by refocusing from a geographical perspective or a financier perspective?

Appendix

Appendix 1 – Areas of specialization

Partnerships & Financing for Development	Definition and Implementation of Strategic Partnerships and Management of Development Financing
Trade & Private Sector	Regional Economic Integration, International Trade Facilitation, SME Development, Industrialization Policies
Public Sector & Governance	Modernization of Public Administration, Decentralization and Local Development, Civil Society and Democratization
Transport, Energy & Environment	Transport Infrastructure, Natural Resources Management, Environmental Management, Energy, Water and Sanitation, Climate Change
Macro Economy, Statistics & Public Finance Management	Forecasting and Economic Planning, Public Investment, National Statistical Systems, PEFA Evaluation
Social Affairs	Educational and Vocational Training, Employability, Social Policies, Health Planning, Culture
Rural Development	Agriculture and Agribusiness, Food Security, Land Management

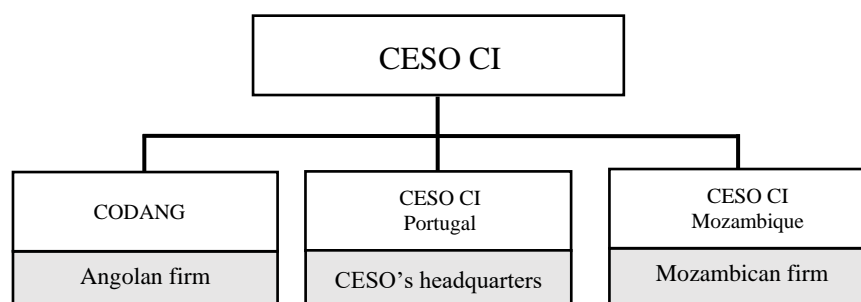
Source: (CESO 2022)

Appendix 2 – Types of services

Advice and studies	Support services for the design of strategies; identification and design of plans/programs, projects and policies; feasibility studies; baseline studies; technical studies to support political decision-making.
Institutional strengthening / capacity building	Technical assistance and support to institutions aiming at improving its organization and efficiency; implementation and management of strategies, policies, plans, programs and projects.
Monitoring and evaluation	Design and implementation of monitoring and evaluation systems for strategies, policies, plans, programs and projects.
Training	Services focused on the individual's capacity building, including curriculum design, preparation of training materials, course delivery, use of teaching methodologies, and training for trainers.

Source: (CESO 2022)

Appendix 3 – CESO CI organic structure



Source: (CESO 2022)

Appendix 4 – CESO’s timeline

1976	Foundation of <i>Cooperativa Economia e Socialismo</i> (Economics and Socialism collective) and <i>Revista Economia e Socialismo</i> (Economics and Socialism magazine).
1982	Creation of <i>Centro de Estudos de Economia e Sociedade</i> (Economics and Societal studies center), in the sequence of the editorial project. The center included academics invited from Portuguese speaking countries for technical assistance missions.
1988	Foundation of CESO CI (<i>Consultores Internacionais</i>) to detach the international calling of the organization from its initial group of cooperators, to fully dedicate itself to supporting the development of countries’ institutions.
1990	Foundation of first company outside of Portugal in Guinea-Bissau by CESO – GUINÉCONSULT, which is no longer active.
1990	The firm executed a project funded by the European Development Fund in Senegal, regarding the African Industrialization Forum which involved countries close/where CESO had experience such as Guinea, Guinea-Bissau, and Cape Verde
1990	First project to be conducted together with international partners focused on replacing the whole Guinean infrastructure.
1994	CESO won its first project, through an international consortium, in a non-Portuguese-speaking country – Estonia.
2001	Foundation of a Mozambican firm – CESO CI Moçambique – in Mozambique.
2003	Foundation of an Angolan firm – CESO CI Angola – in Angola.
200	CESO executes its first Framework Contract, under the EC.
2008-10	First EU-Brazil Sector Dialogues Support project: CESO was not part of the project
2010	Mark of 100 countries CESO has worked with.

2011-15	Second phase of the EU-Brazil Sector Dialogues Support project. CESO wins and executes project as Consortium Leader.
2015-17	Third phase of CESO's EU-Brazil Sector Dialogues Support project.
2017-20	Fourth phase of CESO's EU-Brazil Sector Dialogues Support project.
2019	Foundation of an Angolan firm – CODANG XXI – in Angola.
2023	CESO initiates its 471 st project since 1998, in addition to 156 sub-projects implemented under framework contracts by the EC.

Source: (CESO 2023)

Appendix 5 – Abbreviations list for the Case Study

AG	Angolan Government
CESO CI	CESO <i>Consultores Internacionais</i>
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EIB	European Investment Bank
EU	European Union
EOIs	Expressions of interests
FCs	Framework Contracts
IDB	Inter-American Development Bank
IOs	International Organizations
NGs	National Governments
PALOP	Portuguese-speaking African Countries
SMEs	Small and medium-sized enterprises
SDSF	EU-Brazil Sector Dialogues Support Facility

WB	World Bank
UN	United Nations
UNDP	United Nations Development Programme

PROJECT EVALUATION REPORT

HOW CAN CESO FURTHER DEVELOP EFFECTIVE PARTNERSHIPS AS A MEANS
OF GEOGRAPHICAL DIVERSIFICATION?

ANA CAROLINA FERREIRINHO DE SOUSA ROSA

JOÃO MIGUEL SILVA RODRIGUES

PROJECT EVALUATION REPORT

Methodology

Through this research, we intend to analyze the critical factors behind CESO's diversification strategy that led it to have the European Commission (EC) as its primary client. Among these factors, the strategic partnerships formed by CESO constituted significant leverages toward geographical diversification. Therefore, we intend to explore how strategic partnerships may continue enabling CESO to reach new geographies consistently through this research question:

How can CESO further develop effective partnerships as a means of geographical diversification?

This study involved different research methods, such as: interviews with executives from international development consulting companies from CESO, Eurecna, and DT Global; one focus group with CESO's employees; interviews with international development field consultants; interviews with high officials from International Organizations (IOs) from the EC, the World Bank Group (WBG), United Nations Development Programme (UNDP), the Organization for Economic Co-Operation and Development (OCDE), the European Bank for Reconstruction and Development (EBRD), and the Asian Development Bank (AsDB); interview with a Portuguese Government officials; and online research (Appendix 1).

At the forefront of our research, we critically assessed CESO's strategic results, focusing on its two main key growth factors and its associated risks (strategic partnerships and backstopping). Then, we proceeded to conduct an external analysis in which we examined the industry landscape, the different types of companies in the sector, and a market analysis from the IOs and the geographical perspective. This approach led our research to be structured as follows:

1. *CESO's strategy review*: An analysis of the key factors behind the company's growth and geographical diversification through the EC.
2. *Risk assessment*: An assessment of the main risks derived from the critical factors which CESO followed across its strategy, namely Backstopping and Strategic Partnerships.
3. *Industry Overview*: An analysis of the industry overview, growth, and main drivers and challenges.
4. *Competitor market structure*: An analysis of the different types of companies and trends among competitors.
5. *Market analysis*: An intense analysis of the IOs market and of the geographical market.
6. *Recommendations*: solutions for CESO to consistently diversify geographically through partnerships

Limitations

Despite the extensive information available online from IOs, there is a lack of comprehensive academic research on the International Development consulting sector, which limited the scope of our research. In the analysis of the industry and types of companies, there was a lack of information regarding how the industry operates, its development, and specific trends: specifically, finding updated figures for the industry growth projections from the information available was challenging. Therefore, we used data projections from IOs in Development Assistance Committee (DAC) country members, which are not entirely representative of the global industry. Regarding competitors and geographical market analysis, information was retrieved from the Platform Development Aid (an information service provider for international development aid), in which data treatment options are limited. The competitor analysis faced limitations as it was challenging to evaluate companies within specific sectors, information had to be gathered and analyzed on an individual company basis. The data in Development Aid lacks real-time accuracy, making it challenging to determine the industry's prominent

companies, its actual size, and the areas where companies are most active. Geographically, due to limited information for direct country assessments, the analysis followed a hierarchical approach, starting from continents, then progressing to regions and countries. However, it was not possible to determine the distribution of IOs in each country. Additionally, evaluating the competitive structure in each country was hindered by limited access to competitor information and their characteristics.

CESO's strategy review

Through the case study, it was analyzed how CESO confronted its diversification challenge and developed mechanisms to pursue that goal. To reduce risk and foster growth through geographic diversification, CESO targeted the EU as its primary client. That decision was followed due to the EU's reliability as a funder, its transparency, and the centralized procurement. CESO's pursuit of the EU as its primary client led the institution to be responsible for 53% of CESO's total invoices from 2006 until 2021. In 2021, the EU funded 68% of CESO's turnover. While CESO pursued geographical diversification, the African Portuguese-speaking countries remained a significant market, with Angola representing 41% of the company's turnover in 2021. Additionally, Brazil, where CESO secured its first contract in 2004, contributed 19% to CESO's total turnover since 2006. Notably, 47% of CESO's projects implemented in 2021 extended beyond the PALOP countries, further supporting the company's diversification efforts.

Along CESO's growth strategy, CESO's backstopping support was crucial for accumulating reputational value and service quality; and forming partnerships constituted the most crucial tool for growth. CESO's backstopping capability was underlined as one of its most important competitive advantages to become attractive to its stakeholders, which was fundamental in pursuing geographical diversification. CESO's clients feel more engaged, partners profit from the backstopping, and field consultants benefit from the support provided. To reach new IOs

and geographical markets, partnerships established by the company to develop in the market were critical. Ever since its first international endeavors, the formation of consortia and the partnerships associated with it developed into indispensable strategic resources. Partnerships allowed CESO to leverage its experience and knowledge of the PALOP countries to enter new markets. By bringing potential partners to its major markets as partners, the company is opening doors to pursue its partners' markets, in an interchanging dynamic with multiple players involved, which is currently ongoing (reciprocity approach).

Risk assessment of critical factors

Backstopping benefits project stakeholders and CESO's results; however, it also results in a cost-increasing factor; CESO is allocating more resources, such as time and personnel, to its technical assistance department to provide this support. Consequently, there is an increased demand for project managers' time due to increasing responsibilities concerning team management, monitoring, quality control, and stakeholder management. This may also result in a potential loss of projects due to insufficient personnel capacity. Moreover, excessive backstopping support may create a dependence between the company, the field consultant (supplier), and the client. Such a phenomenon may lead to a lack of accountability from consultants and misuse of the company's resources.

International partnerships may also entail various types of risks. Lack of alignment between partners is one significant risk; from the negotiating phase until monitoring and evaluations, the involvement of the contractors is constant, and incompatibility may affect projects' results and productivity. Additionally, cultural miscommunications may occur when dealing with multicultural partnerships, leading to additional costs and delays in project results. Dealing with various companies may lead to a lack of transparency and accountability. Companies must be careful about reputational damages that may result from this. Furthermore, it can lead to a lack of ownership of member companies in multi-partner consortia, affecting other companies'

productivity and resource utilization. Lastly, although partnerships may enhance companies' expertise and knowledge, they also carry the risk of sharing sensitive strategic information with partner companies, which may become future competitors.

Industry Landscape

Industry Overview

The international development consulting field is a global industry: IOs, Development Banks, National Governments (NGs), consulting firms, and individual consultants operate within the scope of development agendas for developed and developing countries. This industry is characterized by a saturated market and intense competition. The high competition for market share and tenders between firms have resulted in high entry barriers, making it more challenging for new companies to get in. There is a high threat of substitute development consulting firms in this industry, since they offer similar services through experts for in-field project execution. To be competitive in this industry, companies need to enhance reputation and project portfolio to demonstrate proof of expertise and successful project implementation to IOs. References play an essential role in tenders, and IOs tend to choose larger companies, which have more experience. Among CESO's primary competitors in this market, those frequently appearing alongside it in shortlists include SOFRECO – *Societe Francaise de Realisation D'etudes et de Conseil*, Cowater International, Particip GmbH, GOPA Worldwide Consultants, and GFA Consulting Group. However, they are also CESO's partners for certain projects.

IOs and NGs are consulting firms' clients, and a result of their significant market presence and influence, these organizations possess significant bargaining power. It is their role to develop, finance, regulate, monitor, and evaluate projects in beneficiary countries executed by consulting firms. For instance, the increasing entry barriers in the EC's Framework Contracts (FCs), with the decrease from six to four consortia that have access to each lot's projects, is

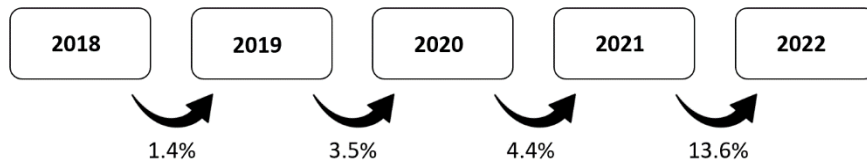
making competition stiffer, as a result of IOs influence. IOs aim to make fewer, more significant projects available, as it is more efficient to prepare a limited number of high-value and large-scale projects rather than multiple smaller ones, thus affecting the competitive environment since larger companies are typically more appealing contractors, which limits opportunities for small and medium-sized enterprises (SMEs), often pressured into unfavorable partnerships. Furthermore, with the increasing demand for companies' references in technical assistance contracts, consortium leaders tend to choose companies with the most valuable reference. These dynamics may be leveraged to manipulate partners into accepting lower shares, since gaining access to projects is the primary concern of development companies in the market, regardless of receiving a smaller portion of the invoice.

Development consulting companies without in-house consulting rely heavily on the subcontracting of experts to implement projects. From the supply perspective, demand for specialized consultants is foreseen as a growing trend since IOs increasingly demand expertise in multiple project areas. According to industry experts, the increasing demand for specialized consultants is higher than the growth of experts in the market. Although consulting firms are limited by IOs' budget constraints of projects financing, the growing need for specialized expertise results in consultants' higher compensations and bargaining power.

Industry Growth

The international development consulting industry has grown significantly, and for the fourth consecutive year IOs from Development Assistance Committee (DAC) member countries have surpassed their investment record levels in the form of grants, loans to sovereign entities, debt relief, and contributions to multilateral institutions (OECD 2020) (OECD 2021) (OECD 2022) (OECD 2023).

Figure IV – Official Development Assistance real annual growth rate



Source: (OECD 2020) (OECD 2021) (OECD 2022) (OECD 2023)

The Official Development Assistance (ODA) expenditures reached its highest record levels in 2016 with Europe’s refugee and migrant crisis (total amount of 16 million USD). These costs were surpassed by 83,13% in 2021 (total amount of 29,3 billion USD), almost doubling the expenditure costs from 2016 (OECD 2020) (OECD 2021) (OECD 2022) (OECD 2023).

Competitor market structure

Within the International development consulting industry, consulting companies operate differently. Generalist firms provide a wide range of services in the sectors they operate in, while specialized companies provide a limited number of services and have a deeper knowledge in those particular areas. To implement projects, these companies rely either on internal (in-house technical experts) and/or outsourced experts. Consulting firms with in-house technical expertise have a higher control over their projects, which enables them to deliver solutions that are more closely aligned with the company’s strategy and vision and can lead to better quality outcomes. Investing in in-house technical expertise is expensive upfront, however, it helps to ensure the continuity and consistency of processes and projects, and it can lead to significant cost savings over the long term compared to outsourcing, where the lower upfront investments can turn into higher costs in the long-term.

The expected increase in projects size and funding over the next few years requires generalist companies to be more adaptable, and specialized companies to further develop expertise in order to distinguish themselves from their competitors. The increased demand for specialized services and experts will be an opportunity for specialized firms with in-house technical expertise to gain more access to projects and new markets.

Analyzing competitor trends

A noteworthy portion of generalist firms operating in the international development consulting industry focuses on providing governance-related assistance, with a particular emphasis on democratic governance and both public and private sector development. Additionally, many of these firms provide consulting services in infrastructure development and engineering, focusing on transportation, energy, and water management. This highlights the importance of these sectors in driving sustainable economic growth through effective governance, promoting economic growth, and reducing socio-economic disparities, underscoring the pressing need for investment in infrastructure (Appendix 2).

A significant trend has been verified in the increase of investment by development consulting companies in the following services: environmental and energy sectors, mainly energy and renewable energy management; private sector development, particularly the support of small and medium-sized enterprises (SMEs); and data-driven technologies, especially data analysis (Appendix 2).

There is a perceptible trend among generalist firms in the international development consulting market toward expanding their presence in various regions and continents. This internationalization trend is pursued through the establishment of offices in both developed and under-developed countries across different continents, through acquisitions as a means to leverage the acquired companies' geographical expansion (Appendix 2), and the acquisition of specialized companies in different sectors to compete in different areas of expertise (GOPA Worldwide Consultants, Niras International Development Consulting and Cowi). Lastly, it was also identified a trend toward the acquisition of European companies by Non-European companies as a means to have access to EC funded projects, given that European companies are preferred by those institution's (DT Global).

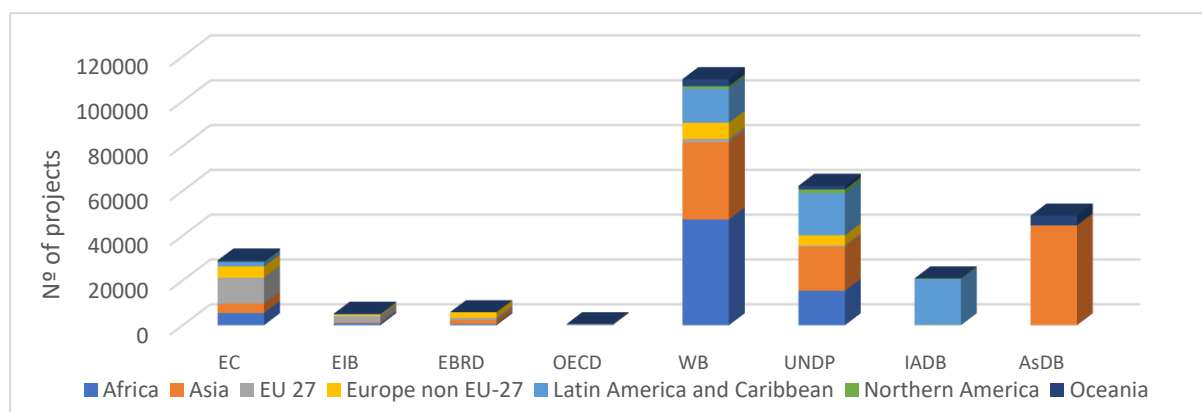
Market analysis

The market for international cooperation projects can be assessed from both a financial and geographical perspective. The funding provided by IOs spans various regions, and public procurement for projects' contractors may either be conducted centrally and locally. Analyzing these perspectives is crucial for understanding development trends influenced by each organization's agenda and the specific context of each country.

Market of International Organizations

IOs may be segmented into Multilateral Development Banks (MDB), Intergovernmental Organizations (IGO), and Development Agencies (DA); each contributes to International Development differently. MDBs are owned by member countries and contribute to development primarily through loans and grants. IGOs derive from international agreements created to promote cooperation and rely on grant funding. DAs are funded by countries and IOs and assist developing countries with a narrower focus (Development Aid 2022). Among the larger and more prominent IOs, we consulted four MDBs, the WB, the European Investment Bank (EIB), the AsDB, and the EBRD; two IGOs, the EC and OECD; and one DA, the UNDP.

Figure V – Distribution of aid in number of projects from main IOs per region



Source: (Development Aid 2023)

| Multilateral Development Banks

The WB is the largest funder for Development and also CESO's third greatest client, after the Angolan Government and the EC. According to WB's agenda 2016-2030, the *Forward Look*, its priorities reside on Environmental issues, Social Resilience, Trade, Finance and Innovation, and Governance (Development Committee, World Bank 2016). ADB's *Strategy 2030*, on the other hand, underlines Poverty and Economic Development as its primary priorities (ADB 2018). The EIB and the EBRD share the same thematic priorities by focusing on climate change, digitalization, and the private sector (EIB 2023) (EBRD 2020). The World region which WB's procurement was the highest was the Sub-Saharan region (36%), furthermore, Africa is the continent in which the the WB has more projects (42%), before Asia (31%) (Appendix 3). The EIB and EBRD mainly invest in Europe, with 66% and 59% of their projects directed towards the region, respectively, while AsDB's 90% of projects being directed to Asia. WB, as EIB, AsDB and EBRD, has its own procurement processes and guidelines; the procurement process is generally conducted by the borrowing countries, with guidance and oversight from the lending institution (World Bank 2020). This is linked to the fact that MDBs lend, rather than grant, to borrowing countries. Moreover, MDBs like EBRD, AsDB, and EIB, mass investment is directed toward infrastructure rather than technical assistance. The latter, which is CESO's target projects type, comprise a small portion of banks budgeted portfolio, according to EBRD and AsDB's officials.

| Intergovernmental Organizations

The EC is the largest donor of development aid globally, as well as the OECD; grants are these organizations' primary source of funding, contrarily to the MDBs (European Commission s.d.). The EC, for 2023, underlines six ambitions which are related to the Green Deal, digitalization, and having a stronger Europe in the World (European Commission 2022). These objectives align with the EC's ambition to contribute to climate-related topics such as environment and

energy, digital and data technologies, and international partnerships to eradicate poverty and foster sustainable development. Partnerships with Africa are critical in the EC's Strategic Plan for International Cooperation with a focus on the green transition, digital transformation, sustainable growth and jobs, government and migration (DG DVECO 2020). EU's Global Gateway program, a European Strategy for 2021-2027, is letting available 300 billion USD of investments, half of it targeted to Africa (European Commission 2021). Despite the OECD's important role in the creation of development studies, its involvement in development aid is comparatively limited compared to its peers; the OECD's number of Development projects is less than 2% of EC's, which is not significant enough for our analysis (Appendix 3). Nonetheless, the two IGOs – EC and OECD procurement processes are conducted within the organizations (European Commission 2016).

| Development Agencies

The UNDP belongs to the United Nations (UN) global development network. UNDP focuses on the various thematic areas of the 2030 Agenda for Sustainable Development. After WB, the UNDP is the organization with more projects globally; it is present worldly as the remaining IOs. Nonetheless, Africa is where it has delivered more projects (31%) (Appendix 3). UNDP finances development projects through grants as the IGOs, and has its own procurement policies and procedures. Nonetheless, UNDP's development projects procurement is decentralized; it is carried out locally in UNDP's country offices and regional hubs, often in collaboration with officials from the borrower countries, but not exclusively by them.

Geographical market

During the IOs analysis, it was assessed each IO's geographical preference. However, the geographical analysis focused on the projects per geographical area without considering the resource of funding, to better understand the potential geographical market size.

Considering the most significant continents – Africa, Asia, and America, it was concluded that Asia had the higher number of projects among the three. Of the three continents, Asia has 44% of the projects, while Africa and America, 35% and 21%, respectively (Appendix 4.1). Regionally, Eastern Africa had the most total projects, with East Asia afterward. Despite CESO’s experience in Strategic Partnership Projects (Partnerships & Financing for Development), due to the diverse sectors involved in each project, it can be challenging to accurately assess the number of available projects in this category. As a result, CESO’s three other areas of expertise, which have the highest number of references, were analyzed – SME and Private Sector (SME+PS); Public Administration, Macro-economics and Public Finance (PA+MEPF); Education (Ed). It was understood that Ed, and PA+MEPF had more projects in Asia than in Africa, however, in SME+PS projects, Africa had the most projects. Globally, the area with more projects was PA+MEPF, with 62% of projects in the three continents (Appendix 4.2). Given the higher importance of Asia and Africa relative to America, a concentrated research effort was undertaken to assess the existing opportunities within these two continents.

| Asia

The Asian regions with more projects within the three areas are Southern and South-East Asia, with 25% and 36%, respectively. In Southern Asia, the most prominent sector was PA+MEPF, with 48%, and secondly SME+PS, with 25%. In the South-East, the scenario was different; SME+PS had 50% of projects, PA+MEPF had 47%, and Ed only 4% (Appendix 5.1). Regarding the number of projects per active consulting company, the South-East has the highest value, which is desirable for market entrance (#30,1); the South, on the other hand, has #20,5 projects per consulting company in the region. The PA+MEPF is superior to the remaining sectors in both regions (Appendix 5.6). From these two regions, by crossing data on the number of projects opened, closed, and short-listed per sector below 4 million USD with the number of active companies in the sector, we conclude that in the South – Cambodia,

Philippines, and Vietnam; and in the South-East – India, Bangladesh, and Afghanistan (Appendix 5.8.7) are the more prominent countries, respectively (Appendix 5.8.9). The sector with best results is PA+MEPF in each of these countries, then SME+PS, and lastly Ed (Appendix 5.8.7, and 5.8.8).

| **Africa**

The African regions with a higher concentration of projects in the four sectors are Eastern and Western Africa, respectively, 31% and 28%. In the East and in the West, the larger sector is PA+MEPF, representing 41% and 48%, among the three sectors, respectively. These two regions also registered a higher number of projects per active consulting company in each region, especially in PA+MEPF and SME+PS (Appendix 6.6). From these two regions, by crossing data on the number of projects opened, closed, and short-listed per sector below 4 million USD with the number of active companies in the sector, we conclude that in the West, Ivory Coast, Nigeria, and Ghana are the more prominent countries (Appendix 6.8.7), and in the East; Kenya, Ethiopia, and Uganda, respectively (Appendix 6.8.7). Furthermore, PA+MEPF is the sector with better results; secondly, SME+PS and Ed (Appendix 5.8.7, and 5.8.8).

| *Targeted countries*

After considering the countries of these two Asian and African regions with a higher proportion of projects over active consulting companies, other variables were assessed to confirm the viability of these countries (Appendix 7.1). The percentage of resident companies confirms each country's preference for national companies, and the number of resident companies indicates both potential partners and competitors. Thus, countries where the number of resident companies was closer to the median value, were considered a safer option due to the potential for high competition and lack of available partners. Furthermore, languages different from Portuguese, English, French, and Spanish may constitute a communicative obstacle between CESO and potential partners. Nonetheless, it is common practice for development consulting

companies to be fluent in English. CESO's experience in these potential countries is also advantageous, and factors such as Corruption Perception Index (CPI) and Economic and Political Instability were also considered as decision factors. Lastly, considering the need for Project Management, the time-zone difference between countries was accounted for. Having all these factors, the countries with more significant potential for partnerships are Kenya, Cambodia, Ivory Coast, Ghana, and Nigeria, respectively (Appendix 7.3).

Recommendations

1. Establishing strategic partnerships as a means of diversification

The formation of partnerships is vital in our geographical diversification strategy considering its role in CESO's growth and expansion. CESO can develop synergies through different approaches: joint ventures, strategic alliances, acquisitions or mergers, or even outsourcing.

Trends of companies expanding their presence to various regions and continents through establishing offices and acquisitions in developed and underdeveloped countries have been registered. Considering these trends, CESO's size, and financial capacity, a low-risk approach was pursued that could propel diversification – forming strategic alliances with companies based in the targeted developing countries. These alliances should be built to ensure CESO's presence in targeted countries, with enhanced access to local knowledge and opportunity. CESO value proposition includes its expertise, its references, project management know-how, and access to EC funded projects which will contribute for local companies to win more projects.

2. Placing a primary focus in SMEs and Private Sector; Public Administration, Macroeconomics, and Public Finance; and Education, when allocating internationalization efforts to expand market reach

The international development consulting sector has increased its demand for more specialized consulting firms and field consultants. IOs require experts with more technical experience to

provide more tailored solutions and thus ensure more efficient solutions. Therefore, specialized consulting firms will increasingly have more access to projects and new markets.

CESO is a generalist company focused on providing technical assistance in economic, social, and organizational development fields. The company offers its clients a wide range of services in several sectors. However, CESO needs to focus, along with this partnership strategy, on the three areas in which it has the most accumulated experience, which are also areas of increasing demand: Small and Medium-sized Enterprises and Private Sector; Public Administration, Macroeconomics, and Public Finance; and Education. Through this approach, CESO is directing its operational efforts to build more concentrated reference portfolios by focusing on specific areas. More robust portfolios allow for higher-valued projects, which are more efficient for CESO. Furthermore, through the increase in expertise, CESO is accumulating more expertise and therefore delivering higher quality solutions to its clients.

Despite IOs and competitors' motion toward areas such as environmental and energy sectors, and data-driven technologies, considering the relevance of CESO's primary areas of expertise in the global agenda for development, it is more thoughtful to continue building CESO's central expertise's rather than forcing other emerging fields.

3. Focusing consistent internationalization efforts across three phases

CESO's partnerships strategy, which focuses on accessing local markets, allows the company to concentrate on the geographical market instead of the financiers. Therefore, after assessing the most significant continents and regions, countries were ranked according to specific criteria to understand better which countries CESO should focus its partnerships strategy efforts on. The top-ranked countries are Kenya, Cambodia, Ivory Coast, Ghana, and Nigeria, respectively. Through partnership strategy in these countries, CESO can thicken its presence in three different World regions. We consider that CESO's geographical diversification partnerships strategy should be split into three phases:

1st phase: Eastern Africa – Kenya is the most prominent countries assessed, and it is also the country in which CESO has conducted a higher number of projects among the five countries (3 projects). Besides, it is the country closer to CESO’s participating companies, in this case, CESO CI Moçambique, which may be beneficial for CESO for communicative and cultural purposes, especially in case of any unpredictable event.

2nd phase: Western Africa – After Establishing itself in Eastern Africa, CESO should pursue partnerships in Western Africa. Considering these three countries are geographically very close, potential partnerships in a single country could fulfill the remaining targeted countries. Nevertheless, since CESO already has experience in Nigeria (1 project), this should be the starting location to pursue Ivory Coast and Ghana.

3rd phase: South-East Asia – This phase should be more challenging due to CESO’s lack of regional experience. Nevertheless, the enormous potential should not be neglected. After the experience gathered from previous endeavors, partnerships in Cambodia should be constituted to fulfill a market with the highest number of projects per company.

In each country CESO forms partnerships with, the thematic priority should be PA+MEPF, considering it is the area with the more promising number of projects and competing companies in every country, followed by SME+PS, and lastly Ed.

4. Developing in-house consulting teams for the long-term

Despite CESO’s lack of in-house consultants, CESO’s senior executives bear expertise in the three areas where CESO has the most references; however, CESO’s in-house capacity does not fulfill demand. Therefore, in order to decrease dependence on industry experts, whose bargaining power is increasing, to further develop in-house expertise, and to better fulfill IOs market needs for specialization, we recommend that CESO leverage the knowledge and experience of its senior executives by training and preparing younger associates, to develop an in-house consulting team. Considering the operational efforts of this operation and CESO’s

dependence on external experts, this is a long-term project that should be approached gradually and carefully.

Conclusion

Increasing presence in multiple countries is at the core of any consulting company operating in the market of International Cooperation projects. However, CESO has encountered different challenges along this pursuit. Through this report, it was analyzed how CESO differentiated itself in the market through its Backstopping service. Despite its benefits, whether it constitutes a sustainable competitive advantage for CESO in the long term is arguable due to its impact on productivity. However, while carrying its risks, partnerships will likely continue to be necessary tools for growth in this competitive market. They have allowed CESO to diversify its expertise and reach, and we believe that pursuit may be carried out more efficiently through a targeted focused partnerships strategy.

A strategy to increase CESO's presence partnerships in two continents, three regions, and five countries was developed through market analysis. By focusing on three specific areas, CESO may concentrate its efforts on increasing its references portfolio consistently. Furthermore, these partnerships should be formed through strategic alliances in which CESO would bring value to local companies through its experience and expertise. Moreover, it will be able to increase experience and local knowledge in multiple geographies.

We believe that local presence may facilitate engagement with the local ecosystem, allowing CESO to establish better connections with decision-makers and remain informed of forthcoming projects, thereby enhancing the company's prospects for long-term success.

Appendix

Appendix 1: Internal and External Meetings Table

Date	Meetings
24 th February 2023	Internal Interview with CESO's COO, Helena Valente and CESO's Business Development Director, Henrique Gomes
9 th March 2023	Internal Interview with CESO's CEO, Rui Miguel Santos
27 th March 2023	Internal Interview with CESO's COO, Helena Valente
30 th March 2023	External Interview with DT Global Europe Managing Director, Maria Garron
30 th March 2023	External Interview with CESO's external expert
3 rd April 2023	External Interview with Eurecna's Director, Andrea Bellini
4 th April 2023	External Interview with EC official
4 th April 2023	Focus Group with 4 CESO's employees
6 th April 2023	Internal Interview with Henrique Gomes, Business Development Director at CESO
13 th April 2023	Internal Interview with Rita Araújo, Technical Director at CESO
14 th April 2023	Internal Interview with Helena Valente, CESO's COO
15 th April 2023	External Interview with UNDP Human Development Report Director, Pedro Conceição
16 th April 2023	External Interview with EBRD Adviser at the Board of Directors, Luís Pereira
21 st April 2023	Internal Interview with CESO's Operational Coordinator, Helena Vale
21 st April 2023	Internal Interview with Business Development Director, Henrique Gomes
26 th April 2023	External Interview with OECD Head of Corporate Procurement, Nicolas Ferré
26 th April 2023	External Interview with AsDB Alternate Executive Director Board of Directors, Alberto Cerdán
2 nd May 2023	External Interview with SENEK official

Appendix 2: Assessment of companies competing in the market

Companies	Countries	Size	Sectors of Intervention
GFA Consulting Group GmbH	Germany	Large enterprise (>250)	Agriculture and Rural Development; Climate Change; Digital Innovation; Education, Skills & Employment; Energy; Financial Systems Development; Governance; Health; Monitoring & Evaluation; Natural Resources & Environment; Private Sector Development; Public Finance Management; Water, Sanitization & Waste Management; Special Issues.
Ecorys	United Kingdom, The Netherlands, Turkey, Belgium, Bulgaria, Spain,	Large enterprise (>250)	Social Policy; Regions and Cities; Transports and Infrastructure; Security and Justice; Natural Resources; Economic Growth; Public Sector Reform.

	Poland, Croatia and India		
SOFRECO – Societe Francaise de Realisation D’etudes et de Conseil	France	Large enterprise (>250)	Environment; Agriculture; Agro-industry, Study of Sectors; Chemistry, Fertilizers; Energy; Mines; Transport, Infrastructure; Private Sector, Enterprises; Economics and Statistics; Economic Legislation; Governance and Public Management; Law and Justice; Education; Vocational Training; Social Development; Perspective: Training Institute.
IBF International Consulting	Belgium	Large enterprise (>250)	Institutional; Educational; Social; Health; Migration; Culture; Monitoring & Evaluation; Natural Resources and Agriculture; Civil Society; Development Policy; Cetri (policy advice and capacity building support to emerging economies and regional economic commissions); CPC (consumer protection and market surveillance, food safety and conformity assessment).
PARTICIP GmbH	Germany	Large enterprise (>250)	Public Sector; Governance; Economic Development; Environment and Climate Change; Agriculture, Food and Natural Resources; Education and Employment; Social and Human Development; Communication.
GOPA Worldwide Consultants	Germany	Large enterprise (>250)	Educational & Employment Promotion; Governance & Economic Development; Rural Development & Environment; Statistics; Monitoring, Evaluation and Learning; Health and Social Development.
DAI	Worldwide, including in the European Union	Large enterprise (>250)	Climate; DAI Capital; Digital Acceleration; Economic Growth; Education; Environment; Fragile States; Global Health; Governance; Sustainable Business.
DT Global Consulting LTD	Worldwide, including in Spain and United States of America	Large enterprise (>250)	Conflict Prevention, Stabilization & Transition; Economic Growth; Environment & Infrastructure; Governance; Human Development.
NIRAS International Development Consulting	Denmark	Large enterprise (>250)	Building; Energy; Infrastructure; Posts & Marine; Data & Digitalization; Environment & Ecology; Offshore Wind; Water; Development Consulting; Food and Beverage; Pharma & Life Science.
COWI	Belgium and Denmark	Large enterprise (>250)	Infrastructure; Buildings; Environment; Water; Energy; Industry; Planning.

Stantec	Worldwide, including European Union	Large enterprise (>250)	Buildings; Community Development; Energy; Environment; Federal Government; Mining, Minerals & Metals; Transportation; Water.
Mott MacDonald	United Kingdom	Large enterprise (>250)	Advisory; Aviation; Buildings; Cities; Climate Change; Coastal; Education; Energy; Environment; Health; Highways and Bridges; Industry; International Development; Ports; Rail and Metros; Transportation Planning; Tunnels; Water and Wastewater.
ICF	United States of America and Belgium	Large enterprise (>250)	Climate and Resilience; Energy; Environment; Transportation; Aviation; Public Sector; Retail; Disaster Management; International Development; Social Programs; Children, Youth, and Families; Education; Federal Health; Healthcare; CPG; Hospitality.
Cowater International	Canada and Belgium	Large enterprise (>250)	Expertise; Climate and Environment; Customs, Trade and Investment Climate; Facility Management, Expert Deployment Mechanisms and Framework Agreements; Human Rights, Fundamental Freedoms, Democracy; Inclusive Growth; Local Governance and Economic Development; Monitoring and Evaluation; Public Financial Management and Accountability; Security, Peace and Mediation; Social Service Delivery; Sustainable Extractive Industries; Women Empowerment and Gender Equality, Disability and Social Inclusion.
Agriconsulting Europe SA (AESA)	Belgium, Italy, Hungary and Kenya	Medium enterprise (50-249)	Agriculture and Rural Development; Economic Development; Governance & Social Development; Climate Change & Environment.
Business and Strategies in Europe S.A. (B&S Europe) - GOPA Consulting Group	Belgium	Medium enterprise (50-249)	Justice and Rule of Law (including support to Civil society organizations (CSO); Governance and Democracy; Security and Home Affairs; Communication and Outreach (including public diplomacy, policy outreach and events).
Landell Mills	United Kingdom and Ireland	Medium enterprise (50-249)	Markets, Enterprise and Trade; Agriculture, Fisheries, Food Security and Nutrition; Environment, Water, Climate Change and Disaster Risk Reduction; Policy Dialogue, Regional Integration, and Governance.
CESO Development Consultants	Portugal	Medium enterprise (50-249)	Partnerships and Financing for Development; Macro Economy, Statistics & Public Finance Management; Trade and

			Private Sector; Social Affairs; Public Sector and Governance; Rural Development; Transport, Energy & Environment.
Imani Development	Australia, Cyprus, Malawi, South Africa and United Kingdom		Agriculture and Value Chain Development; International Trade Policy and Trade Facilitation; Economic Policy and Economic Development; Regional Economic Integration; Private Sector Development; Monitoring and Evaluation.
Linpico SARL	France, United Kingdom and Belgium	Medium enterprise (50-249)	Public Finance Management; Governance & Aid Management; Education; Trade & Private Sector Development; Information Technology.
DMI Associates	France	Small Enterprise (10-49)	Trade Policy, Governance, Justice and Transparency; Development and Business Environment; Labor Market, Education and Vocational Training; Climate Change; Public Health.
Eurecna S.p.a.	Italy	Small Enterprise (10-49)	IT Solutions; Renewable Energy.
Enterprise Analytical Management - EAM Altair	Spain, United Kingdom and Mexico	Small Enterprise (10-49)	Banking & Financial Services; Automotive; Retail & FMCG; Energy, Oil & Gas.

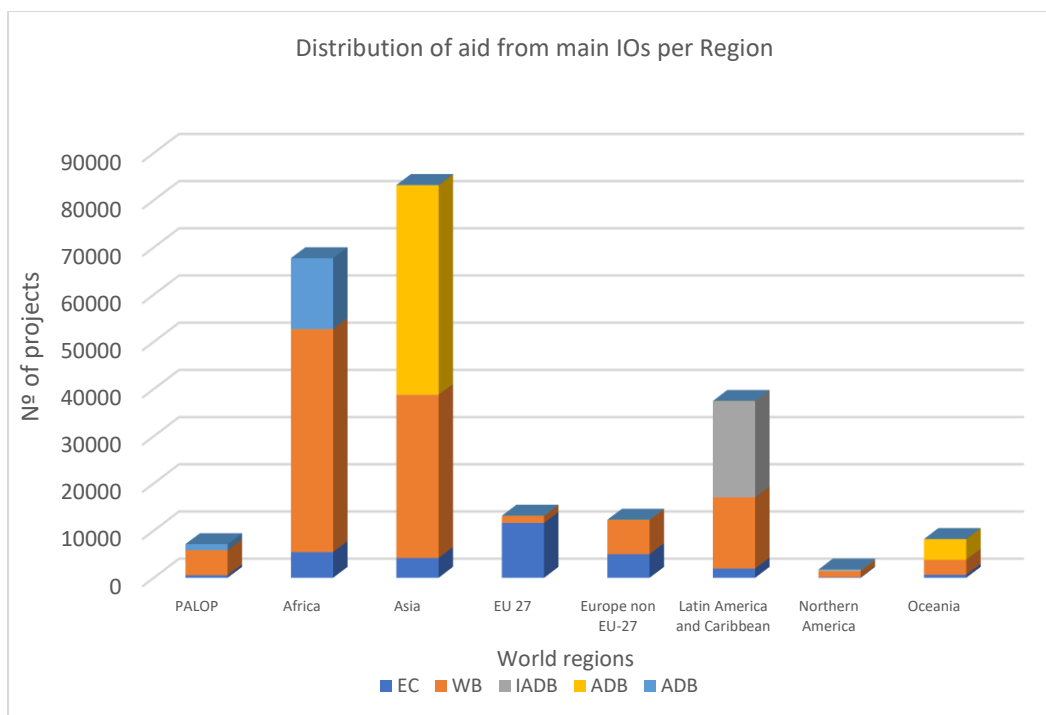
Source: (Development Aid 2023) (Linkedin s.d.)

Appendix 3: Number and percentage of existing projects in every stage (early Intelligence, Implementation, Completion), financed by IOs across multiple world regions.

Regions	EC	EIB	EBRD	OECD	WB	UNDP	IADB	AsDB	AfDB	Total
PALOP	526	150	6	10	5339	618	5	1	1260	7915
Africa	5442	831	544	24	47198	15411	16	38	15024	84528
Asia	4192	405	1803	46	34537	19648	43	44409	40	105123
EU 27	11629	2741	993	356	1465	596	18	30	15	17843
Europe non EU-27	4995	692	2465	28	7241	4539	10	50	2	20022

Latin America and Caribbean	1946	349	6	13	15097	18790	20413	14	7	56635
Northern America	121	15	4	4	1198	1624	405	18	6	3395
Oceania	621	148	6	3	3179	1693	12	4395	12	10069
Total	28946	5181	5821	474	109915	62301	20917	48954	15106	297615

Regions	EC	EIB	EBRD	OECD	WB	UNDP	IADB	AsDB	AfDB
PALOP	1,82%	2,90%	0,10%	2,11%	4,86%	0,99%	0,02%	0,00%	8,34%
Africa	18,80%	16,04%	9,35%	5,06%	42,94%	24,74%	0,08%	0,08%	99,46%
Asia	14,48%	7,82%	30,97%	9,70%	31,42%	31,54%	0,21%	90,72%	0,26%
EU 27	40,17%	52,90%	17,06%	75,11%	1,33%	0,96%	0,09%	0,06%	0,10%
Europe non EU-27	17,26%	13,36%	42,35%	5,91%	6,59%	7,29%	0,05%	0,10%	0,01%
Latin America and Caribbean	6,72%	6,74%	0,10%	2,74%	13,74%	30,16%	97,59%	0,03%	0,05%
Northern America	0,42%	0,29%	0,07%	0,84%	1,09%	2,61%	1,94%	0,04%	0,04%
Oceania	2,15%	2,86%	0,10%	0,63%	2,89%	2,72%	0,06%	8,98%	0,08%
Total	9,73%	1,74%	1,96%	0,16%	36,93%	20,93%	7,03%	16,45%	5,08%

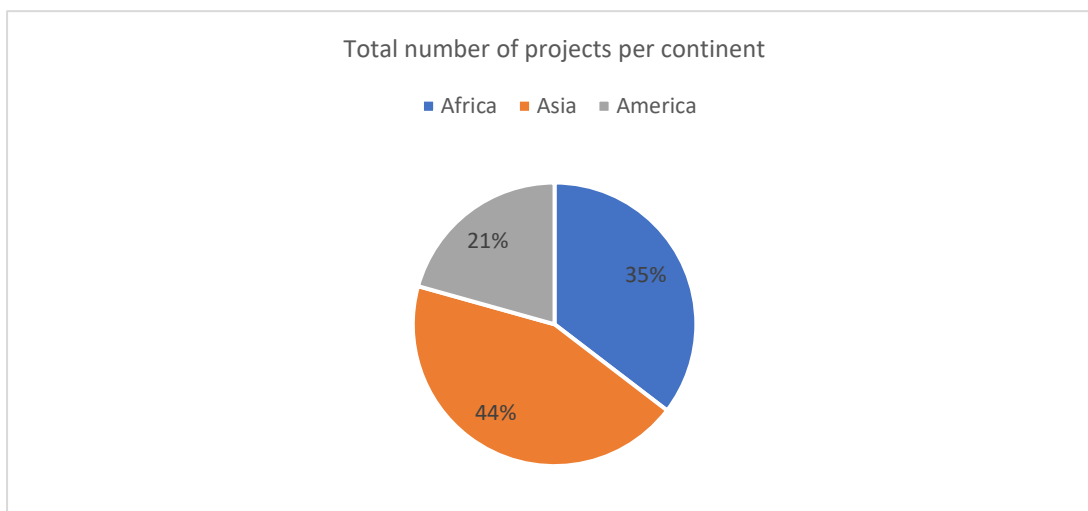


Source: (Development Aid 2023)

Appendix 4: Continental and regional market assessment of projects

Appendix 4.1: Number of existing projects in every stage (early Intelligence, Implementation, Completion) in Africa, Asia and America, across each respective region.

Continents	Nº of projects per continent	Regions	Nº of projects per region
Africa	148638	Central Africa	19047
		Eastern Africa	45167
		Northern Africa	18034
		Southern Africa	21747
		Western Africa	44643
Asia	184527	Central Asia	16050
		East Asia	45167
		West Asia	27635
		Southern Asia	44403
		South-East Asia	51272
America	86763	Central and North America	44403
		South America	42360



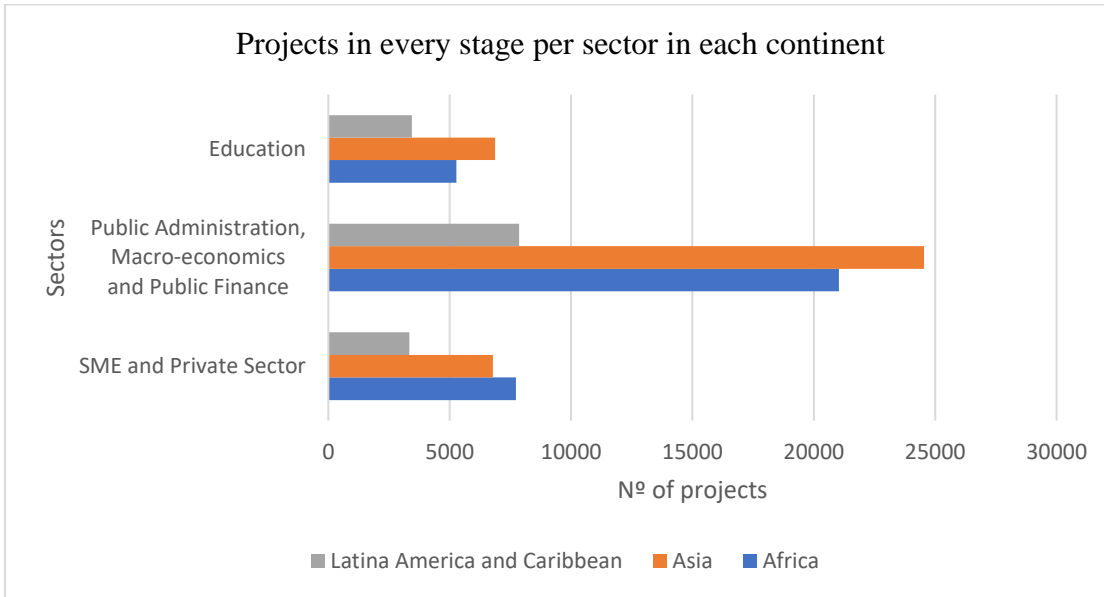
Appendix 4.2: Quantity and weight of existing projects in every stage (early Intelligence, Implementation, Completion) in Africa, Asia and America, in CESO’s most important areas of expertise.

Sectors	Africa	Asia	Latina America and Caribbean	Total
SME and Private Sector	7721	6778	3334	17833
Public Administration, Macro-economics and Public Finance	21033	24542	7857	53432
Education	5281	6875	3436	15592
Total	34035	38195	14627	86857

Source:
(Development Aid 2023)

Sectors	Africa	Asia	Latina America and Caribbean	Total
SME and Private Sector	23%	18%	23%	21%
Public Administration, Macro-economics and Public Finance	62%	64%	54%	62%
Education	16%	18%	23%	18%
Total	100%	100%	100%	100%

Source: (Development Aid 2023)



Appendix 5: Market assessment in Asia.

Appendix 5.1: Quantity and of existing projects in every stage (early intelligence, implementation and completion) per area in each Asian region.

Sectors	Central Asia	East Asia	West Asia	Southern Asia	South-East Asia	Total
SME+PS	962	711	2014	2126	6140	11953
PA+MEPF	1898	1954	2500	4042	5654	16048
Ed	889	664	1557	2321	444	5875
Total	3749	3329	6071	8489	12238	33876

Sectors	Central Asia	East Asia	West Asia	Southern Asia	South-East Asia	Total
SME+PS	26%	21%	33%	25%	50%	35%
PA+MEPF	51%	59%	41%	48%	46%	47%
Ed	24%	20%	26%	27%	4%	17%
Total	11%	10%	18%	25%	36%	100%

Source: (Development Aid 2023)

Appendix 5.2: Presence of consulting companies that are active in each Asian region, and companies that have residence in these regions.

Regions	N° of active consulting companies with residence in region	N° of active consulting companies with activity in region
Central Asia	1577	3442
East Asia	7369	6796
West Asia	2157	4504
Southern Asia	4444	5211
South-East Asia	7080	7050

Source: (Development Aid 2023)

Appendix 5.3: Presence of operating consulting companies that are active in each Asian region per area of intervention.

Sectors	Central Asia	East Asia	West Asia	Southern Asia	South-East Asia
SME+PS	348	387	585	468	470
PA+MEPF	272	291	414	342	349
Ed	332	457	637	561	514
SME+PS + PA+MEPF + ED	37	33	41	38	37

Source: (Development Aid 2023)

Appendix 5.4: Presence of operating consulting companies that are active, with awards, established with residence in each Asian region per area of intervention.

Sectors	Central Asia	East Asia	West Asia	Southern Asia	South-East Asia
SME+PS	20	35	80	4	88
PA+MEPF	10	29	58	71	50
Ed	22	96	84	184	102
SME+PS + PA+MEPF + ED	0	0	6	4	0
Total	52	160	228	263	240

Source: (Development Aid 2023)

Appendix 5.5: Percentage of companies with awards in each region which have residence in the regions.

Sectors	Central Asia	East Asia	West Asia	Southern Asia	South-East Asia
SME+PS	6%	9%	14%	1%	19%
PA+MEPF	4%	10%	14%	21%	14%
Ed	7%	21%	13%	33%	20%

Source: (Development Aid 2023)

Appendix 5.6: Ratio between total number of existing projects in every stage (early intelligence, implementation and completion) across all phases in each sector per active consulting companies with awards in each sector in the respective regions.

Sectors	Central Asia	East Asia	West Asia	Southern Asia	South-East Asia
SME+PS	2,8	1,8	3,4	4,5	13,1
PA+MEPF	7,0	6,7	6,0	11,8	16,2
Ed	2,7	1,5	2,4	4,1	0,9
SME+PS + PA+MEPF + ED	101,3	100,9	148,1	223,4	330,8
Total	12,4	10,0	11,9	20,5	30,1

Source: (Development Aid 2023)

Appendix 5.7: Ratio between total number of existing projects in every stage (early intelligence, implementation and completion) in each sector per active consulting companies with awards and residence in each region in each sector.

Sectors	Central Asia	East Asia	West Asia	Southern Asia	South-East Asia
SME+PS	48,1	20,3	25,2	531,5	69,8
PA+MEPF	189,8	67,4	43,1	56,9	113,1
Ed	40,4	6,9	18,5	12,6	4,4
Total	278,3	94,6	86,8	601,0	187,2

Source: (Development Aid 2023)

Appendix 5.8: Narrowing down our approach to the two regions with the best ratios between total number (early intelligence, implementation and completion) in each sector per active consulting companies with awards in each sector.

Appendix 5.8.1: Quantity and weight of opened, closed, and short-listed projects below 4M\$, among the countries with larger population across Southern Asia, per area of intervention.

Countries	SME+PS	PA+MEPF	Ed	Total
India	372	335	240	947
Pakistan	190	262	146	598
Bangladesh	215	271	155	641
Iran	82	70	32	184
Afghanistan	207	238	127	572
Sri Lanka	133	133	47	313
Bhutan	75	103	28	206
Maldives	86	119	40	245

Source: (Development Aid 2023)

Countries	SME+PS	PA+MEPF	Ed	Total
India	39%	35%	25%	100%
Pakistan	32%	44%	24%	100%
Bangladesh	34%	42%	24%	100%
Iran	45%	38%	17%	100%
Afghanistan	36%	42%	22%	100%
Sri Lanka	42%	42%	15%	100%
Bhutan	36%	50%	14%	100%
Maldives	35%	49%	16%	100%

Appendix 5.8.2: Quantity and weight of opened, closed, and short-listed projects below 4M\$, among the countries with larger population across South-East Asia, per area of intervention.

Countries	SME+PS	PA+MEPF	Ed	Total
Indonesia	171	292	150	613
Philippines	163	390	98	651
Vietnam	215	331	151	697
Thailand	103	147	52	302
Myanmar	115	110	62	287
Malaysia	80	113	36	229
Cambodia	129	174	110	413
Laos	99	119	86	304
Singapore	78	95	11	184

Timor-Leste	67	117	59	243
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Source: (Development Aid 2023)

Countries	SME+PS	PA+MEPF	Ed	Total
Indonesia	28%	48%	24%	100%
Philippines	25%	60%	15%	100%
Vietnam	31%	47%	22%	100%
Thailand	34%	49%	17%	100%
Myanmar	40%	38%	22%	100%
Malaysia	35%	49%	16%	100%
Cambodia	31%	42%	27%	100%
Laos	33%	39%	28%	100%
Singapore	42%	52%	6%	100%
Timor-Leste	28%	48%	24%	100%

Appendix 5.8.3: Quantity of companies across Southern Asia countries with awards in each country, per area of intervention.

Countries	SME+PS	PA+MEPF	Ed
India	328	250	361
Pakistan	297	237	280
Bangladesh	300	240	279
Iran	257	208	219
Afghanistan	282	224	234
Sri Lanka	278	216	234
Bhutan	261	207	216
Maldives	259	207	207

Source: (Development Aid 2023)

Appendix 5.8.4: Quantity of companies across South-East Asia countries with awards in each country, per area of intervention.

Countries	SME+PS	PA+MEPF	Ed
Indonesia	313	242	292
Philippines	295	234	273
Vietnam	328	245	312
Thailand	283	216	267
Myanmar	277	223	245
Malaysia	263	207	246
Cambodia	293	36	270
Laos	281	222	242
Singapore	253	199	213

Timor-Leste	255	210	217
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Appendix 5.8.5: Quantity of companies established and resident in Southern Asia countries with awards in each country, per area of intervention.

Countries	SME+PS	PA+MEPF	Ed	Total
India	40	29	75	144
Pakistan	11	9	34	54
Bangladesh	13	11	29	53
Iran	1	0	2	3
Afghanistan	5	6	6	17
Sri Lanka	8	3	8	19
Bhutan	4	1	4	9
Maldives	3	2	2	7

Source: (Development Aid 2023)

Appendix 5.8.6: Quantity of companies established and resident in South-East Asia Asia countries with awards in each country, per area of intervention.

Countries	SME+PS	PA+MEPF	Ed	Total
Indonesia	16	9	17	42
Philippines	3	8	18	29
Vietnam	17	6	20	43
Thailand	3	2	6	11
Myanmar	5	4	8	17
Malaysia	0	2	3	5
Cambodia	2	7	16	25
Laos	8	0	4	12
Singapore	8	5	0	13
Timor-Leste	0	0	0	0

Source: (Development Aid 2023)

Appendix 5.8.7: Ratio between total number of open, closed, short-listed projects below 4M\$, in each sector, per active consulting companies with awards in the Southern Asia.

Sectors	SME+PS	PA+MEPF	Ed	Total
India	1,13	1,34	0,66	3,14
Pakistan	0,64	1,11	0,52	2,27
Bangladesh	0,72	1,13	0,56	2,40
Iran	0,32	0,34	0,15	0,80
Afghanistan	0,73	1,06	0,54	2,34

Sri Lanka	0,48	0,62	0,20	1,30
Bhutan	0,29	0,50	0,13	0,91
Maldives	0,33	0,57	0,19	1,10
Total	4,64	6,66	2,95	14,26

Source: (Development Aid 2023)

Appendix 5.8.8: Percentage of resident companies winning tenders in countries in Southern Asia.

Sectors	SME+PS	PA+MEPF	Ed	Total
India	12,20%	11,60%	20,78%	14,16%
Pakistan	3,70%	3,80%	12,14%	5,81%
Bangladesh	4,33%	4,58%	10,39%	5,90%
Iran	0,39%	0,00%	0,91%	0,33%
Afghanistan	1,77%	2,68%	2,56%	2,33%
Sri Lanka	2,88%	1,39%	3,42%	2,33%
Bhutan	1,53%	0,48%	1,85%	1,05%
Maldives	1,16%	0,97%	0,97%	1,03%

Source: (Development Aid 2023)

Appendix 5.8.9: Ratio between total number of open, closed, short-listed projects below 4M\$, in each sector, per active consulting companies with awards in the South-East Region.

Sectors	SME+PS	PA+MEPF	Ed	Total
Indonesia	0,55	1,21	0,51	2,27
Philippines	0,55	1,67	0,36	2,58
Vietnam	0,66	1,35	0,48	2,49
Thailand	0,36	0,68	0,19	1,24
Myanmar	0,42	0,49	0,25	1,16
Malaysia	0,30	0,55	0,15	1,00
Cambodia	0,44	4,83	0,41	5,68
Laos	0,35	0,54	0,36	1,24
Singapore	0,31	0,48	0,05	0,84
Timor-Leste	0,26	0,56	0,27	1,09
Total	4,20	12,35	3,04	14,74

Source: (Development Aid 2023)

Appendix 5.8.10: Percentage of resident companies winning tenders in countries in South-East Asia.

Sectors	SME+PS	PA+MEPF	Ed	Total
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Indonesia	5,11%	3,72%	5,82%	4,62%
Philippines	1,02%	3,42%	6,59%	3,30%
Vietnam	5,18%	2,45%	6,41%	4,15%
Thailand	1,06%	0,93%	2,25%	1,20%
Myanmar	1,81%	1,79%	3,27%	2,12%
Malaysia	0,00%	0,97%	1,22%	0,67%
Cambodia	0,68%	19,44%	5,93%	9,98%
Laos	2,85%	0,00%	1,65%	1,39%
Singapore	3,16%	2,51%	0,00%	2,64%
Timor-Leste	0,00%	0,00%	0,00%	0,00%

Source: (Development Aid 2023)

Appendix 6: Projects assessment in Africa.

Appendix 6.1: Quantity and weight of existing projects in every stage (early intelligence, implementation and completion) per area in each African region.

Sectors	Central Africa	Eastern Africa	Northern Africa	Southern Africa	Western Africa	Total
SME+PS	1032	2530	1404	1561	2554	9081
PA+MEPF	1991	4028	1526	2105	4205	13855
Ed	782	1936	814	1016	1951	6499
Total	3805	8494	3744	4682	8710	29435

Sectors	Central Africa	Eastern Africa	Northern Africa	Southern Africa	Western Africa	Total
SME+PS	27%	30%	38%	33%	29%	31%
PA+MEPF	52%	47%	41%	45%	48%	47%
Ed	21%	23%	22%	22%	22%	22%
Total	13%	29%	13%	16%	30%	100%

Source: (Development Aid 2023)

Appendix 6.2: Presence of consulting companies that are active in each African region, and companies that have residence in these regions.

Regions	N° of active consulting companies with residence in region	N° of active consulting companies with activity in region
Central Africa	1577	3442
Eastern Africa	7369	6796

Northern Africa	2157	4504
Southern Africa	4444	5211
Western Africa	7080	7050

Appendix 6.3: Presence of operating consulting companies that are active in each African region per area of intervention.

Sectors	Central Africa	Eastern Africa	Northern Africa	Southern Africa	Western Africa
SME+PS	369	573	456	465	578
PA+MEPF	299	436	366	359	431
Ed	316	530	419	462	510
SME+PS + PA+MEPF + ED	34	37	37	36	38
Total	984	1539	1241	1286	1519

Source: (Development Aid 2023)

Appendix 6.4: Presence of operating consulting companies that are active, with awards, established with residence in each African region per area of intervention.

Sectors	Central Africa	Eastern Africa	Northern Africa	Southern Africa	Western Africa
SME+PS	18	120	34	61	108
PA+MEPF	12	82	28	45	81
Ed	22	86	33	55	95
SME+PS + PA+MEPF + ED	0	1	0	0	1
Total	52	288	95	161	284

Source: (Development Aid 2023)

Appendix 6.5: Percentage of companies with awards in each region which have residence in the regions.

Sectors	Central Africa	Eastern Africa	Northern Africa	Southern Africa	Western Africa
SME+PS	5%	21%	7%	13%	19%
PA+MEPF	4%	19%	8%	13%	19%

Ed	7%	16%	8%	12%	19%
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Source: (Development Aid 2023)

Appendix 6.6: Ratio between total number of existing projects in every stage (early intelligence, implementation and completion) across all phases in each sector per active consulting companies with awards in each sector in the respective regions.

Sectors	Central Africa	Eastern Africa	Northern Africa	Southern Africa	Western Africa
SME+PS	2,8	4,4	3,1	3,4	4,4
PA+MEPF	6,7	9,2	4,2	5,9	9,8
Ed	2,5	3,7	1,9	2,2	3,8
SME+PS + PA+MEPF + ED	111,9	229,6	101,2	130,1	229,2
Total	11,9	17,3	9,2	11,4	18,0

Source: (Development Aid 2023), (Development Aid 2023)

Appendix 6.7: Ratio between total number of existing projects in every stage (early intelligence, implementation and completion) in each sector per active consulting companies with awards and residence in each region in each sector.

Sectors	Central Africa	Eastern Africa	Northern Africa	Southern Africa	Western Africa
SME+PS	57,3	21,1	41,3	25,6	23,6
PA+MEPF	165,9	49,1	54,5	46,8	51,9
Ed	35,5	22,5	24,7	18,5	20,5
Total	258,8	92,7	120,5	90,8	96,1

Source: (Development Aid 2023), (Development Aid 2023)

Appendix 6.8: Narrowing down our approach to the two regions with the best ratios between total number (early intelligence, implementation and completion) in each sector per active consulting companies with awards in each sector.

Appendix 6.8.1: Quantity and weight of opened, closed, and short-listed projects below 4M\$, among the countries with larger population across Western African, per area of intervention.

Countries	SME+PS	PA+MEPF	Ed	Total
Nigeria	238	487	109	834
Ghana	212	429	100	741
Ivory Coast	260	495	104	859
Niger	153	351	121	625
Burkina Faso	198	373	95	666
Senegal	207	403	109	719
Guinea	170	332	87	589
Benin	179	350	80	609
Togo	149	298	88	535
Sierra Leone	142	282	76	500

Source: Source: (Development Aid 2023)

Countries	SME+PS	PA+MEPF	Ed	Total
Nigeria	29%	58%	13%	100%
Ghana	29%	58%	13%	100%
Ivory Coast	30%	58%	12%	100%
Niger	24%	56%	19%	100%
Burkina Faso	30%	56%	14%	100%
Senegal	29%	56%	15%	100%
Guinea	29%	56%	15%	100%
Benin	29%	57%	13%	100%
Togo	28%	56%	16%	100%
Sierra Leone	28%	56%	15%	100%

Appendix 6.8.2: Quantity and weight of opened, closed, and short-listed projects below 4M\$, among the countries with larger population across Eastern African, per area of intervention.

Countries	SME+PS	PA+MEPF	Ed	Total
Ethiopia	288	260	146	694
Tanzania	235	231	105	571
Kenya	355	304	155	814
Uganda	234	243	141	618
Mozambique	209	179	123	511
Madagascar	142	157	72	371
Malawi	164	177	91	432
Zambia	165	161	83	409
Somalia	156	167	68	391
Zimbabwe	124	139	60	323

Source: Source: (Development Aid 2023)

Sectors	SME+PS	PA+MEPF	Ed	Total
Ethiopia	41%	37%	21%	100%
Tanzania	41%	40%	18%	100%
Kenya	44%	37%	19%	100%
Uganda	38%	39%	23%	100%
Mozambique	41%	35%	24%	100%
Madagascar	38%	42%	19%	100%
Malawi	38%	41%	21%	100%
Zambia	40%	39%	20%	100%
Somalia	40%	43%	17%	100%
Zimbabwe	38%	43%	19%	100%

Appendix 6.8.3: Quantity of companies across Western African countries with awards in each country, per area of intervention.

Sectors	SME+PS	PA+MEPF	Ed
Nigeria	356	262	293
Ghana	374	262	300
Ivory Coast	333	250	254
Niger	317	245	254
Burkina Faso	333	257	271
Senegal	347	262	296
Guinea	301	231	229
Benin	313	250	249
Togo	295	233	226
Sierra Leone	303	234	227

Source: (Development Aid 2023)

Appendix 6.8.4: Quantity of companies across Western African countries with awards in each country, per area of intervention.

Sectors	SME+PS	PA+MEPF	Ed
Ethiopia	334	244	314
Tanzania	350	274	284
Kenya	379	259	284
Uganda	347	250	299
Mozambique	337	257	277
Madagascar	314	239	242
Malawi	313	242	246

Zambia	311	247	268
Somalia	305	231	239
Zimbabwe	294	230	235

Source: (Development Aid 2023)

Appendix 6.8.5: Quantity of companies established and resident in Western African countries with awards in each country, per area of intervention.

Sectors	SME+PS	PA+MEPF	Ed	Total
Nigeria	20	9	23	52
Ghana	21	11	19	51
Ivory Coast	14	9	8	31
Niger	4	0	2	6
Burkina Faso	10	12	12	34
Senegal	14	11	12	37
Guinea	14	1	0	15
Benin	5	9	8	22
Togo	0	3	1	4
Sierra Leone	4	3	0	7

Source: (Development Aid 2023)

Appendix 6.8.6: Quantity of companies established and resident in Eastern African countries with awards in each country, per area of intervention.

Sectors	SME+PS	PA+MEPF	Ed	Total
Ethiopia	6	4	9	19
Tanzania	12	13	8	33
Kenya	36	13	18	67
Uganda	17	6	17	40
Mozambique	13	7	13	33
Madagascar	12	4	3	19
Malawi	10	10	7	27
Zambia	3	4	0	7
Somalia	4	4	5	13
Zimbabwe	2	1	3	6

Source: (Development Aid 2023)

Appendix 6.8.7: Ratio between total number of open, closed, short-listed projects below 4M\$, in each sector, per active consulting companies with awards in the Western Region.

Sectors	SME+PS	PA+MEPF	Ed	Total
Nigeria	0,67	1,86	0,37	2,90
Ghana	0,57	1,64	0,33	2,54
Ivory Coast	0,78	1,98	0,41	3,17
Niger	0,48	1,43	0,48	2,39
Burkina Faso	0,59	1,45	0,35	2,40
Senegal	0,60	1,54	0,37	2,50
Guinea	0,56	1,44	0,38	2,38
Benin	0,57	1,40	0,32	2,29
Togo	0,51	1,28	0,39	2,17
Sierra Leone	0,47	1,21	0,33	2,01
Total	5,80	15,22	3,74	24,76

Source: (Development Aid 2023), (Development Aid 2023)

Appendix 6.8.8: Percentage of resident companies winning tenders in countries in Western Africa.

Sectors	SME+PS	PA+MEPF	Ed	Total
Nigeria	5,62%	3,44%	7,85%	4,64%
Ghana	5,61%	4,20%	6,33%	4,89%
Ivory Coast	4,20%	3,60%	3,15%	3,73%
Niger	1,26%	0,00%	0,79%	0,46%
Burkina Faso	3,00%	4,67%	4,43%	4,14%
Senegal	4,03%	4,20%	4,05%	4,13%
Guinea	4,65%	0,43%	0,00%	1,59%
Benin	1,60%	3,60%	3,21%	2,96%
Togo	0,00%	1,29%	0,44%	0,79%
Sierra Leone	1,32%	1,28%	0,00%	1,10%

Source: (Development Aid 2023)

Appendix 6.8.9: Ratio between total number of open, closed, short-listed projects below 4M\$, in each sector, per active consulting companies with in the Eastern Region.

Sectors	SME+PS	PA+MEPF	Ed	Total
Ethiopia	0,86	1,07	0,46	2,39
Tanzania	0,67	0,84	0,37	1,88
Kenya	0,94	1,17	0,55	2,66
Uganda	0,67	0,97	0,47	2,12
Mozambique	0,62	0,70	0,44	1,76
Madagascar	0,45	0,66	0,30	1,41
Malawi	0,52	0,73	0,37	1,63
Zambia	0,53	0,65	0,31	1,49
Somalia	0,51	0,72	0,28	1,52
Zimbabwe	0,42	0,60	0,26	1,28
Total	6,20	8,12	3,81	18,14

Source: (Development Aid 2023), (Development Aid 2023)

Appendix 6.8.10: Percentage of resident companies winning tenders in countries in Eastern Africa.

Sectors	SME+PS	PA+MEPF	Ed	Total
Ethiopia	1,80%	1,64%	2,87%	1,96%
Tanzania	3,43%	4,74%	2,82%	3,85%
Kenya	9,50%	5,02%	6,34%	7,22%
Uganda	4,90%	2,40%	5,69%	4,10%
Mozambique	3,86%	2,72%	4,69%	3,66%
Madagascar	3,82%	1,67%	1,24%	2,41%
Malawi	3,19%	4,13%	2,85%	3,51%
Zambia	0,96%	1,62%	0,00%	1,03%
Somalia	1,31%	1,73%	2,09%	1,63%
Zimbabwe	0,68%	0,43%	1,28%	0,69%

Source: (Development Aid 2023)

Appendix 7: Considering the purpose of geographical diversification, the geographical analysis was narrowed to 12 countries: three countries of each of the four regions assessed (Eastern Africa, Western Africa, Southern Asia, South-East Asia). The countries to be part of this assessment were chosen based on the ratio between total number of open, closed, short-

listed projects below 4M\$, in the three sectors, per active consulting companies with awards in each country. Then, based on a set of criteria with assigned weights, these countries were ranked.

Appendix 7.1: Criteria weight distribution

N° of Projects / active consulting companies	Percentage of resident companies	Language	Previous Experience	Corruption Perceptions Index (CPI)	Economic and political stability	Time-zone	Total
40%	25%	5%	5%	5%	5%	15%	100%

Appendix 7.2: Listed countries with respective scores

Countries	N° of Projects / active consulting companies	% of resident companies	Language	Experience	Corruption Perceptions Index (CPI)	Economic and political stability index	Time-zone
Ivory Coast	3,17	3,73%	French	0	37,00	-0,95	0,0
Nigeria	2,90	4,89%	English	1	32,00	-1,78	1,0
Ghana	2,54	4,64%	English	0	43,00	0,07	0,0
Kenya	2,66	7,22%	English	3	32,00	-1,09	3,0
Ethiopia	2,39	1,96%	Amharic	1	38,00	-2,07	3,0
Uganda	2,12	4,10%	English	2	26,00	-0,86	3,0
India	3,14	14,16%	English	0	40,00	-0,62	4,5
Bangladesh	2,40	5,90%	Bengali	0	25,00	-0,97	6,0
Afghanistan	2,34	2,33%	Dari	2	24,00	-2,53	4,5
Cambodia	5,68	9,98%	Khmer	0	24,00	-0,13	7,0
Philippines	2,58	3,30%	English	0	33,00	-0,93	8,0
Vietnam	2,49	4,15%	Vietnamese	0	42,00	-0,11	7,0

Source: (CESO 2022), (Transparency International s.d.), (The World Bank 2022)

Appendix 7.3: Normalization of the 12 countries’ scores. The normalization involved converting the criteria’s data into values ranging from 0 to 1. Factors such as the number of projects, active consulting companies, experience, CPI (Consumer Price Index), economic stability, and political stability were positively normalized. This means that higher values corresponded to higher normalized scores, resulting in a greater impact on the overall score. Countries that have one of the following languages - Portuguese, English, Spanish, or French

- were designated a value of 1, while countries with other languages were designated a value of 0. On the other hand, the percentage of resident companies was normalized relative to the median of all countries since having too many resident companies could pose a threat, while having too few may indicate a lack of potential partners. The time-zone factor was inversely scaled since larger time-zone values led to lower scores.

Countries	N° of Projects / active consulting companies	% of resident companies	Language	Experience	Corruption Perceptions Index (CPI)	Economic and political stability	Time-zone	Total score
Ivory Coast	0,30	0,29	1,00	0,00	0,68	0,61	1,00	45,6%
Nigeria	0,22	0,15	1,00	0,33	0,42	0,29	0,88	35,8%
Ghana	0,12	0,12	1,00	0,00	1,00	1,00	1,00	37,8%
Kenya	0,15	1,00	1,00	1,00	0,42	0,55	0,63	55,3%
Ethiopia	0,08	0,00	0,00	0,33	0,74	0,18	0,63	18,7%
Uganda	0,00	0,09	1,00	0,67	0,11	0,64	0,63	23,6%
India	0,29	0,00	1,00	0,00	0,84	0,73	0,44	30,9%
Bangladesh	0,08	0,29	0,00	0,00	0,05	0,60	0,25	17,5%
Afghanistan	0,06	0,01	0,00	0,67	0,00	0,00	0,44	12,6%
Cambodia	1,00	0,35	0,00	0,00	0,00	0,92	0,13	55,1%
Philippines	0,13	0,04	1,00	0,00	0,47	0,62	0,00	16,7%
Vietnam	0,10	0,09	0,00	0,00	0,95	0,93	0,13	17,7%

Appendix 8: Abbreviations List for the Project Evaluation

AsDB	The Asian Development Bank
CPI	Corruption Perception Index
DAC	Development Assistance Committee
DA	Development Agencies
EBRD	European Bank for Reconstruction and Development
EC	The European Commission
Ed	Education projects

IDB	Inter-American Development Bank
IOs	International Organizations
IGO	Intergovernmental Organizations
MDB	Multilateral Development Banks
OECD	The Organization for Economic Co-Operation and Development
PA+MEPF	Public Administration, Macro-economics and Public Finance
UN	United Nations
UNDP	United Nations Development Programme
WBG	The World Bank Group
SME	Small and Medium-sized enterprises
SME+PS	SME and Private sector