## PROSPERITY FUND THEORY OF CHANGE Growth-promoting relationships SDSR Impact Higher rates of Greater investment Greater trade flows sustainable growth flows Export Strategy Greater openness and Improvements in the business Higher investor confidence and lower risk UK businesses are key environment result in the reforms promote sustainable perceptions lead to UK businesses exploring partners/service providers economic development and growth and creation of firms new opportunities in PF economies and vice and industries (domestic and in target sectors. provide greater trading and foreign owned). investment opportunities. Improved Conditions for Growth in Partner Countries Partnerships Strengthened Outcomes Adherence to domestic and international rules delivers a better business Mutually beneficial economic Government policies Structural and economic promote strategic relationships are developed in reforms promote a integration with the global sectors where the UK has a sustainable growth path comparative advantage PF countries are PF countries are on a Partnerships in the 2 Improvements in Reforms bring Innovation and capability and capacity to demonstrably paper and in delivery of intermediate infrastructure and knowledge tangible benefits better governed practice easier outcomes lead to a greater human capital transfer drive to the economy respond infor-approach. and more places to do understanding of sectoral support business productivity and opportunities business. Positive best practice. UK expertise transparent. growth and growth and the for trade grow, and opportunities for Domestically and experiences of facilitate adoption of building the case mutually beneficial internationally, investors and other participation in the dimate friendly for further policy stability economic relationships private sector actors global economy. technologies. openness. become well known. becomes trusted. Intermediate Outcomes

OFFICIAL Three-pillar understanding of sustainability runs through programming design — green, self-financing and inclusive

Annex 1: Theory of Change for the Prosperity Fund: Activities to intermediate outcomes

