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No.:.....

CO/PSDIJC/55

REPUBLIC OF ZAMBIA

OFFICE OF THE PRESIDENT CABINET OFFICE

P.O. BOX 30208
LUSAKA
ZAMBIA

His Excellency Mr. Timo Olkkonen
Ambassador
Embassy of Finland
LUSAKA



7th March 2016

Your Excellency,

EVALUATION OF PRIVATE SECTOR DEVELOPMENT REFORM PROGRAMME (PSDRP II)

The above subject matter refers.

The Private Sector Development Reform Programme (PSDRP II) ended on 31st December, 2014 and was granted a no cost extension up to 31st December 2015. The Government is supposed to facilitate the undertaking of an end of Programme evaluation of PSDRP II.

In this regard, a team comprising of representatives of the Government of the Republic of Zambia, Private Sector and Cooperating Partners has been constituted to undertake a joint evaluation of PSDRP II. As one of the lead Cooperating Partners for PSDRP II, the embassy is requested to nominate a Senior Officer to be part of the evaluation team. The evaluation team will hold its first meeting on **Tuesday, 22nd March 2016 at Cabinet Office at 14:30 hours.**

Attached hereto are the terms of reference for the evaluation. Please accept the assurances of my highest consideration.

Roland Msiska (Dr.)

SECRETARY TO THE CABINET



Republic of Zambia

Cabinet Office

**Private Sector Development, Industrialisation and Job
Creation (PSDIJC) Division**

Terms of reference

for the

**Evaluation of Private Sector Development
Reform Programme (PSDRP II)**

January 2016

1.0 Background

Zambia's vision is to become a prosperous middle-income economy by 2030. To attain this status, growth has to be private sector led. In view of this the Government has embraced and committed to a private sector development (PSD) strategy as one of the most effective and sustainable strategies for job and wealth creation through the Private Sector Development Reform Programme (PSDRP) framework. The Private Sector Development Reform Programme (PSDRP) was set up to expedite investment climate and business environment reforms and reduce the cost of doing business in Zambia.

Implementation through the PSDRP I framework begun in 2006 through 2009 during which a number of achievements were recorded. PSDRP II was established on the recognition and consensus from all stakeholders that reforms are a continuous process and not an event and therefore Government needed to continue reforming in order to create a competitiveness business environment and conducive investment climate.

The Government made a commitment to support private sector led growth by implementing business environment reforms aimed enhancing a competitive business environment and enhancing the investment climate through the Private Sector Development Reform Programme (PSDRP). The reform agenda seeks to improve the business environment, and reduce the cost of doing business by creating a competitive business environment in Zambia that supports job and wealth creation.

PSDRP II is designed to focus on the business environment by improving increased access to financial services, infrastructure, regional and international markets, transparent regulatory frameworks, MSMEs to skills training and business development services and an enhanced forum for public private sector dialogue.

Implementing targeted business environment reforms contributes to improved competitiveness of an economy, wealth creation and economic growth through increased private investment, which results from it. This increased private investment and competitiveness in turn results in more new businesses created, existing ones scaled up, increased domestic, regional global trade, which lead to more jobs being created.

The Programme Goal, Purpose, Priority Reform and Cross Cutting areas remain as specified in the PSDRP II document (Business Licensing Reforms, MSME Development Reforms, Labour Productivity Reforms, Trading across Borders, Doing Business Reforms). However since 2013, focus within the overall programme context was categorised in thematic areas listed below:

- I. Competitiveness
- II. Entrepreneurship and Enterprise Development,
- III. Research, Monitoring and Communication
- IV. Industrialisation and Job Creation strategy
- V. Public Private Dialogue
- VI. Capacity Building and Gender mainstreaming
- VII. Programme Coordination

At the start of the second phase in 2010 the programme had four basket funders namely Government of the republic of Zambia, Government of Finland, Government of Netherlands and DfID. However at the end of the programme in 2014 only two funders remain the Government of the republic of Zambia and the Government of Finland.

2.0 PURPOSE OF AND CRITERIA FOR THE EVALUATION

The purpose of the end of programme evaluation will be twofold (a) provide accountability for project results and use of resources and (b) summarise achievements and key lessons learned. The guiding principles for the evaluation will be to balance the evaluation between assessment of the programme performance and soliciting lessons learned. The evaluation should focus on assessing programme relevance/appropriateness, effectiveness, efficiency and sustainability.

3.0 EVALUATION CRITERIA:

- (a) Evaluate the key achievements of the programme in relation to contribution to the goal of the programme
- (b) Assess the level of impact that the programme has so far had on reducing the cost of doing business in Zambia.
- (c) Evaluate the effectiveness of the extent to which the programme attained its objectives
- (d) Evaluate the spill over effects of the programme in relation to benefits that were not envisioned
- (e) Evaluate the efficiency by measuring the outputs qualitative and quantitative in relation to inputs.
- (f) Evaluate the coordination and monitoring mechanisms of the programme
- (g) Evaluate the extent to which the benefits of PSDRP II are likely to continue after the Programme ends.
- (h) Evaluate the appropriateness of the basket funding mechanism for the implementation of the reforms and the extent to which the financing arrangements were suitable
- (i) Assess the effectiveness of the communication methods used in the programme.
- (j) Identify the constraints and challenges that the programme has faced and their effect on the implementation of the programme
- (k) Identify and document any lessons learned
- (l) Make recommendations for PSD after end of the programme

4.0 SCOPE OF THE EVALUATION

The evaluation will cover the accomplishments of the expected result as outlined in the programme document and detailed in the annual work plans during the entire programme period. Consultations with all stakeholders from Government, private sector, civil society and Cooperating partners will be expected.

5.0 APPROACH TO THE EVALUATION

The evaluation is expected to make use of primarily qualitative techniques in order to assess programme performance and solicit lessons learned. The evaluation will commence with a desk review of PSDRP II documents, reports, studies, reviews, Government of Zambia policies, strategies, Government of Finland strategies, DfID strategies, and IFC strategies relevant to the Programme.

Interviews with key informants in PSDRP, Government of Zambia Ministries, Regulatory Agencies, Embassy of Finland, DfID, IFC, private Sector Associations is expected to form part of the evaluation.

6.0 EXPECTED DELIVERABLES

The following are the key deliverables for the evaluation process:

Detailed evaluation framework/design and implementation plan agreed with PSDRP

Data collection tools

Draft evaluation report

Final evaluation report

Five hard copies of the final report and a soft copy on a flash disk

7.0 TIME FRAME

The consultancy is expected to be completed in 30 days including submission of the final document. Timing of the evaluation is expected to take place in February 2015. Time allocation is set out as follows:

Literature desk review (3 days)

Interviews (10 days)

Collection of data from selected sites (5 days)

Documentation and report writing (5 days)

Presentation of findings to PSDRP (2 days)

Presentation of draft report to stakeholders and incorporating comments (3 days)

Submission of final report (2 days)

8.0 SUPPORT AVAILABLE

PSDRP will facilitate and coordinate the evaluation process. The Consultant will report to the Programme Coordinator PSDRP.

9.0 EXPERTISE REQUIRED

The evaluation consultant or consulting firm should meet the following requirements:

- (a) Consultant or team Leader must have a Postgraduate qualification in a discipline relevant to the assignment with a minimum of 10 years experience
- (b) Experience in the evaluation of grant funded and technical assistance projects preferably in private sector development and institutional and policy reform
- (c) Competence and adequate experience in the use of qualitative and or quantitative methods of data collection and analysis including sampling, desegregation of data structured and semi structured interviewing, focus groups, observation and triangulation research methods
- (d) Knowledge of Zambia, and the policies and a strong private sector orientation is critical as well as a good understanding of Government and cooperating partners.
- (e) Evidence of evaluation of similar projects
- (f) High quality writing skills (English)

