

Section 3

TERMS OF REFERENCE

External Review of DFID Malawi's Private Sector Development Programme

1. Introduction

1.1 Overview of this Terms of Reference (TORs)

The Department for International Development (DFID's) mission is to help eradicate poverty in the world's poorest countries and this is underpinned by our set of values:

- Ambition and determination to eliminate poverty
- Ability to work effectively with others
- Desire to listen, learn and be creative
- Diversity and the need to balance work and private life
- Professionalism and knowledge

DFID is seeking to work with Service Providers (SP) who embrace the DFID supplier protocol and in addition demonstrate Corporate Social Responsibility (CSR) by taking account of economic, social and environmental factors in an ethical and responsible manner, complying with International Labour Organisation (ILO) standards on labour, social and human rights matters.

Value for Money (VfM) is important for all DFID programmes and as such, in all our activities, we will seek to maximise the impact of DFID's spend on programmes and encourage innovative ideas from our partners and suppliers to help us to deliver Value for Money.

1.1.1 These Terms of Reference (ToRs) are for an independent consultant or service provider to conduct an External Review (ER) of DFID Malawi's Private Sector Development (PSD) Programme. The ER will involve conducting;

- Annual reviews (2016-2017)
- A project completion review (2018)
- An ex-post (post completion) evaluation (2020)

1.1.2 The PSD Programme consists of four components each being implemented by different service providers. These components are ;

- The Business Enabling Environment Programme (BEEP)
- Malawi Oil Seeds Sector Transformation Programme (MOST)
- The Business Innovation Facility (BIF)
- The Malawi Innovation Challenge Fund (MICF).

1.1.3 A maximum of £400,000 is available for the work covered by the ToRs. The ER is expected to cover a period of 5 years from early 2015 to early 2020.

- 1.1.4 For the purposes of this ToRs, an External Review is defined as an “independent review, oversight, validation, triangulation and assessment of the delivery, value for money, results measurement and reported impacts by the different service providers that constitute the PSD programme.”
- 1.1.5 In this instance, the ER will primarily serve accountability and learning function for DFID Malawi and implementing partners and offer an objective perspective and overall analysis of the PSD programme. The ER will take place at punctuated intervals to feed into DFID Malawi’s Annual Review (AR and Project Completion Review (PCR) processes. The ER will provide significant contributions to the AR of the PSD programme January 2016, January 2017 and a PCR in January 2018. There will also be a further ex-post review (post project completion period) to assess the systemic changes that have resulted from the different components of the Private Sector Development programme. This will be due in January 2020. Wherever possible, it is expected that the ER will generate some generalizable lessons and findings at all stages.
- 1.1.6 The ER will aim to answer a series of review questions, drawing on existing data and evidence from the monitoring and evaluation systems of the implementing service providers and complementing/supplementing this with data and evidence from non-programme sources as required. The ER will especially have to rely on non-programme sources to conduct ex-post reviews after programme completion to assess the nature of systemic changes that have resulted from programme implementation.
- 1.1.7 The ER objectives;
- Assess progress made against project outputs and how this is contributing to the overall project outcome and impact
 - Write DFID Malawi’s Annual Review and Project Completion processes and identify key achievements, challenges and lessons throughout the lifetime of the programme
 - Objectively and independently, validate, triangulate and provide assurances on the results reported by the different implementing agencies for their respective components.
 - Convene workshops organized by DFID Malawi to synthesize key lessons and findings from individual components and feed these back to implementing agencies and DFID Malawi
 - Assess market systemic change by building on existing data collection and monitoring systems even after implementing agencies stop implementing their relevant programmes.

Key outputs will be as follows;

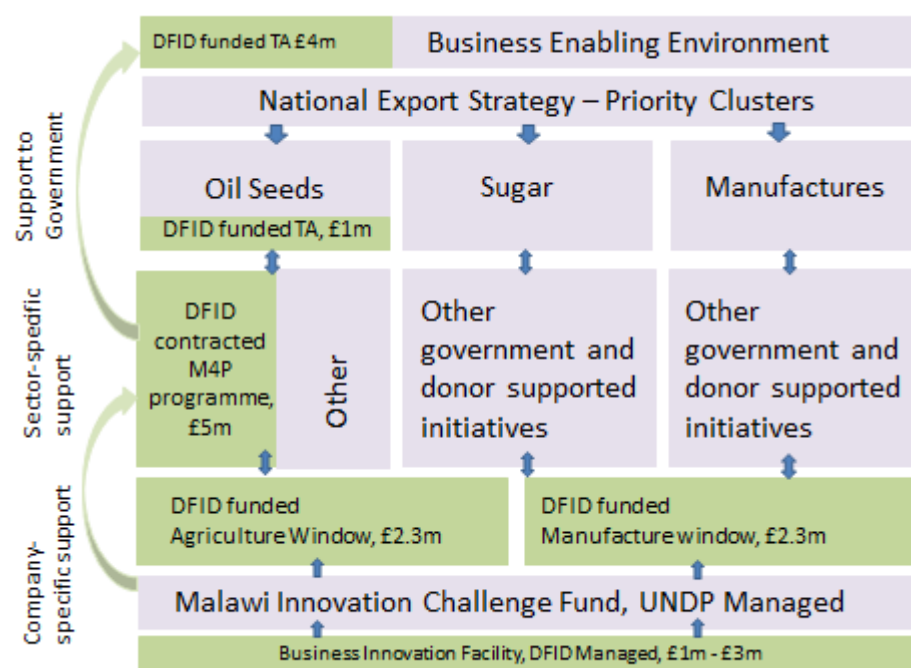
Inception report (June 2015)
Two Annual Review Reports (2016 to 2017)
Project Completion Review Report (2018)
Post Completion Review Report (2020)

1.2 Overview of The Private Sector Development Programme

- 1.2.1 The PSD programme is a £16 million programme that aims to provide capacity-building support to key public sector institutions that shape the regulatory environment for business (BEEP). It also helps the oil seeds, rice, pigeon peas and pico-solar product sectors reach its full potential through the establishment of sustainable market structures (MOST and BIF), and provide financial and technical support to businesses adopting pro-poor business models (BIF and MICF).
- 1.2.2 The PSD programme was originally designed to cover 4.5 years (late 2012 to early 2017). However, programmes have only emerged from inception in 2014 because of contractual delays, and a significant re-design in the case of BIF. Nevertheless, MICF is expected to end in December 2016, whilst BEEP and MOST are only slightly delayed beyond early 2017 to mid-2017. BIF is expected to end in 2019, with a significant contribution from DFID's Private Sector Department expected to supplement DFID Malawi's £1m contribution (possibly £2 - £4m). The final value is yet to be confirmed, although PSD's business case for BIF 2 has now been approved for a value of £28m (with the intention of supporting existing BIF countries - Burma, Malawi, and Nigeria – as well as starting up in new countries).
- 1.2.3 The four PSD programme components are at implementation stage, up and running. They deliver support at three levels. 1.) Support to the Government at National Level 2.) Sector Specific Support 3.) Company Specific Support. Programme delivery is presented below (see Figure 1 for summary):
- 1.2.4 The **Business Enabling Environment Programme (BEEP, £4m)** provides support to improve the capacity of key public sector institutions to improve the overall business enabling environment. This is being implemented with the support of a BEEP Secretariat, located in the Ministry of Industry and Trade, staffs of which are directly contracted by DFID Malawi.
- 1.2.5 The **Malawi Oil Seeds Sector Programme (MOST, £6m)** component provides support at the sector level to facilitate sustainable and inclusive development of the Oil Seeds Sector, which was identified as a priority sector in the Government's National Export Strategy. This is being implemented by a Technical Service Provider (a consortium of ASI, Kadale and AICC) contracted and managed by DFID Malawi.
- 1.2.6 The **Malawi Innovation Challenge Fund (MICF, £5m)** provides company specific support by providing grants to businesses to help them pilot and scale up inclusive business models consistent with the National Export Strategy. This is being implemented by UNDP, who in turn have contracted an independent fund manager (a consortium of Nathan and Imani) for day to day management of the Fund.

1.2.7 The **Business Innovation Facility (BIF, £1m)** also provides company specific support by extending the BIF pilot in Malawi to increase access to technical assistance to businesses wishing to adopt inclusive business models. A Strategic Review of the BIF pilot conducted in 2013 led to an increased focus on supporting specific sectors – following detailed analysis, BIF Malawi will initially focus on the pigeon pea, rice and pico-solar product sectors, although BIF key offering will remain technical assistance to businesses. DFID Malawi’s contribution is likely to be supplemented by another £2m - £4m from DFID’s Private Sector Department. A consortium of PWC and Imani is implementing BIF. DFID Malawi and DFID PSD work closely together in managing BIF 2.

1.2.8 Figure 1 below summarises the different levels of support that each of the 4 components of the Private Sector Development programme aims to offer:

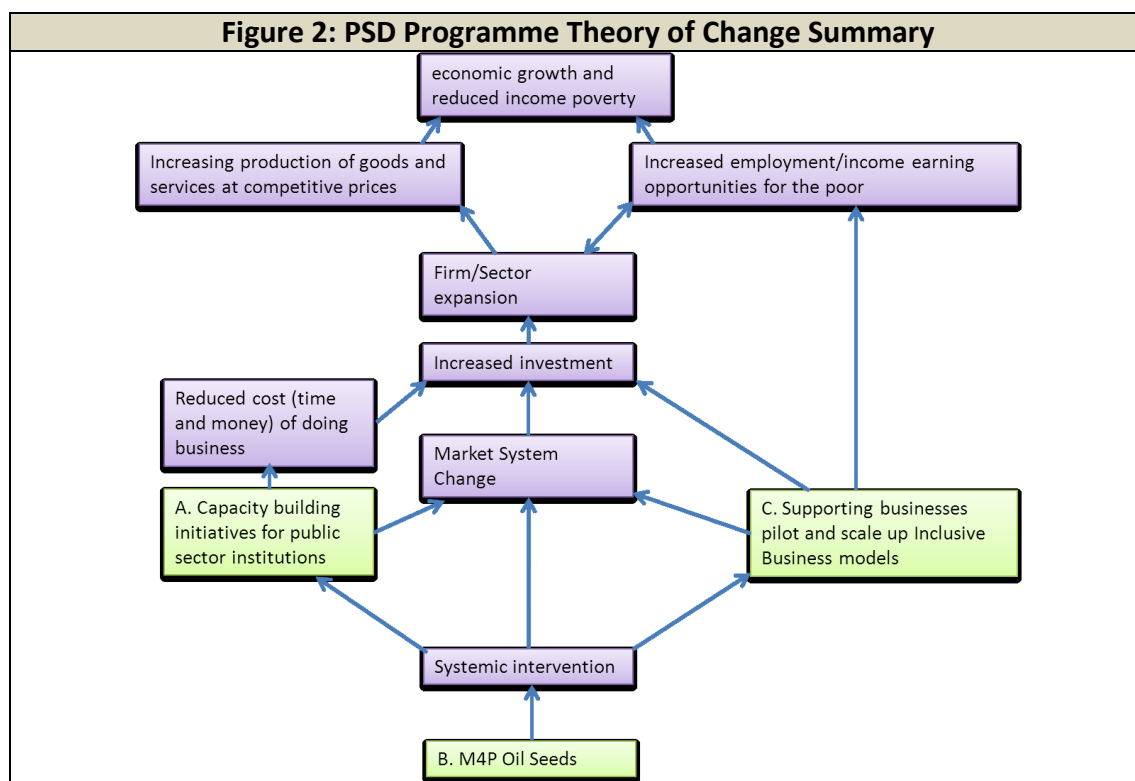


1.2.9 Table 1 below lists the current status of the key components:

Table 1: Current Status Of Key Components of the PSD Programme

Component	Status and Actual Start Date	Expected Completion Date	Documentation Available	Status of Monitoring and Evaluation Arrangements
BEEP	July 2013	July 2017	Draft log frame	No M&E approach agreed
MOST	August 2013	August 2017	Log frame agreed, inception report completed, including 3.5 year Business Strategy, and Year 1 Business Plan	Internal Monitoring and Results Management Framework in place
MICF	January 2014	December 2016	Log frame in place, Inception report completed	Internal M&E approach agreed, UNDP plan to have an independent evaluation at mid-term and end of term (the latter being no later than end 2017)
BIF	September 2013	March 2019	Log frame in place and implementation underway in 3 markets	M&E approach agreed

1.2.10 The theory of change envisaged in the programme assumes that each component will benefit and reinforce each other. Capacity building initiatives for public sector institutions through Business Enabling Environment (BEE) combined with interventions in the oil seeds sector through MOST and supporting business pilots and scale up of inclusive business models through MICF and BIF are expected to contribute to reducing the cost (time and money) of doing business. These initiatives also contribute to market system change, leverage increased investment, and ultimately lead to increased income earning opportunities for the poor and increased access to affordable goods and services for the poor. Figure 2 summarises the theory of change for the Private Sector Development programme.



1.2.11 To ensure synergies, coordination, sharing and learning between the 3 business facing components (BIF, MICF and MOST, as well as AgDevCo's Catalytic Fund – which is part of another business case), bi-annual meetings are organised of all the implementing partners, facilitated by DFID Malawi. The consortia have been encouraged to maximise collaboration – this is working well with substantial informal interaction between the implementing partners.

1.3 Current Monitoring and Evaluation Arrangements For the PSD Programme and Key Challenges

1.3.1 Each component of the PSD programme has its own monitoring and evaluation (M&E) arrangements led by the relevant implementing agencies as noted below. Organisations involved in any of the programmes listed below will not be allowed to bid for this particular programme due to the potential Conflict of Interest. Each are at different stages of development as noted in Table 1 above.

BEEP – The Business Case originally envisaged the World Bank as the implementing partner. However, 6 months after the finalisation of the Business Case, DFID took the decision to implement the BEEP directly. This led to the contracting of two technical experts for two years (up to May 2015), as well as a Functional and Strategic Review of MoIT, MITC and SMEDI (which took place over 3 months in 2013). DFID Malawi also contracted technical assistance directly for the Department of Registrars to support business registration online. Currently, there are no M&E arrangements in place (other than reporting on the activities of the two technical experts – a quarterly template based on recently agreed set of activities to take forward is now in place), and the log frame remains in draft form. However, DFID

Malawi is now contracting a Project Director for the BEEP Secretariat with responsibilities for M&E. This Project Director should be in place by early 2015, and their first task will be to ensure the log frame is updated and M&E arrangements are agreed.

- 1.3.2 **Malawi Oil Seeds Sector (MOST)** has developed an internal results management system for monitoring progress and results as documented in the MOST Monitoring and Results Measurement (MRM) manual. This employs the Donor Committee on Enterprise Development (DCED) Standard for Results Measurement. Independent DCED system audits will be used to ensure that the standard is being applied on MOST.
- 1.3.3 The **Malawi Innovation Challenge Fund (MICF)** has developed M&E guidelines as part of its inception phase. All projects receiving funding will be required to have a log frame with SMART progress indicators linked to a baseline assessment. The Fund Manager will visit each project twice per year to assess progress and assist projects with their reporting requirements as well as to ensure that projects are on track. UNDP also plan a mid-term and end of term independent evaluation.
- 1.3.4 **Business Innovation Facility (BIF)** has developed a detailed M&E Approach paper that sets out plans in detail. There will be a combination of impact assessments of the projects and partnerships and company self-reporting (companies who receive technical assistance from the BIF will be required to provide the Facility with regular update reports on implementation). Intervention Monitoring Plans are being developed, with results chains for the different markets in which it operates (currently pico-solar products and pigeon peas) based on the DCED standard, to judge whether systemic impacts in markets are being achieved. DFID's Private Sector Department also plans to appoint an independent evaluator for BIF2. The division of labor between the BIF 2 team and the independent evaluator still needs to be confirmed, but both parties will have responsibilities and requirements relating to data collection, data analysis, and the reporting of results.
- 1.3.5 While the expectation is that each component will have a rigorous M&E system, current M&E arrangements face three key weaknesses and risks as outlined below:
 1. **The risk of bias in the internal monitoring systems of different implementing partners.** This risk of bias could undermine the objectivity and integrity of results being reported. In order to mitigate this risk, this ER is expected to serve an independent and objective function that triangulates, assesses, validates and assures DFID Malawi on the integrity of individual M&E systems for each component.
 2. Whilst individual components may report on their individual outputs and outcomes, **there is no broad overview or assessment of the combined effect and expected synergies of all the components.** As a result, there is currently no broad assessment of the Private Sector Development Program to help generate lessons, identify challenges, and assess if the different components are achieving their broader outcomes and linkages as envisaged in the theory

of change. An ER could help to synthesize results across the different program and provide an objective overview of achievements, lessons and challenges for the program in its entirety while helping to contribute to strengthening synergies between different components.

3. **Much of the systemic change envisaged through the different components of the PSD programme will occur well after project completion and a challenge remains on how to assess and measure systemic changes and long-term effects of different interventions post completion.** An ER should offer an opportunity to conduct an ex-post (post completion) study of whether and how the different components of the PSD program have contributed to systemic changes.

- 1.3.6 These risks and weaknesses with current monitoring and evaluation arrangements provide the framework and impetus for the Terms of Reference (ToRs)

1.3.7 Recipient of the Services

1.3.8

The Recipient of the Services is the UK's Department for International Development. DFID will contract the ER and be responsible for addressing any performance related issues in relation to the contract.

2. Objective, Purpose & Scope of Work

2.1 Purpose

- 2.1.1 This consultancy has three purposes - Ensuring Accountability, Continuous Learning and Assessment of Systemic Change.

- 2.1.2 First is to help DFID Malawi meet its **accountability** requirements by objectively and independently validating, triangulating and providing assurances on the results reported by the different implementing agencies for their respective components. The reviewer will assess progress made against project outputs and how this is contributing to the overall project outcome and impact. The ER will do this by being actively and iteratively involved in providing core findings that can feed into DFID Malawi's Annual Review and Project Completion processes and identifying key achievements, challenges and lessons throughout the lifetime of the programme. The ER will be crucial in providing an objective assessment of the status of the PSD programme and its components during regular intervals and advise the DFID's Growth and Resilience Team accordingly with practical recommendations. Under the accountability purpose, the reviewer will help answer questions related to what results have been achieved through the Private Sector Development programme, and look at the relevance, effectiveness, efficiency, coverage and equity of delivery.

- 2.1.3 Second is to help strengthen **continuous learning** across the programme by helping to synthesize key lessons and findings from individual components and feed these back to implementing agencies and DFID Malawi through specially convened workshops organized by DFID Malawi. Under the learning purpose, the reviewer will

help answer questions related to challenges and lessons being learnt from the programme looking at what works, what does not, why, for whom and under what conditions and contexts. This will help DFID staff and implementing agencies to incorporate learning into programmes throughout the lifespan of the review.

2.1.4 Third is to provide an ex-post **assessment of systemic change** being achieved by examining the effects of the different individual components 2 years after their completion. Given the limited resources available for this review, it is expected that through annual engagement with the PSD programme, the reviewer will have established sufficient networks and contacts to assess systemic change by building on existing data collection and monitoring systems even after implementing agencies stop implementing their relevant programmes. The ER will have to demonstrate how they will conduct an ex-post assessment with the inputs available in their tender submission and developed further in the inception report. Under this purpose, the reviewer will help answer questions related to the longer-term impacts and sustainability of the different PSD programme interventions.

2.1.5 Drawing from OECD-DAC criteria, the review is expected to cover the following criteria:

- Relevance (providing assurance on relevance of interventions and validating individual programme components monitoring systems)
- Effectiveness (looking at cost effectiveness and value for money)
- Efficiency (looking at efficiency of delivery, cost efficiency and value for money)
- Results and Impact (looking at annual progress, outputs delivered and progress towards key outcomes and impact, especially measuring systemic change post-completion)
- Sustainability (looking at ownership, local capacity and long term systemic change)
- Coverage (especially when assessing inclusive business models and reach looking at actors involved within different sectors and the geographical distribution of benefits)
- Equity (examining the extent to which the poor are benefitting and also examining the gender dimension to benefits)
- Coherence (when looking at national policies and engagement by others and the links between different PSD interventions)
- Coordination (especially examining how different PSD components interact and how these are subsequently managed by DFID. Also examining coordination by the National government)

2.1.6 The ER will be expected to demonstrate how these criteria are being considered when developing and refining the review questions. An initial set of review questions is listed below in Box 1. These are indicative questions that will be revised and refined at inception stage by the ER, in consultation with DFID's Steering Committee, based on the ER's initial assessment of available data and on agreement with the Private Sector Development Adviser for DFID Malawi.

Box 1: Initial Review Questions

Core Question:

- 1.) To what extent (and through which component) has the PSD programme resulted in systemic and sustainable change, including in the environment for doing business and in the specific markets in which it operates?

Sub Questions:

Relevance:

- 2.) Are the inputs, outputs and outcomes of the individual components consistent with the overall PSD theory of change? What progress has been made with the individual components and with the PSD programme as a whole ?
- 3.) What are the major factors enhancing or constraining progress towards intended outcomes?
- 4.) What unintended outcomes (positive/negative) are evident as a result of the programme
- 5.) Are the results reporting systems(including data availability) of each of the individual components robust, relevant and objective enough to demonstrate the effects of the different components?
- 6.) Are the interventions contributing to additionality (e.g: not substituting commercially available finance for concessional finances)?

Effectiveness and Efficiency:

- 7.) Are resources being in the best possible way in order to provide value for money and achieve outcomes? What could be done differently to improve implementation?
- 8.) Is this a cost effective and cost efficient investment?

Sustainability, Results and Impact:

- 9.) What are the key results that have been delivered by the different components of the PSD programme ?
- 10.) To what extent is local capacity and ownership being built?
- 11.) What are the outcomes and impact of the programme after funding ends?
- 12.) What are the major lessons and recommendations that have emerged from the programme?
- 13.) How much of the results are actually attributable fo the efforts of the different components and how are driven by externalities?

Coverage and Equity:

- 14.) Who are the main beneficiaries of the different components of the PSD programme? How many people have been affected (positively and negatively)?
- 15.) To what extent has the PSD programme and its different components benefitted the poor?
- 16.) Have there been specific gender benefits from any of the components?

Coherence and Coordination:

- 17.) How have the different PSD components engaged together and added value to each other?
- 18.) How effective has internal coordination of the different PSD components been?
- 19.) How effective has the coordination of key actors (national government departments, major donors etc) been ?

2.2 General Approach

- 2.2.1 Based on these criteria, the general approach in meeting this purpose will require the ER to:

- Conduct annual external reviews of the Private Sector Development programme and its components providing objective analysis and assessments for accountability and learning purposes. These annual external reviews will be scheduled so that they can feed into DFID Malawi corporate deadlines for Annual Reviews. At least two Annual Reviews are expected to be delivered during the contract period. This will primarily involve accessing, using, verifying and analysing existing data from each individual component and complementing this (where necessary) with additional data from non-programme sources (such as qualitative interviews or focus groups). One of the initial tasks of the ER will be to examine reporting log-frames for each of the components and make recommendations on how they can be changed, improved and aggregated into a new overall log frame. In some cases, this may involve practically advising implementing agencies on how their systems can collect better data within their costs. Additional funding is not available for data collection. The ER will be required to contribute to completing key parts of DFID's corporate annual review templates based on review findings.
- Ensure regular engagement (at least once annually but preferably bi-annually depending on resources) with implementing agencies and DFID Malawi to share key lessons and findings, including practical recommendations to improve results measurement where necessary.
- Conduct an independent project completion review of the PSD programme and its components at the end of the project implementation period. This will involve a final synthesis of key results achieved by each of the project components and an assessment of the overall achievements, lessons and challenges that have faced the programme throughout its lifetime. The ER may be required to contribute to completing key parts of DFID's corporate project completion review templates based on review findings.
- Conduct a post project completion review (two years after project completion in 2019) to provide an assessment of systemic changes that have been achieved and sustained because of the PSD programme. This will involve developing a methodology that can add on to and complement existing data collection processes within the limited resources available.
- A single individual ER/firm is expected to deliver this Terms of Reference. Due to the nature of the programme, continuity, retention of knowledge and establishing and maintaining contacts is key. As such, it is expected that the ER will be involved across the duration of the programme during the implementation years as well as for the ex-post review.

3	Audience and Communications
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3.1 Audience

- 3.1.1 The primary audience for this ER is DFID Malawi, and in particular, members of the Growth and Resilience team who are leading on Private Sector Development work. The ER will be extremely useful at the programme level where DFID staff will be able to incorporate learning and have access to objective assessments throughout the lifespan of the programme. The reviews are also expected to be of interest to Private Sector Development teams across DFID as we seek to learn from our engagement in PSD programmes. Indirectly, the UK Taxpayer is an important audience for this ER to provide assurances of accountability through DFID's Annual Review and Project Completion Review processes.
- 3.1.2 Implementing agencies are also an important audience, especially during the lifetime of the programme where findings from annual reviews can feed into learning forums and help improve both individual components and how these components interact with each other. There is a possibility that some of the components of the PSD programme may be able to continue with more DFID funding. The ER process will help in informing any redesigns/change to implementation arrangements or ways of doing things differently.
- 3.1.3 The Government of Malawi is also viewed as an important audience for this ER as lessons will be generated on whether and how the PSD programme is strengthening national capacity and the relevance of PSD investments to the National Export Strategy (NES). The ex-post (post completion) review report will serve as one of the key outputs for this audience. Other organizations interested in private sector development work in Malawi will be interested in what works, under what circumstances and why.

3.2 Communications Strategy

- 3.2.1 It is important for the ER to ensure that key documentation and communications is of a high standard, publishable and can stand up to external scrutiny.
- 3.2.2 As the ER will be part of a continuous learning and assessment process through regular Annual Reviews, the reviewer will need to work closely with DFID Malawi to plan interaction and feed into learning forums with implementing agencies, and consider how external actors such as the Government of Malawi are engaged through this process.
- 3.2.3 The ER will also need to consider how to communicate and share findings from the ex-post (post completion) review with relevant stakeholders.
- 3.2.4 The ER will be expected to develop a well-formulated communication strategy to reach key audiences and harmonize this with key reporting and meeting deadlines within the programme. The communication strategy will be part of the inception phase outputs.

4 Methodology, Skills and Ways of Working
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4.1 Responses Expected From Bidders

4.1.1 The bidders for this contract will need to submit a methodology to achieve these ToRs demonstrating how the three purpose areas of this review and review criteria are met: Ensuring Accountability, Continuous Learning and Ex Post (post completion) Assessment of Systemic Change.

4.1.2 The methodology will:

- Detail the approaches and methods to be used to undertake the ER throughout the lifetime of the programme (annual reviews and project completion review) and post completion. This will include demonstrating how data from existing programme sources, monitoring systems and log frames can be used, triangulated and validated and identify supplementary data collection needs as necessary within the resource constraint provided.
- Demonstrate how the review criteria and review questions can be answered and suggest refinements to the proposed review questions. This also includes the bidders proposed approach to assessment of Value for Money (VfM).
- Demonstrate how an ex-post (post completion) ER of the programme and its components can be conducted 2 years after project completion (Project completion is expected no later than January 2018) to measure systemic change, on the assumption that implementing agencies may have stopped operating and hence result in minimal data from programme sources.
- Demonstrate an appropriate balance of qualitative and quantitative methods including approaches to data collection (from programme and non-programme sources) and sampling, ensuring internal and external validity, and measures to avoid bias throughout the review process.
- Demonstrate how internal programme data sources can be triangulated using appropriate methods (such as qualitative interviews with beneficiaries and businesses and tracking a sample of beneficiaries and businesses throughout the lifetime of the project and post-completion) providing assurances to DFID Malawi that the implementing agencies have robust monitoring systems in place.
- Assess the strengths, weaknesses and risks associated with the proposed methods for collection, extraction and analysis and highlight possible mitigating measures.
- Detail how the ER proposes to engage with the implementing agencies to collect, analyses, synthesize data and contribute to improving joint learning. This includes proposing Memorandum of Understandings (MoUs) with each implementing agency to ensure access to data and coordination of documentation and reporting requirements. It will be the Reviewers responsibility to prepare all necessary MoU's. DFID will ensure that all parties sign the MOUs.
- Detail how the ER will engage with an iterative learning process, where data quality and data collection by implementing agencies may be subject to change.
- Detail costing and staff time required throughout the ER period referring closely to the time frames and expected deliverables listed below in this ToRs and the budget available for this review.

- Detail the expertise of the ER, demonstrating how the skillset listed in this ToRs is being met.
- Propose how knowledge and lessons will be shared with DFID, implementing partners and external stakeholders and detail the approach that will be taken to developing a communications strategy.

4.2 Skills

4.2.1 The ER should possess the following skills:

- Extensive knowledge and experience of designing and managing monitoring and evaluation systems with a special emphasis on Private Sector and Market Development programming and an ability to engage with contexts and interventions that may vary over time.
- Demonstrated knowledge and proficiency in OECD-DAC evaluation criteria and standards.
- Demonstrated experience and expertise in quantitative and qualitative data collection and analysis.
- Experience in assessing Value for Money (VfM).
- Proficiency and familiarity of different standards and measurements of private sector and market development work (such as the DCED audit approach to be applied in the MOST and BIF programmes).
- Ability to engage with a wide variety of stakeholders and work with multiple agencies.
- Experience of carrying out iterative reviews and ex-post evaluation.
- Excellent analytic skills and ability to synthesize qualitative and quantitative data effectively.
- Ability to carry out basic gender analysis including disaggregation of data.
- Familiarity with Africa and private sector and business environment contexts in the region.
- Excellent verbal and written communication skills with an ability to write in good plain English.
- Track record of delivering quality outputs on time.

4.3 Working With DFID and Implementing Agencies

4.3.1 During the contract period, the consultants will need to work closely with DFID Malawi's PSD team and the 4 implementing agencies in the PSD programme, to access data, locate documents, and meet key contacts including key beneficiaries of interventions. Each implementing agency has taken a different approach to Monitoring and Evaluation systems in place - the ER will need to help implementing agencies identify and improve systems where notable weaknesses are identified.

4.3.2 DFID Malawi PSD Staff will:

- Provide access to key documentation including logframes, quarterly reports, inception reports, annual reports and other documentation that is available and necessary for the purposes of this review.

- Plan and coordinate documentation requests between the ER and implementing agency, including sequencing deadlines for quarterly and annual reports expected from implementing agencies and ensuring that these deadlines are met.
- Help the ER establish long term MoUs with the key implementing agencies granting access to data, agreeing on frequency of visits and key documentation and data needs. MoUs will be prepared by the ER; DFID will assist in ensuring MoUs are signed with implementing partners.
- Engage with the ER on a regular basis to capture key findings, lessons and challenges.
- Provide the ER with corporate templates for annual reviews and project completion.
- Arrange the logistics of learning and exchange workshops as agreed.

4.3.3 The Implementing Agencies will through a clear MoU with the ER)

- Provide access to key primary and secondary data and documentation
- Help the external reviewer to contact and interview key stakeholders and conduct data verification as necessary
- Provide the external reviewer with unhindered access to interview beneficiaries and key stakeholders in confidence to validate and triangulate data from existing programme sources.
- Engage with the ER on refining review questions and criteria and agree on how data from existing internal monitoring and evaluation systems can help answer these questions.

4.3.4 The key accountability and contact for the ER within DFID will be the Private Sector Development Adviser supported by a Programme Manager and Deputy Manager. They will be responsible for helping the ER to contact Implementing Partners, organise quarterly review meetings and supply with relevant documentation.

5 Risks

5.1 Risks

5.1.1 The ER will be expected to report on risks identified and mitigation strategies in their inception report. Initial risks of relevance to this contract have been identified as:

- Poor quality data being collected by implementing agencies making it difficult to validate, verify or use to assess progress.
- Implementing agencies not willing to share primary data or poor cooperation with implementing agencies.
- Inadequate preparation to collect ex-post (post completion) data to analyse systemic changes within a limited budget.
- Risk of inability to retain external reviewer for a 6-year period (including post completion) leads to loss of knowledge during hand-overs, affecting the quality of the evaluation.

6 Time Frame and Deliverable Requirements

6.1 Timeframe and Deliverables

6.1.1 The timeframe and expected deliverables for this contract is provided below. This will be subject to the timely conclusion of the procurement process. The timeframe below also lists key reports that will be delivered by implementing agencies for the external reviewer to be aware of when preparing their methodology paper during bidding

6.1.2 Length of Contract

The review work will be delivered over the duration of the programme and two years post-programme completion. We do not foresee any need for extension. However should there be any need to do so, the programme will be extended as a required. As such, the total length of the contract will be for 5 years from 2015 to 2020 comprising of the following phases:

Inception Phase (Over a maximum period of 3 Months)

Implementation Phase 1 (Annual Reviews over a period of 2 Years)

Implementation Phase 2 (Project Completion Review over a period of 1 Year)

Implementation Phase 3 (Ex-Post Evaluation over a period of, 2 Years after programme completion)

6.1.3 Payment for this contract will be based on successful delivery of key outputs and on agreed success criteria to trigger payment.

Contract Signing Phase			Success Criteria for Payment	Cost of Output to be proposed by Bidders
Time Period	Key Event	Key Output		
Feb 2015 2015	Contract Signed and Commencement	Signed Contract and Work plan	N/A	£0
Inception Phase				
Time Period	Key Event	Key Output		
March to June, 2015	Reviewer to mobilise resources, undertake stakeholder consultations / meetings, review	Draft Inception Report June 2015	Meeting with DFID has been held, all initial meetings with implementin	

	existing data / programme information and M&E systems and prepare an initial draft inception report that includes preliminary contributions to the PSD Annual Review.		g agencies have been held and draft inception report has been submitted to DFID	
June 2015	Inception Report submitted to DFID Malawi	<p>Full Inception Report.</p> <p>The inception report will:</p> <ul style="list-style-type: none"> • Provide initial observations and offer an assessment of the M&E systems if implementing agencies, data quality and validity. This includes a review of existing logframes of individual components and review and recommendation of an overall aggregated PSD logframe. • Identify key risks and suggest mitigation strategies • Propose revisions, if necessary, to the methodology. • Propose any additional data collection work required by the implementing agency or from 	DFID have reviewed the submitted report and all comments / feedback has been incorporated into the report and the final report has been approved by DFID	

		<p>non-programme sources within the existing budget constraint.</p> <ul style="list-style-type: none"> • Propose a draft communications strategy that covers purpose, audiences, timing and medium of communication. • Confirmation and refinement (if any) on the review questions and criteria as stipulated in the ToRs. • A detailed workplan covering the entirety of the review period. • An agreement of what headings and questions will be answered in the Annual Review and captured in the Annual Review report. 		
Implementation Phase 1 (Annual Reviews)				
Time Period	Key Event	Key Output		
<p>October to December Years:</p> <p>2016</p> <p>2017</p>	<p>Desk review of implementing agency reports to date, and planned formal review meetings with DFID Malawi, implementing agencies, beneficiaries, etc to verify data, meet stakeholders,</p>	<p>Evidence, Data Collection And Analysis To Inform Annual Review Report</p>	<p>Draft Annual Review Progress Report As Per Agreed Headings</p>	

	and analyse progress to prepare draft annual review report against agreed headings			
January 2016 2017	Annual Review Report submitted to coincide with DFID Malawi Annual Reporting Requirement.	Annual Review Report (total of two annual Reviews) and Learning Workshops (as agreed) Annual Review report will aim to answer key review questions and also involve contributing to the DFID Annual Review Template	Final Annual Review Progress Report Approved By DFID as per agreed Annual Review Report headings	
Implementation Phase 2 (Project Completion Review)				
Time Period	Key Event	Key Output		
January 2018	Complete an overall Project Completion Review of the PSD Programme	Project Completion Learning Event and Project Completion Report The Project Completion report will aim to answer key review questions and also involve contributing to the DFID PCR Template	Final Project Completion report approved and by DFID as per agreed headings at inception stage and incorporating feedback from learning event.	
Implementation Phase 3 (Ex Post [post completion] Review)				
Time Period	Key Event	Key Output		
January 2020	Complete an Ex-Post Evaluation to assess systemic change	Ex Post Evaluation Report Learning Workshop The Ex Post Evaluation Report will answer and synthesize findings over the years and answer all key review questions including an assessment of systemic change.	Final ex-post evaluation report answering key evaluation questions and incorporating feedback from learning	

			event. Approved by DFID	
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7 Accountability

7.1 Governance

- 7.1.1 A Steering Committee will be established to meet at least half-yearly and at strategic points in the review and evaluation cycle. The ER will report to the steering committee. The main responsibilities of the Steering Committee will be to oversee progress in the programme, to review proposed approaches and methodologies and quality of implementation and to coordinate involvement across DFID. Core members will include the Private Sector Development Adviser, the Growth and Resilience Team Leader, and the Evaluation Adviser for DFID Malawi. Other members from DFID's private sector development cadre will be drawn in to tap into cross-organizational learning on other private sector development initiatives within DFID.

7.2 Contractual Accountability

- 7.2.1 The ER will be contractually accountable to DFID Malawi and report to the Private Sector Development Adviser for all contractual issues and administrative oversight of this contract
- 7.2.2 The contract will be issued for the full implementation period, but will be subject to acceptance of deliverables, satisfactory performance of the service provider and approval of the service provider's inception report and annual work plans. The contract will be subject to contract break clauses at the end of the inception phase and annually. The consultants will be expected to deal with all logistical issues unless otherwise agreed. This includes any travel and accommodation expenses.
- 7.2.3 There will be a maximum three-month inception phase. If DFID (in consultation with the Steering Committee) then decides not to proceed to the implementation phase, or should DFID be unsatisfied with the performance of the service provider, the contract will be terminated at no cost to DFID. It should be noted that DFID reserves the right to terminate the contract for poor performance of the service provider, or for any other reason.
- 7.2.4 In the event that DFID (in consultation with the Steering Committee) decides to proceed to the Implementation Phase, the contract will be reviewed and amended as required. This will include details of the services to be provided in the form of updated Terms of Reference. .
- 7.2.5 Performance will be evaluated through an output-based contract with Key Performance Indicators (KPIs). Payments will be made against achievement and delivery of key outputs during both the inception phase and implementation phase.

KPIs and outputs for the implementation phase will be agreed between the ER and DFID (in consultation with the Steering Committee) during the inception phase. Delivery of the outputs will be continually reviewed through bi-annual reports provided by the ER.

- 7.2.6 Arrangements for storage and accessibility of any data generated through the work will be agreed in the Inception Phase between DFID and the ER bearing in mind primary data will be accessed through implementing partners.

8	Duty of Care
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8.1 Duty of Care

8.1.1 The entire consultancy will require regular field visits and travel within Malawi as appropriate (mostly to interview and verify beneficiaries).

8.1.2 The ER is responsible for own safety and well-being and any Third Parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for personal and official assets.

8.1.3 The ER will be offered a security briefing by the British Embassy/DFID on arrival at DFID Malawi offices. Non-Malawian personnel must register with their respective Embassies, where applicable to ensure that they are included in emergency procedures.

8.2 Programme background

Malawi's economy is dominated by low value-addition agriculture, with smallholder farmers depending on small plots of land for their food security and livelihoods. Although agriculture contributes, 35% of GDP compared to 46% services and 7.5% manufacturing, the sector accounts for more than 80% of Malawi's export earnings, and supports 85% of the population. Furthermore, Malawi's exports are dominated by tobacco (of which 80% is burley tobacco), which makes up 60% of exports and supports about 20% of the population. Highly volatile production and fluctuating prices, as well as the threat of a ban on the additives required to make burley tobacco palatable, make the need to reduce reliance on tobacco all the more urgent.

There is an urgent need to build the productive base of Malawi's economy, to move away from dependence on tobacco for export, and to add value to exports to address Malawi's structural trade imbalance, and to drive long-term economic growth. A number of high value crops have potential, such as tea, coffee, cotton, macadamia nuts, paprika, groundnuts, sugarcane, cassava, beans and pigeon peas. However, no single crop can replace tobacco's revenue, employment and export earnings potential, and all will take time and investment to develop. Beyond agriculture, mining is expanding, most notably a uranium mine in the north that opened in 2009, but also potentially niobium, coal, and oil and gas from Lake Malawi. Tourism is also relatively under-developed, particularly when compared to its neighbours.

However, Malawi faces barriers to future growth. The country is landlocked, with poor quality road and rail infrastructure links to the nearest ports in Mozambique. Only 7% of

the population has access to electricity. Installed electricity generating capacity is currently 287 MW, whilst peak demand is 330 MW, leading to load-shedding and frequent blackouts. It is estimated that projected peak demand will rise to 478 MW by 2015 and 757 MW by 2020. Access to finance is also very low, with only 26% of the population using formal financial products of any kind. Those that do have access to loans are charged 40% + interest, amongst the highest rates in Africa. Furthermore, low skills levels are a growing constraint, both in terms of secondary education for cash cropping, and tertiary education for formal employment.

Some of these factors are reflected in Malawi's poor rankings in the World Bank Doing Business Indicators, with Malawi currently ranked 171 out of 189 for 'Ease of Doing Business' in 2014, reflecting a deterioration from previous years. The difficulties of 'dealing with construction permits' (ranked 173), 'getting electricity' (183), 'getting credit' (130), 'trading across borders' (176), 'enforcing contracts' (145) and 'resolving insolvency' (150) are all identified as particularly harmful to doing business in Malawi.

Malawi's geographical location and the structural features of its economy require Malawi to pursue regional economic integration to enhance trade and development. Trade within the SADC region currently accounts for about 60% of Malawi's imports and 31% of the country's exports. 66% of the country's total exports to the sub-region are non-traditional commodities (cereals, apparel, oil seed, cotton, rubber, printed books, heavy machinery and wood). The sub-regional market, therefore, presents Malawi with an opportunity for increased trade and export diversification.

9 Annex 1

Annex 1: Initial Risk Assessment Matrix

Project title: PRIVATE SECTOR DEVELOPMENT PROGRAMME

Location: Malawi

Date of assessment: 27.10.2014

Assessing official:

Theme	DFID Risk Score
	Malawi
OVERALL RATING	2
FCO travel advice	1
Host nation travel advice	1
Transportation	3
Espionage	1
Security	2
Civil unrest	1
Violence/crime	2
Terrorism	2
War	1
Hurricane	1
Earthquake	2

Flood	2
Medical Services	3
Nature of Project/Intervention	The intervention is about evaluating results for Private Sector Development programme

1 Very Low risk	2 Low risk	3 Med risk	4 High risk	5 Very High risk
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Malawi

Country	Malawi
FCO travel advice	<ul style="list-style-type: none"> • No restrictions. • Wildlife and livestock on roads make driving hazardous. Avoid driving at night. • You should carry driver's license when driving. This is a legal requirement. • Whilst most visits to Malawi are trouble-free, you should be aware of an increasing incidence of violent crime. • There is a low threat from terrorism. However, you should be aware of the global risk of indiscriminate terrorist attacks, which could be in public areas, including those frequented by expatriates and foreign travellers.
Host nation travel advice	Not available
Transportation	<p>Malawi has good tarmac roads over some of the country but you should be careful when driving off-road. Driving: particularly outside the major urban areas can be dangerous as stray livestock can pose a serious hazard. Main roads/motorways are not fenced and people frequently walk on the road. Some trading towns have markets at the roadside. This is a particular risk at night and caution should be taken if driving outside major towns at night.</p> <p>Heavy-duty trucks are a common sight on the roads. Zambian, Mozambican and Tanzanian hauliers drive through Malawi when ferrying goods across the region. Trucks that have broken down are a hazard on the road especially at night.</p> <p>Virtually all large cities and towns offer some form of public transportation including mini buses. There are two main airports: Kamuzu International Airport in Lilongwe and Chileka International Airport in Blantyre.</p>
Security	Country threat is assessed as low.
Civil unrest	You should avoid large demonstrations and gatherings. There

	were countrywide demonstrations in 2011 against the former regime and president Bingu wa Mutharika. During this period, there was loss of life and looting (police fired live ammunition at protestors). Police Crowd Management is poor. Tear gas is the main tool used to disperse crowds. This causes panic and violence ensues.
Violence/crime	<p>Attacks on tourists are rare, but petty and violent crime is increasing. House burglaries; often by armed gangs, are also increasing. There have been some cases of car jacking. If you are attacked, do not resist. Theft from parked cars does occur. Safeguard valuables and cash. Deposit them in hotel safes, where practical. Keep copies of important documents, including passports, in a separate place to the documents themselves.</p> <p>Violence/crime is assessed as '3'.</p>
Espionage	D
Terrorism	There is a low threat from terrorism. However, you should be aware of the global risk of indiscriminate terrorist attacks, which could be in public areas, including those frequented by expatriates and foreign travellers. Terrorism risk is assessed as Echo.
War	No identified threat
Hurricane	Low Risk
Earthquake	Low Risk
Flood	Some localised flooding and damage to buildings
Medical Services	Health care in Malawi is poor. For serious medical treatment, medical evacuation to the UK or South Africa may be necessary. Private hospitals will not treat patients unless you can pay and health care may be expensive.
Nature of Project/ Intervention	The intervention is about evaluating results for Private Sector Development programme

CB118 (April 2002)