

Annex N Extracts from the Terms of Reference

Clarifications to the terms of reference

At the ERG meeting of 21 May 2014, it was decided that the Evaluation should bear in mind, and make reference to, existing studies and other work already carried out on sustainability, phase 1 evaluation, impact assessment and the insights on BUSAC grantees that were looked at as part of the EC's study on civil society organisations, hence the emphasis of the evaluation should be on BUSAC's effectiveness and impact, at the expense of additional findings at the grantee level. The evaluation should also emphasise lessons learned for future private sector development programming and construct a robust theory of change for private sector advocacy in Ghana that would inform future programming.

The evaluation team have recommended expanding the evaluation questions to support the conclusions that are likely to be drawn from the analytical work. This particularly effects the efficiency questions. The changes enhance the areas of interest to the Evaluation Reference Group. The revised questions and sub-questions are provided in detail in Annex B.

1. Background

The Business Sector Advocacy Challenge Fund (BUSAC) was established in 2004 to provide grants, training and technical support to Business Associations, Trade Unions and Business Media (BATUBMs) with the aim of helping them to advocate more effectively for a conducive business environment. The Fund was initially supported by Danida under the Business Sector Programme Support (BSPS) and DFID, and at a later stage USAID joined. BUSAC was managed by a contracted consultancy firm (Fund Manager). By 2009, BUSAC had awarded 360 grants for BATUBMs and had advocacy activities in all of Ghana's 10 regions, comprising support for organisations and advocacy at the national level as well as support for advocacy by small local organisations.

A second phase of BUSAC was initiated in 2010 with a Danish contribution of DKK 40 million under the Support to Private Sector Development (Phase II), which followed the BSPS with a continued grant scheme. Danida has signed delegated cooperation agreements with USAID and European Commission in 2011, managing their funds under the BUSAC II. In the second phase, BUSAC has increasingly included advocacy activities of small business associations and farmer based organisations and BUSAC has more proactively promoted advocacy on emerging issues of national strategic importance. BUSAC II is implemented by a Fund Manager (COWI) and operates offices in Accra and in Tamale.

BUSAC II is one of two sub-components under the SPSD II business environment component, which has the following objective: *Improved conditions for business operation including enhanced local and foreign investor confidence.* The other sub-component consists of the Danish contribution to the GoG Private Sector Development Strategy; a pooled funding arrangement under the Ministry of Trade and Industry, which has not yet reached the stage of implementation.

The seven outputs under BUSAC II are:

1. Advocacy actions achieve their objectives
2. Strengthened structures for dialogue and advocacy
3. Enhanced advocacy capacity of PSOs - BATUBMs, SBAs and FBOs
4. Enhanced organisational capacity and competence of PSOs
5. Strengthened Support Service Markets
6. Sustainable and effective coverage of business issues in the media
7. Efficient management and governance of the BUSAC Fund

BUSAC II is governed by a steering committee with members from private sector, University of Ghana, Ministry of Trade and Industry, Ministry of Local Government and Rural Development and the Danish Embassy in Accra. A selection sub-committee approves BUSAC funding to projects following a procedure of open calls for project proposals, which have been screened by the Fund Manager.

The Business Environment in Ghana

Ghana has exhibited relatively strong growth since the 1980s, with an average annual growth rate of 5% and notably higher growth rates in the 2000s. The proportion of the population living below the poverty line fell to 28.5% in 2005-06. However, Ghana's economy continues to be heavily reliant on primary commodities with insufficient linkages to other sectors, its agricultural sector is characterized by low productivity, and there is a low application of science, technology and innovation throughout production and distribution channels.

Ghana is generally regarded as a country providing better conditions for private sector development than most other countries in Sub-Saharan Africa. The WB Doing Business Indicators and the Global Competitiveness Index consistently rank Ghana among the best countries in Sub-Saharan Africa, although it is also recognised that the pace of reforms has decreased in recent years. Despite political stability and consensus around the role of government in promoting private sector led growth, implementation of the Private Sector Development Strategy has not yet been initiated.

The issue of the private sector's influence on the political reform of the business environment in Ghana, and in general, is disputed. A recent study concludes that the influence of the private sector on the quality of the regulatory environment in Ghana has been limited¹. This is explained by the fact that the majority of private enterprises in Ghana are small and informal and the government-business relationship, which is claimed still to be of a patronage-oriented nature. It is also argued that aid and government-donor relations have played a negative role by substituting endogenous political influence. The lack of incentives of the political elite in Ghana to work for private sector reform has also been analysed in a recent Danida-funded research programme². This Evaluation is envisaged to contribute with more evidence to this discussion.

2. Evaluation purpose

The overall purpose of the Evaluation is learning from the support to business advocacy in Ghana in order to draw lessons for future support in Ghana and for similar programmes in other countries. It is expected that the findings of the Evaluation will provide an input to the preparation of the next phase of Danish support to private sector development in Ghana.

3. Scope of work

The Evaluation will comprise all the activities of the Business Advocacy Challenge Fund since its inception in 2004 until today.

Danida business advocacy programmes in Tanzania and Kenya will be included in the analysis in order to allow a comparison in terms of programme design and implementation.

4. Evaluation criteria and evaluation questions

The overall evaluation questions to be answered by this Evaluation are the following:

¹ Private Sector Development and governance in Ghana, IGC, 2013.

² Economic Transformation in Ghana, DIIS, 2011 <http://subweb.diis.dk/sw114080.asp>

- To what extent and how has the Business Advocacy Challenge Fund reached its objective of improving the business environment in Ghana and thereby enhanced private sector growth?
- What lessons can be learned for the design, implementation, monitoring and management of future Danish support that aims at improving the business environment?

The Evaluation will apply OECD/DAC's five criteria: relevance, efficiency, effectiveness, impact, and sustainability to answer the key evaluation questions listed below. Effectiveness, impact and sustainability will be the most important aspects of the Evaluation.

It is acknowledged that causal links at outcome and impact level may be difficult to establish and that developments at this level are influenced by numerous factors and may evolve in a non-linear manner. The evaluation analysis should take these factors into account, but should nevertheless – where possible – document outcomes and the wider impact of the programme.

Relevance

The relevance of the Business Advocacy Challenge Fund to overall Danida policies, to national strategies and to the demands of the beneficiaries should be assessed in at least the following two aspects:

- To what extent was BUSAC relevant for addressing the binding constraints in the business environment in Ghana seen both from Government side and from the private sector itself?
- To what extent did the BUSAC fund stimulate advocacy actions that would not otherwise have occurred?
- How relevant was BUSAC in addressing Danida objectives of poverty reduction, human rights, gender and environment?

Efficiency

The efficiency of the Fund administration should be assessed, primarily by focusing on:

- Is the Fund administrative set-up and staffing cost-effective?
- Do the administrative procedures of the Fund allow accountability and control of funds without making application and reporting procedures for project holders too cumbersome?
- Is the documentation and monitoring system of the Fund a useful basis for assessing progress and documenting results at individual project level and programme level?

Effectiveness

The achievement of the stated programme outputs should be assessed. The focus of the analysis is expected to be on:

- What were the most important factors influencing whether an advocacy action achieved its objective?
- What role did business advocacy supported by BUSAC play in the process of promoting, formulating and approving new regulations or practices related to the business environment in Ghana?
- What is the difference in results between national, regional and district based advocacy?
- To what extent was BUSAC support focused around issues of strategic importance to private sector development in Ghana?

- What was the effectiveness of the supported Private Sector Organisations in terms of identifying the advocacy issues, producing quality evidence or advice, targeting the relevant institutions/individuals and presenting the case?
- How did the capacity of the Private Sector Organisations develop over the support period?
- What is the difference in results between small, semi-formal private sector organisations and the large, well-established organisations?
- Has the support to service providers and media increased their activity level, enhanced their awareness or increased their capacity regarding business environment issues?

Impact and sustainability

In terms of longer term development effects, the Evaluation should assess both intended and unintended, positive and negative effects of the programme intervention, including:

- To what extent did BUSAC contribute to enhancing the general role of the private sector in the formulation and preparation of initiatives related to improving the business environment through changing attitudes among stakeholders or government officials, through the establishment/maintenance of public-private dialogue structures related to private sector development or in other ways?
- What were the longer term effects of advocacy actions on the enabling environment for the private sector in Ghana and ultimately on growth and employment?
- Did gender play a role in the longer term effects for targets group of the programme?
- To what extent did advocacy actions continue regarding the topics selected for advocacy (by the project holder or by other stakeholders) action beyond the support period?
- To what extent was the advocacy capacity enhancement of private sector organisations sustained beyond the support period and which factors influenced the sustainability?

The underlying assumption for programme impact is that public-private dialogue can promote business environmental reforms and that policy change to some extent is based on evidence. In light of the findings of the Evaluation, the Team should assess the conditions that need to be present in order for these assumptions to be correct.

The Evaluation is expected to prepare recommendations to the future implementation of Danida support to business advocacy.

5. Approach and Methodology

The Evaluation will be carried out in accordance with the Danida Evaluation Guidelines (January 2012) and the OECD/DAC Evaluation Quality Standards (2010). The Evaluation must be based on a sound methodology. The Evaluation design must be methodologically rigorous and credible when judging both the internal and external validity of the results.

Bidders are free to propose the most appropriate designs for responding to the evaluation questions indicated above. This section provides some initial thinking on the proposed approach and methodology which will need to be further developed by the Evaluation Team in the technical proposal and during the Evaluation process through concrete and practical solutions.

Whereas existing monitoring data exist on the level of outputs, the establishment of effects on outcome level and the longer term impact of the programme will constitute a methodological challenge, which the Evaluation should attempt to meet by engaging in a qualitative and case-based approach. The policy-making process is often complex and unpredictable, and establishing a likely causal chain for advocacy actions is not always possible. However, a theory of change may be established by identifying

areas of outcomes, which are presumed to be important for policy influence and create the conditions for policy change³.

The following evaluation activities are envisaged to be part of the evaluation:

- Document review, including review of programme documentation, documents related to the private sector and the business environment in Ghana and Danida policy papers. Programme documentation from Danida business advocacy support in Kenya and Tanzania should be included in the document review.
- A description of the portfolio of supported advocacy projects providing an overview of the supported projects, possibly organised in a typology facilitating the selection of cases. Project lists including information on funding, geographic location and sector are maintained by BUSAC.
- Analysis of financial reports and administrative documents related to the Fund administration.
- Case studies among supported projects involving document review and visits to project holders, PSO members and other stakeholders whereby the relevance, the quality and the effects advocacy products are assessed.
- Compilation and analysis of the diagnostic tool for capacity assessment, which has been prepared by each supported PSO at beginning, half-way and at the end of each advocacy project in Phase II of BUSAC. The tool is based on a self-assessment of a number of dimensions of organisational capacity.
- Case studies among supported PSOs assessing the development in organisational capacity through visits to PSOs, member and stakeholder focus group discussions.
- Case studies of selected policy processes, whereby specific policy areas or changes are selected in order to back-track the process leading to the change and the relative influence of the BUSAC supported advocacy actions in this process. It is envisaged that this will involve workshops with relevant stakeholders. The Rapid Outcome Assessment tool developed by ODI or other methods for outcome mapping may serve as an inspiration.

In order to assess media coverage of certain policy topics, a citation analysis may be considered. Interviews with projects holders, partners and other stakeholders are envisaged throughout the evaluation combined with focus group discussions. This may be combined with an e-survey.

6. Documentation and data sources

The available programme documentation includes:

- BUSAC component description and programme document for BSPS and SPSD II.
- SPSDII Appraisal report, BUSAC inception report, BUSAC M&E framework, annual progress reports and a project completion report from end of phase I.
- Minutes of Steering Committee meetings.
- Phase I Reviews and studies: BUSAC Review, 2006, Mid-term Review, 2007, BUSAC Review 2009 and Internal Impact Assessment Report, 2009
- Phase II Reviews and Studies: Internal Sustainability study 2012, External Impact Assessment Report 2014.
- Review Aide Memoire from MFA SPSDII review 2011 and 2013
- The BUSAC annual progress reports include monitoring data recorded by the Fund Manager which can be used by the Evaluation.

³ A guide to monitoring and evaluating policy influence, ODI Background Note, February 2011.

It is envisaged that the Evaluation team will explore the possibility of using literature and secondary data regarding the business environment in Ghana, including both national research and international benchmark data. Clippings from newspapers, news boards, websites, videos and audio documentaries are to some extent available from BUSAC.

7. Outputs and milestones

The envisaged deliverables are:

1. An inception report (not exceeding 15 pages) including:
 - preliminary findings from the desk review in so far as they affect the focus and approach of the Evaluation;
 - overview of the project portfolio using a typology of projects based on the desk analysis;
 - a detailed methodology, including sampling strategy plan for the case studies,
 - an evaluation matrix including operationalisation of the evaluation questions
 - a detailed work plan for the field work in Ghana and a plan for the subsequent reporting
 - suggested outline of the evaluation report
 - The draft inception report should be submitted to Danida Evaluation Department and the Evaluation Reference Group for comments, based on which a final version will be prepared for approval by EVAL.

2. A debriefing note from the field work in Ghana to be discussed with the Evaluation Reference Group in Ghana (with other members of the ERG on video link).

3. An evaluation report in draft (possibly several draft versions) and in final version according to the agreed outline not exceeding 40 pages excluding annexes and with cover photo proposals. The evaluation report must include an executive summary of maximum five pages, introduction and background, presentation and justification of the methodology applied, findings, conclusions and recommendations. The evaluation report should follow Danida lay out guidelines and will be made publicly available once printed by the Danida Evaluation Department

Proposed Evaluation Calendar

Milestones	Tentative dates
Start-up meetings in Copenhagen	22 April
Inception Report	19 May
Fieldwork	1-20 June
Draft Evaluation Report	15 August
Final Evaluation Report	30 September

8. Organisation of the Evaluation

There are three sets of roles in the evaluation process: a) the Evaluation Management b) the Evaluation Team (Consultant) and c) the Evaluation Reference Group.

a) the Evaluation Management

The Evaluation will be supervised and managed by the Evaluation Department (EVAL) in the Danish Ministry of Foreign Affairs. The tasks of the Evaluation Management are to:

- Coordinate with all relevant evaluation stakeholders.
- Ensure that quality control is carried out throughout the evaluation process.

- Provide feedback to the Evaluation Team. Comment on draft versions of reports. Approve final reports.
- Organise and chair meetings of the Evaluation Reference Group.
- Organise presentation of evaluation results and follow-up on the Evaluation to internal Danida Programme Committee, the Danida Board and the Minister for Development cooperation (responsible department or embassy develop the management response).
- Advise relevant stakeholders on matters related to the Evaluation (reference is made to the Codes of Conduct, which form part of the Danida Evaluation Guidelines).

b) The Evaluation Team (the Consultant)

The DAC evaluation principles of independence of the Evaluation Team will be applied. The Evaluation Team will carry out the Evaluation based on a contract between MFA and the incumbent company/institution. The Evaluation Team will:

- Prepare and carry out the Evaluation according to the ToR, the approved Inception Report, the DAC Evaluation Quality Standards and the Danida Evaluation Guidelines.
- Be responsible to the Evaluation Management for the findings, conclusions and recommendations of the Evaluation.
- Ensure that quality assurance is carried out and documented throughout the evaluation process according to the Consultant's own Quality Assurance Plan as described in the proposal.
- Report to the Evaluation Management regularly about progress of the Evaluation.
- Organise and coordinate the field work in Ghana, including organising logistics for the team, setting up meetings with relevant project holders and stakeholders, and a debriefing session and/or validation workshop in Ghana.

The Team Leader is responsible for the team's reporting, proper quality assurance, and for the organisation of the work of the team. The Team Leader will participate in the Evaluation Reference Groups' meetings and other meetings as required.

Suggestions provided by the Evaluation Team in the inception report and work plan will be addressed by members of the Evaluation Reference Group and the Evaluation Management prior to the initiation of the analysis and implementing fieldwork.

c) The Evaluation Reference Group

An Evaluation Reference Group (ERG) will be established and chaired by EVAL. The mandate of the ERG is to provide advisory support and inputs to the Evaluation, e.g. through comments to draft reports.

The members of the ERG is envisaged to include the members of the BUSAC Steering Committee, representatives from USAID and the EC delegation in Accra, representatives from relevant departments at MFA HQ level.

The tasks of the ERG are to:

- Comment on the draft inception report and the draft evaluation report with a view to ensure that the Evaluation is based on factual knowledge about the BUSAC Fund and how it has been implemented
- Support the implementation, dissemination and follow up on the agreed evaluation recommendations.

Other key stakeholders may be consulted at strategic points in time of the Evaluation either through mail correspondence or through participation in stakeholder meetings/workshops.

The reference group will work through meetings, e-mail communication and video-conferencing.

9. Composition and Qualification of the Evaluation Team

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10. Eligibility

The DAC evaluation principles of independence of the Evaluation Team will be applied. In situations where conflict of interest occurs, candidates may be excluded from participation, if their participation may question the independence and impartiality of the Evaluation. This will include for instance any firm or individual consultant that has participated in the preparation, appraisal or implementation of BUSAC may be excluded from participation in the tender.

Tenderers are obliged to carefully consider issues of eligibility for individual consultants and inform the Client of any potential issues relating to a possible conflict of interest (cf. Danida Evaluation Guidelines).

11. Inputs

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EVAL will cover the expenditures of printing of the final evaluation report, Danish and English Summaries and any additional dissemination activities as and if agreed upon.

12. Requirements of home office support

The Evaluation Team's home office shall provide the following, to be covered by the Consultants fees:

- General home office administration and professional back-up. The back-up activities shall be specified.
- Quality assurance (QA) of the consultancy services in accordance with the Evaluation Team quality management and quality assurance system, as described in the Tender.

Special emphasis will be given to quality assurance of draft reports prior to the submission of such reports.

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The Tenderer should select a person to be responsible for Head Office QA. The members of the QA should not be directly involved in the Evaluation. Their CV should be included in the Tender. The QA team should have the similar competence and professional experience as the Evaluation Team. All QA activities should be properly documented and reported to Danida EVAL.