

OUTCOME EVALUATION INCLUSIVE PRIVATE SECTOR DEVELOPMENT

CLIENT

**THE UNITED NATIONS DEVELOPMENT PROGRAMME UNDP
SIERRA LEONE**

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BY

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ACRONYMS

ABCs	Agri-business Centres
BMO	Business Membership Organisations
BoSL	Bank of Sierra Leone
CBs	Community Banks
CO	Country Office
CPAP	Country Programme Action Plan
CPO	Country Programme Outcome
CORDAID	Catholic Organization for Relief and Development Aid (CORDAID)
DFID	Department for International Development
DB	Doing Business
EC	European Commission
EIF	Enhanced Integrated Framework
EPA	Economic Partnership Agreement
FBOs	Farmer Based Organisations
FFS	Farmer Field Schools
FIAS	Foreign Investment Advisory Service
FSA	Farmer Savings Associations
ICPs	International Cooperating Partners
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
GIZ	German International Cooperation
GoSL	Government of Sierra Leone
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ICT	Information Communication Technology
IF	Integrated Framework
IT	Information Technology
KfW	Kreditanstalt für Wiederaufbau
LED	Local Economic Development
MAFFS	Ministry of Agriculture Forestry and Food Security
MDAs	Ministries, Departments and Agencies
MFIs	Micro Finance Institutions
MITAF	Microfinance Investment and Technical Assistance Facility
MIS	Management Information System
MoFED	Ministry of Finance and Development Planning
MSMEs	Micro Small and Medium Enterprises
MTI	Ministry of Trade and Industry
NCCT	National Coordination Committee on Trade
NGO	Non-governmental Organisations
NIU	National Implementation Unit
NSC	National Steering Committee
PPP	Public Private Partnership
PPPU	Public Private Partnership Unit
PRSP	Poverty Reduction Strategy Paper
PSD	Private Sector Development
PSDA	Private Sector Development Advisor

RABI	Removing Administrative Barriers to Investment
RFCIP	Rural Finance and Community Improvement Programme
SLBF	Sierra Leone Business Forum
SLCCIA	Sierra Leone Chamber of Commerce Industry and Agriculture
SLIBA	Sierra Leone Indigenous Business Association
SLIEPA	Sierra Leone Investment and Export Promotion Agency
SLSB	Sierra Leone Standards Bureau
TCs	Technological Capabilities
TSP	Technical Service Provider
UNDAF	United Nations Development Assistance Framework
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organisation
USAID	United States Agency for International Development
WTO	World Trade Organisation

EXECUTIVE SUMMARY

Strategic Positioning of the United Nations Development Programme in Sierra Leone

1. Overall

Conclusion: Weaknesses of the PSD Strategy (2009 – 2014): The outcome evaluation notes that the challenges posed by a weak private sector development strategy, compounded by overall weak national institutional mechanisms and an insufficiently developed National System of Innovation (NSI) have largely affected the supply response of international development partners such as the UNDP. In this case, it can be concluded that the PSD Strategy has not really provided strong enough and coherent guidance for private sector development at national level. The Strategy lacks relating to the following three critical areas: a) agricultural-led private sector growth, and; b) strategies to grow the private sector through micro and small and medium enterprise development approaches; c) absence of a strategy to provide a package of holistic support services for the private sector to grow and to thrive. With respect to (b) and (c), the approach necessarily involves mechanisms of enabling transition from informality to formality, accompanied by an enabling policy and regulatory environment. Such an approach would contribute towards the achievement of more sustainable and substantial decent paid jobs or self-employment outcomes for the disadvantaged. This analysis is done in view of the continued existence of large numbers of Sierra Leoneans operating in the informal sector, mostly in survivalist activities which are characterised by low incomes that are well below poverty levels. An estimated 77 percent of the population is classified as poor (GoSL, 2008).

Recommendation: The evaluation notes that the implementation of the post-conflict reform agenda on private sector development needs more carefully re-examination and a major review, taking into account the socio-economic and development context of the country. There is need for a paradigm shift in private sector support in Sierra Leone., with the need to focus on growing the sector it from its embryonic stages and nurturing it to maturity stage. Mechanisms of transformation of some of the more promising informal sector enterprises to formality to be considered in new private sector development programming by international cooperating partners involved in the sector. The need to adopt a more long term perspective to the achievement of private sector outcomes rather than short-term measures is paramount.

In view of the aforementioned, the following are some of the issues that UNDP and associate ICPs need to consider in repositioning themselves to support the private sector in Sierra Leone.

2. Cross-cutting

2.1 Support to policy development processes in Sierra Leone remains an area of strategic focus by UNDP and ICPs. However, national level capacity to design and implement policies and strategies in MDAs is low.

Recommendation: There is need for sustained effort to improve policy development support through technical assistance, combining up-stream and downstream support services. This calls for measures to ensure that national capacity is strengthened in a sustainable manner, working out mechanisms of eliminating over-reliance on foreign experts.

2.2 Institutional – The evaluation concludes that there is **low human resource, technical and financial capacity within MDAs and relevant institutions**, on cross-cutting trade issues and sector specific issues. Overall **coordination across MDAs and sectors is weak**. The implementation of trade objectives and coordination of trade related initiatives is also a challenge.

Recommendation: There is need to address this challenge through holistic and sustained human resource and capacity building programmes. This calls for improved synergy amongst ICPs and forging of partnerships to resolve the challenge. There is need to adopt a more **coherent programme approach** to inclusive PSD, taking cognisance of resource mobilisation constraints, scaling up projects to meet the national development Agenda for Prosperity, facilitating alignment programmes of development partners and modes of intervention to national priorities in a more systemic manner.

2.3 Support to strengthening of Governance Structures: UNDP and collaborating ICPs are positioned well to strengthen PSD-linked governance structures at various levels, through the decentralization programme, in collaboration with UNCDF, IFAD. Renewed attention to decentralisation and capacity building of rural district councils and other decentralised community and rural based private sector development structures is central to private sector development with a rural thrust.

Recommendation: UNDP and partners ICPs such as the UNCDF need to scale up their roles in decentralization and LED, stronger vertical and horizontal private sector linkages, strengthening of governance structures of Rural District Councils to manage LED and facilitate private sector development. UNDP and ICPs can focus on supporting differently structured models of enterprises in rural areas, based on development best practice. Strengthening of linkages between FDI to LED approaches and domestic investment promotion is an area that needs review and more support.

2.4 Challenges in communication, coordination, monitoring and supervision of PSD interventions: There is a lack of systemic PSD support, characterised with poor communication, absence of an effective coordination of PSD interventions at practical levels.

Recommendation: There is need to **improve communication, coordination, monitoring and supervision of PSD interventions** involving both national and international development partners, MDAs and the private sector is strongly recommended. There is need for all key stakeholders, including UNDP, to be abreast of PSD in a manner that enables better synergy with the work of other ICPs and nationally.

2.5 Sustaining public private dialogue: With the existence of Sierra Leone Business Forum (SLBF) being under threat because of sustainability and financing constraints, there is need to map out ways of ensuring survival of the SLBF or other institutional mechanism to ensure that public private partnership dialogue is sustained or scaled up, in particular for the small and medium sized domestic private companies, mostly MSMEs.

2.6 Development statistics – In view of the glaring lack of up-to date monitoring data on a range of development indicators, including on private sector issues, the situation needs improvement. The UNDP and ICPs need to review roles in facilitating generation of up-to-date data, to monitor achievement of MDGs and other key development indicators, for example, achievement of National Development Plans such as Agenda for Change, and more recently, Agenda for Prosperity.

3. Sector-Specific

3.1 Policy framework and action plan on MSME development – a strategy to growing the domestic private sector. A coherent micro and small enterprise development is a must in most African countries, taking critical note of strategies to ensure transition of large numbers of enterprises in the informal sector to formality. Sierra Leone is not an exception. There is need to forge stronger linkages with ILO and other ICPs supported interventions on enterprise development, for example, UNIDO, the World Bank, IFAD, FAO and others. Instead of UNDP seeking to provide direct enterprise development support, strategically UNDP can facilitate reorientation of support to intermediaries, other enterprise support organisations (within and outside the UN system) – with a thrust to build and strengthen national level technological capabilities, value chain development for agro-based enterprises and supporting the establishment of a manufacturing sector which is needed for a dynamic private sector.

3.2 Governance structures and Institutional setting of Agri-business Centres (ABCs): The evaluation notes that the ICPs supported establishment of the physical structures for ABCs and initial start to capacity building is a notable commencement of a new make or break phase to build strong and viable decentralised rural agro-based enterprises. The evaluation notes, however, that to achieve impact, there is need for a scaling up strategy designed, first and foremost, to strengthen management and organisational structures and capacity of ABCs and deepening enterprise level technological capabilities. The mobilization of the national system of innovation to support this endeavour is foreseen.

3.3 There is an absence of viable BMOs in the country. Strong BMOs are critical to the development of a dynamic private sector in Sierra Leone. The existence of weak BMOs with governance structures which are far removed from their constituencies is noted. The situation needs to be addressed urgently to carry forward the Inclusive PSD agenda.

Recommendations and Options to Consider on BMOs

- a. UNDP convene **An Extraordinary Round-table BMO Meeting** which draws representation from all BMOs. The meeting should be facilitated by a neutral professional facilitator, someone with no vested interests in the Sierra Leone BMOs. The objective of the meeting would be to brainstorm find solutions to the BMOs issues, coming up with a workable strategy to improve the effectiveness of BMOs in the country.
- b. **Action Focus:** Articulate Private Sector vision in light of that of Agenda for Prosperity, the BM organizational structures and legal framework and structures required for the vision; whether use of existing structures still viable or need for new ones (Could use SLBF to start up new BMO; let current Chamber of Commerce to 'die', make SLIBA division in new BMO, establish strong MSME association).
- c. **Participants:** Representatives of Government, Commerce, Industry, Agriculture, MSMEs, women's organizations, both formal and informal sector, labour, as far as possible, include large contingent of independent private sector actors. (Care would need to be taken as far as involvement of international development partners is concerned, otherwise the Round-table meeting could degenerate into a platform for existing BMOs to out-compete against each to attract donor support).

- d. The UNDP Sierra Leone, as Donor Facilitator, in collaboration with the GoSL, is strategically positioned to mobilise other development partners to take appropriate actions to strengthen the capacities and governance structures of BMOs; assisting them establish proper national and decentralized structures which take into account regional considerations, ethnicity, non-partisan, enabling them to become more effective.
- e. **Review of legal framework of BMOs.** Indications are that most of them may be operating under improper legal entities, e.g., is the limited liability company the option for BMOs such as Chamber of Commerce and industry? Is there need to establish a separate BMO representing farmers as is the case in many other African countries – for example, Sierra Leone Farmers’ Association. In view of the nature of the challenge, this action could be facilitated by the **Government of Sierra Leone, Office of the President, in collaboration with UNDP and interested ICPs.**

3.4 Establishment of Inclusive Trade PSD Working Group: In collaboration with Ministry of Trade and Industry (MTI) and Office of the President, the evaluation notes the need to facilitate establishment of an **Inclusive Trade PSD Working Group**, focusing on international and domestic trade issues, and key issues of competitiveness building for a dynamic market. The rationale for such a working group has been spelt out elsewhere in this evaluation.

3.5 Support to scaling up opportunities for private sector development through innovative approaches: In collaborating with UNIDO and other development partners, there is need to strengthen public private partnership (PPP) business linkages for indigenous enterprises {support to innovative models already being used by GIZ, USAID and others in Sierra Leone, building stronger linkages between FDIs and domestic firms (*in collaboration with The World Bank, UNIDO, GIZ and others*). Mutually beneficial cooperation can be nurtured through joint ventures, strengthening of technological capabilities of MSMEs to sustain linkages with international partners beyond supply of basic goods and services, scaling up production of goods and services with higher level of technical and organisational sophistication, e.g., for example within the ICT and mining sectors.

3.6 Support to Centres of Excellency: In the medium to long-term, there is need to consider revitalised support to Centres of Excellency/Centres for Innovation and Enterprise Development. There may be scope for the UNDP and ICPs to consider possibility of forging a strategic alliance with United Nations Conference on Trade and Development (UNCTAD) and other potential partners such as The World Bank. The partnership would focus on building and strengthening the international competitiveness of the domestic enterprises through sustained capacity building and strengthening of the national system of innovation and networks, stronger partnerships with universities, research institutions, polytechnics and other institutions, including civil society.

3.7 Access to finance – in view of lack of evidence of impact to date, there is need for renewed effort through new regulations and legislation. Micro-Finance Institutions (MFIs) have not yet achieved their intended objectives, to date. However, evidence gathered through this evaluation indicates that a new model of Community Banks being promoted through the International Fund for Agricultural Development (IFAD), which has the involvement of a number of other ICPs, such as the United States Agency for international Development (USAID) offers interesting opportunities for improvement of access to innovative financial services to disadvantaged communities. The programme would, however, need to be monitored for performance and impact over time.

3.8 Comprehensive human resources development plan: There is need for ICPs such as UNDP to facilitate the formulation and implementation of a comprehensive human resources development plan for the country, with new curricula developed and adopted. This needs to be facilitated by strong PPP support networks, involving the private sector, for example, local mining companies and others. There is also need to forge strong linkages within the national system of innovation, between higher education, research institutions, including TVET. For sustainability a framework could be developed to establish a mechanism in which private companies can invest in certain training programmes, focusing on areas for which there is definite demand. At higher level, policy and strategy development can be supported. At sectoral level, sector specific technology management, support to training of better qualified technicians, engineers, middle level management programmes, value chain development, business and marketing capacity development can be supported. Focus should be to deepen human resources capabilities, also focusing on young people, through effective public and private partnerships – which cover the domestic private sector or indigenous entrepreneurs, including MSMEs and youth oriented enterprises.

3.9 Development of the ICT Sector: The ICT sector, as well as being a platform for delivering services, has immense potential to be a source of economic growth and employment in Sierra Leone. Investment in the ICT industry can be pivotal in attracting foreign investment, transformation of the financial sector, energizing local exports, and nurturing ICT skills and innovation in the workforce, including amongst the youth. A recent thrust by the UNDP and development partners to support the implementation of a National ICT Infrastructure Initiative, needs to be broadened to ensure that the Public and Private Sector move at the same pace and that there is synergy between the two sectors, incorporate human resources development and upgrading of skills in the ICT sector.

1. INTRODUCTION

1.1. Background

As part of the evaluation plan for UNDP Sierra Leone Programming Cycle 2008-12, UNDP decided to undertake an outcome evaluation on Inclusive Private Sector Development. The evaluation, which is the subject of this report, was carried out during the month of July, 2012. The write-up of the evaluation was completed in August 2012.

The evaluation relates to the Country Programme Outcome (CPO) 2.2 *Private Sector Reform and Development of Inclusive Local Markets*. The evaluation sought to assess the impact and overall contribution of the portfolio of projects falling under CPO 2.2, towards progress in achieving the United Nations Joint Vision Programme 3 Finance for Development as well as drawing recommendations for possible adjustments, and lessons learnt for strategic positioning by the UNDP in this sector.

The purpose of the Evaluation is to learn from the experiences of UNDP-funded and implemented projects and activities in Sierra Leone which have been designed to contribute to the improvement of the trade and business environment, creation of new businesses and employment opportunities. The terms of reference notes that the evaluation is 'expected to clarify underlying factors affecting the situation, highlight unintended consequences (positive and negative) and better design UNDP-supported interventions at the next stage'. The Country Office seeks to use the outcome evaluation report to inform future programmatic activities in inclusive private sector development by the office as well as by other development partners and stakeholders.

With the success of development interventions being increasingly measured on the basis of tangible changes for the intended beneficiaries ("Results-based Management" approach), the Government, civil society and development partners are investing in more human and material resources in formulating relevant progress indicators as well as in the collection and analysis of relevant data, as part of a new thrust in strengthening monitoring and evaluation of interventions.

This evaluation is in essence a requirement for UNDP to consider a follow-up phase to its assistance. It is also part of a strategy to ensure that the priority needs for the development of national capacities in using data for the formulation, implementation and monitoring of policy and programmes are covered to the extent possible. To this extent, the findings of this evaluation are expected to be beneficial in contributing to strengthening capacities of central and local authorities and other development partners through innovative approaches that will enable synergies to be forged in the development of a truly inclusive private sector targeting both rural and urban areas.

As Sierra Leone continues on its recovery path following the war and pursues a sustained development path, the findings and recommendations from the Evaluation will assist in guiding the efforts of UNDP and other development partners in designing and delivering more effective and coordinated interventions to support development of the Sierra Leonean private sector to mature and deliver decent jobs for both the youth and adults, increased incomes, and prosperity for its people.

1.2. Structure of the Evaluation Report

The Outcome Evaluation Report comprises the introduction which provides the context within which the evaluation is undertaken, as well as its the focus and objectives of the Outcome Evaluation. The executive summary has also been provided on the basis of standard practice for such documents.

The structure of the private sector in Sierra Leone is described, as it is linked to the Poverty Reduction Strategy Paper (PRSP II), An Agenda for Change. The relationship between the Private Sector Development (PSD) Strategy and the PRSP is analysed. The analysis of the gaps is also done to assist in explaining the status of the PSD outcomes examined in the evaluation.

The methodology section describes how the evaluation was undertaken, as well as *challenges encountered*. Like the section on methodology, the section on key findings is guided by the terms of reference provided and the conventional evaluation criteria for undertaking outcome evaluations. The criteria centres on the following the:

- Relevance;
- Efficiency;
- Effectiveness;
- Sustainability;
- Partnership Strategy; and
- Lessons Learned.

The conclusion and recommendations section focuses on the following key issues:

- Cross-cutting;
- Sector level; and
- Strategic position of the UNDP and development partners.

Relevant annexes are also attached to the report.

2. PRIVATE SECTOR DEVELOPMENT IN SIERRA LEONE

2.1. Overview and Linkages with other PSD Initiatives

Sierra Leone's private sector is characterised by a low level of development and weak support structures. It is also noted that the process of private sector reform is slow and therefore requires a sustained approach, beyond the confines of UNDP inputs. The report notes the existence of private sector initiatives supported by other agencies, during the reference period of the outcome evaluation, for example, the International Finance Corporation (IFC), "Removing Administrative Barriers to Investment Project – Phase III ("RABI III" or the "Project") implemented by the IFC over the 2008 – 2010 period. The Project's overall objective was to: "support the effort of the government to work with the private sector to identify and remove barriers to investment and to promote investment by informal and formal businesses in Sierra Leone and to profile investment opportunities for attracting new investment".

The Project was largely conceived as a follow up initiative, aimed at providing support to and ensuring an effective implementation of the outcomes achieved under the previous phase of the project (RABI II), i.e. (i) the passage of a new legislation for start-up procedures and (ii) the set-up of a new national investment promotion agency, the Sierra Leone Investment and Export Promotion Agency (SLIEPA); as well as under a separate project implemented by the IFC’s PEP Africa and Foreign Investment Advisory Service (FIAS), which supported (iii) the formalization of a platform for dialogue between the public and the private sector, the Sierra Leone Business Forum (SLBF)¹. These efforts have yielded some success, as reflected for instance in Sierra Leone’s World Bank Doing Business Ranking Index, which improved from 160 in 2008 to 150 in 2011, further improving to 141 amongst 183 countries in its 2012 Report².

2.2. Structure of the Private Sector in Sierra Leone



The informal sector in Sierra Leonean economy comprises more than 90 percent, with large numbers of people engaged in this informal sector, principally in survivalist trading and vending activities. Of the 10 percent of the able-bodied population engaged in the formal sector, over 50 percent are in the public sector³. Agriculture provides the main source of employment and income for over 65 percent of the

¹ Economisti Associati srl (Italy), Centre for Economic and Social Research (Poland) and The Africa Group LLC (USA), 2011.

² World Bank Doing Business report, 2012.

³ Statistics Sierra Leone, 2012.

population in Sierra Leone plays a major part in the national economy, contributing 46 percent of GDP. Mining and quarrying employ about 14 percent of the total labour force.

2.3. Overview of the Private Sector Development Strategy

The Second Poverty Reduction Strategy, PRSP II, An Agenda for Change, 2008 – 2012, has as its core focus the following strategies designed to grow the private sector:

- i. Agriculture sector led private sector development and manufacturing, strengthening of agro-based value chains;
- ii. Strengthening of MSME development and private sector development overall through financial sector and PSD reform, improvement of access to credit, business development services and strengthening of the regulatory framework; and
- iii. Development of the capacity of the Chamber of Commerce and Industry; establishment of an PSD umbrella/apex body in the form of Private Sector Development Foundation and a similar body to facilitate the development of MSMEs.

The PSD Strategy, one of the key strategies designed to support the implementation of PRSP II has had the following pillars:

- i. Promoting and supporting entrepreneurship;
- ii. Reducing the cost and risk of doing business;
- iii. Increasing access to affordable finance;
- iv. Making markets work better, and
- v. Providing adequate infrastructure.

2.4. The Sierra Leone Private Sector Development Strategy – Challenges and Opportunities⁴

This strategy aims to support private sector led growth in order to achieve three main goals, namely, 1) sustaining rapid, broad based growth; 2) providing productive, well paid jobs, and, 3) increasing incomes for the self-employed.

i. Sustaining Rapid, Broad Based Growth

The Private Sector Development Strategy aimed to deliver rapid and sustained private sector led growth with a view to diversifying the economy and provide better opportunities for Sierra Leoneans to

⁴ It is noted in this Evaluation that focus is on UNDP and partner contribution to Private Sector Development in Sierra Leone, not necessarily upon evaluating the efficacy of the PSD Strategy.

participate in and benefit from growth. The Strategy stated that Gross Domestic Product (GDP) needed to grow at a rate of between 7 – 8 percent per annum, for rapid, broad based growth to take place.

ii. Providing Productive, Well Paid Jobs

This Strategy aimed to provide secure, well-paid jobs for Sierra Leoneans by increasing the number of jobs created in the formal sector each year, over the reference period, 2009 – 2014.. In this regard, the Strategy had a target of ‘200,000 jobs being generated annually, of which 20,000 would be in the informal sector’.

Apart from the obvious ambitious nature of the set targets, in both (i) and (ii), there have been challenges on mechanisms to ensure achievement of such targets on a sustained basis, in view of myriad of development challenges facing the country. This is partly due to constraints posed by the transformational post-conflict phase and its attendant complexities⁵. The downturn in the global economy, which was widely acknowledged at the time the PSD Strategy was designed also added another negative dimension. The lack of attention to strengthening of sectoral linkages, which are central to achievement of the goals of the PSD Strategy is also evident.

iii. Increasing Incomes for the Self-Employed

Acknowledging the highly informalised nature of the economy, and general scarcity of decent jobs, the Strategy aimed to provide more opportunities to Sierra Leoneans to escape poverty by ‘improving the functioning of key markets in Sierra Leone’, GoSL, 2009. This would be done through; a) provision of markets for agriculture, focusing on improving the supply of agricultural inputs, namely seed and fertilizers, and strengthening the efficient functioning of markets b) improving incomes in the informal market; focusing on the informal sector. As a major thrust, the Strategy had targets to “increase agricultural incomes by 30 percent and informal trading incomes by 50 percent”, GoSL, 2009.

The Strategy makes reference to increasing agricultural incomes with little references to the approach required for developing a competitive agricultural sector through value chain development⁶. Despite renewed thrust in recent years by the Government of Sierra Leone in the Commercialization of Agriculture, which is supported by several ICPs, as it was conceived, the PSD Strategy made little reference to agricultural development in the country. Transformation of the sector is central to enabling the agricultural sector to form a solid foundation for development of the private sector. The Strategy also makes reference to “improving incomes in the informal sector” without seeking to tackle the fundamental structural constraints facing the sector. For example, the Strategy is also silent on micro, small and medium enterprise (MSME) development and on mechanisms of enabling transition from informality to formality by those involved in the informal sector. Successful transition from informality to the formal sector by large numbers of entrepreneurs is key to private sector growth in the Sierra

⁵ High level of dependency on financial and technical assistance from international cooperation partners (ICPs), corruption and low human capacities and skills base are some of the constraints facing Sierra Leone during its transitional phase, from reconstruction to development.

⁶ Value chain development involves a systematic analysis and holistic support given at every stage. The critical importance of every ‘value adding’ stage is taken into account. For example, the quality of agricultural primary produce determines the quality of what comes out of the processing stage and eventually what is marketed.

Leonean context. However, the reality is that such a process requires sustained investment, which is accompanied by careful planning, taking into account the peculiarities of the country and development best practice.

A critical analysis shows that one of the major challenge with the PSD Strategy, 2009 – 2014, was that it failed to adequately articulate the development and socio-economic context of Sierra Leone and certain key fundamentals and pre-conditions to private sector development. In the first instance, the Strategy pre-supposed that there was a private sector which could be used as a basis for further growth and development. This Outcome Evaluation challenges this key assumption and seeks to redirect international cooperating partners (ICPs) like the UNDP, in a new direction.

First and foremost, the fundamental need to grow the private sector as first step was overlooked. As a major thrust, this could be done through building and strengthening national level technological capabilities⁷, which are central to capacity building at micro level and building of enterprise level technological capabilities.

There is no reference in the PSD Strategy to the critical importance of the National System of Innovation (NSI)⁸ and the need for improved public and private partnerships. A well articulated partnership and networking strategy within the NSI at practical level from policy through to micro level is central to private sector development. Its absence points to lack of truly shared and new private sector development paradigm, a pre-condition for the transformation required for the sector.

It is against this private sector development context that this outcome evaluation is undertaken. The full understanding of the context within which the evaluation is carried out is central in understanding the progress or lack of it as well as for future programming by the UNDP, other development partners and the Government of Sierra Leone.

3. METHODOLOGY

The methodology of carrying out this assignment involved the following stages:

3.1.3. Desk study/Literature review

This involved analysis of all available key documents related to the Country Programme, annual work plans, annual review reports, quarterly reports, monitoring and evaluation reports. Other documents

⁷ Technological capabilities (TCs) are defined as the knowledge, skills and efforts required for firms to bring about an indigenous process of technological development. This can occur by increasing efficiency in the management of the enterprise value chain and improving the innovation capabilities of MSMEs.

⁸ This involves collaboration between a wide array of stakeholders in Science, Technology and Innovation, which includes government institutions, research institutions, technology transfer mechanism through involvement of international cooperating partners, private sector and civil society and beneficiaries.

which were valuable in providing insights into the PSD issues in the country were also provided by development partners. The UNDP Handbook on Monitoring and Evaluation of Results and the UNDP Guidelines for Outcome Evaluations was also a valuable input.

3.2. Development of Evaluation Instruments

Outcome Evaluation instruments namely checklists were designed with a view to ensuring a systematic process of generating the required information and undertaking the required analysis as required under the terms of reference for carrying out the evaluation. The instruments (attached) were largely qualitative, with some use of quantitative analysis where it was necessary to do so.

3.3. Broad Consultative Process: consultative meetings with stakeholders

The evaluation process was highly participatory, involving a range of key stakeholders in PSD, covering actors in Ministries, Departments and Agencies (MDAs), development partners, civil society, private sector and business membership organisations (BMOs). In-depth consultations were held with as many representatives as was feasible of all major players with direct and indirect linkages with the UNDP PSD initiative. Formal and informal interviews were conducted, covering a wide range of stakeholders. A variety of PSD initiatives were identified, together with interactions with the UNDP supported PSD interventions under analysis.

To finalise the assignment, a validation workshop involving a selected number of stakeholders will be held, after which the final output will be presented to UNDP.

4. KEY FINDINGS

4.1. Relevance

The UNDP supported PSD and Inclusive Market Outcome Area is reviewed against the following thrust which is spelt out in the GoSL, An Agenda for Change as follows:

'.....greater private sector participation in the economy will raise productivity and employment in all productive sectors. To encourage increased private sector participation, we will endeavour to remove barriers to investment through improving the physical infrastructure, strengthening the legal and regulatory framework, promoting business support services and improving access to finance, especially for Small and Medium Enterprises.

An efficient and effective financial system will be crucial for financing private sector activities. The over-riding priorities in this area are to strengthen the commercial banking system and improve its competitiveness, enhance rural financial access through microfinance institutions and community banks, and strengthen the enabling environment through the legislative, regulatory and policy infrastructure⁹.

⁹ GoSL, PRSP II, 2008 – 2012, An Agenda for Change.

The evaluation notes that during the post-war era, there have been other Private Sector Development (PSD) initiatives in Sierra Leone supported by various international development partners¹⁰. One example is the private sector development initiative supported by the International Finance Corporation (IFC), 'Removing Administrative Barriers to Investment Project – Phase III ("RABI III" or the "Project")' implemented by the IFC over the 2008 – 2010 period. The Project's overall objective was to *"support the effort of the government to work with the private sector to identify and remove barriers to investment and to promote investment by informal and formal businesses in Sierra Leone and to profile investment opportunities for attracting new investment"*¹¹. The IFC supported intervention is widely acknowledged to have impactful in Sierra Leone in terms of contributing to improvement of the country's Doing Business Ranking Index which has risen from 160 in the 2008 to 143 in the 2011¹².

On the basis of available information, it can be concluded that the UNDP supported PSD initiative has been well aligned with PRSP II, An Agenda for Change. It addresses a key priority in PSD, seeking to mainstream the trade issue, focusing on strengthening of the country's international competitiveness.

The sub-outcome related to the overall outcome on development of inclusive market: *'Increased access to productive employment and equal opportunities for sustainable livelihoods, especially for vulnerable groups and in consideration of conflict factors'* has remained valid and appropriate in the Sierra Leonean development context.

4.2. Efficiency of Implementation

4.2.1. Enhanced Integrated Framework

UNDP Sierra Leone has been the in-country Donor Facilitator for the Integrated Framework (IF), a global initiative with technical assistance projects to Less Developed Countries (LDCs) designed to enable them to take part and benefit from international trade for which UNDP was the global Trust Fund Manager. The Country Office (CO)'s role has been to support the National Focal Point, the Ministry of Trade and Industry Permanent Secretary and the National Steering Committee (NSC) in ensuring that Sierra Leone formulates and implements projects that put the IF resources to good use.

UNDP supported two projects under the IF, focused respectively on developing Trade and Tourism. The trade project, (60188) was implemented by the United Nations Conference on Trade and Development (UNCTAD) in collaboration with the International Trade Centre (ITC). The project is reported to have encountered severe challenges, partly due to the re-structuring of the in-country counterpart, the Sierra Leone Investment and Export Promotion Agency (SLIEBA) and partly due to the non resident nature of

¹⁰ The Initiatives include those supported by the IFC, The World Bank, the European Commission, GIZ, the United States Agency for International Development, DFID, other UN agencies such as UNIDO, FAO, IFAD and others.

¹¹ Economisti Associati srl (Italy), Centre for Economic and Social Research (Poland) and The Africa Group LLC (USA), 2011.

¹² The World Bank, Doing Business Report, 2011.

the implementing agencies¹³. Reports show that funding was released to UNDP Country Office in 2008 but none of the funds were spent. After doing virtually nothing for the first year and half, the project finally managed to deliver some outputs in the final two months, including establishment of a Trade Information Centre at SLIEBA and providing training to a broad range of trade stakeholders. The project also aimed to set up a national trade information network and formulate national priorities for Economic Partnership (EPA) and World Trade Organisation (WTO) negotiations, objectives which were only achieved to a very limited extent, if at all¹⁴.

The Tourism Project (57978) is understood to have been implemented by a capable and committed team at the National Tourist Board. The project delivered a seven-year strategy for revitalising tourism, a marketing plan and high quality marketing materials, a tour guide training programme with 60 guides certified by the Minister of Tourism and Culture, a hospitality staff training programme with 120 front office workers from hotels and restaurants across the country trained and certified. This compares favourably to work plan targets .

The Enhanced Integrated Framework (EIF) is a follow-up to the Integrated Framework Trust Fund which closed on 31 December 2010. The EIF calls for the establishment of a National Implementation Unit (NIU), placing greater emphasis on national ownership in both formulation and implementation. The NIU has been established in the Ministry of Trade and Industry and is capably facilitating the EIF process. Besides participating in the quarterly NSC meetings, UNDP interacts with the NIU on a regular basis and aims to ensure that proposals move forward to approval and implementation.

The UNDP Country Office has actively supported the development of the pipeline in Sierra Leone, which is one of the front-runners globally in terms of getting approval.

An ecotourism project proposal, a built-up on the previous IF tourism project is understood to be at advanced stage of approval. The issue of national ownership has taken centre-stage, as emphasised in the EIF methodology. The CO position on this needs to be clearer than it has been previously, in particular with advice which tends to contradict national ownership.

UNDP has also facilitated the preparation of a proposal in support of the Sierra Leone Standards Bureau (SLSB), an agency under the MTI. The proposal sought to strengthen the national quality system and get the country ready for a switch to the metric system which was due in January 2012. Another proposal developed by the British Standards Institute who were initially contracted by the European Commission (EC) to assess the SLSB got stuck for several months with no movement (delays experienced).

No progress was recorded in two other projects, first for the fisheries sector, where there was a proposal supposedly being developed by the Ministry of Fisheries and Marine Resources and a second one on regional growth centres being developed by MTI and UNIDO¹⁵. Observations have been made on the relative capacities of the National Tourist Board and the Ministry of Industry and Trade. Whilst the

¹³The non resident agencies adopted a ‘touch and go approach’ and were not able to make timely follow-ups on critical issues and decisions, resulting in limited progress being achieved.

¹⁴ UNDP Sierra Leone, Peter Zetterli, May, 2011.

¹⁵ The status of the proposals could not be verified.

MTI's interest in implementing EIF projects has been clear, concerns have been raised in development circles regarding the strength of the Ministry in implementing the projects¹⁶.

4.2.2. Investment Promotion and Management

In response to a request in October 2008 from the Secretary to the President for a Private Sector Development Advisor to be housed in the Office of the President, UNDP responded swiftly at provided interim support with the intention of formulating a two-year project. Whilst a draft project document was prepared, it was never finalised and signed¹⁷. As a result, the Annual Work Plan (AWP) for Project 69656 remained free-standing with no formal project framework in place until 2011¹⁸.

UNDP has supported the Private Sector Development Advisor (PSDA) since Quarter 4 2008, mainly in the form of salary, office equipment and a vehicle for the PSDA as well as funding overseas investment promotion trips and legal advice to negotiations of investment agreements. Other activities covered by this budget include hosting a Renewable Energy Forum and launches for both the Energy Policy and the Culture Policy. It is understood that the collaboration between the PSDA, SLIEPA and the Ministry of Trade and Industry worked well and resulted in several high profile deliverables as well as noticeable improvements on a myriad of processes for which no single entity could take credit¹⁹.

A number of fora were convened with significant input from SLIEPA and the PSDA, for example, the Sierra Leone Trade and Investment Forum in November 2009, widely acclaimed as successful because of the investor interest generated. Another key input, the successful negotiations with a Swiss biofuel Addax of about US\$400 million into a sugarcane plantation outside Makeni is understood to have been done with significant input from the UNDP supported PSDA²⁰. The PSD Strategy, '*Unleashing the Talent of Our People*' was published by the MTI in 2009, financed by the DFID but produced collaboratively with substantial input from the PSDA. However, the fora and successful negotiation of some specified private sector investment deals and production of PSD strategy, by themselves do not constitute a major reform of a complex PSD environment, neither is there evidence that these could be sustained without continued donor financial contribution and facilitation, a formidable challenge to their sustainability.

In 2010, the success of investment promotion effort led to a realignment of support towards investor management and the negotiation of agreements, with renewed focus for 2011 on the Public Private Partnership (PPU) Unit. A product of the Public Private Partnership (PPP) Law, the Unit is set to serve as a combination of technical support and quality assurance for all major investment agreements across government, in an effort to rein in the habit of various Ministries for committing Government to

¹⁶ The National Tourist Board is understood to have higher capacity to implement relevant EIF projects than MTI, on the basis of available human resources and skills.

¹⁷ It is not clear why the document was not formally approved.

¹⁸ In view of the challenges encountered previously and the new CO thrust on PSD, there is need to explore the formulation of a broader PSD programme in forthcoming new programming circle.

¹⁹ UNDP/Zetterli, 2011.

²⁰ UNDP/SEtterli, 2011.

contracts which they in reality have little or no technical or legal capacity to evaluate properly. In 2012, UNDP finalised the recruitment of a PPP Technical Advisor to support the PSDA in the Office of the President. However, the sustainability of this drive and its impact will depend to a large extent on the ability of Government to increase budgetary allocations to deepen the human resources and capacity of the PPP unit. There is also need to examine the coordination mechanism between MDAs and the private sector, on other critical issues affecting both international investors as well as indigenous private investors²¹.

4.2.3. Development of Inclusive Local Market

The Government of Sierra Leone (GoSL) launched a programme in 2004 to develop a sustainable pro-poor financial sector, with support from the main co-financing partner, Kreditanstalt für Wiederaufbau (KfW), the United Nations Capital Development Fund (UNCDF), the United Nations Development Programme (UNDP) and Catholic Organization for Relief and Development Aid (CORDAID). The total initial programme cost is US\$8.83 million. To meet this objective, they established a facility, the Microfinance Investment and Technical Assistance Facility (MITAF) whose objective is to accelerate microfinance sector growth through concerted support at all levels – MFIs, support institutions, Bank of Sierra Leone, government, donor/investors and the broader microfinance community. MITAF's structure includes an Advisory Committee (composed of the GoSL and the donors) and an Investment Committee (composed of donors only). MITAF recommends funding for MFIs through grants, debt, convertible debt and equity²². The technical assistance support ranges from in-house coaching, to a local, regional and international training program, to study tours to other MFIs and central banks and the sponsoring of long term resident technical advisors and conferences. MITAF had as its outcome to 'enhanced private sector participation through a combined active client base of the microfinance industry of 93,000 micro and small businesses in year 5...'. By March, 2009, 87, 417 active clients were reportedly served by 12 MFIs. Out of 14 MFIs, three MFIs were reported to have reached international standard by 2011.

Between 2004 – 2009, UNDP was a key member of a consortium of development partners which involved KfW, UNCDF and CORDAID. With support from the GoSL, the joint programme sought to develop a sustainable pro-poor financial sector. The total initial programme cost was US\$8.83 million. To meet this objective, they established a facility, the MITAF whose objective is to accelerate microfinance sector growth through support at all levels for MFIs, Bank of Sierra Leone, government, donors/investors and the broader microfinance community.

Under a joint project, 'Development of a Sustainable Pro-Poor Financial Sector in Sierra Leone', an international consulting firm was contracted as a Technical Service Provider (TSP). The TSP established the MITAF, a project that operated under the auspices of the UNDP from 2004 to 2009.

²¹ It is clear that the existing level of fragmentation between MDAs is undesirable and needs to be addressed as it pertains to various issues on private sector development.

²² The grant window is understood to focusing largely on transforming international NGOs to become MFIs.

By 2011, 14 MFIs had been supported, 3 of which had achieved operational self-sufficiency, hence deemed sustainable. 'Out of the total grant of US\$5,548,944 given to 14 MITAF Partner Lending Institutions, the International MFIs received US\$3,709,511 (67%), while the local MFIs received a total of US\$1,839,433 (33%), and out of a total loan amount of \$3,284, 494, the international MFIs received US2,118,817 (65%), while the local MFIs received US1,165,677 (35%) which demonstrated that more grants were given to international MFIs than local MFIs'²³. This is not good for sustainability.

The MITAF Final Evaluation of the project concluded as follows²⁴:

'The operating environment in Sierra Leone remains a challenge to the continued growth and sustainability of project results (access to financial services by the poor). Financial institutions in Sierra Leone face significant challenges in providing services to micro-entrepreneurs. These include: continued pervasive poverty, further exacerbated by the recent economic downtrend, that severely constrains the effective market for clients' goods and services; limited infrastructure throughout the country, particularly the lack of adequate roads, electricity and communication systems, that further limits client market opportunities and the ability of institutions to offer sustainable, quality services, particularly in rural areas; a limited pool of qualified staff, particularly managers, available to fill key functions; lack of a credit culture that would foster client willingness to repay loans and a high degree of corruption resulting in lending fraud; a high incidence of client illness, accidents and death. When combined with a lack of sufficient institutional structures and systems, the result has been serious problems of portfolio quality that continue to plague the entire financial sector'.

This conclusion highlights that Sierra Leone faced formidable challenges in the area of provision of micro credit and private sector development which would not be resolved within the framework of project work designed by the UNDP or its partners in the short-term.

²³ Bank of Sierra Leone, 2012.

²⁴ UNCDF, 2009, Final Evaluation, Development of a Sustainable Pro-Poor Financial Sector in Sierra Leone.

4.3. Effectiveness

Despite effort to improve trade capacity, Sierra Leone remains a price-taker in international markets. Sierra Leone's export base is highly concentrated in a few primary commodities with very little processing or manufacturing. The direction of trade is concentrated on a few external markets. The European Union is Sierra Leone's largest single trading partner, buying an average 80 percent of the country's exports (notably diamonds) and providing 30 percent of its merchandise imports. Sierra Leone has not yet benefited from preferential trade initiatives aimed at Least Developed Countries – the American Opportunity and Growth Act (AGOA) and the EC Everything but Arms (EBA) Initiative. Exports remain constrained by institutional weaknesses, notably the lack of standards and quality infrastructure that can satisfy sanitary and phytosanitary requirements in the prospective international markets (for example, fisheries in the EC).

4.3.1. Analysis of Challenges and Opportunities – Enhanced Integrated Framework

Outcome: 2.2.1 Private Sector Development – Enhanced integrated Framework		
	Lessons Learned	Recommendations
Policy	Sierra Leone lacks a home-grown overall vision for trade that comprehensively and coherently sets forth national trade objectives based on opportunities, challenges and aspirations. Trade Policy drafted in 2010 seen as generic document that may reflect good practice but fails to reflect to local context adequately and suffers from lack of consultation in its preparation ²⁵ .	<p>There is need for more detailed and explicit treatment of trade opportunities, objectives, strategies and potential impacts – positive and negative - for each strategic sector are required to fully leverage trade in the broader development agenda.</p> <p>Complementary measures are required without delay, to assist economic stability and ease constraints to trade (e.g., macroeconomic, competition, land, tax, standards, youth employment, incentives, etc).</p> <p>Alignment and systematic, inclusion of financing (including from donors for research on trade and trade related matters.</p>
Institutional	Implementation of trade objectives and coordination of trade related initiatives. Part of the challenge is rooted in lack of resources, human and financial.	<p>Trade focal points in relevant bodies.</p> <p>Stronger engagement by the Ministry of Trade and Industry with counterpart Ministries, with core focus</p>

²⁵ EIF and UNDP, Geneva, 2011.

	<p>However, the reorganisation of the MTI is expected to bring positive change in its orientation but budgetary allocations remain insufficient for the broad and substantial engagement required to place trade policy at the heart of key sector policy agendas. However, on PPP, ‘the Sierra Leone Business Forum represents a coordination success story having helped to improve the engagement between the GoSL and private sector organizations’.</p>	<p>on helping them deliver on their respective objectives and targets through trade²⁶.</p> <p>Larger budget allocation for the Ministry of Trade and Industry and its agencies, notably the Sierra Leone Standards Bureau, which is central for trade expansion effort and international competitiveness.</p> <p>Strengthened human resource management in the Ministry of Trade and Industry, including human resource training.</p> <p>Trade specialists should continue to be provided for by international development partners but charged explicitly to pass skills and knowledge to local officers through mentoring and shadowing arrangements.</p>
<p>International Cooperation</p>	<p>Nearly all improvements to policy, legal and regulatory frameworks prepared with substantial support from development partners and display varying degrees of national ownership and contextual soundness. Consultations in development of policies not up to desired level, hence, tendency to be generic, documents poorly rooted to local context.</p> <p>Heavy reliance on donor funding to design as well as to implement key initiatives and to fill important roles in government and trade apparatus. (Sustainability challenges for critical functions and roles)</p> <p>Trade support initiatives insufficiently anchored in relevant government structures which in turn affects timely implementation and impact.</p> <p>The informal donor group on private</p>	<p>Consider establishment of <u>Sector Working Group for Trade and Private Sector Development</u> as part of the aid coordination mechanism being established under the Aid Policy Action Plan.</p> <p>The working group could meet more regularly than the PSD Roundtable, with a view to increasing coherence on both policy and implementation.</p> <p>The <u>Sector Working Group on Trade and PSD</u> could inform on regular basis, the Development Partnership Committee (DEPAC) on key initiatives, results and challenges in to ensure that trade takes its rightful place in discussions of this high level body that exists specifically to ensure coherence, results and speedy resolution of challenges to the implementation of the PRSP.</p>

²⁶ Strengthened government capacity for oversight over tendering, due diligence and negotiation of major investment arrangement is being addressed through the establishment of the PPP Unit in the Office of the President.

	<p>sector development to which UNDP is part, has proven useful for basic internal coordination and information sharing between the international partners on a broad range of PSD matters. Attendance, however, has been somewhat erratic, with several significant actors often not in attendance.</p>	
<p>Source: UNDP, Trade and Human Development Unit, Geneva, 2011.</p>		

A PSD Secretariat was established in the MTI during the period 2008 – 2010, with funding from World Bank. The donor funded Directorate established saw the development of the PSD strategy. The evaluation notes that roles and responsibilities on trade are still not well defined. The National Coordination Committee on Trade (NCCT), which used to operate in the MTI has become dysfunctional after the donor funded phase expired.

In the absence of a strong centralized system, there is need to strengthen the coordination of trade related assistance, in particular, with reference to the following, Ministry of Trade and Industry, MoFED – Development Assistance Coordination Office, also handling trade related issues; Ministry of Foreign Affairs and Ministry of Agriculture, Forestry and Food Security (MAFFS), amongst others.

4.3.2. Development of Inclusive Market

The outputs and targets though valid, do not have a logical link to the achievement of the specified outcomes. Moreover, they supersede the more critical issues and outputs that should have been spelt out that are within the area of UNDP comparative advantage. There is thus a flawed specification of the outputs and targets for UNDP – with the input-output link to the outcome also being problematic. Apart from this critical analysis, the MITAF intervention through which UNDP collaborated with a number of development partners to promote the development of MFIs during the reference period did not achieve the benefits and purpose for which it was designed – for reasons provided. The establishment of the envisaged National Technical Service Provider to facilitate lending of credit to the poor was also not put in place²⁷. Instead the MITAF institutional arrangement continued to depend on a technical support arrangement staffed by expensive foreign experts, without local counterparts to understand the experts for sustainability. Similarly, the training and transformation of 7,200 FFs between 2009 and 2010 is not an output for which UNDP can be assessed for delivery of the outcome stated. Instead, focus ought to have been on deepening of organizational capacities of relevant development partners to ensure that

²⁷ The establishment of a National Technical Service Provider did not seem to have been in the agenda of MITAF during the period 2008 – 2010. It has remained the case to date, July 2012. This has become a major point of disagreement with the BoSL and the GSL, which has stalled progress for the second phase of MITAF.

appropriate services are offered by institutions with the comparative advantage to do so, with involvement of UN agencies such as FAO, IFAD and others.

4.3.3. Lessons Learned on Access to Credit

On the basis of the work undertaken earlier by UNDP and development partners, including that undertaken covering the reference period for this evaluation, the following lessons have been drawn: -

- i. Lessons learnt in Sierra Leone through continued lack of access by rural communities to affordable credit have given rise to a new thrust that embraces the concept of Community Banks²⁸. Between 2007 – 2009, six Community Banks were established in Sierra Leone with the support of the Bank of Sierra Leone. Recent follow-up reviews demonstrated that two of CBs were sustainable, two needed recapitalization, whilst the remaining two needed more substantial support in the form of capacity building and recapitalization. Lessons learnt with CBs show that they are perceived to be better modelled to meet the needs of the rural people in a more cost-effective manner than in the case of previous efforts²⁹.
- ii. National ownership is a central issue to government and its institutions. However, to some development partners who are playing a very central and well appreciated role in PSD and Inclusive Market, the approaches adopted by certain development partners which are contradictory to national ownership. The GoSL is understood to be gearing itself to take a step by step approach to PSD, taking cognisance of the lowly state of the private sector. This is why for example, development of the software and hardware aspects of high quality packaging and refrigeration systems have been prioritised by SIEPA, before the project is rolled out for implementation by the private sector. Development partners have taken a hard-line and asked SIEPA to exclude coverage of this priority area in its plans. The BSL also laments that technical assistance for the Inclusive Market (Access to Credit Component) is coming at a 'high cost' and the way development partners are bringing Technical Assistance Support is not unsustainable and compromises principles of national ownership and agenda setting. In fact, there is a strong view in the BSL that this is largely an externally driven agenda which is unlikely to deliver the desirable outcomes.
- iii. Within the context of Private Sector Reform and Inclusive Market, it takes a long time to build institutional capacities that are central to the transformation required for attainment of progress. The process cannot be rushed within a short-term planning period.
- iv. Development of a pro-poor 'Inclusive Market' requires programmatic approach, not 'project approaches'. Projects need to be structured in a manner to fit into more long term-development strategy. It requires a long term programme approach which is more sensitive to the country's development context, the people involved and their attitudes.

²⁸ CBs are created as limited liability companies and receive an initial granted shared capital (USD 200,000) from the Government. It is emitted in the name of the coming apex of CBs at district and/or regional level. CBs are planned to offer a large range of financial services to advanced smallholder farmers, FBOs, ABCs, Government and private sector employees in small rural towns.

²⁹ MAFFs, RFCIP, IFAD, 2012 – National Programme Coordination Unit.

- v. Development of an inclusive market needs to start from design stage, through to implementation, nurturing increased participation by local institutions, deepening their capacities, through training
- vi. Involvement of international donors, including UNDP, did not develop a sufficient level of national stakeholder buy-in, with an inadequate consideration national ownership in design and implementation of this major intervention. MITAF has been largely perceived to be a high cost and unsustainable donor driven institutional arrangement. It has failed to capitalise on MFI development best practice and not delivered on the desired outcomes.

The GSL/MAFFS has recently adopted the concept of Community Banks as a national programme, targeting establishment of 2 – 3 CBs per district. By July 2012, 10 CBs had been commissioned, with an additional 4 CBs having physical structures established, awaiting licensing. The MAFFS/IFAD supported Rural Finance and Community Improvement Programme (RFCIP) has plans to have 20 CBs in place and fully operational in Sierra Leone³⁰. The Smallholder Commercialization Programme Investment Plan seeks to establish 53 CBs country-wide by 2014.

UNDP has comparative advantage in the following: Support to policy assistance, rural finance sector planning and coordination, and innovative financing mechanisms. UNDP can forge a strategic partnership with the RFCP in strengthening the capacity of the BoSL, MAFFS and MoFED through the following activities: (i) support to the establishment of a specialised rural finance unit within BoSL (IT equipment, MIS/Database, training, exchange visits); (ii) development of a national Rural and Agriculture finance policy (short term international technical assistance, workshops, reviews of ongoing programmes, etc.); (iii) feasibility studies and eventual seed capital or risk fund to develop long term agricultural businesses financing (higher purchase schemes, leasing companies, innovative refinancing mechanisms for the benefit of ABCs, FBOs through the establishment of strong CBs and FSAs, etc.).

4.4. Public Sector Policy Dialogue and Support to BMOs

On record, there are a few Business Membership Organizations (BMOs) such as the Sierra Leone Chamber of Commerce, Industry and Agriculture (SLCCIA), Sierra Leone Indigenous Business Association (SLIBA), the Petty Traders Organization and the Market Women Association. However, the human, technical and financial resources for these organizations are highly limited and to date have not demonstrated to be really effective platforms through which they could engage in policy dialogue on issues concerning their members.

The evaluation notes that although support to BMOs has been a core component of the UNDP support to PSD for Sierra Leone for the period, 2008 – 2010, for reasons that are unclear, it is not captured in the CPAP for the period. A joint project (63557) by UNDP and UNIDO was conceptualized in 2006 with a view to achieving the following³¹:

³⁰ Personal communication with Mohamed Tejan Kella, Programme Coordinator, 1 August 2012.

³¹ Effort to implement this project has continued throughout the period 2008 and 2010 and beyond.

- i. Strengthening the capacities of BMOs;
- ii. Establishing an umbrella organization for the BMOs and other private sector representative bodies; and
- iii. Creating a forum for public-private dialogue for policy debate around private sector matters.

The project was almost exclusively financed by Irish Aid through a total contribution of Euro 600,000 (equivalent of US\$720,050). In addition, UNDP made a contribution of US\$40,000 for the procurement of a project implementation vehicle. Of the total project resources of \$760,050, a total of 530,050 (70 percent) was to be implemented through UNIDO, while \$230,000 (30 percent) was to be implemented through UNDP. For the purpose of the former, UNDP transferred \$400,000 to UNIDO in the fourth quarter of 2008 for implementation of their share of project activities.

The project though, was beset with repeated delays, some of which were due to external circumstances and others due to implementation challenges. A major initial challenge was the time-consuming negotiations between UNIDO and UNDP on operational aspects of the project, which delayed the start-up phase of the project to the end of 2008. With the initial delays, the landscape of public-private dialogue changed with the addition of a new organization, the Sierra Leone Business Forum (SLBF) supported by the IFC. The SLBF came to assume some of the functions that the dialogue platform proposed by the project and produced some commendable outputs during the period of IFC funding³².

As far as UNIDO activities were concerned, the Preparatory Phase, which included a Diagnostic Review of the four BMOs and follow-up capacity needs assessment were undertaken and training plans prepared on the basis of what was planned³³. However, the UNDP activities around the public private dialogue forum never really got off the ground. In August 2009, Irish Aid, having grown frustrated with poor performance in this and other UNDP implemented projects, called for a freeze on spending of their funds until a review examined the project chart a way forward. The review was carried out with recommendations to reprogram Irish Aid funds from several projects, including from the UNIDO/UNDP support to BMOs. As at 31 December, 2010, a total of \$144,714.04, balance of Irish Aid funds outstanding with UNDP was reprogrammed as per instruction by the donor. The remaining balance of the UNIDO component of the budget, a full \$424,277, was also set to be returned to the donor, without achieving the purposes for which the funds had been deployed in the first instance.

³² It is noted that the SLBF is not a business membership organisation, but constituted as a company limited by guarantee. At the time of this evaluation, although the SLBF had delivered credible outputs during the phase of IFC funding, in the absence of clear exit strategy (followed up with action) and more long-term financing, the SLBF was at the verge of collapse.

³³ The position of UNIDO is that the project faced formidable challenges before it got off the ground due to design challenges, in particular the critical assumption regarding an unrealistic time-frame for implementing BMO projects that needed more time to complete. Unfortunately, the evaluators could not obtain the view of Irish Aid on this for reasons beyond their control.

The status of BMOs in Sierra Leone is aptly summed up in the followed statement:

‘There are essentially no BMOs in Sierra Leone. What is there are organizations that lack a constituency because they have people placed in wrong positions. BMOs are abstract and alienated from those their intended membership..... they lack proper governance structures and are marked with substantial technical, organizational and administrative capacity challenges’.

Aisie-nana Victoria Williams –Former Executive Director of SLIBA

4.4.1. Critical Issues on BMOs

1. Strong BMOs remain critical to the development of a dynamic private sector in Sierra Leone. Despite recent efforts to facilitate the establishment of BMOs, the current state of business membership organizations remains extremely challenging. BMOs in Sierra Leone are characterized by stagnation, lack of credibility and a high level ineffectiveness to deliver on the mandate of vehicles of transformation of the private sector. For several reasons, most of the BMOs are widely perceived to be dysfunctional, are alienated from their members and lack a proper relationship with the public sector and other development partners³⁴.
2. Governance structures of Sierra Leonean BMOs leave a lot to be desired. The BMOs are far removed from the constituencies. Office bearers are not democratically elected. Legal framework governing some of the agencies is inappropriate (e.g., the Chamber of Commerce and Agriculture is a limited liability company yet claim to be a membership based organization)³⁵. As a result of the governance crisis in BMOs, with executive councils not being subjected to regular elections, there is an absence of accountability in the organizations. They depend on the capacities and personalities of individual office bearers.
3. Lack of sound administrative and technical capacity – Previous effort to support BMOs has not yielded the desired outcome. The BMOs remain heavily under-capacitated, with inadequate technical and administrative staff available to run them.

³⁴ This alienation partly explains why the BMOs are not getting subscriptions from relevant constituencies.

³⁵ The Sierra Leone Market Women Association last held democratic elections in 2003, just after the war, hence lacks a duly elected governance structure. SLMWA has no full time staff to run the secretariat, comprising two volunteer staff. The Secretary General who acts as Executive Director is actually a ‘full-time’ staff of another organisation. The Sierra Leone Indigenous Business Women Association has not held elections in recent years and as such cannot claim to have a proper constituency. The SL Business Forum is not a membership based organisation, but a limited liability company. The Sierra Leone Chamber of Commerce, Industry and Agriculture is centralised in Freetown and has no outreach or programmes in the other regions. The chamber is highly under-resourced and under-staffed, with only two officers who are meant to have programmes covering the whole country. This is apart of the more challenging issue of lack of strategic direction, in the absence of a well thought out strategic plan and focus.

4.5 Sierra Leone Agri-business Initiative (SABI): Lessons Learned from an Innovative Approach

4.5.1 Emerging Issues

- i. UNDP and development partners have made a commendable start to inclusive PSD development but the reform agenda is far from complete. There remains a need to improve focus and to sustain efforts through a more long-term development thrust in order to achieve desirable impacts.
- ii. Support to downstream activities micro business initiatives such as Songhai require a more critical examination of the UNDP mandate, roles and responsibilities. The evaluation concludes that whilst the initiatives are interesting and constitute a great potential for innovative and impactful inclusive private sector development, direct involvement by UNDP Sierra Leone in such interventions without clarity of roles and responsibilities of key development partners poses a number of challenges³⁶. One such a challenge concerns involvement of UNDP in operational and implementation issues which UNDP's may not have a comparative advantage to handle.
- iii. Project design – takes short-term perspective 2 – 3 years to achieve outcomes which should be achieved by programmes with long-term perspective (4 – 5 years, with provision for more time). Project approach flawed, need to adopt programme approach. Projects left mid-way with unfinished business.
- iv. Donor driven approaches, projects made to fit into donor resource disbursement and spending schedules which do not match with practical realities on the ground, long preparatory phases needed in many projects. Many projects start earnest implementation during the last year of implementation, creating donor impatience. There is choice between communicating the reality on the ground, which need to be factored in project design or losing donor funds.
- v. **Institutional coordination, management and supervision arrangements for private sector projects face challenges** – The UNDP should advocate for strengthening local ownership, innovative private sector ownership arrangements, including cooperative models; empowering of local entrepreneurs, qualified professionals to manage, through training and capacity building. This is central to establishment seedbed for new breed of entrepreneurs. The track record of government managing private sector business is poor. UNDP should lobby for GoSL to allow more free-play for the private sector to operate, drawing on lessons learnt to date with the Songhai Agri-business Initiative.
- vi. **Delivering as One not yet fully functional:** Evidence from the outcome evaluation show that work of UN agencies, namely UNDP, FAO, IFAD, UNIDO and others is not well coordinated; there is a lack of a systemic approach with and unhealthy competition for implementing projects. Whilst in principle, the UN is supposed to work on the basis of the United Nations Development Assistance Framework (UNDAF), which involves government and other key national

³⁶ Reference is made to strategic partners with a better comparative advantage to handle such development interventions, e.g., UNIDO, FAO, IFAD and other local actors, e.g., SLIEPA and others. Within the framework of One UN and Delivering as One, collaboration and clarification of roles and responsibilities should become more achievable than is currently the case. Mechanism for scaling up best practices and agencies that need to be in the driving seat for such interventions also need to be considered and agreed in the project design.

stakeholders, at the practical level, challenges remain in the areas of development programming, design, implementation and national ownership³⁷. UNDP should advocate much more aggressively for an **effective networked approach** to PSD, building on strategic partnerships already established in the national development context during the post-conflict era.

- vii. **UNDP role in direct project implementation needs to be carefully examined. UNDP comparative advantage** is not in operational issues of micro-level projects. It ought to be pitched itself more at **higher policy and strategic level**. Where there is involvement in innovative projects (e.g., the Songhai Agri-business Initiative) with high potential for being scaled up for greater impact, intermediary institutions with expertise in those areas ought to be engaged to provide technical support.

4.6 Lessons learned in PSD through the work of UNDP and that of development partners highlight the following issues

- i. To achieve the PSD outcomes, private sector reform agenda ought to be based on long term engagement, and not be assessed within the context of short-term projects³⁸.
- ii. In order to achieve greater impact, UNDP must seek more core-funding for programmes to enable more long-term commitment on interventions.
- iii. The PSD development thrust should not be based on more well thought out projects, possibly focusing on fewer priority areas with higher potential impact.
- iv. There is need to tackle **project design challenges**, longer duration interventions to achieve outcomes, higher level of **national ownership** and **increased alignment** of interventions of international development partners to **national priorities**, in the case, The Agenda for Prosperity.

5. SUSTAINABILITY

Given the state of the country's private sector, weak human resources capacity in development and implementation of policies and strategies, **weaknesses of the MDAs and governance structures** identified in this evaluation, **fragmentation of PSD initiatives**, the sustainability of inclusive PSD interventions is an issue of concern. Recent experiences, for example, the challenges faced by the SLBF, the 'closure' of the Directorate on Trade in the MTI and the associated National Coordination

³⁷ In this respect, the role of the HQs of UN agencies is brought under spotlight. There is a sense amongst various national stakeholders that the development agenda and mechanism of addressing the issues are to a large extent determined externally from the HQs of development partners.

³⁸ Where short-term project approaches are used, as is currently the case, in view of the type of funding, these should be designed and implemented in manner that build into long-term programmes.

Committee on Trade³⁹, the heavy dependency of various PSD initiatives on external donor funding point to sustainability concerns. In the area of policy and strategy formulation within the context of private sector development, the high dependency on external donor funding is linked to an unsustainable level of dependency on foreign experts.⁴⁰ However, across a range of interventions on Inclusive Private Sector Development, **national ownership of programmes** is widely recognised in Sierra Leone as essential for achievement of sustainability, but is difficult to realise in a context of **chronic reliance on external funding**.

This challenge is not unique to achievement of private sector development and inclusive market outcomes, but emerges in this outcome evaluation as an important factor shaping the country's post-war development. As such, the UN system and international development partners need to take a critical look at the approaches adopted by development partners with a view to assisting Sierra Leone in its transition to self sustaining development'.⁴¹

6. PARTNERSHIP STRATEGY

UNDP Sierra Leone as Donor Facilitator is a key member of the Development Partnership Committee and as member of the United Nations Country Team (UNCT) is pivotal in driving the UN Delivering as One agenda. The UNDP is also a key member of the Enhanced Integrated Framework National Steering Committee, housed in the MTI. The EIF NSC comprises representatives of various development partners such as the EC, The World Bank and other partners with interest on trade issues. The NSC meets on a regular basis, with UNDP playing a pivotal role in supporting the EIF NIU and NSC. Similarly the UNDP has been the overseer of the project 'Development of a Sustainable Pro-Poor Financial Sector in Sierra Leone', which established (MITAF). The UNDP CO has been interacting with a number of development partners involved in provision of micro finance to the poor and marginalised rural communities since 2006. A partnership framework was established with UNDP acting as coordinator, covering the reference period of this outcome evaluation, 2008 - 2010. It is also noted that the UNDP has played a central role in supporting the PSD oriented Youth Employment Support Programme (YESP), from the time when the Youth Employment Secretariat was established, pre 2008, to the current period. The Youth Employment Support Programme is being implemented through the National Youth Commission, with strong support from the UNDP and The World Bank and a number of other development partners

³⁹ The National Coordination Committee on Trade (NCCT) referred to in this case is different from the National Steering Committee for EIF. The NCCT had a broader trade and private sector development mandate than the EIF NSC which is currently in place.

⁴⁰ This is a national challenge across virtually of the country's sectors, not just for trade and private sector. There is also another argument which is that many of the experts lack understanding of the country's development terrain, being on the ground for limited duration.

⁴¹ UNDP, Trade and Human Development Unit, Geneva, 2011.

such as GIZ. The UNDP has also recently facilitated the establishment of the PPP Unit in the Office of the President, a project with a clear mandate which is of national significance⁴².

However, despite these commendable efforts, the evaluation notes that whilst UNDP has been active in interactions at implementation level of specific PSD projects, by themselves, these efforts have not been able to generate the desired outcomes as spelt out in the CPAP⁴³. The absence of a **coherent programme approach** and lack of a **Sector Working Group on Trade and Private Sector Development**, a forum where development partners, (national and international) share important information on **practical issues and lessons** on private sector development constitute major gaps in the UNDP partnership and networking strategy. In fact, there is evidence that UNDP is not fully appraised or knowledgeable about several key PSD interventions and initiatives currently being implemented by some development partners in Sierra Leone. Through a **strategically focused** sector-wide Trade and PSD Working Group, UNDP could play a pivotal role in facilitating the **dissemination and scaling up of development best practice** in Sierra Leone, apart from **ensuring better coordination and synergy** of inclusive private sector development overall. There is also need to learn from what has worked well and what has not been so successful from previous partnership arrangements with other development partners and the GoSL MDAs. A discussion on lessons learned on various interventions is provided in the evaluation.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 Focus on UNDP Sierra Leone Strategic Positioning

Overall

Weaknesses of the PSD Strategy (2009 – 2014): One big limitation for Sierra Leone has been in the critical assumptions underlying the formulation of the national PSD Strategy. This is aggravated by weak national institutional mechanisms, in particular, MDAs, which operate under severely constrained human and financial resources. The evaluation notes that the challenges posed by a weak private sector development strategy have to a large extent affected the supply response of international development partners such as the UNDP. In this case, it can be concluded that the PSD Strategy has not really provided strong enough and coherent guidance for private sector development at national level. It's lack of thrust relates to three critical areas, namely, a) agricultural-led private sector growth, and, b) strategies to grow the private sector through micro and small and medium enterprise development approaches; c) absence of a strategy to provide a package of holistic support services for the private sector to grow and to thrive. With respect to (b) and (c), the approach necessarily involves mechanisms

⁴² This is a pioneering project, with strong focus on ensuring that Sierra Leone benefits from FDI and PSD involving international investors – through quality assurance in agreements between the GoSL and prospective investors.

⁴³ The evaluation observes a certain level of fragmentation in the manner in which PSD support is provided in the country. The fragmented approach arises from the manner in which projects are designed and implemented by various players, with emphasis on the short-term (determined by funding circles of specific donors) at the expense of the long-term perspective.

of enabling transition from informality to formality, accompanied by an enabling policy and regulatory environment. Such an approach would contribute towards the achievement of more sustainable and substantial decent paid jobs or self-employment outcomes. This analysis is done in view of the large numbers of Sierra Leoneans operating in the informal sector, mostly in survivalist activities which are characterised by low incomes that are well below poverty levels.

The evaluation notes that the implementation of the post-conflict reform agenda of the country's private sector has been a slow process which requires substantial re-examination, taking into account the socio-economic and development context of the country. There is merit in the involvement of international cooperation partners such as the UNDP and others in private sector development.

Recommendation

There is need for a paradigm shift in private sector support, arguably by most ICPs operating in Sierra Leone, with the need to focus on growing it from its basic stages and nurturing it to higher levels of growth and maturity. The strengthening of national institutions, especially in the Public Sector, and within the context of the National System of Innovation (NSI), remains a formidable one which needs sustained attention, if the desired development outcomes are to be achieved in the foreseeable future. In addition, the issue of how to deal with the large informal sector is an issue of paramount importance in private sector development programming with regard to international cooperating partners involved in the sector. Because of this, there is an obvious need to adopt a long term perspective to the achievement of private sector outcomes rather than a short-term project based approach⁴⁴.

7.2 Critical issues for UNDP Sierra Leone Strategic Positioning

In view of the aforementioned, the following are some of the issues that UNDP and associate ICPs need to consider in private sector development.

7.2.1 Cross-cutting

- i. **Policy development processes** for UNDP remains an area of key strategic focus; Capacity to design and implement policies and strategies in MDAs is low⁴⁵. There is need for sustained effort to improve that support, combining up-stream and downstream support⁴⁶.

⁴⁴ The limitation posed by short-term funding circles is noted, especially as it may not be supportive of programme design with more long-term perspective.

⁴⁵ There is also a perception in many development circles of the existence of challenge of over-reliance on 'foreign experts' with limited knowledge of Sierra Leonean context in the design of national policies. This results in mismatches between the policies developed and the country's reality.

⁴⁶ The weaknesses in the capacities of MDAs makes it an area of strategic focus for UNDP, to ensure that there is capacity to implement the policies and strategies developed. The Evaluation team is aware of the new 'upstream thrust' by UNDP – which needs to be carefully reviewed given the capacities of support institutions, from BMOs, MDAs and the private sector itself.

- ii. **Institutional – Addressing human resource and financial capacity issues of MDAs and relevant institutions**, on cross-cutting trade issues and sector specific issues; coordination across MDAs is found to be weak. Implementation of trade objectives and coordination of trade related initiatives remains a challenge. Part of the challenge is rooted in lack of resources, human and financial. To tackle this challenge, decisively, a comprehensive resource mobilisation approach and forging of synergy with other ICPs is crucial, in view of the magnitude of task at hand.
- iii. Adoption of a more **coherent programme approach** to inclusive PSD, taking cognisance or resource mobilisation constraints, scaling up projects to meet the national development Agenda for Prosperity, facilitating better alignment of priorities of development partners and modes of intervention to national priorities in a more systemic manner.
- iv. **Governance – UNDP is in a position support strengthening of governance structures at various levels**, through the decentralization programme⁴⁷, in collaboration with UNCDF, IFAD. Focus should on improved **decentralisation and capacity building of rural councils and other decentralised community and rural based private sector development structures**. Stronger UNDP/UNCDF roles and support to decentralization and local economic development (LED) and private sector linkages, strengthening of governance structures of Rural District Councils to manage LED and facilitate private sector development ought to be prioritised. Support to differently structured models of enterprises in rural areas. Strengthening of linkages between FDI to LED approaches and domestic investment promotion is also foreseen.
- v. There is need to **improve communication, coordination, monitoring and supervision** of PSD interventions involving both national and international development partners, MDAs and the private sector. This is in view of the observed lack of systemic PSD, poor communication and coordination of interventions. The system should also enable all key stakeholders to be abreast of PSD in a manner that enables better synergy.
- vi. **Sustaining public private dialogue:** With the existence of SLBF under threat because of sustainability and financing constraints, there is need to map out ways of ensuring survival of the SLBF or other institutional mechanism to ensure that PP dialogue is sustained or scaled up, in particular for the small and medium sized domestic private companies, mostly MSMEs⁴⁸.
- vii. **Development statistics** – lack of up-to date monitoring data for development programming, including private sector issues. There is need for a renewed role of the UNDP in generation of to

⁴⁷ There is need to link PSD initiatives, in particular, those centred on rural areas, to the decentralization and local economic development (LED) programme which UNDP, UNCDF and IFAD are already supporting.

⁴⁸ Large corporations and mining companies have their own mechanism of engaging government. The same cannot be said about smaller companies.

up-to-date data, if only for the monitoring of MDG targets and also indicators for the National Development Plan, specifically, Agenda for Change and the follow up Agenda for Prosperity.

7.2.2 Sector-Specific

- i. **Policy framework and action plan on MSME development and growing the domestic private sector. Coherent micro and small enterprise development** is a must in most African countries, taking critical note of strategies to ensure **transition of large numbers of enterprises in the informal sector to formality**. Sierra Leone cannot be an exception – there is need consider linkages with ILO and UNIDO supported interventions. Instead of UNDP seeking to provide direct enterprise development support, strategically UNDP can facilitate reorientation of support to intermediaries, enterprise support organisations – focussing on building and strengthening of technological capabilities, value chain development for agro-based enterprises and in the manufacturing sector⁴⁹.
- ii. **Governance structures and Institutional setting of ABCs**⁵⁰: There is, however, need to strengthen the management, organisational and governance structures of the established ABCs, using innovative approaches based on development best practice, through sustained training, capacity building and provision of comprehensive business development services. The establishment of the physical structures for ABCs and initial start to capacity building is a notable commencement of a new make or break phase to deepen TCs required for establishing truly viable decentralised rural agro-based enterprises. However, the efforts need to be scaled up and where appropriate, reviewed, with a view to adopting more effective turnaround strategies designed to impact upon the rural economy with greater impacts.
- iii. **The absence of viable BMOs**. Strong BMOs are critical to the development of a dynamic private sector in Sierra Leone. The evaluation notes that the country's BMOs have weak governance structures and are to a large extent far removed from their constituencies. A mechanism to address this, situation is strongly recommended in this evaluation with a view to carrying forward, in a more effective manner, the Inclusive PSD agenda.

Recommendations and Options to Consider on BMOs

- a. UNDP needs to convene An **Extraordinary Round-table BMO Meeting** which draws representation from all BMOs. The meeting should be facilitated by a neutral professional facilitator, someone with no vested interests in the Sierra Leone BMOs. The objective of the meeting would be to brain storm find solutions to the BMOs issues, coming up with a workable strategy to improve the effectiveness of BMOs in the country.
- b. **Action Focus**: Articulate Private Sector vision in the light of the of Agenda for Prosperity, the business membership organizational structures and legal framework and structures required for

⁴⁹ Sierra Leone has no significant manufacturing sector.

⁵⁰ The GoSL and MAFFS policy thrust is to have at least 2 – 3 ABCs per district, one in each chieftainship area, MAFFS, 2012. However, currently ABCs are characterised by low technological capabilities, poorly established governance and institutional management structures.

the vision; whether use of existing structures is still viable or there is need for new ones to be facilitated to emerge.

- c. **Participants:** Representatives of Government, Commerce, Industry, Agriculture, MSMEs, women's organizations, both formal and informal sector, labour. As far as possible, there is need to include large contingent of independent private sector actors – with a few to enabling opportunities for a fresh start – avoiding a situation where interactions could easily degenerate into a platform for existing BMOs to out-compete each to attract donor support.
- d. The UNDP Sierra Leone, as Donor Facilitator, in collaboration with the GoSL, is strategically positioned to mobilise other development partners to take appropriate actions to strengthen the capacities and governance structures of BMOs (assisting them establish proper national and decentralized structures which take into account regional considerations, ethnicity, non-partisan, enabling them to become more effective).
- e. **Review of legal framework of BMOs.** Indications are that most of the BMOs may be operating under improper legal entities, for example, , is the limited liability company the option for BMOs such as Chamber of Commerce and industry? Is there need to establish a separate BMO representing farmers as is the case in many other African countries – for example, Sierra Leone Farmers' Association.

Action: GoSL with support from relevant ICPs needs to commission an independent examination of the legal framework of BMOs, amongst other issues, and take corrective measures.

- iv. In collaboration with MTI, Office of the President, there is need to facilitate the establishment of an **Inclusive Trade PSD Working Group**, focusing international and domestic trade issues, and key issues of competitiveness building for the dynamic market. The rationale for such a working group has been spelt out in this evaluation.
- v. **Support to scaling up opportunities for private sector development through innovative approaches:** In collaborating with UNIDO and other development partners, there is need to strengthen PPP business linkages for indigenous enterprises {support to innovative models already being used by GIZ, USAID and others in Sierra Leone, building stronger linkages between FDIs vs domestic firms (*in collaboration with The World Bank, UNIDO, GIZ and others*), nurturing cooperation; joint ventures, strengthening technological capabilities of MSMEs to sustain linkages with international partners beyond supply of basic goods and services, scaling up production of goods and services. The country's domestic enterprises can be supported through carefully planned business development services partnership and technology transfer arrangements to be involved in activities with higher level of technical and organisational sophistication, for example, in the ICT and mining sectors⁵¹.

⁵¹ Consideration can also be made of possibility of deepening export competitiveness; commodity quality focus in value chain development. {Youth block farming}. Scaling up of innovative approaches, from localised initiatives in a few districts to more areas of the country. UNDP partners such as IFAD, FAO and others can position themselves to facilitate promotion of business linkages and support networks in agriculture sector, promoting value chain development in rice and cocoa, commodity development, role of WFP in promoting quality of rice produced by

- vi. In the medium to long-term, consider **Centres of Excellency/Centre for Innovation and Enterprise Development** – The UNDP and ICPs can consider the possibility of forging strategic partnerships with UNCTAD and other development partners; focusing – building competitiveness of the domestic enterprises to become internationally competitive through and strengthening the national system of innovation and networks, such as universities, research institutions, polytechnics, and civil society. This is central to a sustained approach of building and deepening capacities in the domestic private sector.
- vii. **Access to finance** – in view of lack of evidence of impact to date, there is need for renewed effort through the development of new regulations and legislation. MFIs have not yet achieved their intended objectives yet. The IFAD promoted model of Community Banks is widely understood to offer higher transformational possibilities for improving access to finance by the majority of predominantly rural communities. However, the programme needs to be monitored for sustainability and impact over time.
- viii. **Comprehensive human resources development plan: The UNDP and ICPs can facilitate** formulation and implementation of a comprehensive human resources development plan, new curricula development and adoption, (cutting across sectors), with strong PPP support networks⁵², involving the private sector, forging linkages within the national system of innovation, between higher education, research institutions and TVET⁵³. For sustainability a framework could be developed to establish a mechanism in which private companies can invest in certain training programmes, focusing on areas for which there is definite demand. At higher level, focus can be on policy and strategy development. At sectoral level, the thrust could be sector specific technology management, establishing better qualified technicians, engineers, middle level managers, support to value chain development, business and marketing capacity development. Focus needs to be deepening human resources capabilities, through effective public and private partnerships, especially for the domestic private sector or indigenous entrepreneurs.
- ix. **Development of the ICT Sector:** The ICT sector, as well as being a platform for delivering services, has immense potential to be a source of economic growth and employment in Sierra Leone. Investment in the ICT industry helps attract foreign investment, transform the financial sector, energize local exports, and nurture ICT skills and innovation in the workforce, including amongst the youth. A recent thrust by the UNDP and development partners to support the implementation of a National ICT Infrastructure’ Initiative, needs to be broadened to ensure that the Public and Private Sector move at the same pace and that there is synergy between the two sectors, incorporate human resources development and upgrading of skills in the ICT sector.

smallholder farmers, ‘contract farming arrangements’, promotion of innovation networks – financing of promising farming ventures with definite market niche.

⁵² To be based on development good practice in the region or from outside West Africa.

⁵³ UNDP must support innovative approaches, for example, the GIZ/GoSL supported PPP TVET proposal on developing TVET using a market oriented strategy involving large mining companies.

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ANNEXES

Annex 1: Persons Contacted in the Preparation of the Outcome Evaluation Report

Ministries, Departments and Agencies, Development Partners, Private Sector and Civil Society

Name of Person	Organisation	Designation	
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Private Sector

Aisie-nana Victoria Williams (Mrs)	Vicons Business Development Enterprises (26/07)	CEO and former Executive Director, SLIBA	??/
Beatrice Chaytor (Mrs)	Clas Legal Solicitors (27/07)	Legal Practitioner and former Senior Officer, MTI	076 671 446

Development Partners

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Giedrius Sabaliauskas	UNDP	Advisor, Public and Private	

		Partnerships	
Mohamed Abchir	UNDP	Deputy Country Director	078 99970 232 22232 983
Anonymous	Development Partner	Anonymous	Not available
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Mohamed Tejan Kella	IFAD/MAFFS	Programme Coordinator, Rural Finance and Community Improvement Programme	076 615 976

Annex 2: UNDP Outcome Evaluation Summary Guideline – Instruments (Based on UNDP Guidelines for Undertaking Outcome Evaluations, M & E Series No. 1, 2002)

More specifically, the **four standard objectives of an outcome evaluation** and their timing during the Country Programme (CP) cycle are as follows:

- Assess progress towards the outcome (this will be most significantly explored during an outcome evaluation conducted later in the CP, although it could be examined early on depending upon the nature of the outcome);
- Assess the factors affecting to the outcome (this could be addressed early, midterm or later in the CP);
- Assess key UNDP contributions (outputs), including those produced through "soft" assistance, to outcomes (this information is yielded at least midway through and later in the CP);
- Assess the partnership strategy (useful information can be culled at any point during the CP).

Four major components

- i. The outcome
- ii. Substantive influences
- iii. UNDP's contribution, and
- iv. How UNDP works with other relevant actors.

Outcome evaluators may add other objectives such as those related to implementation issues.

Outcome evaluation involves making judgments about the **interrelationship** between **inputs** and **outputs** on the one hand and **outcomes** on the other.

Usually, an outcome evaluation begins with a review of change in the outcome itself, proceeds to an analysis of pertinent influencing factors, and then addresses the contribution of UNDP and its partners. It culminates in suggestions about how to improve the approach to results.

Purpose of Outcome Evaluation

*To learn lessons for next CP formulation

- Status of outcome and factors affecting it
- Relevance of outcome/outputs
- Strategic positioning of UNDP
- Production of outputs
- Partnership strategy, formulation and performance

Outcome evaluations have a broad scope and focus on results to meet a number of overarching goals.

Scope of Outcome Evaluation: Results (whether, why and how the outcome has been achieved, and the contribution of UNDP to a change in a given development situation)

Differences between these two kinds of evaluations are also apparent in how **evaluation criteria** are applied, as noted in Table 3.

Table 3. Differences in Application of Evaluation Criteria to Project and Outcome Evaluations

Criteria	Project evaluation	Outcome evaluation
Relevance	Is the project relevant to UNDP’s mandate, to national priorities and to beneficiaries’ needs?	The assessment of relevance in an outcome evaluation is more a question of strategic positioning and focus of UNDP on a few key outcomes. The definition of the outcome is a strategic exercise based on national priorities.
Effectiveness	Have the project objectives been achieved or are they expected to be achieved?	Is the outcome achieved or has progress been made towards it? Has UNDP made significant contributions in terms of strategic outputs?
Efficiency	To what extent do the project outputs derive from efficient use of resources?	It is more complex to measure efficiency for an outcome. One method is to estimate the <i>resources (project, soft assistance) UNDP dedicates to the outcome. Another method is to estimate the extent of UNDP’s contribution to the outcome versus that of its partners.</i>
Degree of Change	What were the positive or negative, intended or unintended, changes brought about by the project intervention?	Similar in this case to a project evaluation, an <i>outcome evaluation will look at the positive or negative, intended or unintended, changes brought about—to the extent that they are not captured in a review of the effectiveness of UNDP’s contribution.</i>
Sustainability	Will benefits/activities continue after the end of the project?	Will the positive change in the development situation endure/continue in future? It is a question of sustainability of the totality of the assistance provided and the capacity to maintain, manage and ensure development.

Outcome evaluations have a wider scope and complexity so they demand greater time, human and financial resources to complete than project evaluations. Even a “lighter” exercise conducted early in the Country Programme is more demanding, while a “heavier” exercise takes much longer and requires the involvement of many people. From the perspective of the evaluators, the time required to complete an outcome evaluation will depend on the purpose, scope and timing of the evaluation, as well as upon the quality of the outcome formulation, the extent of UNDP contributions to the outcome and the length of time UNDP has been working in the outcome.

Table 4: Key Features of Outcome Monitoring and Outcome Evaluation

Outcome monitoring	Outcome evaluation	
Objective	To track changes from baseline conditions to desired outcome and to identify impediments.	To validate what results were achieved, how and why they were or were not achieved.
Focus	Focuses on the outputs of projects, programmes, partnerships and soft assistance activities and their contribution to outcome.	Compares planned with intended outcome achievement. Focus on the how and why outputs and strategies contributed to achievement of outcome. Focus on questions of relevance, effectiveness, sustainability and impact.
Methodology	Tracks and assesses performance and progress towards outcome through comparison of indicators over time and discussions with partners.	Evaluates achievement of outcome, role of UNDP and partnership strategy by comparing indicators before and after the intervention. Relies on monitoring data on information from external sources.
Conduct	Continuous and systematic by UNDP programme managers, staff and key partners.	Time-bound, periodic, in-depth. External evaluators and partners.
Use	Alerts managers to problems in progress and delivery of outputs and provides options for corrective actions.	Provides managers with strategy and policy options; provides basis for learning and demonstrates accountability.

Even in the absence of good baselines, indicators or results monitoring, outcome evaluators can make use of contextual information, project documents and the information provided by partners. This information can help approximate baselines and chart progress towards outcomes.

A. Categories of analysis

Outcome evaluations include four categories of analysis:

1. Status of the outcome
2. Factors affecting the outcome
3. UNDP contributions to the outcome
4. UNDP partnership strategy

Annex: Sample Outline for an Outcome Evaluation Report

EXECUTIVE SUMMARY

- What is the context and purpose of the outcome evaluation?
- What are the main findings and conclusions, recommendations and lessons learned?

INTRODUCTION

- Why was this outcome selected for evaluation? (refer back to the rationale for including this outcome in the evaluation plan at the beginning of the Country Programme)
- What is the purpose of the outcome evaluation? Is there any special reason why the evaluation is being done at this point in time? (is this an early, mid-term or late evaluation in the Country Programme)
- What products are expected from the evaluation? (should be stated in TOR)
- How will the evaluation results be used? (should be stated in TOR)
- What are the key issues addressed by the evaluation? (should be stated in the TOR)
- What was the methodology used for the evaluation? (should be stated in the TOR)
- What is the structure of the evaluation report? (how the content will be organized in the report)

THE DEVELOPMENT CONTEXT

- When and why did UNDP begin working towards this outcome and for how long has it been doing so? What are the problems that the outcome is expected to address?
- Who are the key partners for the outcome? The main stakeholders? The expected beneficiaries?

FINDINGS AND CONCLUSIONS

The findings and conclusions of the evaluation report should reflect the scope presented in the TOR. There should be some flexibility for the evaluation team to include new issues that arise during the course of the evaluation. The findings and conclusions in the report will take their lead from the nature

of the exercise. If the purpose of the outcome evaluation was to learn about the partnership strategy, the findings and recommendations may address issues of partnership more than the other elements listed below. If the purpose was for mid-course adjustments to outputs produced by UNDP, the report findings and conclusions might give some more emphasis to issues related to UNDP's contribution to the outcome via outputs. The section on findings and conclusions should include the ratings assigned by the outcome evaluator to the outcome, outputs and, if relevant, to the sustainability and relevance of the outcome.

The following questions are typical of those that must be answered by the findings and conclusions section of an outcome evaluation. They reflect the four categories of analysis.

1. Status of the outcome

- Has the outcome been achieved or has progress been made towards its achievement?
- Was the outcome selected relevant given the country context and needs, and UNDP's niche? (Presumably, if the outcome is within the SRF it is relevant; however, the outcome evaluation should verify this assumption.)

2. Factors affecting the outcome

- What factors (political, sociological, economic, etc.) have affected the outcome, either positively or negatively?

3. Guidelines for Outcome Evaluators

- How have these factors limited or facilitated progress towards the outcome?

3. UNDP contributions to the outcome through outputs

- What were the key outputs produced by UNDP that contributed to the outcome (including outputs produced by "soft" and hard assistance)?
- Were the outputs produced by UNDP relevant to the outcome?
- What were the quantity, quality and timeliness of outputs? What factors impeded or facilitated the production of such outputs?
- How well did UNDP use its resources to produce target outputs?
- Were the monitoring and evaluation indicators appropriate to link outputs to outcome or is there a need to establish or improve these indicators?
- Did UNDP have an effect on the outcome directly through "soft" assistance (e.g., policy advice, dialogue, advocacy and brokerage) that may not have translated into clearly identifiable outputs or may have predated UNDP's full-fledged involvement in the outcome? (For example, was policy advice

delivered by UNDP advisors over the course of several years on the advisability of reforming the public service delivery system and on the various options available? Could this have laid the groundwork for reform that subsequently occurred?)

4. UNDP partnership strategy

- What was the partnership strategy used by UNDP in pursuing the outcome and was it effective?
- Were partners, stakeholders and/or beneficiaries of UNDP assistance involved in the design of UNDP interventions in the outcome area? If yes, what were the nature and extent of their participation? If no, why not?

5. RECOMMENDATIONS

- Flowing from the discussion above, the section on recommendations should answer the following question:
- What corrective actions are recommended for the new, ongoing or future UNDP work in this outcome?

LESSONS LEARNED

What are the main lessons that can be drawn from the outcome experience that may have generic application?

What are the best and worst practices in designing, undertaking, monitoring and evaluating outputs, activities and partnerships around the outcome?

ANNEXES

Annexes are to include the following: TOR, itinerary and list of persons interviewed, summary of field visits, questionnaire used and summary of results, list of documents reviewed and any other relevant material.

Annex 3: Terms of Reference, International Consultant Outcome Evaluation Inclusive Private Sector Development – 2012

In line with the evaluation plan for UNDP Sierra Leone Programming Cycle 2008-12, UNDP plans to undertake an outcome evaluation on Inclusive Private Sector Development, which is expected to be undertaken in the first quarter of 2012.

In particular, the evaluation relates to the Country Programme Outcome (CPO) 2.2 *Private Sector Reform and Development of Inclusive Local Markets*. The evaluation will put a major focus on assessing the impact and overall contribution of the portfolio of projects falling under CPO 2.2, towards progress in achieving the United Nations Joint Vision Programme 3 *Finance for Development* as well as draw recommendations for eventual adjustments, and lessons learnt for the elaboration of the further strategy in this sector.

The purpose of the Evaluation is to learn from the experience of UNDP-funded and implemented projects and activities in Sierra Leone expected to contribute to the improvement of the trade and business environment, creation of new businesses and jobs etc. The Evaluation is expected to clarify underlying factors affecting the situation, highlight unintended consequences (positive and negative) and better design UNDP-supported interventions at the next stage. The Country Office accordingly plans to make use of the exercise as a learning opportunity not only for the office but also for key partners and stakeholders, as inclusively as possible.

As the success of development activities is increasingly measured on the basis of tangible changes in the situation of the intended beneficiaries (“Results-based Management” approach), the Government, civil society and donors are increasingly paying more attention and allocating more resources for the formulation of relevant progress indicators, as well as the collection and analysis of relevant data, as part of monitoring and evaluation activities

This evaluation is therefore a requirement for UNDP to consider a follow-up phase to its assistance; it will also help ensure that the needs for the development of national capacities in using data for the formulation, implementation and monitoring of policy and programmes are covered. As such, the findings of this evaluation will be equally beneficial in contributing to strengthening the capacities of central and local authorities and other partners in view of creating new businesses and jobs in targeted rural and urban areas.

Finally, as Sierra Leone continues its recovery from the war, rebounds from the global economic crisis and becomes an increasingly dynamic and attractive economy, the results of the Evaluation will help to guide the efforts of UNDP or other development partners in designing and delivering effective interventions to support the Sierra Leonean private sector to mature and deliver higher incomes, employment and prosperity for its people.

Scope of the Evaluation

This is a summary progress evaluation, aiming to assess the extent to which programme and project activities implemented with partners during 2008-2010 have contributed to progress under CPD Outcome 2.2, as well as overall contribution to the implementation of UN Joint Vision Programme 3. It is also aimed at evaluating the achievement of set targets, whether existing UNDP’s partnership

arrangements with local partners proved to be successful and relevant and overall, whether UNDP-supported activities have contributed to improved performance of governance institutions in Sierra Leone. The evaluation shall identify changes that happened since the start of the CPD as they relate to the development outcomes, the degree and levels of these changes, i.e. enabling environment, organizational and/or individual levels. It shall also assess whether UNDP's strategic positioning in this area can be improved.

The main partners to be involved in the evaluation are: the Office of the President, the Ministry of Trade and Industry, the Enhanced Integrated Framework National Implementation Unit, the Sierra Leone Investment and Export Promotion Agency, the Ministry of Tourism and Cultural Affairs, the National Tourist Board, the Ministry of Agriculture, Forestry and Food Security, AYANI Inclusive Financial Sector Consultants, the Ministry of Finance and Economic Development and the Bank of Sierra Leone, the Micro Finance Institutions, the private sector and selected donors.

The overall objectives of the evaluation are the following:

1. Provide an objective assessment of the achievement of the outcome through UNDP support and partnership with other key actors;
2. Generate lessons from experiences in the respective interventions for the period 2008 to 2010 to inform current and future programming at the country level;
3. Identify whether past results represent sufficient foundation for future progress;

Provide clear and forward-looking recommendations in order to suggest effective and realistic strategies by UNDP and partners towards intended results identified in the UNDAF.

More specifically, the outcome evaluation is expected to address the following issues:

Outcome status:

- Determine whether or not the outcome has been achieved and, if not, whether there has been progress made towards its achievement;
- List innovative approaches tried and capacities developed through UNDP assistance;
- Assess the relevance of UNDP outputs to the outcome;
- Ascertain the progress made in relation to the outputs;
- List the factors (positive and negative) that affect the accomplishment of outputs

Underlying factors:

- Analyze the underlying factors beyond UNDP's control that influenced the outcome;
- Distinguish the substantive design issues from the key implementation and/or management capacities and issues including the timeliness of outputs, the degree of stakeholders and partners' involvement in the completion of outputs, and how processes were managed/carried out.

UNDP contribution:

- The relevance of the outcome and the constituent components specifically for UNDP assistance;

- Determine whether or not UNDP funded outputs and other interventions – including outputs, soft and hard assistance – can be credibly linked to the achievement of the outcome;
- Assess the likelihood of the achievement of the outcome within the set timeframe and inputs;
- Ascertain the prospect of sustainability of UNDP interventions related to the outcome – can it be ensured that the outcome is reached and maintained even after the UNDP interventions?

Outputs status:

- Are the UNDP outputs still relevant to the outcome? Has sufficient progress been made in relation to the UNDP outputs? What are the factors (positive and negative) that affect the accomplishment of the outputs?

Output-outcome link:

- Whether UNDP's outputs or other interventions can be credibly linked to the achievement of the outcome (including the key outputs, projects, and soft assistance);

What are the key contributions that UNDP has made/is making to the outcome? With the current planned interventions in partnership with other actors and stakeholders, will UNDP be able to achieve the outcome within the set timeframe and inputs – or whether additional resources are required and new or changed interventions are needed? Whether UNDP's partnership strategy has been appropriate and effective? Has UNDP been able to respond to changing circumstances and requirements in capacity development? What is the prospect of the sustainability of UNDP interventions related to the outcome?

Partnership strategy:

- Ascertain whether UNDP's partnership strategy has been appropriate and effective;
- What were the partnerships formed? What was the role of UNDP? How did the partnership contribute to the achievement of the outcome? What was the level of stakeholders' participation? Examine the partnership among UN Agencies and other donor organizations in the relevant field.

Cross-cutting issues:

- Sustainability: an assessment of the likelihood that the projects results will endure after the active involvement of UNDP has ended;
- To what extent the changes (and benefits) brought by the projects can be expected to last after projects completion. The evaluation team should be requested to provide recommendations for potential follow-up interventions, i.e. how feasible the follow-up actions would be, what alternatives can be identified and/or what components can be added to it, what knowledge products could be developed.

Key Results Expected:

The key tasks to be undertaken are the following:

- Lead and manage the evaluation process;

- Design the detailed evaluation scope and methodology (including the methods for data collection and analysis) for the report;
- Conduct an analysis of the outcome, outputs and partnership strategy (as per the scope of the evaluation described above) for the report;
- Draft related parts of the evaluation reports; and
- Finalize the whole evaluation report.

The International Consultant will take the overall responsibility for the quality and timely submission of the evaluation reports to the UNDP Country Office.

This work will be undertaken by two consultants (one international, one national), with the international consultant leading the evaluation process. The key product expected is a comprehensive analytical report that includes, but is not limited to the following components: (in line with the UNDP Guidelines for Outcome Evaluators):

- Executive summary
- Introduction
- Description of the evaluation methodology
- Development context
- Key findings
- Lessons learned
- Recommendations for the future (including viable project ideas and other recommendations)
- Annexes: ToRs, field visits, people interviewed, documents reviewed, etc.

The evaluator should provide a proposed report structure to UNDP prior to the start of fieldwork. The report should be prepared in English. It should take into account the opinions/voices of people from Sierra Leone, government representatives, donors and NGOs. The evaluators will prepare a presentation of the preliminary findings to be discussed at a roundtable in Freetown with UNDP and its partners.

In addition, an outline for future UNDP interventions in the respective area (if deemed relevant) based on the recommendations of the mission is to be produced. The format of the outline will be agreed between UNDP and the evaluators prior to the start of the evaluation.

The evaluators are required to discuss the full draft of the evaluation report prior to departure from Sierra Leone. Both products shall be submitted in hard copy and electronic form.

Reporting Arrangements:

To facilitate the outcome evaluation process, UNDP Sierra Leone will appoint an Evaluation Focal Team (EFT) including relevant Project Managers and the CO M&E Specialist. The EFT will assist in connecting the evaluation team with CO senior management and external key stakeholders as needed. In addition, the EFT will provide assistance as requested in shaping the detailed evaluation plan; facilitate field visits; and organize meetings. However, the evaluation will be fully independent and the evaluation team will retain enough flexibility to determine the best approach in collecting and analyzing data for the outcome evaluation.

The results shall be presented at a round-table to all key stakeholders (representatives of Government, relevant Parliamentary Committees, projects and specialized NGOs) and shared through specialized local and regional networks. The final evaluation report will be placed on the UNDP web-site and distributed through regular Government channels to interested parties.

Duration of the consultancy:

The detailed schedule of the evaluation and the length of the assignment will be discussed with the evaluators prior to the assignment. The estimated duration of evaluators' assignment is up to 20 working days.

Documents for study by the Consultants:

UNDP Handbook on Monitoring and Evaluation for results
UNDP Guidelines for Outcome Evaluators
Ethical Code of Conduct for Evaluation in UNDP
UNDP Result-Based Management: Technical Note
UN Joint Vision 2009-2012
UNDP CPAP 2008-2012
GoSL PRSP II, *Agenda for Change*, 2008-2012
Millennium Development Goals Reports 2007 and 2011
UNDP project documentation
Sierra Leone Diagnostic Trade Integrated Study 2006
DFID Private Sector Development Diagnostic Report 2008
GoSL Private Sector Development Strategy

Annex 4: UNDP SL CPAP Results and Resources Framework: 2008 – 2010

Expected UNDAF Outcome #1: By 2010, Governance and Human Rights practices have been advanced at all levels and enforcement arrangements are in place				
UNDP programme component	Expected Outcomes	Sub outcomes	Annualised Output targets	Implementing Partners
	2.2 Private Sector Reform and Development of Inclusive Local Market	<p>2.2.1 Enhanced Integrated Framework</p> <p>Enhanced integrated framework promoted to foster inclusive private sector development and trade</p>	<p>Targets 2008 Preparation, approval and implementation of at least 3 projects facilitated under the Enhanced Integrated Framework (EIF); National implementation unit arrangements (NIU) for EIF established; (iii) The review and update of investment policies and trade related studies supported</p> <p>Targets: 2009 The convening of two public fora for trade policy and investment promotion facilitated; The functioning of NIU for EIF supported</p> <p>Targets: 2010 Participation of MTI in trade negotiations facilitated: The enactment of trade related policies and codes supported</p>	MTI, MLCP & E, NTB, MTC, MLCP & E, MTC, UNCTAD
		<p>2.2.2 Development of Inclusive Local Market</p>	Enhanced capacity of 4 additional Micro Finance Institutions (MFIs) to	MFISs, UNCDF, KFW, MITAF, Farmers, Entrepreneurs, FAO,

		<p>Increased access to productive employment and equal opportunities for sustainable livelihoods, especially for vulnerable groups and in consideration of conflict factors</p>	<p>provide inclusive financial services to economically active youths and women: At least 2 new enterprise development initiatives supported Targets: 2009 Establishment of a National Technical Service Provider facilitated and funds provided for lending to the poor. Training and transformation of 4,000 FFSs into viable agricultural enterprises and extension units facilitated. Targets: 2010 Capacity of National Technical Service Provider Strengthened: Training and transformation of 3,200 FFSs into viable agricultural enterprises and extension units facilitated: job creation facilitated through technical, financial and material assistance; Training and transformation of 4,000 FFSs into viable agricultural enterprises and extension units facilitated</p>	<p>MAFFS, MIFLG & RD, DECSEC</p>
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