

Not for Quotation, work-in-progress**TERMS OF REFERENCE****A. Background**

1. The Asian Development Bank's (ADB) Operations Evaluation Department (OED) is intending to conduct a special evaluation study (SES) to determine the performance of ADB's Private Sector Operations (PSO) in achieving development results and to identify the conditions that are necessary to improve PSO performance. The evaluation will include: a desk review of critical requirements for private sector development (PSD) and a global review of ADB's PSO projects during the period 1995–2005. The assignment will consist of three country studies during the period 2000–2005 focusing on assessing the quality of the enabling environment for private sector, actions by ADB's public sector operations within the three countries to improve the enabling environment, and PSO projects completed within those countries during the designated time frame. The case studies will be used to infer conclusions on what works best for PSD/PSO and this information will then be used as a basis for reviewing corporate-level processes that influence PSO to identify opportunities to improve operational performance.

2. The evaluation will be prepared by a team consisting of: a senior evaluation specialist (team leader) and an evaluation officer from OED; one international consultant (private sector development/financial specialist), who will be responsible for preparing overview studies at ADB headquarters, three country studies, and the overall evaluation study in consultation with the team leader; one domestic consultant based at ADB headquarters; and domestic consultants in each of the three countries that will be studied.

B. Team Leader – Evaluation Specialist

3. The team leader will be responsible for the overall evaluation and perform the following tasks:

- (i) Lead and provide approaches, methods, and guidance to the team for the preparation of the SES;
- (ii) Ensure the evaluation team follows the conceptual framework and methods for the evaluation and devise emergent evaluation approaches as the need arises during the course of the evaluation;
- (iii) Integrate the tasks of the team to meet the objectives and scope of the SES;
- (iv) Lead and promote discussions among team members and key partners within ADB, including staff of operational departments, Regional and Sustainable Development Department, and Strategy and Policy Department;
- (v) Establish contacts and initiate dialogue with key external institutions to acquire information; exchange views; identify trends, critical issues, and emerging challenges in countries selected for case studies; and
- (vi) Organize the preparation of the SES in consultation with other team members.

C. Evaluation Officer

4. In consultation with the team leader, the evaluation officer will perform the following tasks in the context of the purpose, scope, conceptual framework, and methodology of the SES described in this evaluation approach.

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- (i) Work with the team leader on all aspects of the approaches and methods for conducting the SES and contribute to refining the evaluation framework and design matrix in consultation with the team leader and other team members;
- (ii) Collect, review, and synthesize salient points of various documents and references related to PSO and prepare defined pieces of work;
- (iii) In collaboration with other team members, develop instruments for and conduct various interviews with key stakeholders, including ADB staff, external parties from relevant international and national agencies, non government organizations, and various other parties including observers, researchers, and experts in private sector development to determine the performance of ADB's PSO in promoting PSD;
- (iv) Contribute to information gathering and analysis in assessing the impact of the PSO project outputs;
- (v) Help identify lessons learned from the project and future areas where reforms could potentially be introduced to enhance PSO performance; and
- (vi) Perform other tasks as required by the team leader including the drafting and revising of the SES.

D. Private Sector Development/Private Sector Operations Specialist (International)

1. Objective/Purpose of the Assignment

5. The purpose of the consultancy is to assist the team leader in carrying out an evaluation of ADB's PSO by providing technical and evaluative leadership in the general areas of PSD and PSO management.

2. Scope of Work

6. The consultant will assist the team leader in all aspects of conducting the study and in the preparation of the study reports. The main tasks of the consultant will include but are not limited to the following:

- (i) Preparatory work
 - (a) Review background reports and data to be provided upon arrival in Manila and identify additional information requirements to be obtained by the domestic consultant at ADB headquarters.
 - (b) Review, confirm, and elaborate upon the approach and methodology proposed in the SES evaluation approach.
 - (c) Conduct a literature review and develop a conceptual framework for evaluating the investment climate and identifying PSD/PSO reforms.
 - (d) Prepare a list of representative enabling environment and PSO projects in each country and produce questionnaires, indicators, and work plan.
 - (e) In consultation with the team leader and drawing on the evaluation approach paper, prepare a draft table of contents for the country study reports and the overall evaluation report.
 - (f) Provide the domestic consultants with guidance on the target groups and/or participants; prepare work plans for conducting questionnaire surveys and interview programs; other data collection, research, and analysis; and for arranging, in consultation with resident missions, the field visit schedules of meetings and other work activities.

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- (ii) Studies at ADB headquarters
- (a) Conduct analysis of data available at ADB headquarters, including a desk review of critical requirements for PSD, a global review of PSO projects during the period 1995–2005, and reviewing performance evaluation reports to identify common issues.
 - (b) Conduct desk analysis of three countries that will be used as case studies, looking at trends in the enabling environment, projects by ADB's public sector operations and other IFIs to improve the enabling environment, and PSO projects. The background research for the country case studies will be performed by analyzing files and records for recently completed projects and assessing treatment of PSO projects in Country Strategy and Programs and Country Strategy and Program Updates. Develop a set of testable hypotheses for country case studies.
 - (c) Provide guidance and quality control over email questionnaire survey of mature PSO projects to be administered by the domestic consultant.
 - (d) Together with team leader, conduct a program of semi-structured interviews with senior staff to examine adequacy of existing corporate processes and information systems for PSO management.
 - (e) Carry out such other studies at ADB headquarters as may be necessary for ensuring the completeness and quality of the evaluation of PSO performance and prepare an interim report prior to initiating country case studies.
- (iii) Field studies
- (a) Conduct country field visits to prepare three country studies (Philippines, India, and Viet Nam).¹
 - (b) Based on the review of documents and interview program, prepare criterion-referenced analysis of the extent that PSO is used as an instrument of country, sector, and other ADB strategies and of how the PSO program as a whole corresponds with the needs and priorities of the developing member countries (DMCs).
 - (c) With assistance of the country sector specialists (domestic consultants), prepare high-level sector overviews for the infrastructure and financial sectors that will be studied in each study country. These analyses will identify main elements of country context affecting each of the two sectors over the previous 5 years that may be relevant to understanding the performance of PSO in the two sectors. The focus of these studies would be on necessary conditions for PSD/PSO such as industry regulators in infrastructure sectors and secured transaction frameworks in the financial sector.
 - (d) Based on the review of documents and interview program, prepare an assessment of the performance of PSO in the selected sectors in each study country; tracing the influence of the different links in the results chain, the country, and ADB context.

¹ The Philippine country study will be conducted first and will be used to pilot test the approach and method and a common format for analysis and country reports. The Team Leader and Evaluation Officer will directly take part in this country study.

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- (e) Identify and prepare write-ups of good practice cases and produce tables with benchmark data, where appropriate.
- (iv) After field studies
- (a) Identify any requirements for follow-up data and information to be obtained by the domestic consultant in order to strengthen the country studies and overall evaluation study.
 - (b) Finalize three country study reports presenting analysis, findings, lessons, and recommendations.
 - (c) Conduct an operational review of PSOD to identify opportunities to address constraints.
 - (d) Prepare an overall evaluation report presenting overall and comparative analysis, findings, lessons, and recommendations.

3. Expertise

7. The consultant will have extensive experience in evaluating PSD programs and PSO projects, with experience working in DMCs in the Asian Region.

4. Inputs and Timing

8. The duration of the consulting services will be about 5 person months, inclusive of travel to and from Manila. This will be undertaken in the following three work stages in the field:

- (i) **Early April–Mid May 2006:** about 3 weeks work on the historical review of PSD/PSO, develop the country case study methodology, followed by 3 weeks field work on the Philippine country study;
- (ii) **Early June–Mid July 2006:** field visits to India and Viet Nam for 3 weeks each, including drafting the country reports; and
- (iii) **Mid August–Mid October 2006:** 6 weeks finalizing country studies, conducting the operational review, and preparing the overall evaluation report.

5. Reporting

9. The consultant will prepare the following reports to be submitted to the team leader:
- (i) **Interim Report.** A report confirming and elaborating upon the methodology and study instruments, work plan, and identifying issues arising. The report will provide a desk-based literature review of key PSD/PSO issues, global review of PSOD's project completion reports/ project performance evaluation reports, review of enabling environment in case study countries, review PSO portfolio in selected countries, and prepare work plans and interview programs for selected project companies. Report to be submitted by the end of the third week of initial work at ADB headquarters.
 - (ii) **Country studies for Philippines, India, and Viet Nam:** Draft reports to be submitted within 1 week of completion of each country visit. Final

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country study reports to be submitted within 2 weeks of receiving comments from ADB and the respective DMC governments.

- (iii) **Draft overall evaluation report.** This report will provide an overall assessment of PSO performance based on headquarter and country studies and will include an executive summary, findings, lessons, and recommendations. The draft table of contents for this report and assignment of drafting tasks will be agreed with the team leader during work at ADB headquarters after completing the field visit to Viet Nam and prior to initiating the PSOD operational review. The draft report will be submitted within 8 weeks of completion of the final country visit. The final report will be submitted within 2 weeks of receiving comments from ADB and DMC governments.
- (iv) **Other.** The consultant will prepare background working papers, analysis, and materials to present to country/project workshops and as assigned by the team leader. These will be in a form suitable for incorporation in any OED aide memoirs issued to DMC governments.

E. Development Research Specialists (three Domestic Consultants)

1. Objective/Purpose of the Assignment

10. The purpose of the domestic consultancies is to assist the team leader and international consultant in carrying out an evaluation of ADB's PSO by providing technical and evaluative support in the general areas of PSD and PSO management.

2. Scope of Work

11. The consultants will assist the team leader and international consultant in all aspects of conducting the study and preparing the study reports. The main tasks of the consultants will include, but are not limited to, the following:

- (i) Help identify target groups and/or participants and prepare work plans for conducting questionnaire surveys and interview programs; other data collection, research, and analysis activities; and arranging, in consultation with resident missions, the field visit schedules of meetings and other work activities.
- (ii) Prepare high-level sector overviews for the infrastructure and financial sectors that will be studied in each study country. These analyses will identify main elements of country context affecting each of the two sectors over the previous 5 years that may be relevant to understanding the performance of PSO in the two sectors. The focus of these studies would be on necessary conditions for PSD/PSO such as industry regulators in infrastructure sectors and secured transaction frameworks in the financial sector.
- (iii) Support visits to PSOD projects, document interviews, and help write up project assessments.

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3. Expertise

12. The consultants will have extensive experience of evaluation of PSD programs and PSO projects within their home countries.

4. Inputs and Timing

13. The duration of the consulting services will be about 1 person month each and will start 1 week prior to country visits by the team leader and international consultant.