



Business Environment Reform Facility

Future Options for Zimbisa. Report to DFID Zimbabwe

3rd April 2016

**BE
RF**

Business
Environment
Reform
Facility



Department
for International
Development

Acronyms and Abbreviations

ASI	Adam Smith International
BEEP	Business Enabling Environment Programme
BER	Business Environment Reform
BMO	Business Membership Organisation
CSO	Civil Society Organisation
DTF	Distance to Frontier
EFO	Externally Funded Output
GDP	Gross Domestic Product
GoZ	Government of Zimbabwe
IC	Investment Climate
ICT	Information and Communication Technology
MDA	Ministries, Departments and Agencies
MoEPIP	Ministry of Economic Planning and Investment Promotion
MoF	Ministry of Finance
MoIC	Ministry of Industry and Commerce
NECF	National Economic Consultative Forum
OPC	Office of the President and Cabinet
PCR	Project Completion Report
PPD	Public-Private Dialogue
SMEs	Small and Medium Businesses
ToC	Theory of Change
VfM	Value for Money
WB	World Bank
ZCT	Zimbabwe Council for Tourism
ZEPARU	Zimbabwe Economic Policy Analysis and Research Unit
ZIMASSET	Zimbabwe Agenda for Sustainable Socio-Economic Transformation
ZIMREF	Zimbabwe Reconstruction Fund
ZNCC	Zimbabwe National Chamber of Commerce



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Executive Summary

1. Zimbabwe's economy grew by 3.2% in 2014 and by an estimated 1.5% in 2015, with a forecast of zero growth in 2016.
2. Political instability has characterised Zimbabwean policy making and remains a significant constraint to inclusive, pro-poor economic growth. Zimbabwe's investment climate has been severely damaged by poor macroeconomic policies, a lack of respect for the rule of law and a deteriorating business enabling environment, in particular, a failure to protect property rights and forced indigenisation of businesses.
3. A key factor in a more optimistic outlook has been Government of Zimbabwe (GoZ) re-engagement with the IMF. The World Bank has limited its role to providing technical assistance as a result of Zimbabwe defaulting on its debts, but it reports that Zimbabwe's prospects for growth and poverty reduction are favourable.
4. The World Bank Doing Business indicators for 2016 show that Zimbabwe ranks 155 (out of 189) a small decline from its 2015 ranking of 153. The 100 Day Rapid Results Initiative was launched in September 2015 with World Bank support and is now in its second round of business environment improvements.
5. The overall BEEP achievements have met expectations (Annual Review score A). The majority of Zimbisa Output milestones have been met or slightly exceeded, following a strong performance in each of the four advocacy system areas (MDA's, BMO's, Media and Research Institutions). Zimbisa is on track to meet its Outcome target by January 2017 (programme completion). The World Bank component of BEEP is not considered further in this report.
6. The following programme improvements should be designed into the next stage of the Zimbisa component of BEEP:
 - Outcome indicators should include more ambitious whole economy high level BER as well as sector and low level BER;
 - Building trust between the private sector and government has been a major feature of Zimbisa's work and should be the central focus of a future BEEP;
 - BMOs' survival in their present form is in doubt, therefore survival strategies (low cost option) should be at the forefront of Zimbisa's operational plans;
 - There is scope for employing innovative ICT techniques for more inclusive engagement of members;
 - Lessons learned from Zimbisa's experience of building trust between government ministries and BMOs should be disseminated in case studies;
 - The BEEP/Zimbisa logframe should be revised and evidence of attribution produced to validate the Theory of Change (ToC).



7. Options identified for a future Zimbisa PPD programme comprise:
 - a. Option 1: BEEP completes in January 2017 (no cost)
 - b. Option 2: BEEP extension to January 2018 (cost c£1m)
 - c. Option 3: BEEP Phase II January 2017 to March 2021 (cost c£4m)
8. Issues and Options Analysis:

Zimbisa Options Evaluation			
Issues	Option 1	Option 2	Option 3
Whole economy outcome	x	✓	✓
Enhanced outputs	x	x	✓
Building deeper trust	x	✓	✓
BMO financial sustainability	x	?	✓
Facilitating innovative ICT	?	✓	✓
Inclusive stakeholder engagement	?	✓	✓
Lessons learned case studies	✓	✓	✓
Logframe revision	x	x	✓
Solid evidence of attribution	✓	✓	✓
Cost of extension/Phase II (est)	nil	c£1m	c£4m

9. An analysis of the above issues and options concludes that evidence for Option 3 (BEEP Phase II January 2017 to March 2021) is the strongest.
10. The BEEP Business Case (para 23) states that, in the enhanced re-engagement scenario, a further phase of BEEP would follow to leverage early success.
11. Recommendations:

Recommendation 1: DFID Zimbabwe should confirm the completion of BEEP Phase I in January 2017 and the launch of Phase II January 2017-March 2021 (DFID Zimbabwe, Q1, 2016).

Recommendation 2: Zimbisa supported by ASI should be instructed to design and implement a transfer strategy for BEEP Phase I to ensure a smooth transition to Phase II (which might involve a new implementing partner) (Zimbisa/ASI, Q1 2016).

Recommendation 3: DFID Zimbabwe should discuss with DFID's Business Environment Reform Facility (BERF) the opportunities for BERF support in designing BEEP Phase II (DFID Zimbabwe, Q1 2016).

Recommendation 4: DFID Zimbabwe should produce a new Business Case for BEEP Phase II January 2017-March 2021 incorporating design improvements outlined in this report (DFID Zimbabwe, Q1-Q2 2016).

Recommendation 5: DFID Zimbabwe should undertake a procurement competition to design and implement BEEP Phase II January 2017-March 2021 (DFID Zimbabwe, Q2 2016).



1. Report Objectives

The objectives of this report are to:

- Produce credible evidence for future options for the Zimbisa component of the Business Enabling Environment Programme (BEEP); and
- Make recommendations for the future direction of this component.

2. Context for Zimbisa's Future Direction

2.1 Background

BEEP has £5.8m funding from DFID (£4.9m) and Danida (£0.8m) over three years (ending January 2017). The programme has two components: a World Bank Externally Funded Output (EFO) supporting improvements to the investment climate, financial sector dialogue and SMEs; and a component managed by the Zimbisa Trust¹ focusing on improvements to the poor state of business advocacy in Zimbabwe through public-private dialogue (PPD). Zimbisa is implemented by Adam Smith International (ASI) with a budget of £3.4m.

Zimbisa was established in January 2014 with the goal of helping Zimbabwe achieve sustained economic growth and reduce poverty through improved public-private dialogue (PPD) and is aligned with the Zimbabwe Agenda for Sustainable Social Economic Transformation (ZIMASSET) and other sector policies.

The intended Impact of BEEP is sustained economic growth in Zimbabwe and integration into regional and global supply chains and markets; and the intended Outcome is an improved business environment, reduced investment risk and reduced cost of doing business in Zimbabwe (Figure 1).

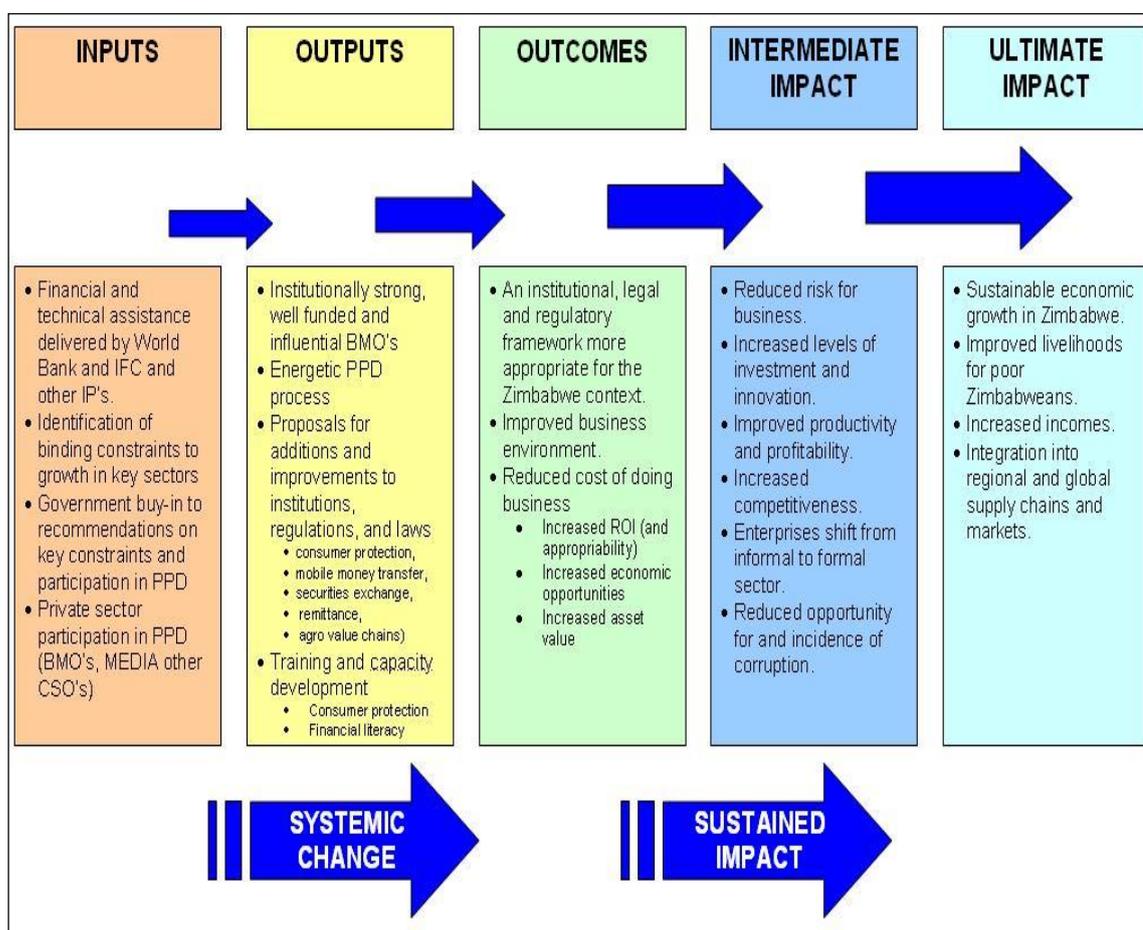
2.2 Business Case provision for BEEP extension

The BEEP Business Case (para 22) sets out three scenarios of which the best case scenario (enhanced re-engagement) has helped Zimbisa to focus resources on cooperation with key Ministries and the Office of the President and Cabinet (OPC) and effective engagement with the private sector.

The Business case (para 23) stipulates that, in the event of the enhanced re-engagement scenario, a subsequent phase of BEEP interventions would follow to leverage early success. An interim review of programme performance and economic context would allow a decision on allocation of additional funds (to be taken in consultation with the IMF). The Business Case states further (para 199) that a budget of 1% of the total budget has been set aside for an evaluation to inform the decision to extend BEEP into the Country Office Operational Plan period 2016-2021.



Figure 1 BEEP Theory of Change



Source: BEEP Business Case.

2.3 Political economy analysis

Figure 2 Zimbabwe in Figures

- Population: 15.25m (2014)
- GDP: \$14.20 billion (market prices, 2014)
- GDP growth: 3.2% (2014)
- GNI per capita: \$840 (2014)
- Poverty headcount ratio: 72.3% (2011)
- Debt to GDP: 77% (2015)
- Ease of Doing Business rank: 155 (2016)

Source: World Bank.

Zimbabwe initially recovered strongly from the hyperinflation and economic contraction of the 1999-2008 decade and in June 2015 the Reserve Bank of Zimbabwe (RBZ) phased out the Zimbabwe dollar to counter hyper-inflation, formalising the multi-currency system with dependence on the US dollar. The balance of payments deficit of \$3.3 billion



(2015) is 20% of GDP,² hampered by softening minerals prices and the impact of uneven rains on agricultural output. The banking sector remains fragile, with low liquidity and continuing concerns over non-performing loans. Zimbabwe's external debt is estimated at \$7.1 billion, with the World Bank having the largest share (57%). Arrears are estimated at \$1.8 billion.

Growth has recently slowed due to continuing political instability, poor rains and adverse terms of trade shocks, particularly the fall in the South African Rand, the currency of Zimbabwe's main trading partner. Growth declined to 3.2% in 2014 and to an estimated 1.5% in 2015, with a forecast of zero growth in 2016.³

Political fragility

The July 2013 presidential and parliamentary elections saw President Mugabe win a seventh term in office with his Zanu-PF party taking 75% of parliamentary seats. Subsequently, President Mugabe sacked his Vice-President and seven ministers and accused them of being involved in a plot to kill him. President Mugabe has been endorsed as the ZANU-PF candidate for the 2018 presidential election.

Political economy factors are important to the success of public-private dialogue (PPD). Political and business elites shape economic policy so understanding their incentives and motivations to engage in PPD are critical for success. PPD provides government with a structured engagement platform and implementation capacity.

Political instability has dogged Zimbabwean policy making and remains a significant constraint to inclusive, pro-poor economic growth – Zimbabwe is unlikely to attract significant levels of investment while there is political uncertainty and open hostility to foreign and white Zimbabwean-owned businesses. This is exemplified by the adoption of policies such as the Mining and Minerals Act and Indigenisation and Economic Empowerment Act that have further undermined investor confidence. Foreign and white-owned companies with assets of more than \$500,000 are required to cede or sell a 51% stake to black nationals or the National Economic Empowerment Board. Mining companies such as Impala Platinum, Anglo Platinum and Aquarius Platinum and several foreign banks operating in Zimbabwe have complied with the law.

Zimbabwe's investment climate has been severely damaged by poor macroeconomic policies, a lack of respect for the rule of law and a deteriorating business enabling environment, in particular, a failure to protect property rights and forced indigenisation of medium and large businesses.

Media freedom has been severely circumscribed. The EU imposed sanctions on Zimbabwe; the Commonwealth suspended Zimbabwe from its Councils and in 2003 Zimbabwe withdrew from the Commonwealth.

The GoZ 2016 budget statement ("Building a conducive environment that attracts Foreign Direct Investment") announced that the government would actively seek to



create business friendly conditions, including improving ease of doing business and clarification of indigenisation laws. The Finance Minister stated recently that GoZ is willing to negotiate its black empowerment laws with foreign companies, contrary to threats by President Mugabe that there will be no change to this policy. Yet GoZ continues to allocate more than 80% of the budget to paying state employees and protected 'ghost workers' and any serious re-allocation of resources to productive sectors of the economy seems very unlikely.

Reformist elements in Government, including the Office of the President and Cabinet and the Ministries of Finance (MoF) and Economic Planning have provided entry points for dialogue with the private sector to influence policy changes in the business environment. The responsibility for improving the business environment, however, lies with the Office of the President and Cabinet and not, as would be more appropriate, Ministries of Industry and Commerce and Economic Planning. Responsibility for clarifying indigenisation laws lies with the Ministry of Youth, Indigenisation and Economic Empowerment, whose Minister has recently announced an extra 10% levy on non-compliant companies.⁴ The same Minister announced recently that from April 2016 foreign firms operating mines and banks that have not complied with the Indigenisation Law will have their licences cancelled.

Multi-lateral Agencies

A key factor in promoting a more optimistic outlook has been GoZ re-engagement with the IMF. The introduction by the IMF of a Staff-Monitored Programme in 2013 and token payments on arrears to multilateral institutions have raised hopes for an improved investment climate. The IMF sees the potential for renewal of institutional and operational capacity in the public sector, improvements in basic public services and reforms in economic policies.⁵ Policy action is needed to revive the Zimbabwean economy: fiscal discipline and improving the business environment are key priorities, in particular, transparent implementation of the indigenisation policy and introduction of bankable land leases to boost productivity and access to financing in agriculture.

The World Bank has limited its role to providing technical assistance as a consequence of Zimbabwe defaulting on its debts. The World Bank⁶ reports, however, that Zimbabwe's prospects for growth and poverty reduction are good, as long as political stability returns and GoZ builds a consensus around an inclusive and competitive investment climate.

ZIMREF⁷ is the key instrument for implementing the World Bank's strategy for Zimbabwe and for supporting the implementation of the Zimbabwe Agenda for Sustainable Socio-economic Transformation (ZIMASSET). Private sector productivity and competitiveness are major components of the programme as are improvements in the investment climate for the private sector, especially for microenterprises, small and medium enterprises (SMEs) and agricultural smallholders.



Change readiness

Zimbabwe has performed poorly in the KPMG [Change Readiness Index](#) ranking in 2015 – 105 out of 127 countries (Figure 3). It is notable that Zimbabwe’s performance on this index is poorest within the Enterprise Capability Pillar, where the country ranks at 117.

Figure 3 Zimbabwe: KPMG Change Readiness Index

Enterprise Pillar				Government Pillar			
Subindicators	Score	0.0-1.0	Rank	Subindicators	Score	0.0-1.0	Rank
Labor market	0.17		125	Macroeconomic framework	0.48		109
Economic diversification	0.59		75	Public administration and state/business relations	0.26		110
Economic openness	0.21		126	Regulation	0.25		124
Innovation and R&D	0.28		93	Fiscal and budgeting	0.40		113
Business environment	0.49		94	Rule of law	0.40		84
Financial sector	0.40		97	Government strategic planning and horizon scanning	0.50		65
Infrastructure	0.29		93	Environment and climate change	0.49		66
Informal sector*	0.58		51	Food and energy security	0.19		115
Technology infrastructure	0.33		84	Security	0.78		17
				Land rights	0.46		64

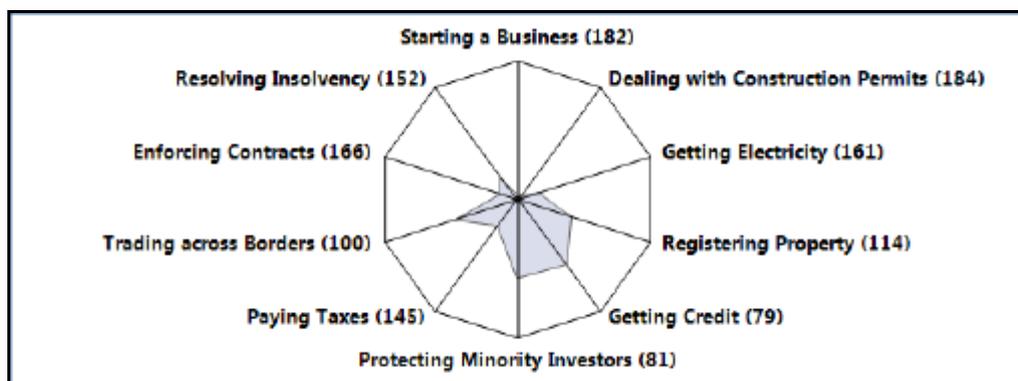
More positively, Zimbabwe is a median performer on the Index compared to other Low Income Countries, and its performance has improved since 2013 when the country was ranked 86 out of 90 countries, and therefore much closer to the bottom of the table. Within the Enterprise Capability Pillar in 2015, the lowest rankings are for labour market policies and for economic openness. The informal sector is a relative strength.

Within the Government Pillar, Zimbabwe’s score is reduced by the low scores for regulation, public administration and state-business relations, as well as low levels of food and energy security. It is clear that business environment reform could contribute significantly to Zimbabwe’s change readiness.

2.4 Business environment reform (BER)

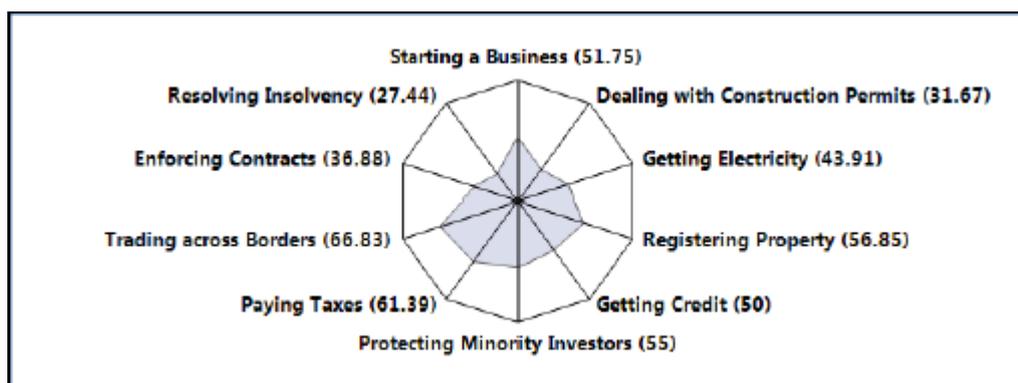
Zimbabwe’s inhospitable business climate has led to an acute lack of foreign and local private investment. A decline in the ease of doing business and an increase in the cost of investing (yielding a reduced risk-adjusted rate of return) motivates foreign investors to look at other regional economies for a higher return on investment. The World Bank Doing Business indicators for 2016 show that Zimbabwe ranks 155 (out of 189). Component level rankings for 2016 are provided in Figure 4.

Figure 4 Doing Business 2016: Zimbabwe Country Rankings



The Distance to Frontier (DTF) indicator shows a small improvement from 47.33 in 2015 to 48.17 in 2016 (Zambia 60.41, Botswana 64.98, Mozambique 53.98 and South Africa 64.89). Component DTF scores are shown in Figure 5.

Figure 5 Doing Business 2016: Zimbabwe Distance to Frontier Scores



Government BER Initiatives

Various ministries have been engaging constructively with reforms: the Ministry of Industry and Commerce is studying the duplication of functions across regulators and on the overall licensing regime; the Ministry of Economic Planning and Investment Promotion is reforming the Zimbabwe Investment Authority by creating a One-Stop-Shop for business; and the Ministry of Industry and Commerce is studying cost drivers affecting the competitiveness of Zimbabwe's businesses such as labour, power, water, finance, transportation costs, tariffs and trade taxes, taxation and information technology.

The 100 Day Rapid Results Initiative was launched in September 2015 with World Bank support. Working groups were formed to take action on Doing Business indicators under starting a business, construction permits, registering property, credit insolvency, paying taxes, trading across borders, protecting minority investors and enforcing contracts. Already improvements have been introduced: registering a business has been reduced

from 90 to 30 days; getting construction permits has been reduced from 448 to 120 days; property registration has been reduced from 36 to 14 days; and paying taxes has been reduced from 242 hours to 160 hours.⁸

The second 100 Day Initiative runs up to May 2016. Action will be taken on starting a business, protecting minority investors, dealing with construction permits, registering property, enforcing contracts, resolving insolvency, paying taxes, trading across borders and getting credit.

3. Zimbisa Performance

3.1 BEEP 2016 Annual Review score: A

Overall (Zimbisa and World Bank components) BEEP scored A in the 2016 Annual Review.⁹ The majority of Zimbisa Output milestones have been met or slightly exceeded, following a strong performance in each of the four advocacy system areas (MDA's, BMO's, Media and Research Institutions). Zimbisa's Outputs are intended to ensure that inclusive growth policies are implemented and specifically to deliver six new or amended regulations or laws by 2017. Zimbisa is on track to meet its Outcome target by January 2017 (programme completion).

Issue: Defining levels of impact

Individual BMOs have pursued the interests of their membership in terms of lobbying for changes in sector-specific laws and regulations. Some of these reforms could have negligible impact on binding constraints to investment in the wider economy (e.g. zero-rating the outputs of accommodation businesses rather than VAT exemption), whilst others could have wide-ranging investment impact and could contribute significantly to a more conducive investment climate (e.g. land reforms, indigenisation reforms). A future Zimbisa Business Case should distinguish between narrow sector-level reforms and wider economy high level reforms.

3.2 Key benefits

It is evident from discussion with stakeholders that putting together a strong advocacy case is a rationale for Zimbisa's involvement in BEEP. This could be achieved by presenting policy underpinned by evidence, produced through thorough research. A handful of vital components of the lobbying and dialogue processes produce this benefit:

- **Outputs 1 and 2:** Establishing evidence-based policy advocacy platforms to engage government in the reform process – this results from facilitating improved understanding of effective dialogue processes by BMOs and from gaining the engagement and trust of Ministries, Departments and Agencies (MDAs);



- **Output 3:** Establishing effective dissemination channels through the media to promote and ground effective dialogue in long-term change – this results from facilitating enhanced media capability in reporting the benefits of business environment reforms and the contributory roles of government and other stakeholders;
- **Output 4:** Establishing sector reform needs thorough systematic research and investigation of BMO members’ problems and needs – this results from facilitating improved research capability of local research organisations.

Issue: Trust is a necessary condition for change

The facilitation by Zimbisa of a cooperative *modus operandi* among the main dialogue players – government, private sector, media and research institutions – over a period of years has proved to be effective in producing collaborative outputs, such as the National Competitiveness Report. The evident rapprochement between the private sector and government has been a major feature of Zimbisa’s work – initially distrustful of each other, government and BMOs have established a trusting relationship that has eased the process of dialogue and has led to reforms in the business environment.

3.3 Financial sustainability

BMOs in Zimbabwe depend on membership fees from a dwindling number of (mainly) SMEs. With the increasing failure rate of firms, BMO survival in their present form is in question. Programme VfM would decline markedly if BMOs assisted by Zimbisa were to close or substantially reduce membership benefits. It is therefore of the utmost importance that Zimbisa’s work with BMOs should focus not only on effective PPD, but also on BMO survival in very tough economic conditions. The business strategy and financing of BMOs should be moved to the forefront of Zimbisa’s operational plans, including whether they would do better to merge to reduce overall capacity (and therefore costs), or whether there are other approaches to capacity improvement that do not result in additional costs.

Issues: BMO mergers and viable strategies

For long-term sustainability to have a chance of succeeding, viable strategies and supportive organisational structures based on limited financial resources must be put in place. As firms close and BMO membership declines, Zimbisa’s focus should move to low-cost research techniques rather than costly research studies for identifying members’ business environment reform needs. Research studies should not be initiated where they cannot be sustained in the long-term – the focus should be on low-cost research, through a combination of traditional research methods and innovative modern digital technologies.



Zimbisa should facilitate more hands-on engagement by the Technical Advisory Panel (TAP) in addressing BMO viability and appropriate cost structures, drawing on TAP's collective commercial experience and expertise. For example, the business sector supports a large number of BMOs relative to both economy size and diversity. Zimbisa should conduct analysis into the formation of permanent coalitions and the potential for rationalisation (mergers) in the BMO sector.

3.4 Innovative engagement

The use of innovative ICT to a) launch consultations, b) survey members about their needs and opinions and c) create evidence for policy briefs has great potential, as demonstrated by PPDs in other countries. The introduction of ICT and social media tools in stakeholder engagement and business environment reform meets the challenge of involving the informal sector, MSEs, consumers and CSOs effectively, not just large companies and apex BMOs.

Issue: Facilitating innovative engagement

There is scope for employing innovative techniques for engaging small and informal groups of businesses, civil society and consumers, particularly those in remote rural areas, in the dialogue process. The development of Apps specifically aimed at remote memberships and unorganised groups and communities has been used effectively in other PPD initiatives and could play an important role in making the PPD process in Zimbabwe more inclusive.

3.5 Learning

The PPD component of BEEP offers an excellent opportunity to illustrate the Theory of Change (ToC), with a focus on Zimbisa's role in improving the dialogue climate. The MDA and BMO components have facilitated cooperation between MDAs and BMOs. For example, the Zimbabwe Council for Tourism (ZCT) has managed to put convincing evidence in favour of their case for VAT reduction below 15%. Their policy paper went to the Minister of Tourism for endorsement through the proper channels and now lies with the Minister of Finance (MoF) for decision. Before Zimbisa was set up, the ZCT would never have succeeded in reaching the MoF.

Issue: Illustrating the ToC

Lessons learned from Zimbisa's experience of developing trust through facilitating cooperative relationships between government ministries and private sector businesses should be disseminated to development partners and the wider development community. It is important to understand why Zimbisa's PPD platform has succeeded and to consider whether there are lessons worth emulating and/or whether partnerships with this specific PPD could be established to support DFID and other donor programmes.



3.6 Logframe

The BEEP logframe needs revision. Suggested improvements to take into account SMART¹⁰ rules and specifically to add inclusive indicators are as follows:

Zimbisa Revised Logframe		
Logframe Component	Revised Statement	Revised Indicators
Impact	More competitive business environment conducive to growth in private direct investment	1) Improved Global Competitiveness Index score; 2) Growth in private direct investment
Outcome	Improved business environment leading to reduced cost of doing business	1) Improvement in overall DB distance to frontier score; 2) Cumulative number of new or amended policies / regulations / laws implemented reducing i) sector risks and ii) overall high level country investment risks; 3) reduced cost of compliance by firms
Output 1	Government Ministries, Departments and Agencies (MDAs) engage BMOs and CSOs in inclusive policy dialogue for an improved business environment	1) Cumulative number of MDAs (Zimbisa partners or copycats ¹¹) introducing new or improved dialogue practices; 2) Cumulative number of BMOs engaged in dialogue with MDAs (attributable to Zimbisa); 3) Cumulative number of new or amended policies / regulations / laws implemented benefiting women, youth and the poorest
Output 2	BMOs sustainably provide inclusive evidence-based inputs to pro-growth policies for an improved business environment	1) Cumulative number of BMOs (Zimbisa partners or copycats) introducing new or improved dialogue practices; 2) Cumulative number of pro-poor policy papers submitted by BMOs (Zimbisa partners or copycats); 3) % of BMOs (Zimbisa partners or copycats) in business at year end; 4) % of women-owned business members at year end
Output 3	Media produce and disseminate inclusive business products for an improved business environment that are issue and audience-based	1) Cumulative number of new or improved inclusive media business products introduced by Zimbisa partners or copycats; 2) Cumulative number of media business products featuring women, youth and the poorest; 3) % of audience reporting improvement in coverage of business issues by media (Zimbisa partners or copycats) compared with 12 months ago
Output 4	Research Institutions deliver research that supports inclusive pro-growth consultation and policy-making for an improved business environment	1) Cumulative number of research institutions with new or improved business environment research products; 2) Cumulative number of research institutions with new or improved business environment research products featuring women, youth and the poorest; 3) Cumulative number of BMOs, MDAs and media companies obtaining business environment research products from research institutions supported by Zimbisa

Issue: Attribution to Zimbisa

The largely qualitative nature of BEEP indicators means that attribution can be difficult to prove because of the multiple influences on the business environment arising from various sources e.g. GoZ, IMF, World Bank, ILO, other donors, elites and multi-national business. While there is evidence of achievement at the Output level and evidence of



improvement at the Outcome level (e.g. new or amended regulations and laws more conducive to private sector investment), a key question is: to what extent is this change attributable to Zimbisa's outputs? Evidence of attribution of achievements to Zimbisa should be provided in a series of focused case studies illustrating specific aspects of change and to ground the cause-effect relationship firmly in the essential components of the results chain (inputs>activities>processes>outputs>outcome), thus answering the "how" question rather than only the "what" question. This would add a qualitative dimension to existing quantitative measures and help validate the Theory of Change.

4. Issues and Options Analysis

4.1 Issues for BEEP extension

Outputs

Zimbisa has performed strongly in each of the four advocacy system processes and is on track to meet its outcome target by January 2017. The key message is that a robust and well-presented case for policy change underpinned by evidence produced by a neutral research body is a necessary (though not sufficient) condition of successful advocacy. Zimbisa has shown that cross-output working delivers more significant impact, more quickly. For example, government, private sector, media and research institutions came together with Zimbisa support to produce the National Competitiveness Report. They consulted widely and inclusively on content, jointly validated it using evidence generated by research institutions, then disseminated the report more broadly through business media. The synergies created by joined-up thinking and working are good examples for the dialogue process itself. The following components of the lobbying and dialogue processes should be retained:

Output 1

- Government Ministries, Departments and Agencies (MDAs) engage BMOs and CSOs in inclusive policy dialogue for an improved business environment. Zimbisa achieves this output by facilitating evidence-based policy advocacy and the engagement of government in the business environment reform process over the medium to long-term. Behavioural change is achieved by facilitating relationships between BMOs and government that engender mutual trust.

Output 2

- BMOs sustainably provide inclusive evidence-based inputs to pro-growth policies for an improved business environment. Zimbisa facilitates improved understanding of effective dialogue processes by BMOs, facilitates relationship building with

MDAs and incentivises improved BMO capacity by funding selected income-generating services by BMOs.

Output 3

- Media produce and disseminate inclusive business products for an improved business environment that are issue and audience-based. Zimbisa facilitates enhanced media capability in reporting the benefits of business environment reforms and the contributory roles of government and other stakeholders. Dissemination through the media effectively promotes and grounds dialogue in long-term change.

Output 4

- Research Institutions deliver research that supports inclusive pro-growth consultation and policy-making for an improved business environment. Zimbisa facilitates improved research capability of local research organisations which establish sector reform needs through systematic research and investigation of BMO members' business problems.

Synergies: Building on trust

Significant momentum has developed around the Zimbisa intervention and a solid level of trust in the programme is evident across MDAs and BMOs. Zimbisa has established a relationship of trust with GoZ over time which has enabled it to facilitate an effective platform for BMO and GoZ dialogue. The number of MDAs using new or improved consultation and dialogue practices has exceeded milestone targets and the number of capacity improvements made by MDAs is on track. Three examples illustrate this improved level of trust:

- The Zimbisa publication of a PPD manual has been keenly supported by GoZ to the extent that the Cabinet Secretary won't accept BMO submissions unless there has been extensive consultation (as set out in the manual);
- GoZ is linking Zimbisa support to 10 priorities guiding the policy reform process in ZIMASSET's five year plan for growth, which include investment promotion and modernising labour laws;¹² and
- The development of an Investor Perception Survey is an indicator of robust engagement with GoZ. Zimbisa initiated this survey as an opportunity for GoZ to respond to perceptions that investors (both domestic and foreign) have about Zimbabwe. It is led by MoEPIP with OPC oversight and will be completed by June 2016.

By extending Zimbisa's facilitation of the PPD process beyond the life of the current programme, it is anticipated that the platform of trust that has developed between



Zimbisa BMOs and GoZ will generate further opportunities for improvement in the business environment.

Programme ambition: Mix of sector and whole economy outcomes

Although Zimbisa is making good progress, the reform agenda for the economy is being driven by GoZ rather than by business, which means that issues around indigenisation, labour laws and land reform are unresolved and remain as substantial disincentives to investment. Zimbabwe's industrial output collapsed by over 30% in 2008 and there has been little recovery to date. Zimbabwe's competitiveness ranked 125 (2016) out of 140 countries according to the World Economic Forum. Competitiveness reached a record high of 112 in 2007 and a low of 136 in 2011.¹³

As recorded above, there are signs that indigenisation is being pursued more aggressively by Ministers, but uncertainty over non-compliance sanctions continues to influence investment decisions, particularly in banking and mining. The Doing Business Reports don't touch on these big political policies, yet in the case of Zimbabwe they are the major obstacles to private direct investment (both foreign and local) and to inclusive economic growth.

Statistics are not available for new firm formations in Zimbabwe and there is no on-line registration nor a one-stop shop for entrepreneurs. The World Bank's Doing Business Report did not record a single improvement in the business environment between 2011 and 2016.¹⁴

With a strong base to work from, Zimbisa could engage in a wide range of high level reform. For example, there are opportunities to increase geographic and sector spread of interventions to deepen programme impact. Zimbisa should facilitate its partners to adopt a more deliberate process for the selection and prioritisation of industry sectors and economy-wide reforms. The Zimbisa programme team has demonstrated a strong understanding and practice of risk management. Given the programme momentum and their capacity to manage risk, there is an opportunity for Zimbisa to begin addressing high level / high risk business environment reform.¹⁵

Financial sustainability of BMOs

The financial sustainability of BMOs will in part determine long-term benefits of Zimbisa's facilitation of BER. With the business sector experiencing low and possibly declining levels of consumer demand, and with deflation a serious possibility in 2016-2017, the viability of BMOs is in question. Membership numbers are static or in decline and the prospects for raising membership fees are bleak under current economic conditions.

The Zimbabwe National Chamber of Commerce (ZNCC) predicts a tough 2016 given the absence of robust economic reforms. The ZNCC expects the economy to grow by 1.2% with the major threats being drought, costly electricity, non-performing loans, smuggling and illicit financial outflows, lack of transparency in the mining sector and



government failing to pay suppliers. The manufacturing sector's capacity utilisation is likely to be around 31% by 2017 – an unsustainable level of capacity.¹⁶

The viability of BMOs could be further compromised by adding too many costs to their operations e.g. research services. BMOs need to take a realistic view on what they can do for their membership without adding to costs and without increasing capacity. If members are unable or unwilling to pay extra for costly research, BMOs will have to adopt a low-cost approach to research through, for example, exploring the use of innovative ICT solutions to gathering information about members' concerns and their feedback on reform priorities.

Short to medium-term survival of BMOs in bleak economic conditions is dependent upon setting the right strategy and tight financial control. BMOs should set out a basic portfolio of services that all members need and are prepared to pay for in a standard annual fee and only add specialist services such as research if members are prepared to pay extra (full cost pricing). Zimbisa should turn its attention to reviewing the viability of its BMO partners and advising on strategy and pricing to ensure long-term viability. Zimbisa's focus during a period of low/no growth and continuing uncertainty should be on strategies and structures for survival, not on increasing capacity (costs).

Innovative ICT to broaden stakeholder engagement

The use of innovative ICT by Zimbisa could support greater ambition to facilitate outreach to a larger and more diverse number of BMOs:

- BMOs in new sectors
- BMOs and other community groups outside Harare, particularly those in more remote rural areas
- Informal sector groups
- Women's and youth groups
- Smallholder farmers

ICT could also be employed effectively to measure costs and benefits of reforms, in particular the measurement of cost of compliance savings.

With already high and rising penetration of urban and rural areas by mobile phone operators, there is scope for broadening Zimbisa's role as facilitator. Specialist social impact companies, such as EVERY1MOBILE, use the penetration of mobile phones and the power of social media to transform communications and outreach in development programmes in Africa.¹⁷ Zimbisa should investigate ICT options and set out its plans to broaden its outreach to BMOs beyond its predominantly Harare marketplace.

Inclusive stakeholder engagement

Discriminatory laws and customs mean that women often face restrictions in their capacity to own property, to work outside the home, or to make binding agreements with suppliers or customers. Government officials can interfere unduly in women-owned businesses. Women are generally under-represented in PPD on legal and regulatory reforms, which can result in perpetuating discriminatory practices. Women are not sufficiently represented in SMEs and larger businesses, yet the informal sector supports a large number of women entrepreneurs in Zimbabwe.

Zimbisa does not currently record engagement with BMOs and their memberships along gender lines; nor are logframe indicators gender disaggregated. Zimbisa should pay more attention to the need for gender mainstreaming in BE reform and bring fresh thinking on issues facing women entrepreneurs.

Learning benefits

The Zimbabwe BEEP offers some useful learning benefits for other BER programmes, particularly for countries with fragile political systems and governments where economic growth has faltered. One of the most effective tools for drawing out lessons learned is the writing up of case studies. Case studies should draw out learning issues by illustrating not only “what” but also “how” reforms develop along the results chain.

Logframe improvements and attribution

The BEEP/Zimbisa logframe requires modest revision because a) impact and outcome statements are too broad with too many strands (which complicate the measurement of performance) and b) output indicators are not SMART. In addition, there is insufficient guidance on meanings of terms (e.g. the meaning of “capacity development”) and metrics are not always supported by observable evidence attributable only or wholly to Zimbisa. Attribution should be demonstrated clearly and in many cases will require detailed research and observation. The use of case studies – describing the results chain in specific reform examples – could help to provide more convincing evidence of attribution to Zimbisa.

4.2 Future Options for Zimbisa

Option 1: BEEP completes in January 2017 (no extension)

- It is likely that Zimbisa will achieve its outputs and outcome targets by January 2017.
- Zimbisa should set out an exit strategy to ensure that the benefits of three years’ worth of dialogue are not lost entirely, to include either establishing a new cross-BMO governance structure or transferring Zimbisa’s knowledge assets to an



existing apex organisation such as the ZNCC or the National Business Council of Zimbabwe.

- Additional cost to DFID: nil (apart from 1% of the BEEP budget to be set aside for an end-of-programme evaluation)

Option 2: BEEP extension to January 2018 (with costs)

- A 1 year extension would allow Zimbisa to achieve its four outputs and outcome targets and to consolidate its gains across all four outputs (MDAs, BMOs, Media, Research).
- The extension is consistent with the best-case scenario set out in the Business Case which proposed a subsequent phase of BEEP interventions to leverage early success.
- The significance of the 1 year extension is that January 2018 would more or less coincide with the commencement of electioneering for the Presidential election to be held in mid-2018.
- Zimbisa should establish an exit strategy and produce a workable plan to ensure that the benefits of three years' worth of dialogue are not lost entirely, by either establishing a new cross-BMO governance structure or transferring Zimbisa's knowledge assets to an existing apex organisation such as the ZNCC or the National Business Council of Zimbabwe.
- Additional cost to DFID: estimated at £1.0m (in addition to 1% of the BEEP budget to be set aside for an end-of-programme evaluation)

Option 3: BEEP Phase II January 2017 to March 2021

- A Phase II four year BEEP with a six month post-election trigger point (December 2018) to take stock of the new political economy and determine a) whether the programme should continue and b) the future direction of BEEP.
- Phase II would require a new Business Case and procurement and be based only on the Zimbisa component of BEEP including all four current outputs suitably revised to accommodate the re-design issues described above.
- The launch of Phase II is consistent with the best-case scenario set out in the Business Case which proposed a subsequent phase of BEEP interventions to leverage Phase I success.
- Option 3 aligns with DFID Zimbabwe's 5 year Operational Plan to March 2021.
- Zimbisa should establish a programme transfer strategy and produce a workable plan to ensure that the benefits of three years' worth of dialogue are not dissipated in the transfer to Phase II.



- Additional cost to DFID: estimated at £4.0m (in addition to 1% of the BEEP budget to be set aside for an end-of-programme evaluation)

5. Options Evaluation

The choice of future options depends on an evaluation of costs and benefits of each option which is beyond the scope of this report. Following consultations with Zimbabwean institutions, businesses and individuals, reviewing evidence presented in the 2016 Annual Review of BEEP and taking into account BER programmes in other parts of the world,¹⁸ the advantages and disadvantages of three options have been weighed up. On the basis of a professional judgement, the report makes a choice of the most worthwhile programme investment based on an analysis of issues and options (Figure 6). Recommendations are then made for the future direction of the Zimbisa component of BEEP.

Opportunities for further support to DFID Zimbabwe by the Business Environment Reform Facility (BERF) for the design and implementation of a future BEEP programme are set out in Appendix 1.

Figure 6 Issues and Options Analysis

Zimbisa Options Evaluation			
Issues	Option 1	Option 2	Option 3
Whole economy outcome	x	✓	✓
Enhanced outputs	x	x	✓
Building deeper trust	x	✓	✓
BMO financial sustainability	x	?	✓
Facilitating innovative ICT	?	✓	✓
Inclusive stakeholder engagement	?	✓	✓
Lessons learned case studies	✓	✓	✓
Logframe revision	x	x	✓
Solid evidence of attribution	✓	✓	✓
Cost of extension/Phase II (est)	nil	c£1m	c£4m

5.1 Option 1: BEEP completes in January 2017 (no extension)

Programme performance. Zimbisa has performed effectively in each of the four advocacy system areas (MDA's, BMO's, Media and Research Institutions). Zimbisa has built up good momentum and is on track to meet its outcome target by January 2017 (programme completion).

Whole economy benefits. Most reforms and initiatives have been of sector benefit with only a few affecting the whole economy (e.g. fuel pricing, National Competitiveness Report) and none directly tackling the binding constraints to investment. There is scope to leverage the GoZ-BMO relationship in Phase II to focus on whole economy reforms.



Enhanced outputs. There would be insufficient time to make improvements to the four outputs and bed them down unless the programme were extended – the opportunity for generating more inclusive and more innovative results would be missed.

Building trust. GoZ was initially wary of Zimbisa but a trusting relationship has been established and GoZ is now very supportive of Zimbisa’s role in facilitating PPD. PPD programmes depend substantially on mutual trust between government and the private sector. BEEP has proved to be not long enough to leverage fully the relationship with GoZ in pursuit of whole economy business environment reforms. A “no extension” decision would leave BMOs and GoZ with significant unfinished business: it has taken two years for Zimbisa to embed its capacity to facilitate effective PPD with BMOs and GoZ and to build a trusting relationship with GoZ.

Financial sustainability. The poor performance of the Zimbabwe economy since 2012 has delivered few benefits to the private sector (manufacturing is operating at an unsustainable 31% of capacity) and BMOs are struggling to survive with a reduced membership. Unless the programme were to be extended, sustainable benefits to BMOs and therefore to the PPD process would be severely curtailed.

Innovative ICT. The use of innovative ICT to reduce the costs of membership outreach has not been fully exploited.

Inclusive stakeholder engagement. Additional resources would need to be deployed to capture the full benefit of engaging with women’s and youth groups and other “coalitions for change”. Such resources would require re-allocation within Zimbisa, not easily achieved by programme completion.

Lessons learned. Modest improvements to case studies (illustrating the ToC) and other forms of lesson learning could be undertaken.

Logframe revision. Improvements to the logframe would not be justified.

Summary. The advantages of completing BEEP in January 2017 are as follows:

- a) The Zimbisa component would probably achieve its outputs and outcome by programme completion and therefore score A or A+ in the PCR;
- b) DFID would no longer be at risk from the negative political consequences of dialogue with GoZ becoming strained or unworkable; and
- c) DFID would not have to allocate further programme funds to an extension.

Evidence in support of Option 1: Weak

5.2 Option 2: BEEP extension to January 2018 (with costs)

Programme performance. Zimbisa has performed effectively in each of the four advocacy system areas (MDA’s, BMO’s, Media and Research Institutions). Zimbisa has



built up a momentum and is on track to meet its outcome target. Further benefits to the economy would probably result from an extension to the Zimbisa component of BEEP.

Whole economy benefits. With an extended programme, there is an opportunity to leverage the improved relationship with GoZ to facilitate BMOs to lobby for reforms tackling major high level investment climate constraints.

Enhanced outputs. A number of improvements to the four outputs could be made in an extended programme, with the potential to facilitate more inclusive (women, youth, the poorest) and more sustainable reforms (through improved capacity utilisation by BMOs).

Building trust. A trusting relationship has been established and GoZ is very supportive of Zimbisa's role in facilitating PPD. PPD programmes depend substantially on mutual trust between government and private sector BMOs but a three year programme is not long enough to permit a sustainable relationship to take root and prosper.

Financial sustainability. BMOs are struggling to survive with a reduced and significantly poorer membership. Addressing their viability effectively, however, is questionable in a short programme extension.

Innovative ICT. The use of innovative ICT to reduce the costs of membership outreach would be possible, although not fully developed.

Inclusive stakeholder engagement. Some additional resources could be allocated to engage with women's and youth groups and other "coalitions for change".

Lessons learned. Improvements to case studies (illustrating the ToC) and other forms of lesson learning could be readily undertaken and disseminated widely across DFID, other donors and other international development communities.

Logframe revision. Improvements to the logframe would be justified in a programme extension and would require internal M&E reorganisation around a) data collection, collation and analysis and b) recording evidence of attribution.

Summary. The main advantages of extending BEEP to January 2018 are as follows:

- a) The Zimbisa component would probably achieve more outputs and a higher level of contribution to programme impact by completion and therefore score A+ in the PCR;
- b) Zimbisa could leverage its already favourable relationship with GoZ to facilitate further reforms through PPD; and
- c) The cost of making significant improvements to the business environment would be marginal (c£1m), thus offering potentially very good VfM.

Evidence in support of Option 2: Moderately strong



5.3 Option 3: BEEP Phase II January 2017 to March 2021

Programme performance. Zimbisa has performed successfully in Phase I in each of the four advocacy system areas (MDA's, BMO's, Media and Research Institutions). Further benefits to the economy, to be evaluated in a new Business Case including an updated cost-benefit analysis, would probably result from BEEP Phase II.

Whole economy benefits. BEEP Phase II would provide an excellent opportunity to leverage the improved relationship established in Phase I between BMOs and GoZ to conduct rigorous policy research and analysis of economy-wide binding constraints to investment and to present a solid case for high level reforms to GoZ.

Enhanced outputs. Substantive improvements to the four Zimbisa outputs could be made in a programme re-design, with the potential for greater ambition in tackling high level binding constraints to investment, developing innovative ICT solutions to BMO outreach, facilitating more inclusive (women, youth, the poorest) reforms and facilitating a more sustainable PPD platform (through improved capacity utilisation by BMOs).

Building trust. GoZ is very supportive of Zimbisa's role in facilitating PPD. A BEEP Phase II four year programme offers the opportunity to build further on the good relationship between BMOs and GoZ and to leverage this relationship in the interests of inclusive economic growth.

Financial sustainability. BEEP Phase II offers the opportunity to address BMO viability effectively through a review of strategy, capacity development and utilisation of low-cost methods of outreach and engagement with memberships.

Innovative ICT. The use of innovative and low-cost ICT to enhance membership services and reduce the costs of outreach should be designed into BEEP Phase II.

Inclusive stakeholder engagement. Additional resources should be allocated in a re-designed BEEP to engage more systematically with women's and youth groups and other "coalitions for change".

Lessons learned. Improvements to case studies (illustrating the ToC) and other forms of lesson learning should be readily undertaken in a reorganised M&E system and disseminated widely across DFID, other donors and local and international development communities.

Logframe revision. A comprehensive review and revision of the logframe would be justified in a BEEP Phase II and would require internal M&E reorganisation around a) data collection, collation and analysis and b) recording evidence of attribution.

Summary. The main advantages of a BEEP Phase II over four years are as follows:

- a) The Zimbisa component would probably achieve significant output and a higher level of contribution to programme impact by 2021 than an extended programme to 2018;

- b) A four year programme offers substantial scope for wide-ranging improvements in programme operations, including innovative modes of engagement with marginalised groups and attention to BMO viability;
- c) BEEP Phase II would operate through a Presidential election in 2018 – this carries the potential for risk of failure through early termination caused by political events (a six month election-bridging trigger point has been proposed to review the situation in December 2018); but at the same time, it offers the possibility of significant rewards in the event of the outcome of the election being renewed vigour by GoZ for business environment reform; and
- d) The cost of achieving significant improvement in the business environment would be c£4m, thus offering potentially good VfM.

Evidence in support of Option 3: Strong

6. Recommendations

Recommendation 1. DFID Zimbabwe should confirm the completion of BEEP Phase I in January 2017 and the launch of Phase II January 2017-March 2021 (DFID Zimbabwe, Q1, 2016).

Recommendation 2: Zimbisa supported by ASI should be instructed to design and implement a transfer strategy for BEEP Phase I to ensure a smooth transition to Phase II (which might involve a new implementing partner) (Zimbisa/ASI, Q1 2016).

Recommendation 3: DFID Zimbabwe should discuss with DFID's Business Environment Reform Facility (BERF) the opportunities for BERF support in designing BEEP Phase II (DFID Zimbabwe, Q1 2016).

Recommendation 4: DFID Zimbabwe should produce a new Business Case for BEEP Phase II January 2017-March 2021 incorporating design improvements outlined in this report (DFID Zimbabwe, Q1-Q2 2016).

Recommendation 5. DFID Zimbabwe should undertake a competition to design and implement BEEP Phase II January 2017-March 2021 (DFID Zimbabwe, Q2 2016).



Appendix 1 BERF Support to DFID Zimbabwe for a Future BEEP

1. Support for measuring cost of compliance savings: benefits of BE reforms can be measured and monitored with an M&E function embedded either in GoZ or in a neutral organisation such as Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU).
2. Technical support for producing a BEEP Phase II Business Case or Extension Submission.
3. Support for re-design of BEEP Phase II, including specialist elements of a programme tailored to Zimbabwe's fragile political economy.
4. Support for innovative inclusive stakeholder engagement with a focus on creative media based on new technologies.
5. Production of rapid evidence report on regional/SSA BER programme impact on poverty.
6. Production of rapid evidence report on BE reforms to maximise job creation/poverty reduction benefits of supermarket entry on supply chains.

Appendix 2 Terms of Reference: Assistance to DFID Zimbabwe with scoping BEEP Zimbabwe

Overview

DFID Zimbabwe are carrying out the third Annual Review of the Business Enabling Environment Programme (BEEP).

The goal of this programme is sustained economic growth in Zimbabwe and integration into regional and global supply chains and markets. The purpose is improved business environment, reduced investment risk and reduced cost of doing business in Zimbabwe.

DFID is providing £4.9 million over 3 years and DANIDA made a contribution of £0.8 million making a total of £5.8 million over three years. The programme has two components. The first component has a total budget of £2.3 million with a commitment of £600,000 to the World Bank under a Externally Funded Output (EFO) supporting improvements to the investment climate, financial sector dialogue and small and medium enterprises. The second component has a budget of £3.4 million and is implemented by Adam Smith International (ASI) through the Zimbisa Trust focusing on improving the poor state of business advocacy in Zimbabwe through dialogue. Both components are only providing technical assistance.

DFID Zimbabwe staff will be completing the Annual Review. In addition to this, since the programme is in its final stages, DFIDZ want to carrying out (a) an in-depth review of key issues arising from the programme, and in particular (b) the potential to expand the programme. BERF will provide expert external assistance for both (a) and (b).

Ultimate Beneficiaries

The ultimate beneficiaries of this assistance are expected to be the Zimbabwean private sector, and through them the people of Zimbabwe through expanded investment, business activity, and job creation. We would expect this intervention to help these beneficiaries by identifying options for further donor support in Zimbabwe.

Objectives

The following are the objectives of this piece of work for BERF:

- Assess how the business environment in Zimbabwe could be enhanced through further support, especially through
- In-depth assessment of other issues regarding how to deliver enhanced effectiveness in the BEEP programme, as raised in the Annual Review.

BERF will provide international experience of business environment reform, and will therefore be providing additional expertise and not replacing DFID staff.



Contact point

DFID Zimbabwe – Economist

Method

The BERF consultant will go through appropriate documentation, such as the current Business Case, logframe, minutes of stakeholder meetings, progress and financial reports, and any other appropriate reports. They may also carry out meetings with stakeholders likely to include (but not limited to) ASI, World Bank, Business Membership Associations, Research Institutions, Media Houses, Government and DFID project staff.

Meetings

The review is expected to take a total of 15 days including meetings with stakeholders and partners and report writing.

Timeframe

Zimbisa Timeframe	
Item/Activities	Date/2016
Drafting of ToRs	15 February
Self-assessment templates to partners	16 February
Approval of ToRs	19 February
Team mobilisation (Internal)	26 February
Submission of self-assessment by ASI/WB	4 March
Project stakeholder consultations (in country)	7 March (w/c)
Draft report ready	18 March
Review of Report by DFID (1 day turn around)	29 March
Address comments from DFID (1 day turn around)	30 March
Submit Report to HoO	01 April
Approval of final report by HoO	08 April

BERF Deliverables

To contribute to the review team by producing:

- Inputs to a clear recommendation on options for future donor assistance, including an assessment of possibilities for further assistance to help improve business advocacy.
- An assessment of other issues relating to donor assistance for business environment reform in Zimbabwe, as highlighted in the review.
- A scoping of opportunities for BERF to assist DFID Zimbabwe.



Workplan (schedule)

Workplan					
w/c 29th	w/c 7th March	w/c 14th March	w/c 22nd March	30th March	6th April
Preparation	AR consultations	Reports	Report comments	Report comments	Report comments
2 days: Principal Consultant Prep	5 days Stakeholder Consultation	5 days report writing	2 days addressing comments from SRO	0.5 days addressing comments from DFID CARE team	0.5 days addressing comments from HoO

Dissemination

The expectation is that this report will be published on the BERF website, and made available to other donors and partners, as appropriate. This will achieve the key objective of informing wider development thinking on BER in Zimbabwe, not just DFID.

Competencies Required

Key competences are as follows:

1. Experience of producing DFID ARs
2. Zimbabwe country experience
3. BER knowledge/experience
4. Experience of interviewing government officials
5. Experience of interviewing the private sector
6. Good report writing skills in English

Appendix 3 Footnotes

- ¹ In the Zimbabwean language Shona, 'simbisa' means 'to empower' and Zimbisa therefore means 'empower Zimbabwe'.
- ² Zimstat records that Zimbabwe imported goods worth \$839m in January and February 2016, against exports of \$459m. <http://www.zimstat.co.zw/national-accounts-statistics-zimbabwe>.
- ³ Zimbabwe Economic Update. World Bank. 3rd February 2016. <http://www.worldbank.org/en/news/press-release/2016/02/03/economic-headwinds-in-2016-could-challenge-zimbabwes-achievements-since-stabilization>.
- ⁴ Reported in New Zimbabwe. 27th March 2016. <http://www.newzimbabwe.com/business-27684-Govt+gets+tough+on+foreign+firms/business.aspx>.
- ⁵ IMF Staff Completes 2016 Review of the Staff-Monitored Program. March 9, 2016. <http://www.imf.org/external/country/ZWE/index.htm>.
- ⁶ Zimbabwe Overview. World Bank. <http://www.worldbank.org/en/country/zimbabwe/overview>. September 2015.
- ⁷ Donors to ZIMREF are Danida, the EU, GIZ, Noraid, Sida, Switzerland and DFID.
- ⁸ Zimbabwe Independent. 24th December 2015. <http://www.theindependent.co.zw/2015/12/24/govt-overhauls-indigenisation/>.
- ⁹ The World Bank component of BEEP (one Output out of five) is not considered in this report.
- ¹⁰ SMART = specific, measurable, achievable, relevant, timebound.
- ¹¹ Copycats: in the M4P model of market systems change, copycats are competitors which imitate the lead innovator's success.
- ¹² Interview with Col Christian Katsande, Dep Chief Secretary, Office of the President and Cabinet. 8th March 2016.
- ¹³ Global Competitiveness Report. World Economic Forum. <http://reports.weforum.org/global-competitiveness-report-2015-2016/competitiveness-rankings/>.
- ¹⁴ Doing Business in Zimbabwe. World Bank. 2016. <http://www.doingbusiness.org/reforms/overview/economy/zimbabwe>.
- ¹⁵ Business Enabling Environment Programme (BEEP) Annual Review 2016. DFID.
- ¹⁶ 2016 Economic Outlook – Negotiating the Hazy Terrain. ZNCC. 23rd March 2016. <http://www.zncc.co.zw/index.php/economics/economic-development-outlook/68-2016-economic-oulook-navigating-the-hazy-terrain.html>.
- ¹⁷ <http://www.every1mobile.net/>. Note that EVERY1MOBILE is based in Cape Town and Brighton.
- ¹⁸ Nigeria's ENABLE has extended to phase 2 and Kenya is moving towards an extension of its BRICK programme.