Small, Medium and Micro Enterprise Policy
Development Project
SMEPoL

Procedures and Guidelines
For the
Policy Development Process

A Policy Formulation Manual

August 2003

Submitted by the Development Unit of the Ministry of Foreign Trade
## List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CIDA</td>
<td>Canadian International Development Agency</td>
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<tr>
<td>ERF</td>
<td>Economic Research Forum</td>
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<td>GDMA</td>
<td>General Department for Micro Small and Medium Enterprise Affairs</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<td>GOE</td>
<td>Government of Egypt</td>
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<tr>
<td>IDRC</td>
<td>International Development Research Centre</td>
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<td>MoFT</td>
<td>Ministry of Foreign Trade</td>
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<tr>
<td>M/SME</td>
<td>Micro Small and Medium Enterprises</td>
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<tr>
<td>NGO</td>
<td>Non Governmental Organizations</td>
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<tr>
<td>PIP</td>
<td>Project Implementation Plan</td>
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<tr>
<td>RFP</td>
<td>Request for Proposal</td>
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<td>SME</td>
<td>Small and Medium Enterprises</td>
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<td>SMEPoL</td>
<td>Small and Medium Enterprise Policies</td>
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<tr>
<td>TOR</td>
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I. INTRODUCTION

Policy formulation has always been a controversial subject debated between researchers, government and the people for decades. Formulation of public policy is a process in which many parties are involved whether directly or indirectly. Since policy formulation is a process that should be based on transparency between the governing body and the people, clarifying a process for the formulation of policy is an essential tool for the benefit of all parties involved.

The main purpose of this policy formulation manual is to assist government officials and other SME stakeholders in developing and implementing a cohesive policy development process. This process will include research, consultation, considering possible options, developing recommendations, examining implementation issues, and evaluating results. Such comprehensive policy development approaches will assist in building improved networks between governments and other SME stakeholders by improving the transparency and the efficiency of the policy development process.

Defining a Public Policy

The complicated nature of a public policy along with its multifaceted nature confounds government and economics experts to define it. However, in the following definitions we will realize that despite of the complexity of a definition, they are all based on public decision, choice, positions, and statements of intent. According to Jenkins in his book: *Policy Analysis: A Political and Organizational Perspective*, “a policy is a set of interrelated decisions taken by a political actor or group of actors concerning the selection of goals and the means of achieving them within a specified situation”. Another definition given to public policy was that given by Howlett and Ramesh in their book: *Studying Public Policy: Policy Cycles and Policy Subsystems*, stating that, “public policy is…a choice made by government to undertake some course of action”.

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1 Jenkins, I, 1978, Policy Analysis: A Political and Organizational Perspective, Martin Robertson, London
A more broad definition, which considered the complexity of the developing policies process was that of Dye in his book: *Understanding Public Policy*³, “public policy is both an art and craft. It is an art because it requires insight, creativity, and imagination in identifying societal problems and describing them, in devising public policies that might alleviate them, and then in finding out whether these policies end up making things better or worse”. The type of governmental policy phases that is being outlined in this manual is a framework for substantive policy formulation, which is a policy that the government intends to conduct via stated plans of action that may require parliament approval.

II. THE POLICY FORMULATION PROCESS CYCLE

The policy formulation process is a dynamic and ongoing process. The process can be reflected in a framework that considers the emergence of a problem, passing by the formulation of proposals addressing the means of how to deal with such a problem, and ending by the endorsement and introduction of these as the government’s stated policy.

In order to ensure the success of policies, Small and Medium Enterprise Policy Development Project (SMEPOL’s) approach is to be both process and product oriented. Through a process that focuses on the generation of relevant and high quality information on the one hand, as well as the assimilation of the views of stakeholders at every stage, the project will manage to create – everything held constant- a positive policy environment for MSME development in Egypt.

Through adhering to this process, SMEPOL would ensure the relevance of its policy products to the needs of MSMEs on the one hand, and the availability of considerable support from pertinent stakeholders on the other. The proposed process in addition, focuses on the availability of reliable and high-quality knowledge and information for the policy maker, as well as stakeholders and the public. The process depicted below is conceptually broken down into stages.
A. Problem & Issues Identification  
B. Stakeholders Mapping & Involvement  
C. Research & Assessment  
D. Policy Formulation  
E. Publicizing Results & Proposals  
F. Consultation with Stakeholders  
G. Refinement & Finalization of Recommendations  
H. Formalization  
I. Implementation  
J. Monitoring & Evaluation  
K. Revisions

These stages are more illustrative in nature rather than having a finite and clear cut beginnings and ends. In implementing this process, it should be noted, several overlaps between these stages are foreseen. One relevant example has to do with formalization stage. The existence of such stage does not rule out the existence of other formalization-related activities in prior or ensuing stages. Rather, it means that at a certain juncture in the policy development process, activities will predominantly be geared toward formalization. Likewise, consultation with stakeholders is likely to be carried out throughout the process. Its depiction in finite boxes in the diagram aims to highlight the fact that at a certain juncture, it is critical to focus on obtaining input from stakeholders.

A policy development cycle can be used to comprehend and structure policy development. The cycle structures the policy development process into manageable units of analysis. Therefore, policy development can be a dynamic and active process that follows a sequence of steps, rather than a linear ordered process.
A. Problems and Issues Identification

"Well begun is half done" --Aristotle

A.1 What is problem identification

Issues identification involves the complete understanding of the issue, problem or concern commanding the attention of government and requiring a policy response. Such issues are considered to form the policy agenda where governments and bureaucracy are fully aware of such matters, subjects or problems and starts dealing with them.

A.2 Why is problem identification needed

It may seem obvious that the first step to solving a problem is figuring out exactly what that problem is, but a surprising number of problem-solving efforts fail when groups skip right to the solution part of the process without first identifying the concerns of all group members. For example, say a group meets to address the problem of access to financial services for Small and Medium Enterprises (SMEs). Imagine how the discussion would be affected if one person feels the main impediment to access to financial services is that of a lack of information on available sources of credit, while another feels it is more about the inability of SMEs to put up adequate collateral needed by credit institutions. These concerns are not necessarily mutually exclusive, but assuming that everyone has the same orientation toward a problem can greatly enhance a group’s productivity. Taking the time in the beginning to identify everyone's concerns facilitates the group’s task by increasing misunderstanding about the problem and increasing awareness about its multiple dimensions. Secondly, and just as important, it enhances interpersonal relations by giving everyone a chance to participate and voice his or her concerns. It sends the message that everyone's opinion is important and helps create an environment that is conducive to working together effectively.
A.3 When should problem identification be done

There is no time constraint for the problem/issues identification since it all depends on the urgency of the issue itself along with its framework of formulation. For some issues they might take years to get into the policy agenda, while other issues like in times of crisis often require immediate action of all concerned. Such efforts could be both cooperative, in terms that they all work in the same time due to the magnitude of the crisis, or simultaneously, in the sense that each process is done separately in order to reach the required end result.

A.4 How problem identification is being done

To participate successfully in the problem/issue identification process practitioners; people who are conducting the problem identification, need to:

- Scope the issue through research of core data to assess the reality of stakeholder views through: literature reviews, focus groups and surveys.
- Identify and prioritize the full range of stakeholders concerning their degree of importance and influence.
- Identify and assess key related factors, taking into consideration all cross-cutting themes that relate to the issue at hand e.g. SME policy would account for gender and environmental issues.
- Develop both formal and informal processes of consultation to allow all points of view to be properly articulated.
- Recognize and identify the historical elements of the policy area discussed (such as what happened in the past).
- Relate the issue to the Government's stated goals and underlying values; and
- Consider departmental interests, areas of responsibility and issues of policy coordination.
A.4.1 Checklist for Problem Identification

1) *Who says there is a problem?*

- Is it a person or group with expertise in the area?
- Are they representing others or speaking for themselves?
- On what basis do they say there is a problem?
- How much information do they have?
- How many people are affected, either primarily or secondarily?

2) *How real is the problem?*

- Are there any indicators or measures of the extent of the problem?
- What is the problem trend?
- Is it increasing or decreasing?
- Is the nature of the problem changing, if not increasing in occurrence?
- Is the problem linear, discontinuous or cyclical?
- Is it a new problem?
- Is there knowledge about it?
- What are the underlying causes?

3) *What are the prevailing values/interests?*

- What are the values of the stakeholders?
- What are the government's values?
- Is there a way of ranking the various values involved?

4) *Can much be done about the problem?*

- By government (e.g. decision makers, senior officials, employees)?
- By other groups (e.g. business, non-governmental organizations)?
Through coordinated effort?

B. Stakeholders Mapping & Involvement

B.1 What is stakeholders mapping and involvement

Stakeholders are persons, groups or institutions with interests in a policy or program. They are those who may effect change and those who are affected by it.

This definition of stakeholders includes those who may stand to benefit but also those who will be adversely affected by the proposed policy change, and those involved or excluded from decision-making processes. Key stakeholders are those who can significantly influence, or are important to the success of the policy. Stakeholders may include community groups, other government agencies, private landowners and developers, and traditionally underrepresented groups, among others. The list of stakeholders will likely be specific to the planning effort at hand, but there is considerable overlap from one policy to the next as the stakeholders develop capacity for participation.

Stakeholders mapping and involvement is the identification of a policy’s key stakeholders, an assessment of their involvement, and the ways in which these involvements affect the policy formulation process. The aim of inclusiveness makes the identification of stakeholders important; excluding an important stakeholder can undermine the process. Stakeholders mapping and involvement is linked to both institutional appraisal and social analysis: drawing on the information deriving from these approaches, but also contributing to the combining of such data in a single framework. Stakeholder analysis contributes to policy design through the logical framework and helps to identify appropriate forms of stakeholder participation.

B.2 Why do stakeholder mapping and involvement
- Identify conflicts of interests between stakeholders, which will influence MOFT's assessment of a policy's risks before commitment is made.
- Help to identify relations between stakeholders whether direct or indirect within the context of the policy framework developed.
- Help to assess the appropriate type of participation by different stakeholders, at successive stages of the policy formulation cycle.

**B.3 When should stakeholder mapping and involvement be done**

Stakeholder analysis should always be done at the beginning of a policy formulation cycle, even if it is a quick list of stakeholders and their interests or at least visited on an annual basis. (Most people do this already, if only informally). Such a list can be used to draw out the main assumptions which are needed if a policy is going to be viable, and some of the key risks related to the policy. This means that annual monitoring missions and mid-term reviews should include stakeholder analysis as part of their tool-kit. Constant enhancement of the stakeholders mapping phases is important as interests evolve as new and important groups of stakeholders are introduced.

**B.4 Who should do stakeholder mapping and involvement**

The tools and exercises outlined below can be used in a participatory fashion. Drawing up lists and diagrams in such a manner can share and clarify information quickly. Certainly, a team approach is likely to be more effective than an individual doing the mapping analysis alone.

However, stakeholder mapping analysis often involves sensitive and undiplomatic information. Many interests are concealed, and agendas are partially hidden. In many situations there will be few benefits in trying to uncover such agendas in public. This is the responsibility of the Ministry but may be referred to a consultant if time and resources allow.

**B.5 How to do stakeholder mapping and involvement**

**B.5.1 Identifying the stakeholders and creating a list**
Stakeholders can be listed and categorized in various ways. One starting point is to divide a list into primary and secondary stakeholders.

**Primary stakeholders** are those people and groups ultimately affected by the policy. This includes intended beneficiaries or those negatively affected.

**Secondary stakeholders** are intermediaries in the process of delivering aid to primary stakeholders. They can be divided into funding, implementing, monitoring and advocacy organizations, or simply governmental, NGO and private sector organizations. In many policies it will also be necessary to consider key individuals as specific stakeholders (e.g. heads of departments or other agencies, who have personal interests at stake as well as formal institutional objectives). Also note that there may be some informal groups of people who will act as intermediaries. For example, politicians, local leaders, respected persons with social or religious influence.

Within some organizations there may be sub-groups which should be considered as stakeholders. For example, public service unions, women employees, specific categories of staff.

The first step in doing a stakeholders’ analysis is to draw up a stakeholders’ table:-

- Identify and list all potential stakeholders.
- Identify their interests (overt and hidden) in relation to the problems being addressed by a policy and its objectives. Note that each stakeholder may have several interests. It is necessary that the stakeholders’ known positions on the issue at hand and their interests are documented.
- Briefly assess the likely impact of the policy on each of these interests (positive, negative, or unknown).
- Indicate the relative priority which the policy should give to each stakeholder in meeting their interests (this refers to priorities derived from policies objectives).

### B.5.1.1 Checklist for Identifying Stakeholders

- Have all primary and secondary stakeholders been listed?
- Have all potential supporters and opponents of the policy been identified?
- Have the interests of vulnerable groups (especially the poor) been identified?
- Are there any new primary or secondary stakeholders that are likely to emerge as a result of the policy?

B.5.2 Drawing out stakeholders' interests in relation to the project

The resulting list of stakeholders forms the basis of a tabulation of each stakeholder's interests in the policy, and the policy’s likely impact on them. The likely or actual impact of the policy on these interests should also be assessed (only in simple terms). Expected policy impacts on various stakeholders’ interests can be classified into positive, negative, uncertain and unknown.

B.5.2.1 Checklist for drawing out interests

- What are the stakeholder's expectations of the policy?
- What benefits are there likely to be for the stakeholders?
- What resources will the stakeholder wish to commit (or avoid committing) to the policy?
- What other interests does the stakeholder have which may conflict with the policy?
- How does the stakeholder regard others in the list?

B.5.3 Assessing the Influence and "Importance" of Stakeholders

Influence is the power which stakeholders have over the formulation or implementation of a policy - to control what decisions are made, facilitate its implementation, or exert influence that affects the policy negatively. Influence is perhaps best understood as the extent to which people, groups or organizations (i.e. stakeholders) are able to persuade or coerce others into making decisions, and following certain courses of action.

Power may derive from the nature of a stakeholder's organization, or their position in relation to other stakeholders. Other forms of influence may be more informal (for example, personal connections to ruling politicians).
Importance is distinct from influence. There will often be stakeholders, especially unorganized primary stakeholders, upon which the project places great priority (e.g. women, resource poor farmers, slum dwellers, ethnic minorities etc). These stakeholders may have weak capacity to participate in the policy process, and limited power to influence key decisions. A checklist for assessing "importance" to the policy formulation is provided below.

\textit{B.5.3.1 Checklist for assessing which stakeholders are important for policy formulation success}

- Which problems, affecting which stakeholders, does the policy seek to address or alleviate?
- For which stakeholders does the policy place a priority on meeting their needs, interests and expectations?
- Which stakeholder interests converge most closely with policy objectives and significance?
- Which stakeholder interest diverges from policy objectives and significance?

\textit{B.5.4 Identifying assumptions and risks about stakeholders}

Using a logical framework approach to planning, the success of a policy formulation process depends partly on the validity of the assumptions made about its various stakeholders, and the risks facing policy implementation. Some of these risks will be derived from conflicting interests.

Process policies are often particularly affected by stakeholder interactions and responses to policy activities. Policy planners or developers must therefore identify (and assess the importance of) the most plausible assumptions about each "key" stakeholder which are necessary if the policy is to be successful.

In general, risks will be evident from those stakeholders who have high influence and interests, which are not in line with policy objectives. In order to go systematically through the assumptions and risks which need to be specified for each stakeholder, the checklist below may be useful.
• What is the role or response of the key stakeholder that must be assumed if the policy is to be successful?
• Are these roles plausible and realistic?
• Are there negative responses which can be expected, given the interests of the stakeholder?
• If such responses occur, what impact would they have on the policy?
• How probable are these negative responses, and are they major risks?
• In summary, which plausible assumptions about stakeholders support or threaten the policy formulation process?
C. Research and Assessment

C.1 What is Research?

Research is the pursuit and production of knowledge by the scientific method. Research can be regarded as a cyclical process, which alternates between action and critical reflection. Research is an iterative process where it converges on a better understanding of the situation. The better understanding allows more informed decision making and theoretically improved action.

C.2 Why do Research?

The main function of this stage is to generate the knowledge and data required for the formulation of options leading to informed evidence based decision making policy. In that sense, this stage provides the background and detailed information required for the following stages. It should present a diagnosis of the existing conditions; a summary of research findings, analysis of the research and the development of options. It should present an appraisal of the existing capacities, alongside an explanation of the capacities required to undertake the different options. The use of research is also considered to be a participatory tool that solicits the input of the less organized of the business sector (those that cannot be grasped through official meetings, conferences or seminars, including micro entrepreneurs, women, and the informal sector). This should be insured through stressing qualitative participatory research techniques (e.g. focus groups) that will be used on the local (governorate) level to generate input from the targeted group.

C.3 How to do Research

C.3.1 Pre-search

C.3.1.1 Define your task

1. What do you already know?
2. What do you need to find out?
3. Is your topic in the form of a question?

C.3.1.2 Consider the purpose of your research challenge

1. Who will your audience be?
2. What is your end product going to look like?
3. How many sources are you expected to use?
4. What specific types of sources are you expected to use? (current? primary sources?)

C.3.1.3 Develop a timeline for completing your research

1. What is the due date?
2. How much time do you have in the library media center and online research?
3. What is the timeline for each stage of your research? (outline, notes, rough draft, final product)

C.3.1.4 Plan your search strategy

1. What sources of information are available?
2. Develop a series of questions relating to the information you need to find.
3. Use the questions to organize and plan your research.
4. List keywords related to your topic.
5. Is your topic narrow enough for information to be available?
6. Do you need to change your topic?

C.3.2 Research

Research phase of the policy formulation cycle can be conducted in-house by Ministry staff. Alternatively, expert independent consultants maybe contracted to carry out this task. Details of the task must be set out specifically by staff in the form of terms of reference for the assignment (see annex 7) in addition to the development of tender
documents that can be circulated to a short-list of consultants in the form of a request for proposal (see annex 5).

C.3.2.1 Locate the resources

1. Using catalogs, online databases, and other tools, search for print, audiovisual, and computerized resources.
2. Determine whether a subject or a keyword search is the most appropriate for each resource you use.
3. Consider outside sources such as community resources, government offices, and people who know the subject.
4. Revise and redefine your research questions if necessary.

C.3.2.2 Gather relevant information

1. Skim and scan to identify relevant information.
2. What information answers your questions?
3. Evaluate the content of your sources.
4. Identify what is fact and what is opinion.
5. Is the information accurate?
6. Is the information biased?
7. Is it current?
8. Does this information answer your original questions?
9. Revise and redefine your questions as needed.
10. Develop a bibliography.

C.3.2.3 Interpret the information.

1. Summarize information in your own words.
2. Synthesize the information.
3. Organize and analyze the information in a new way.
4. Draw conclusions based on the information.

C.3.3 Post-Search

C.3.3.1 Communication

1. What is the best way to present the information?
   - Written (e.g. briefing note, memo or executive summary—see annexes 1, 2 and 3)
   - Spoken (presentations)

2. Will your approach be informative, persuasive, or entertaining?
3. Create your presentation.
4. Cite your sources appropriately.

C.3.3.2 Evaluation and Assessment

1. How well did you do?
2. Does the final product answer your research questions?
3. Did your end product effectively inform or persuade your audience?
4. Was your research strategy appropriate and efficient?
5. How can you do better in the future?
D. Draft Policy Formulation

D.1 What is policy formulation

Based on the results of the previous steps, the GDMA would be able to identify recommendations and policy options to be adopted by MOFT or proposed by MOFT to other ministries. Ideally this stage should witness the substantial involvement of a multi-disciplinary team that at a minimum includes researchers, technical specialists and legal specialists. Research and consultation with actors and stakeholders should feed into one another throughout the process, with the research activity providing the base upon which discussions among these parties are held.

D.2 How to formulate a draft policy

There are several forms for documentation of a draft policy. The most common types of draft documents are:

<table>
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<th>Discussion paper</th>
<th>Formal means of raising issues and requesting submissions</th>
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<tr>
<td>Policy paper</td>
<td>Formal statement of policy. Means of information dissemination. Not strictly consultative because states outcome. Sometimes is a means of providing feedback following discussion paper</td>
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For an illustration of a draft national policy document prepared by MoFT, please see annex.

In terms if structuring the draft policy, several components must be included:

1. List of problems identified by government and verified in the consultation process and involvement of stakeholders.
2. Suggested framework necessary to overcome constraints, setting out the general policy guidelines.

3. List of specific recommendations for specific policy areas, including roles and responsibilities and timeframe for action. This could be in the form of an action plan.
E. Publicizing Results & Proposals

E.1 Why publicize results & proposals

Triggering public debates around the issues as well as feedback from the various interest groups and stakeholders.

E.2 How to publicize results & proposals

Results of the research and assessment activities and the proposals made would be publicized through various possible means:

<table>
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<th>Publicity techniques</th>
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<tr>
<td>Displays</td>
</tr>
<tr>
<td>Information dissemination tool. Mobile or permanent, can be designed for easy change to reflect developments, and to elicit feedback</td>
</tr>
<tr>
<td>Media release or press conference</td>
</tr>
<tr>
<td>Generating interest and feedback. Major political and institutional tool for information dissemination</td>
</tr>
<tr>
<td>Ministerial statement</td>
</tr>
<tr>
<td>Formal parliamentary statement articulating a position or commitment to addressing an issue. Generates interest and may elicit feedback</td>
</tr>
<tr>
<td>Website</td>
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F. Consultation with Stakeholders

F.1 What is Consultation

Consultation serves a variety of purposes, but at its best is a framework for participation. Consultation gives stakeholders a structured and frequent way to provide input into decision making about the issues in which they have an interest.

Participation includes four interrelated components:

1. Information exchange between government and the intended party;
2. Consultation as a formal process of dialogue among participants in the policy development process;
3. Negotiation aimed at reaching agreement about issues; and
4. Cooperative partnerships bringing stakeholders and government together to develop agreed solutions to common problems.

Consultation can occur both within government and with groups outside of government. The focus of much of the discussion about consultation tends to be about the interaction with the external community. Practitioners need to appreciate that both aspects of consultation are important in all stages of policy development. Interaction with the external community may involve a slightly different emphasis and awareness, but both audiences need to be 'engaged' in the policy process.

F.2 Why do Consultation

F.2.1 The benefits of consultation

Throughout the policy cycle, consultation can:

1. obtain information that government otherwise does not have about issues;
2. verify information or thinking government presently has about an issue (market testing)
3. resolve internal dissension (whole of government view);
4. seek new ideas and expertise;
5. provide avenues for dialogue with:
6. key external stakeholders and interest groups;
7. community;
8. internal interests;
9. promote consensus;
10. achieve negotiated outcomes;
11. build constituency support;
12. test proposals; and
13. provide feedback/evaluation on existing policies.

F.2.2 Demand for Consultation

F.2.2.1 Reasons for Increased Demand for Consultation

1. democratic practice;
2. increasing number of interest groups and demands for additional conduits to government over existing ones (e.g. parties);
3. increasing levels of education and desire to make contributions to policy;
4. community empowerment (especially concerning regional groups);
5. belief in 'bottom up' policy development; and seen as being part of strategic management (i.e. sharing responsibility, obtaining agreement, proactive policy development).
6. Engaging stakeholders to assist with implementation.

F.2.2.2 Reasons for Increased Demand for Consultation within Government

1. overlap of policy issues across functional departmental boundaries;
2. the need to bring a diversity of expertise and administrative resources to tackle an issue;
3. the need to overcome budget limitations; and
4. the demand for integrated whole of government approaches and coordination.
As the list above indicates, consultation is not only about minimizing the risks of disagreement or conflict. Consultation - whether within government or with specific stakeholders or the wider community - is a key process through which new ideas are gathered, issues are defined and options developed.

**F.2.3 Concerns about consultation**

Despite the obvious advantages of consultation, governments and practitioners have not always appreciated its importance. Some of the fears about consultation include:

1. feedback may be contrary to government or departmental policy or interests;
2. responses will not fit easily with present conventional thinking about issues, policy choices and use of instruments (e.g., regional concerns about economic rationalism);
3. process could be hijacked by well resourced and focused interest groups;
4. there are too many conflicting views to process so why not just adopt one policy option;
5. the proposed government policy option could be rejected; and
6. stakeholders demands and policy choices may not be able to be accommodated.

Too often consultation is seen as a process that occurs after the 'real' decision has been made. Consultation is not used to manipulate community support or to meet 'process' standards ('Yes we did consult'). Rather, genuine consultation is used to obtain ideas before the policy has been proposed, or to include other agencies and key stakeholders throughout the policy process.

**F.3 When to do consultation**

Deciding when to consult requires an understanding of the policy process, the nature of the political environment and the type of issues being proposed. Consideration must be given to the scope of the matter. Relatively minor issues may not warrant consultation. However, caution must be exercised in deciding whether matters are 'minor': the perception may vary considerably in the eyes of the various stakeholders. Monetary value is one indicator, but must be balanced against the contentiousness of the matter in the
community. Government decisions can also be emotive, and consultation is an important way of keeping people informed about things that affect them directly.

Sometimes there is a need for on-going consultation with identified stakeholders about a wide range of issues. Mechanisms like policy councils and consultative committees are frequently used to meet this need. It is important to ensure that other stakeholders who are not part of these mechanisms are consulted about issues of importance to them. Formal consultative institutions are good for on-going dialogue on wide ranging issues, but are not the only means of consultation about particular issues.

Consultation must also be sustainable in light of the policy objectives. For example it is not sustainable to consult widely on strategies to limit tax avoidance if the effect will be to engender new tax avoidance methods. Similarly it may not be environmentally sustainable to consult in detail about preventative measures to protect fragile habitats if the consultation merely invites preemptive destruction of the habitat itself. Consultation is about furthering public interest in policy issues. The government does not 'telegraph its punches' so stakeholders can maximize their private advantages at the expense of public interest. Neither is consultation a means of government asserting its power over stakeholders.

**F.4 Who should do Consultation**

The stakeholder identification process will have identified those who have or may have an interest in a policy issue. The nature of the issue and its complexity will guide the selection of participants in the consultative process. It is important to ensure access is given as widely as possible and that the needs of particular groups are kept in mind.

Stakeholders may themselves initiate consultation. This can be an important source of policy issues and information. Practitioners should be mindful that stakeholder initiated consultation may require follow up with wider consultation.

**F.5 How to do Consultation**

F.5.1 **Pre-Consultation**
Stakeholders face a range of choices in conducting consultation. Exactly how consultation is done will be affected by:

1. nature of policy issue (single issue and interest group focus or multi layered affecting broad community);
2. nature of policy community (well organized, structured or diffuse);
3. timeframes (urgent, long term);
4. profile of issue (contentious, or media interest, conflict expected);
5. amount of resources available for consultation;
6. the breadth of the policy issues (does it cut across other departmental issues); and
7. the aims of consultation (to gather information or to 'test' options).

**F.5.2. Consultation methods and choices**

<table>
<thead>
<tr>
<th>Group techniques</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small group</td>
<td>Useful with relatively homogeneous, pre-existing group with interest in issue. Allows for creative thinking if adequately facilitated. Requires the use of a discussion guide (see annex 6)</td>
</tr>
<tr>
<td>Public meeting</td>
<td>Views of community groups can be expressed. Not a strong forum for dialogue, but allows stakeholders to self-identify e.g. meetings between commodity council members and / or businessmen associations</td>
</tr>
<tr>
<td>Conference</td>
<td>Structured approach useful for education and formal expression of views. Must be well planned and adequately resourced</td>
</tr>
<tr>
<td>Workshop</td>
<td>Smaller groups selected for skills and interests gathering with objective of producing options or ideas, or structured exploration of issues. Needs skilled facilitation (see annex 8)</td>
</tr>
<tr>
<td>Consultative committee</td>
<td>Members selected or appointed by range of methods for ongoing advice on particular issues</td>
</tr>
<tr>
<td>Policy</td>
<td>Forum for established stakeholder representatives (eg peak bodies).</td>
</tr>
</tbody>
</table>
### Council

Strong tool for on-going dialogue with or without specific issue focus to draw group together. Usually chaired by Minister or chief executive of department. Legitimizes formal relationships between government and established policy community

### Individual Techniques

<table>
<thead>
<tr>
<th>Individual techniques</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual discussions</td>
</tr>
</tbody>
</table>

### Survey Research

<table>
<thead>
<tr>
<th>Survey research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal data gathering using objective techniques, often using sample of stakeholders. Sometimes useful to gauge public reaction to proposals. For example, the questionnaire for the Public Awareness Campaign conducted for MoFT.</td>
</tr>
</tbody>
</table>

### Participant Observation

<table>
<thead>
<tr>
<th>Participant observation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional and field staff often gain first hand experience of impact of issues or proposals</td>
</tr>
</tbody>
</table>

Below are the points that summarize the issues practitioners need to consider in developing a consultation plan.

**F.5.3 Checklist for Consultation**

1. Effective consultation should occur early and throughout the policy process.
2. Each consultation needs to be designed to meet the unique demands of the situation and identify and define clearly the issues considered, and allow adequate time to conduct the consultation.
3. Effective consultation requires openness about why people are consulted, how they will be consulted, and how much influence stakeholders will have in the policy decision.
4. Those consulted need to be provided with comprehensive, balanced and accurate information.
5. All interested parties should have access to the consultation process.
6. All participants should be treated with dignity and respect.
G. Refinement & Finalization of Recommendations

G.1 What is refinement and finalization of recommendations?

After extensive research undertaken in the previous stages of the policy formulation cycle, in addition to the information gathered throughout the consultative process, it is necessary to develop the findings and recommendations proposed in the format of a draft law.

In case a proposal is submitted by the Government, there is little stated in the law as to the procedures required. Over the years, certain practices have developed and these tend to be followed more often. A law will most likely be falling in the sphere of one specific ministry depending on the subject matter.

G.2 How to prepare a draft law?

- Once the broad policies have been determined, the Minister will then propose the law in principle to the Council of Ministers for general policy approval.
- Upon the primary approval by the Council of Ministers of the law in principle, a more rigorous drafting exercise will commence under the supervision of the Minister who may rely on the ministry’s in-house capabilities or on a specially formed ad-hoc committee of experts, or in few instances on outside legal advisors.
  - If the proposed law involves certain regulatory authorities who may for example be in charge of implementing the law, then they are likely to be represented on the drafting committee.
- Upon the completion of a draft, this will be taken again by the Minister to the Council of Ministers for final approval and amendments.
- But prior to the final approval by the Council of Ministers of the draft law, a process of technical revision will likely have taken place; the first by the State Council and the second by the Ministry of Justice.

- The advisory role of the State Council includes revising and correcting draft laws submitted by the Government. It is important however to note that the State Council’s role in this respect is merely consultative and does not bind the Government nor the Minister who submits the draft law. Moreover, during
the years, the role of the State Council has increasingly become concerned with linguistic and drafting aspects in a narrow legalistic sense.

- Typically this process is initiated when the competent Minister sends the Draft Law to the President of the State Council requesting the review.
- The President then sends it to the Chairman of the Legal Opinion and Legislation Section of the Council who forms a committee of senior councilors to review the Draft Law.
- A meeting, or several ones, is then organized for the committee discussions to which are invited representatives of the Ministry that proposed the Draft Law as well as representatives of other relevant authorities.
- Once the discussion is over the formal opinion of the State Council is sent to the Minister who may choose to act accordingly.
- The process of review by the State Council could take a long time, but is often speeded up by special request from the referring minister.

- The second revision process, which although not specifically spelt out in the law but increasingly relied upon, is conducted by the Legislative department of the Ministry of Justice.
  - Here again the process entails the Minister in charge, or the Prime Minister, sending the draft law to the senior Councilor in charge of the legislative department who then forms a committee of experts within the department as well as from outside the ministry of justice to which are invited representatives of the ministry that referred the draft law.
  - Once the review process is completed, the Draft Law is sent back to the Minister in charge or to the Prime Minister as the case may be.

- Upon the final approval of the Draft Law by the Council of Ministers, it is then formally sent to the President of the Republic. Final Review may then be
undertaken by his office before the Draft Law is officially signed by the President and sent to the Parliament.

N.B  It is perhaps worth noting here that a new phase in the law making process is increasingly becoming significant, whereby the government at some stage in the review process may request the opinion of the governing party—currently the National Democratic Party— which forms an internal committee to review the Draft Law and provides an opinion on it to the Government before it is sent for review by the State Council and the ministry of Justice
H. Formalization

Formalization does not necessarily have to take the form of a law per se. Despite highlighting a law as the main outcome of policy formulation, it must be noted that this is the ultimate achievement of a policy development process. However, other forms of formalization include:

- **Presidential decrees**: in case if the people’s assembly is not in session the presidential decree is enforced as a law, however if the people’s assembly is in session, the decree should be passed to the people's assembly for discussion for a period no more than 15 days.

- **Prime Ministerial decrees**: in this case the prime minister has the authority to issue decrees without the consent of other ministers or he could pass the recommendation to the ministers to get their feedback before issuing the decree.

- **Ministerial decrees**: the only case that a ministerial decree could be enforced as a law is when he is given the authority by law to be responsible for issuing laws concerning a certain issue. Apart from that a ministerial decree should be first passed to the prime minister where he will approve it to be discussed in the people’s assembly as a policy recommendation from the government.

- **Government announcement** e.g. setting aside a certain percentage of government procurement to SMEs

H.1 Issuing a law

- Depending on its subject matter, a Draft Law will be directed to a Parliamentary Committee. There are currently 18 such committees, each covering a certain scope of subjects. However, in case of submission of the Draft Law by a member of Parliament, the Draft is reviewed first by a Central Committee called the **Proposals and Complaints Committee** which will decide whether the Draft is suitable enough to be sent to the subject Committee or not. Suitability here however, is purely technical, and a draft will be rejected, if for example, it is drafted in a manner that is incompatible with legal norms, or if it is not researched at all.
Once the draft law has reached the subject Committee, the process of review begins again. This is a crucial stage at which a new piece of legislation gets the most exhaustive review in Parliament. The Committee is formed of members. It is not an ad-hoc committee in the sense that it is constituted upon the opening of the Parliamentary Term and not for the purposes of reviewing a specific Draft Law.

Sometimes a Draft Law will require by more than one Committee if its subject matter is broad enough. In this case the review will be made by a joint meeting of the relevant Committees. Members of the Parliament who are not members of the committee are allowed to participate in the sessions and to voice their opinion. Experts in the field, representatives of ministries and others may be invited to attend and to express their views. But at the end, only members of the Committee are allowed to vote on the Draft Law.

Voting is undertaken first on the subject matter in principle, then on an article-by-article basis.

After amendments and changes have been made in the articles of the Draft Law, the whole draft is voted on again in its final form. From this stage, the Draft Law is sent to the Speaker of the Parliament with a request that a session be scheduled for its final approval by the plenary meeting.

In the plenary meeting, the Chairman of the subject Committee takes the lead in preparing the draft law to the whole chamber of deputies, in describing it and in explaining the changes that have been introduced thereto by the committee. The Minister who made the original proposal must be present, as are normally other members of the Government. Although it is possible for outside experts to attend, this is done upon a vote of the members of the Parliament and is therefore kept to a minimum.

The discussion by the plenary meeting follows the same route as the committee procedures whereby the draft law is first discussed and voted upon in principle and its entirety, and then on an article-by-article basis. The speaker of the parliament conducts the discussion and allows all members to voice their opinion but may require that each speaker be limited to a certain amount of time and may take a vote on the discontinuation of the discussion of a specific article.
At the end of this process, and once all articles of the Draft Law have been approved, a final vote will be taken on the whole draft law once more. This will normally take place one week following the end of the discussions in order to allow the members a final chance to consider the draft law, but may take place earlier in cases of emergency or for special circumstances.

- It is important to note that until the final vote on the draft law is cast, any changes may still be introduced therein. All votes of parliament are taken by the simple majority.

At this point, the draft law is sent in its final form to the President of the Republic who can either approve the law or formally issue it or disapprove it. In the latter case, the President may return the Draft Law to Parliament within 30 days. If however, Parliament votes on it again favorably but by a two thirds majority then the law is deemed approved and is to be issued.

- Formally speaking, a law will not be effective except after it is published in the Official Journal. The Law will therefore state that it comes into force after a certain time from the date of its publication. This date may range from one day to several months depending on the level of preparation required by the authorities, market, and society.
I. Implementation

I.1 What is implementation?

Implementation involves introducing the policy into practice after the decision to adopt a course of action is taken. It is important at all stages of the policy development process to consider practical, achievable implementation strategies.

I.2 Why do Implementation

1. how a policy is implemented (and by whom) is as important as the basic policy and requires just as much critical attention by policymakers such as Ministers as was given to developing the original policy;
2. there are strategic choices in implementation which affect the ultimate success of the policy and the use of resources;
3. implementation is a far more complex process than was originally thought;
4. departments and agencies have their own interests and concerns about policies and may not be relied upon to implement all government policies without question; and
5. policy development is intricately related to implementation issues and tasks (see below).

I.3 How to do Implementation

Stakeholders face a number of tasks and a range of choices to ensure government policies are successfully executed.

Some of these tasks will often involve a number of practitioners acting across government to resolve all relevant issues. These include:

1. establishing organizational ownership both in government as a whole and within particular agencies;
2. developing and clarifying timeframes for implementation;
3. allocating resources;
4. marketing the policy to potential 'clients'/customers;
5. choosing policy instruments;
6. ensuring mechanisms of enforcement;
7. developing, monitoring and accountability processes; and
8. reviewing outcomes.

The table below relates these key tasks to more specific activities and choices.

### 1.3.1 Implementation tasks and issues

<table>
<thead>
<tr>
<th>Key tasks</th>
<th>Issue</th>
<th>Criteria</th>
<th>Impact on implementation</th>
</tr>
</thead>
</table>
| Establishing Organizational Ownership | – Which department?  
• central agency  
• functional agency  
– Which departmental section?  
• central coordination  
• line division  
• regional | – Issue definition  
– Origin of policy problem  
– Stakeholder groupings  
– Overcoming 'capture' problem  
– Past ownership  
– Experience | – Level of innovation  
– Policy direction |
| Developing Timeframes    | – Short term  
– Long term  
– How realistic? | – Nature of problem  
– 'Political' pressure | – Project or strategies focus  
– Adequacy of resources  
– 'making do' |
| **Resource Allocation** | - Assessment on what is really needed to affect problem (staff, expenditure, time)  
- Existing programs | - Nature of problem  
- Urgency  
- Political priority | - Awareness/use of policy  
- Acceptance  
- Ease of implementation  
- Modifying policy |
|------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| **Marketing** | - Communication  
- External/internal audience identification  
- Alerting stakeholders to policy existence  
- 'Selling' policy  
- Testing/feedback | - Type of policy (new)  
- Complexity of issue  
- Nature of policy community  
- Nature of policy instruments (coercive or non-coercive) | - Suits problem  
- Cost |
| **Choosing Policy Instruments** | - Choosing types (non-coercive, coercive) | - Nature of issue  
- Problem identification | - Maintain focus |
### I.3.2 Ensuring effective implementation

One of the key tasks and concerns about implementation is ensuring 'enforcement' systems are put in place to ensure individual compliance with the policy. Sometimes this is a policing matter, as with the policies of the criminal law. Sometimes it is administrative, as with monitoring departments' compliance with public service management policies.
Choosing policy instruments is integral to policy analysis and implementation and this becomes especially clear in discussing the enforceable policies. For instance, if policy implementation involves coercive instruments, then inevitably implementation will involve stricter and more direct means of enforceability.

The table below highlights the connection between choice of policy instruments and methods of enforceability in implementation.

### 1.3.2.1 Policy instruments and enforceability issues

<table>
<thead>
<tr>
<th>Policy instrument</th>
<th>Enforceability mechanism</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coercive</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licensing</td>
<td>Regulation/policy inspection</td>
<td>Professional employment, environmental standards, activities (national parks permits)</td>
</tr>
<tr>
<td></td>
<td>Fines</td>
<td></td>
</tr>
<tr>
<td>Legislation</td>
<td>Legal action (private and public) to comply with 'punishment' provisions</td>
<td>No smoking on planes</td>
</tr>
<tr>
<td>Administrative direction</td>
<td>Administrative codes</td>
<td>Directions to public service</td>
</tr>
<tr>
<td></td>
<td>Employment conditions</td>
<td></td>
</tr>
<tr>
<td>Reporting</td>
<td>Annual reporting processes</td>
<td>Managing for Outcomes process</td>
</tr>
<tr>
<td></td>
<td>Project/operational reporting</td>
<td>Spending of community grants</td>
</tr>
<tr>
<td></td>
<td>Budget reporting/auditing</td>
<td>Auditor-General</td>
</tr>
</tbody>
</table>
### Compulsory taxation

<table>
<thead>
<tr>
<th>Payment</th>
<th>Tollways</th>
</tr>
</thead>
</table>

### Non-coercive

#### Communication

- Limited enforcement
- Legal enforcement
- Setting standards, ownership issues
- Local firms

#### Contracts

- Anti-smoking campaigns
- Government purchasing agreement
- Government purchasing policy

#### Purchasing

- Encouragement, incentives
- Film production subsidies
- Training incentives

#### Non compulsory loans, subsidies, tax breaks

- Promoting competition
- Deregulation of telecommunications

#### Market signals

- Promoting competition

### I.3.2.1.1 Enforcement failure

Policies may be unsuccessful in achieving their desired outcomes because of enforcement failure. The table below shows some of the reasons for enforcement failure, with brief examples.

#### I.3.2.1.1 Reasons for Enforcement Failure

<table>
<thead>
<tr>
<th>Reason for failure</th>
<th>Explanation</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inherent unenforceability</td>
<td>The policy is inherently</td>
<td>Banning individuals from entry to busy public places is only enforceable if the individual is readily</td>
</tr>
<tr>
<td><strong>Resource constraints</strong></td>
<td>Enforcing the policy would be too costly, due to the number of staff or administrative requirements</td>
<td>A policy to reduce water wastage by requiring home owners to replace tap washers every six months would mean recruitment of a huge work force of inspectors or a massive bureaucracy to process householders' returns.</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Policy parameters beyond control</strong></td>
<td>The policy concerns events that are beyond the control of the Country, such as natural events, or activities beyond the Country's jurisdiction either geographically or legally</td>
<td>The Country cannot make it rain to end a drought.</td>
</tr>
<tr>
<td><strong>Sanction not causally related to desired behavior change</strong></td>
<td>The sanction provided to motivate behavior change does not in fact lead to the desired behavior, or deter the undesirable</td>
<td>Financial penalties against young offenders: either the person has no access to money, or parents bear the consequences of the child's behavior by paying the fine. Reporting to parliament of non-compliance with an unpopular measure may not have the desired effect of public reaction against the non-complying company.</td>
</tr>
<tr>
<td>unenforceable. This is most common with policies about private behavior or morality</td>
<td>distinguishable from others.</td>
<td></td>
</tr>
<tr>
<td>Behavior</td>
<td>Inadequate or irrelevant enforcement powers</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Inspectors and police only have power granted under enactment, and powers are usually limited to those necessary, to protect civil liberties. However powers should be all those reasonably required in the circumstances.</td>
<td>Enforcement officers' powers are not adequate, or not relevant to the circumstances</td>
<td></td>
</tr>
</tbody>
</table>

I.3.2.2 Other implementation failures

Sometimes policies fail to achieve their desired outcomes for reasons other than enforceability. This section outlines some of those causes, and stresses to practitioners the need to focus on implementation planning as an integral part of policy development and analysis.

- Inappropriate Implementation Strategy

Overly complex implementation strategies can fail to deliver effectively on the policy outcomes. Complex strategies may weaken the policy's effectiveness by weakening the cause and effect links between the output and the desired outcome.

- Wrong Implementation Organization

The government agency that develops policy will usually be responsible for implementation and subsequent administration. Sometimes, implementation will fail if the agency is inappropriate to the task because of:

1. lack of long term expertise in policy area;
2. no prior experience in the area;
3. mismatch between agency expertise and culture with that of stakeholders; or
4. No operational expertise.

- Inappropriate Policy Instrument Choice
The policy instruments should be appropriate to the policy issue, and effective in achieving the desired outcome. Many policies will require a mixture of policy instruments. Failure to select the appropriate mix may lead to implementation failure.

• Disagreement within Government

Well designed policy will result in harmoniously operating programs. However, there is always a strong need for coordination within, and especially between, agencies to manage conflict and disagreement about priorities. The ideal/principle of bureaucratic neutrality does not preclude the reality of internal politics, reflected in:

1. competition for control and resources both within and between agencies;
2. arguments about conflicting values; and
3. Resistance to change.

• Communication Mistakes

Imprecise or inadequate communication can cause implementation failure. This may be:

1. disassociation of initial consultation from the decision making process;
2. failure to provide feedback to stakeholders;
3. poor targeting of communication;
4. failure to communicate with others responsible for policy instrument development;
5. failure to communicate to implementation agents; and
6. incorrect interpretation of policy in communication.

• Implementation Operationally Impractical

Operational impracticality can result from:

1. inadequate resources;
2. poor location of resources;
3. inadequate training of implementation agents;
4. delays, meaning the nature of the problems has changed; and
5. failure to plan implementation sequences properly.

• Community Policies Expectations not met

Implementation may fail because the community, especially the key stakeholders, is disappointed in the final policy either because of content ('this is not quite what we wanted; it does not go far enough') or sense of importance (resources are less than what was promised). To some extent all policies will meet some of these sorts of criticisms. The issue for practitioners is to limit these possible reactions through proper policy analysis (what's desirable) and, by appropriate consultation, develop a sense among the key stakeholders about what is possible.
J. Monitoring and Evaluation

J.1 What is evaluation

Evaluation is a formal process for testing the effectiveness of programs by measuring outcomes against performance indicators that have been determined beforehand.

Evaluation can also be defined as an activity (or range of activities) designed to judge the merits of government programs and policies. Available methodologies vary significantly in the specification of object, the techniques of measurement and the methods of analysis.

After having an issue emerge on the policy agenda; deciding how to define the policy problem; formulating policy responses to the problem; and having those responses (policies) adopted and implemented - policy officers now confront the basic issue of whether the policy had the intended effect on the issue. Other questions to consider are:

1. What were the connections between the policy as implemented and changes in the areas it is supposed to be influencing?
2. What has been the impact of the policy?
3. Has the policy really caused the claimed changes or are other factors involved?
4. Was the problem being tackled the right one at the right time?

Evaluation is often seen as a purely technical activity using formal processes of assessment and reporting. It is not. Practitioners must appreciate that although evaluation like all the other activities of policy development does involve specialized expertise and technical processes, it should not be seen as somehow distinct from the administrative and political environment in which it works.

Evaluation is not an activity that occurs only after a policy has been implemented. This manual has stressed on issues that practitioners need to consider in developing policy.
### J.2 Why is evaluation needed

Evaluation is an important part of the policy process because it helps to answer, among others, the following questions:

1. Is the policy producing the desirable policy impacts?
2. Are there causal links between the policy in place and what is actually happening in the policy area?
3. Are the policy instruments and settings wrong or ineffective?
4. Are changing circumstances impacting on the policy objectives?
5. Are changes in the policy environment marginalizing previously important policy assumptions (e.g. emerging research, changing economic circumstances, crises)?
6. Are resources being effectively allocated?
7. Are current policies meeting current government priorities? and
8. Can resources from one policy program be freed (by cuts or termination) to meet new policy demands?

However, evaluation should focus not only on financial aspects of policy outcomes, but also on social, environmental, legal and other policy frameworks, which are important guides to ensuring policies meet the 'good policy' goals which are summarized as follows:

1. Appropriateness of the policy in meeting government goals;
2. Efficiency (i.e. use of resources) in achieving those goals; and
3. Effectiveness (i.e. policy actually achieves desirable impacts).

### J.3 When should evaluation be done

Evaluation may occur before a policy is fully launched by way of pilot projects, during the implementation of policy, or after the policy has been in place for some time. Because most public sector managers are busy in the day-to-day running of programs there is often never a 'right' time for evaluation. Experimental or pilot studies, although useful, are expensive, take a lot of time, will delay government initiatives and can be so modified as to be rendered useless. However, if the cost of full scale implementation is high and causal links are uncertain, then a pilot study is probably indicated.
Many policies take a long time to have an impact and therefore it is sometimes almost impossible to establish causal links between policy and impact. An example is the argument that free education would result in sufficient increases in economic output to pay for itself. Evaluation does not always produce simple or clear results. A stronger economy emerging 10 or 20 years after introduction of free education would not be proof of the argument. It may be merely an interesting coincidence.

**J.4 How should evaluation be done**

Good evaluations are systematic, and data collected is the result of planning by policy officers. When a formal evaluation phase is planned in advance to assess implementation effectiveness and efficiency, a greater range of techniques is available.

If evaluation is planned only after full scale implementation is in progress, options such as before and after studies, formal experimental methodologies, or modeling techniques become unavailable. Early planning for evaluation therefore increases flexibility and is an important indicator of policy officer effectiveness. In other words, an evaluation framework should be developed in conjunction with the design and implementation of the subject policies to ensure that the data and information required to support the evaluation can and will be collected.

**J.4.1 Target of evaluation**

Evaluation may focus on various different stages of the policy development cycle: issue identification; selection of policy options and choice of policy instrument; consultation; decision making and approval; implementation; or, evaluation itself.

<table>
<thead>
<tr>
<th>Stage of policy development cycle</th>
<th>Evaluation tools</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issue identification and policy objectives stage</strong></td>
<td>Internal departmental memorandums, briefing notes to Ministers, information papers to cabinet, and reports to parliamentary committees are the kinds of documents that identify and evaluate</td>
</tr>
</tbody>
</table>
issues and describe their impact on government policy.

<table>
<thead>
<tr>
<th>Selection of policy options and choice of policy instrument stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memorandums seeking approval from program managers, first undersecretaries, Ministers, and policy submissions seeking departmental senior management or cabinet approval generally provide background material on options considered in the policy development process. More extensive details of the preferred option follow, and the description of the action planned generally includes references to policy instruments which detail how implementation will be progressed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consultation stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultative details are mandatory inclusions in cabinet submissions and generally desirable for intra-departmental matters. Approval may be required from the Governor in Council, the Parliament, a particular statutory officer, cabinet, the Minister, Director-General or delegate, depending upon the circumstances.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implementation and evaluation stages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluation focus also tends to change from reviewing processes in earlier stages of the policy development stages to trying to measure outcomes in implementation and evaluation stages. Evaluation in earlier stages of the policy development cycle also tends to be formative, acting to guide action in ensuing stages. In the implementation stages of major projects Think, Do, Test mini cycles could be either formative or summative, aiming either to guide further action or sum up outcomes of distinct sub stages.</td>
</tr>
</tbody>
</table>

Assessing policy impacts can be complicated and needs to take account of:
1. time lags;
2. clear identification of target groups;
3. possible impacts of other policy initiatives;
4. general changes in the policy environment;
5. distinctions between outputs and outcomes;
6. organizational viewpoints (seeking to retain resources or policy ownership); and

### J.4.2 Approaches to evaluation

Practitioners may prefer to segment evaluation into:

1. administrative evaluation (inputs, processes, efficiency, legality);
2. policy evaluation; and
3. political evaluation.

The table below summarizes these.

<table>
<thead>
<tr>
<th>Types of evaluations</th>
<th>Criteria</th>
<th>Techniques</th>
</tr>
</thead>
</table>
| Administrative evaluation | - Level of inputs  
- Processes (simplicity, organizational ownership)  
- Legality  
- Formal authorization (ministerial, cabinet)  
- Financial probity  
- Efficiency | - Review of formal processes in financial management  
- Checking approval processes  
- Meshing activities with project plans/operational plans |
<p>| Policy | - Output | - Budgeting |</p>
<table>
<thead>
<tr>
<th>Evaluation</th>
<th>measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>– Effectiveness</td>
</tr>
<tr>
<td></td>
<td>– Measuring impact</td>
</tr>
<tr>
<td></td>
<td>(short/long term)</td>
</tr>
<tr>
<td></td>
<td>– Cost benefit analysis</td>
</tr>
<tr>
<td></td>
<td>– External reviews</td>
</tr>
<tr>
<td></td>
<td>– Establishing performance indicators in policy design</td>
</tr>
</tbody>
</table>

| Political evaluation    | – Meet government goals |
|                         | – Limited controversy |
|                         | – Community acceptability |
|                         | – Public consultation |
|                         | – Polling |
|                         | – Parliamentary committees |
K. Revisions

Based on the results from the previous stage, the GOE would be in a position to amend certain policies, discontinue it altogether, or identify the need for additional policy measures to complement existing ones.


Office of the Cabinet, 1993, Consultation: A resource Document for the Queensland Public Sector, Government Printer, Brisbane


Environmental Quality International, October 2000, “M/SME Policy Development Project (SMEPOL), Basic Design”.
Annexes
Annex 1: Sample Terms of Reference

Preparation of a Research Study Relative to Increased Accessibility of Finance for M/SMEs: Leasing

Introduction:

Small and medium enterprises represent a crucially important sector of economic activity in Egypt. The Small, Medium and Micro Enterprise Policy Development Project (SMEPoL) has been developed in collaboration between the Ministry of Foreign Trade (MoFT), the Canadian International Development Agency (CIDA) and International Development Research Centre (IDRC) to support Egypt’s transition toward a market economy by assisting the Government to improve the policy environment for M/SME development.

A variety of M/SME support programs have been in place for some years with support from government, NGOs and donor agencies. The overall policy environment in Egypt remains complex but new or renewed M/SME policies are seen to be vital to support the employment challenges facing Egypt over the coming years.

The purpose of the project is to support the leadership of MoFT in the development of M/SME policies, legislation and regulations. The overall impact of the project will be an improved M/SME policy environment resulting in reduced financial and non-financial constraints and increased opportunities for M/SME development.

MoFT has responsibility for trade related policies including export promotion for M/SMEs and has been given formal responsibility to coordinate M/SME policy in Egypt. SMEPoL will support MoFT to develop specific policies and legislation for implementation by the ministry and others at the same time as it works to strengthen the internal capacities of staff through training and technical assistance. The project will also support research to provide the Ministry and other stakeholders with better information on M/SME issues and will promote networking between the Ministry and other stakeholders within and outside government.
MoFT has taken steps to establish a favourable policy environment necessary for the development of M/SMEs in Egypt including the publication and distribution of a “Draft National Policy on Small and Medium Enterprise Development in Egypt” issued by the ministry in June 1998. This policy constitutes a frame of reference for both policy makers and service providers while highlighting the parameters and basic direction necessary for achieving policy consistency objectives.

**Background:**

Since its commencement, the Small and Medium Enterprise Policy Development Unit has sought to achieve an improved M/SME policy environment. In its effort towards achieving this objective, increasing accessibility of M/SMEs to finance has been identified as one of the priority policy areas.

Within this context, several research assignments and studies have been undertaken since 2001 on various mechanisms to enhance M/SME access to finance. In June 2001, a report on the “Status of M/SME Financing in Egypt” was prepared followed by a background study on credit bureaus and credit scoring published by MoFT.

In addition to the aforementioned study and the present Terms of Reference concerning Leasing, other individual studies are planned to take place this year, including:

- M/SME access to credit and credit guarantees
- Venture Capital
- Credit bureaus and credit scoring in Egypt
- Mortgage
Objectives:
The specific objective of these Terms of Reference is to produce a comprehensive study on existing constraints and to thoroughly and comprehensively report on financial leasing as a means for increased financing for M/SMEs, the details of which are stated in the scope of services below.

This will assist with the completion of Outputs 1.1.1 and 1.3.1 of the SMEPoL Project Implementation Plan (PIP), which are to:

“1.1.1 Update the draft (1998) National Policy Document,
1.3.1 Develop proposals for reform of financial system to remove constraints to extensions of financial services to M/SMEs

Scope of Consulting Services:

Undertaking original research and using as a background and reference, previous reports and publications including but not limited to recently produced documents entitled, “Policy Issues for the Development of the Small and Medium Enterprise Sector”, “Status of M/SME Financing in Egypt” and a literature review undertaken by MoFT, the report should cover but not be limited to the following:

1. Provide a brief background to leasing, covering hire-purchase, financial leasing and operational leasing

2. Review international experiences and best practices in the provision of leasing and enhancing the access to this facility by SMEs. For this section of the report, it is anticipated that successful and failed experiences should be reviewed. Constraints and mechanisms that have been adopted to overcome them should be reviewed in order to adequately build on previous experience and avoid any obstacles to the growth of the leasing industry in Egypt.
3. Assess the feasibility of developing and expanding a leasing system in Egypt; -
   • Review the current laws pertaining to leasing in addition to assessing the
     new banking law and its implications for the implementation of
     expansionary policies.
   • Survey the experience of existing leasing companies in Egypt
   • Review the role of the various financial institutions (e.g. banks,
     development banks, social fund for development, donor supported
     organizations), SME development organizations and possible public sector
     interventions in order to propose a coordinated strategy for the
     development of leasing in Egypt
   • Identify constraints to the expansion of leasing services in Egypt
     encompassing the institutional infrastructure, enabling legal and regulatory
     environment, incentive structures, superintendence and supervisory
     authorities and entry barriers
   • Propose reform mechanisms in order to enhance support for leasing
     companies, existing and start-ups
     – Assess any training needs that may arise as a consequence
     – Propose initial framework for enhancing awareness of leasing
     – Propose reform mechanisms to address collateral requirements
       for SMEs subscribing to leasing facilities. In addition to interest
       rate requirements and guarantees and possible incentive schemes
       (e.g. tax policy).

4. Develop an action plan encompassing all proposed measures, laying out a
   timeframe for all interventions, the legislation needed to implement these reforms
   in addition to laying out the roles of each party involved in the reform process.
   Final recommendations proposed shall include means to monitor and evaluate the
   proposed structure.

Output of Consulting Assignment:
A comprehensive study of leasing as a means to enhance SME accessibility to finance is the overall objective of these Terms of Reference. The report submitted shall identify the framework and implementation strategy for developing and expanding the leasing industry in Egypt. The report shall cover the roles of all actors needed to take part in the structure and assign specific roles to them, addressing any changes in legislation that need to be addressed. For this purpose the final recommendations will be submitted in the form of an action plan with specific tasks set out for each authority, support institution and private sector parties involved including a time frame for each task.

**Fields of Expertise**

It is suggested that the consultant’s team include the following experts:

- Team Leader – Leasing expert
- Senior researcher
- SME Policy Advisor
- Legal expert

**Data, Services and Facilities for the Consultant:**

**Duration and Timing:**

The Consultant’s assignment shall not exceed xx weeks in total. The implementation should commence during mm/yr and conclude no later than mm/yr.

**Notes:**

1. Other options to address the access to financing issue will be the subject of Terms of Reference for subsequent studies.
2. All final documents and reports must be translated into Arabic.
3. All documents must be submitted in hard copy and in by disk in MS Word

**Budget:**
Accommodation and Transportation:

The cost of accommodation, transportation and any other support facilities required for the assignment must be included in the fees and expenses for rendering the agreed services.

Management Authority

The consultancy services contract shall be made between the Consultants and the International Development Research Centre (IDRC) on behalf of SMEPol.

The Technical Assistance Consultant shall work under and report to SMEPol concerning all aspects of the professional services rendered in accordance with the present Terms of Reference.

Changes in the Terms of Reference may be made only according to needs subject to mutual written agreement between SMEPol, IDRC and the consultants.

Contracting agency:

International Development Research Centre
3 Amman Square, Dokki
POB 14 Orman, Giza, Egypt
Telephone: +20 2 336-7051/2/3
Fax: +20 2 336-7056
e-mail: ashams@idrc.org.eg

Contact person at SMEPol:

Rasha El-Hhabashy
e-mail: rhabashy@sme.gov.eg

Reporting

The consultant shall be responsible for preparation and submission of reports and documents which will include but not be limited to the following:

1. First interim report at
2. Second interim report at
3. Final report at

Progress meetings should take place on a regular basis with SMEPol after an initial take-off meeting at the start of the assignment.

Date: April 2003

Small, Medium and Micro Enterprise Policy Development Project – SMEPol

Funded and supported by the Canadian International Development Agency (CIDA)
Annex 2: Sample Request for Proposal

Request for Proposal No. xxx

Research Study on Leasing for Small, and Medium Enterprise (M/SME) Policy Development

Date of Issue: xxx

Deadline for Questions: xxx

Deadline for Submission: xxx
Index of Request for Proposal

This RFP is composed of the following sections and attachments:

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<th>Description</th>
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<td>Section II</td>
<td>Purpose</td>
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<td>Section III</td>
<td>Technical Proposal</td>
</tr>
<tr>
<td>Section IV</td>
<td>Price Proposal</td>
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<tr>
<td>Section V</td>
<td>Bidding Procedures</td>
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<td>Section VI</td>
<td>Conditions and Limitations</td>
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<td>Technical Proposal Evaluation Criteria</td>
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<tr>
<td>Attachment B</td>
<td>All-Inclusive Comprehensive RFP Price Proposal</td>
</tr>
</tbody>
</table>
I. Introduction

Small and medium enterprises represent a crucially important sector of economic activity in Egypt. The Small, Medium and Micro Enterprise Policy Development Project (SMEPoL) has been developed in collaboration between the Ministry of Foreign Trade (MoFT), the Canadian International Development Agency (CIDA) and International Development Research Centre (IDRC) to support Egypt's transition toward a market economy by assisting the Government to improve the policy environment for M/SME development.

A variety of M/SME support programs have been in place for some years with support from government, NGOs and donor agencies. The overall policy environment in Egypt remains complex but new or renewed M/SME policies are seen to be vital to support the employment challenges facing Egypt over the coming years.

The purpose of the project is to support the leadership of MoFT in the development of M/SME policies, legislation and regulations. The overall impact of the project will be an improved M/SME policy environment resulting in reduced financial and non-financial constraints and increased opportunities for M/SME development.

MoFT has responsibility for trade related policies including export promotion for M/SMEs and has been given formal responsibility to coordinate M/SME policy in Egypt. SMEPoL will support MoFT to develop specific policies and legislation for implementation by the ministry and others at the same time as it works to strengthen the internal capacities of staff through training and technical assistance. The project will also support research to provide the Ministry and other stakeholders with better information on M/SME issues and will promote networking between the Ministry and other stakeholders within and outside government.

MoFT has taken steps to establish a favourable policy environment necessary for the development of M/SMEs in Egypt including the publication and distribution of a “Draft National Policy on Small and Medium Enterprise Development in Egypt” issued by the ministry in June 1998. This policy constitutes a frame of reference for both policy makers and service providers while highlighting the parameters and basic direction necessary for achieving policy consistency objectives.

For information on the Ministry's initiatives to support SME development, kindly refer to www.sme.gov.eg.
II. Purpose

Since its commencement, the Small and Medium Enterprise Policy Development Unit has sought to achieve an improved M/SME policy environment. In its effort towards achieving this objective, increasing accessibility of M/SMEs to finance has been identified as one of the priority policy areas.

Within this context, several research assignments and studies have been undertaken since 2001 on various mechanisms to enhance M/SME access to finance. In June 2001, a report on the “Status of M/SME Financing in Egypt” was prepared followed by a background study on credit bureaus and credit scoring published by MoFT.

In addition to the aforementioned study and the present Terms of Reference concerning Leasing, other individual studies are planned to take place this year, including:

1. M/SME access to credit and credit guarantees
2. Venture Capital
3. Community Investment Initiatives
4. Credit bureaus and credit scoring in Egypt
5. Mortgage

The specific objective of these Terms of Reference is to produce a comprehensive study on existing constraints and to thoroughly and comprehensively report on financial leasing as a means for increased financing for M/SMEs by providing a series of comprehensive, specific and explicit policy recommendations. Details are stated in the scope of services below.

This will assist with the completion of Outputs 1.1.1 and 1.3.1 of the SMEPoL Project Implementation Plan (PIP), which are to:

“1.1.1 Update the draft (1998) National Policy Document,
1.3.1 Develop proposals for reform of financial system to remove constraints to extensions of financial services to M/SMEs

III. Technical Proposal

Objective:

To produce a comprehensive study on existing constraints and to thoroughly and comprehensively report on financial leasing as a means for increased financing for
M/SMEs by providing a series of comprehensive, specific and explicit policy recommendations.

**Scope of Consulting Services:**

Undertaking original research and using as a background and reference, previous reports and publications including but not limited to recently produced documents entitled, “Policy Issues for the Development of the Small and Medium Enterprise Sector”, “Status of M/SME Financing in Egypt” and a literature review undertaken by MoFT, the report should cover but not be limited to the following:

1. Provide a brief background to leasing, covering hire-purchase, financial leasing and operational leasing
2. Review international experiences and best practices in the provision of leasing and enhancing the access to this facility by SMEs. For this section of the report, it is anticipated that successful and failed experiences should be reviewed. Constraints and mechanisms that have been adopted to overcome them should be reviewed in order to adequately build on previous experience and avoid any obstacles to the growth of the leasing industry in Egypt.
3. Assess the feasibility of developing and expanding a leasing system in Egypt; -
   - Review the current laws pertaining to leasing in addition to assessing the new banking law and its implications for the implementation of expansionary policies.
   - Survey the experience of existing leasing companies in Egypt. For this particular part of the study, the consultants are expected to conduct a minimum of ten interviews with leasing companies currently and previously operating in Egypt. The survey should assess the typical client profile for these companies in addition to any obstacles they have faced during the course of their operation, and means for improving access to these companies by SMEs.
   - Review the role of the various financial institutions (e.g. banks, development banks, social fund for development, donor supported organizations), SME development organizations and possible public sector interventions in order to propose a coordinated strategy for the development of leasing in Egypt.
   - Identify constraints to the expansion of leasing services in Egypt encompassing the institutional infrastructure, enabling legal and regulatory environment, incentive structures, superintendence and supervisory authorities and entry barriers.
   - Propose reform measures and mechanisms in order to enhance support for leasing companies, existing and start-ups
     - Assess any training needs that may arise as a consequence
     - Propose initial framework for enhancing awareness of leasing
     - Propose reform mechanisms to address collateral requirements for SMEs subscribing to leasing facilities. In addition to interest rate requirements and guarantees and possible incentive schemes (e.g. tax policy).
Develop an explicit, specific and comprehensive action plan encompassing all proposed measures, laying out a timeframe for all interventions, the legislation needed to implement these reforms in addition to laying out the roles of each party involved in the reform process. Final recommendations proposed shall include means to monitor and evaluate the proposed structure.

Output of Consulting Assignment:

A comprehensive study of leasing as a means to enhance SME accessibility to finance is the overall objective of these Terms of Reference. The report submitted shall identify the framework and implementation strategy for developing and expanding the leasing industry in Egypt. The report shall cover the roles of all actors needed to take part in the structure and assign specific roles to them, addressing any changes in legislation that need to be addressed. For this purpose the final recommendations will be submitted in the form of a comprehensive action plan with specific tasks set out for each authority, support institution and private sector parties involved including a time frame for the completion of each task.

Fields of Expertise

It is suggested that the consultant’s team include the following pool of experts:
Team Leader – Leasing expert
Senior researcher
SME Policy Advisor
Legal expert

Duration and Timing:

The Consultant’s assignment shall not exceed 12 weeks in total. The implementation should commence during June 2003 and conclude no later than early September 2003.

Notes:

1. Other options to address the access to financing issue will be the subject of Terms of Reference for subsequent studies.
2. All final documents and reports must be submitted in both English and Arabic.
3. All documents must be submitted in hard copy and in by disk in MS Word
4. The consultant will be expected to deliver a presentation on the assignment at a workshop to be organised by SMEPol
IV. Price Proposal

A. Format:
A price proposal must be submitted in the format presented in Attachment B. Attachment B is an All-Inclusive RFP Price Proposal that summarizes all costs covered by this RFP.

B. Major Line Items:
Attachment B presents line item costs in terms of:

- **Partnership Price Allocation:** In the event that a partnership is formed to prepare a proposal, the respective percentages of the total price attributable to each partnering firm must be shown on Line VI of Attachment B (e.g., firm X @ 75%, and firm Y @ 25%).

- **Cost Limitations:** IDRC regulations regarding travel and per diem apply.

- **Exchange Rate:** For consistency, all issues that may arise and require currency conversions, the prevailing formal exchange rate at time of subcontract shall be applied.

- **Currency of Price Data:** All price data must be represented in Egyptian Pounds (LE) only.

- **Financial Capacity:** All bidders must have the financial capacity to fully implement the proposed Assessment using their own funds; IDRC will not advance funds. By submitting a price proposal, IDRC considers the proposal as a guarantee of the organization’s financial capacity to implement the program without recourse to IDRC for advanced funds.

- **Segregation of Price Data:** Price (and cost) data must not be shown in any format or section of the technical proposal; inclusion of price/cost data in the technical proposal will disqualify a proposal. Bidders must abide only with the line required line items of the price proposal, as shown in attachment B of this RFP.

V. Bidding Procedures

A. **Issuance of RFP**—The RFP will be distributed in hard-copy only, via mail beginning 18/05/2003 via MoFT’s mail distribution list.
B. **Deadline for Submission**—The technical and price proposals must be sent to the attention of Rasha El-Habashy and received at The Ministry of Foreign Trade at 8 Adly St, Downtown, Cairo, 7th Floor no later than 3:00 pm Cairo time on 08/06/2003.

**Note:** Any proposal presented at MoFT’s office after the specified closing date and time will not be accepted.

C. **Proposal Receipt**—All proposals received by MoFT will be received against an official submission receipt that is clocked and signed.

D. **Questions Regarding RFP**—Questions must be submitted in writing to the attention of Rasha El-Habashy at MoFT office by e-mail, fax or letter no later than 2:00 pm 25/05/2003. Answers to questions deemed to have a material impact on the proposal preparation process will be addressed in writing and sent via email or fax consultants who submit a fax, or letter to the attention of Rasha El-Habashy requesting a copy of the Questions & Answers. If a consultancy firm does not submit an e-mail, fax, or letter requesting the Questions & Answers for the RFP, MoFT will not send a copy.

E. **Format for Submission**—The technical and price proposals shall be submitted as follows:

1. **Technical Proposal**—An original (1) and three (3) copies of the technical proposal shall be submitted. A transmittal letter with the following information should be included:

   - The RFP number and title.
   - The duration for which the offer is valid.
   - The signature and contact information of the offeror’s official agent authorized to represent and negotiate for all aspects of this RFP and any resulting subcontract award.

2. **Price Proposal**—One (1) original copy of the price proposal shall be submitted. The price proposal shall be submitted in the same envelope with the technical proposal and shall include a copy of the transmittal letter specified in Section V.E.1.

3. **General**

   (a) **Marking**—The outer envelopes for both the technical and price proposals should be clearly marked with the following information: RFP number, RFP title, and the full name of the offering organization, with telephone, fax, and email addresses, and the respective contents of the envelopes (e.g., Contains Technical Proposal or Contains Price Proposal).

   (b) **Electronic Offers**—Proposals sent only by Mail will be accepted.
(c) **Language of Proposal**—The technical proposal and the price proposal must be in English.

F. **Responsiveness**—Those technical and price proposals which are not submitted according to the formats requested, and in accordance with the instruction of this RFP, will be considered as non-responsive and disqualified.

---

### VI. Conditions and Limitations

<table>
<thead>
<tr>
<th>A. Preparation Costs</th>
<th>IDRC will not pay for any costs incurred by the offeror in preparation of the proposal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Amendments</td>
<td>IDRC reserves the right to issue an amendment(s) to the RFP at any time at its discretion. All amendments will be in written format only.</td>
</tr>
<tr>
<td>C. Withdrawal of RFP</td>
<td>IDRC reserves the right to withdraw this Request for Proposal at any time—with or without statement of cause—prior to the actual award.</td>
</tr>
<tr>
<td>D. Implementation Schedule</td>
<td>IDRC reserves the right to modify the implementation schedule on written notice. A bidder has the right to withdraw from the competition at any time.</td>
</tr>
<tr>
<td>E. Payment</td>
<td>IDRC will negotiate with the successful bidder a fixed-price-contract that includes a defined payment schedule that stipulates two (2) or more payments:</td>
</tr>
<tr>
<td>1. First Payment</td>
<td>Normally, payment will be made after completion of the First Draft of the Study.</td>
</tr>
<tr>
<td>2. Second Payment</td>
<td>Normally, payment will be made after the successful completion of the Study.</td>
</tr>
</tbody>
</table>

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### VII. Evaluation and Determination of Subcontract Award

| A. Most Advantageous Offer | Award shall be made by IDRC to the offeror whose proposal is evaluated as most advantageous—technical, price, past performance and other factors considered. Attachment A illustrates the Technical Proposal Evaluation Criteria. All technically qualified offers will be subject to financial analysis to determine the overall price efficacy of their price proposal. In reviewing price proposals, offered prices will be evaluated against to-date IDRC price and |
cost data garnered from previous procurements, and open market conditions to determine reasonableness. A majority of the weighting will be given to the technical score. IDRC/MoFT staff in Charge of SMEPoL (or their designees) will make the final decision regarding award.

B. Right to Withhold Award—If in IDRC’s judgment, none of the offers received are advantageous, IDRC reserves the right to not award the subcontract.

C. Ownership of Proposals—All proposals received (technical and price) in response to the RFP will be the property of IDRC and will not be returned.

ATTACHMENT A

Technical Proposal Evaluation Criteria

Each of the following technical categories will be evaluated according to the detailed description in Section III of the RFP:

<table>
<thead>
<tr>
<th>Technical Proposal</th>
<th>Point Values</th>
</tr>
</thead>
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<td>Analysis and Understanding of Terms of Reference</td>
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<tr>
<td>Research Study Overview</td>
<td>30</td>
</tr>
<tr>
<td>❯ Approach/Methodology (20)</td>
<td></td>
</tr>
<tr>
<td>❯ Schedule (10)</td>
<td></td>
</tr>
<tr>
<td>Management Approach to Study</td>
<td>35</td>
</tr>
<tr>
<td>❯ Identification of Assessment Team Positions and Roles &amp; Responsibilities (10);</td>
<td></td>
</tr>
<tr>
<td>❯ Key Personnel (15)</td>
<td></td>
</tr>
<tr>
<td>❯ Program Implementation/Scheduling (5)</td>
<td></td>
</tr>
<tr>
<td>❯ Logistics Management (5)</td>
<td></td>
</tr>
</tbody>
</table>
Capability Statement 20

- General Financial Research Capability (8)
- RFP-Specific Relevant Leasing Experience (6)
- Past Performance (6)

Total: 100

ATTACHMENT B

All-Inclusive RFP Price Proposal

RFP No: 03-2003

RFP Title: Research Study on Leasing for Small, and Medium Enterprise (M/SME) Policy Development

Organization: MoFT/IDRC

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Cost (LE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Literature Review/International Experience</td>
<td>LE ________</td>
</tr>
<tr>
<td>II. Assessment of Leasing in Egypt</td>
<td>LE ________</td>
</tr>
<tr>
<td>III. Organization and logistics</td>
<td>LE ________</td>
</tr>
<tr>
<td>IV. Developing Action Plan &amp; Final Report</td>
<td>LE ________</td>
</tr>
<tr>
<td>V. Partnership Price Allocation</td>
<td></td>
</tr>
<tr>
<td>Organization X</td>
<td>_____%</td>
</tr>
<tr>
<td>Organization Y</td>
<td>_____%</td>
</tr>
</tbody>
</table>
Organization Z

Total Must Equal

VI. Total All-Inclusive Price

LE _________
Action Memorandum

To: H.E. Minister of Foreign Trade

From:

Subject: Briefing on research document entitled “SME Access to Export Finance”

Date:

OBJECTIVE

To get your Excellency’s comments and guidance on the research findings and proposed policy recommendations of the report entitled “SME Access to Export Finance”.

BACKGROUND

Under the SMEPol Project, SME access to finance has been identified as a priority policy issue. As outlined in the Project Implementation Plan (PIP), activities under this heading include the need to develop proposals for reform of the financial system in order to remove constraints to extension of financial services to M/SMEs. Within this framework, Terms of Reference were developed and a contract was awarded to the Economic Research Forum (ERF) to develop the research report identifying the key constraints facing M/SMEs in gaining access to finance in the specific area of exports.

BRIEFING ON THE PROPOSAL

Objective of the document:

The title of the research document is “SME Access to Export Finance (Egypt)”. The objective of the report is to develop recommendations for best mechanisms and policies that would enhance SME access to export finance.
Methodology:

- Literature review on export finance with particular reference to SMEs. This covered the various export finance products, government roles, export-credit mechanisms in developing countries, SME problems in obtaining export finance and suggested solutions.
- In-depth review of the export-finance situation in Egypt. A survey was carried out targeting the main stakeholders (users of export finance, suppliers of finance, support institutions and export-related organizations).
- Study of best practices in support of export finance in addition to a review of international experiences in export finance policies and programs.
- Assessment of the main laws governing exports and export finance in Egypt
- Review of foreign donor activities in this field.
- Proposed solutions and policy recommendations

CONCLUSIONS / NEXT STEPS

- We seek your Excellency’s guidance on the executive summary and list of recommendations attached
- A presentation on the document will be prepared for your Excellency
- A stakeholders’ workshop will be arranged following your Excellency’s feedback in order to present the findings and to seek input. This workshop will be organized to present the ACCESS TO EXPORT FINANCE document, together with research findings on “Trading Houses” and “International Experiences in Export Development”.

ATTACHMENTS

- Chapters 8 and 9 of the report detailing the gaps in SME export finance and suggested recommendations together with the proposed solutions and recommendations presented in the report.
Annex 4: How to Write a Memorandum

Date

MEMORANDUM

TO:

FROM:

SUBJECT: Memo writing

------------------------------------------------------------

Notice that a memo always begins with a statement of the purpose of the memo. This is to help busy readers sort, prioritize and file their correspondence

When to use a memo: Use memos rather than letters when you are communicating within your organization, including members of your department, upper management, employees at another branch of your company in another city, etc.

Heading Information:

1. Use a courtesy title (Mr., Miss, Mrs., Ms., Dr.) before the recipient's name and a job title after it to help in routing and filing the memo, unless the memo is very informal and of a temporary nature, such as a reminder to someone in your department about the meeting on Friday.
2. Use a job title after your name, and hand write your initials by your name. This confirms that you take responsibility for the contents of the memo.
3. The subject heading should be as specific as possible, including project names and numbers. Again, this facilitates filing and retrieving the memo.

Formatting: Memos use all the same formatting devices as other documents,
including the following:

- Headings to help the reader skim for sections of the document.
- Numbered and bulleted lists to make information easily accessible.
- Typographical devices such as underlining, boldfacing, italics, etc. to make headings and important information stand out.

**Paragraphing:**

- As in all technical and business communications, long paragraphs of dense text make reading more difficult.
- Keep your paragraphs short and to the point.

**Style:**

- Use strong, active verbs, personal pronouns, and vocabulary appropriate for your audience.
- Be as concise as possible; your readers are busy and are more likely to read concise documents.

**Ending:** Traditionally, memos required no conclusion other than the formulaic "Please contact me if you have questions" or something of the sort. They also required no closing signature. Now, however, it is becoming more common for memos to close the way letters do, with a typed signature under a hand-written signature. Some writers even include the polite "Sincerely" before their signatures. These are not necessary but, again, you should follow standard practice in your organization.
Annex 5: How to Write an Executive Summary

Functions of an Executive Summary

- Gives readers the essential contents of your document in 1-10 pages.
- Previews the main points of your document enabling readers to build a mental framework for organizing and understanding the detailed information in your document.
- Helps readers determine the key results and recommendations reported in your document.

Processes for Writing an Executive Summary

Executive summaries are typically written for longer reports. They should not be written until after your research is finished. Before writing your summary, try to:

- Scan your research to determine what the content, structure and length of the report would be.
- Highlight key points; determine purpose/central theme of the report.
- Review your research and determine what the key ideas or concepts are.
- Group ideas in a logical fashion and prepare a point form outline of the summary.
- Edit the outline to eliminate secondary or minor points; use your judgement to keeping the summary concise.
- Determine whether subtitles, bullets, selective bolding or some other type of organizational structure will add to the clarity of your summary.
- Write the summary in your own words, using a professional style.
Elements of an Executive Summary

1. Purpose and scope of document
2. Methods
3. Results
4. Conclusion
5. Recommendations
6. Other supportive information

Questions to Ask Yourself as You Write

1. What is your research about?
2. Why is it important?
3. What is included in the research?
4. What is included in each section?

For Writing Policy Recommendations

Key Elements of an Environmental Policy Statement

- A call to action (the policy)
- A justification for the policy
- Those to whom the policy should apply
- Those responsible for implementing the policy
- How the policy should be implemented and evaluated
- Include guiding principles if necessary
Annex 6: Draft National Policy Document
INTRODUCTION

Purpose of session/Use of Data

I am -----------------, who will be the moderator for this session/interview/round table, and I would like to introduce our company. We are a research agency, i.e. a neutral unbiased party, and we have been delegated by the Ministry of Foreign Trade, on behalf of the government to conduct research to study micro/SMEs in Egypt.

The Ministry will use this data, to develop a public awareness campaign with the aim of growing micro/SMEs in Egypt.

This data will be de-personalized i.e. the report will not issue any names of participants, it will only include general opinions and suggestions.

Importance of opinion/frankness/confidentiality

I would like to assure you that your responses will be dealt with strict confidentiality, and hence I encourage you to be honest and frank regarding your opinion, as much as you can.

WARM UP

− Type of business/ Category
− Local manufacturing
− Import / Export
− Ownership: family / joint venture
− How long in the business: when started
− Location / Branches

IMPORTANCE OF SMEs TO EGYPT ECONOMY

− Definition of SMEs: Who are SMEs? Micro?
− What do you know about the size /weight/value of SMEs in Egypt?
− What kind of relevance/importance do they represent in the economy of Egypt?
Why?
- What kind of contribution would they give to GNP of Egypt?

Wrap Up
Moderator is to wrap up key findings from the discussion.

GOVERNMENT EFFORTS
- What is the role of government in order to develop the services to SMEs?
- What are the ministries that served you?
- Is the MOFT considered as one of the ministries that served you? What should it do? Can it help you inside Egypt?
- What is your perception of MOFT? What are its activities/mandates exactly?
- We already know about the different problems facing SMEs, has the government or MOFT taken any steps/efforts to address issues and/or problems related to SMEs during the past 10 years?
- What steps have been taken? Their opinion about these steps in terms of efficacy or generating further problems. (focus in depth)
- Do you have any knowledge about opportunities offered to you by MOFT or other governmental or non-governmental entities? (focus in depth)
- Which ministries are most active in helping SME’s? Probe on awareness of efforts undertaken by M.O.F.T. (focus in depth)
- Do you currently communicate or receive any information from MOFT? Which kind? Is it satisfactory? Why? Why not?
- What kind of information is important for you to receive?
- What is the relevance of this information in enhancing your performance?

Wrap Up
Moderator is to wrap up key findings from the discussion.

COMMUNICATION CHANNELS
What vehicles do you know of, that are used by the MOFT/government currently? (Probe on media effectiveness in communicating government messages, press, print, T.V.)

What are the most effective channels it should use to communicate these efforts, and to raise overall awareness of SME’s and MOFT’s roles and initiatives: (focus in depth)

- Mass media: which ones?
- Credible channels of communication
- Seminars / Workshops
- Government literature or website – Do you know about the Ministry’s site?
- TV channels and programs
- Radio stations / programs
- Bill boards

Think back to seminars/workshops that you attended and were successful, why were they successful?

Now that you know that the government is working on a communication plan, do you think we covered everything that needs to be covered on the SMEs?

What else would you have liked to discuss?

Wrap Up

Moderator is to wrap up key findings from the discussion.
Annex 8: How to Organize a Conference / Workshop

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months in advance</td>
<td>• Determine objectives of workshop/seminars-desired results</td>
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<tr>
<td></td>
<td>• Select possible dates</td>
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<tr>
<td></td>
<td>• Number of participants</td>
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<tr>
<td></td>
<td>• Develop budget-fees and costs</td>
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<tr>
<td></td>
<td>• Travel and other arrangements in General</td>
</tr>
<tr>
<td></td>
<td>• Marketing, advertising and Information</td>
</tr>
<tr>
<td></td>
<td>• Facilities, equipment and materials in general</td>
</tr>
<tr>
<td>2 months in advance</td>
<td><strong>Cost Estimation for</strong></td>
</tr>
<tr>
<td></td>
<td>• Speakers and facilitators fees and expenses</td>
</tr>
<tr>
<td></td>
<td>• Facility rental</td>
</tr>
<tr>
<td></td>
<td>• Equipment rental</td>
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<tr>
<td></td>
<td>• Photocopying</td>
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<td></td>
<td>• Name tags</td>
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<td></td>
<td>• Registration kit folders</td>
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<tr>
<td></td>
<td>• Transparency marking pen</td>
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<tr>
<td></td>
<td>• Flip chart markers</td>
</tr>
<tr>
<td></td>
<td>• Advertising and/or information materials</td>
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<tr>
<td></td>
<td>• Refreshments</td>
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<tr>
<td></td>
<td>• Lunch</td>
</tr>
<tr>
<td></td>
<td>• Follow up activities</td>
</tr>
</tbody>
</table>

**-Set Dates**

**-Facility Booking**

• Large and small group rooms
• Acoustics
• Food services
• Seating, tables
• Overhead projectors
• Projection screens
• Flipcharts
• Laptop
<table>
<thead>
<tr>
<th>45 Days</th>
<th>Marketing an open event</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Contact people or agencies directly to let them know about the workshop.</td>
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<tr>
<td></td>
<td>Put up notices. Advertise in the local newspapers, newsletters, mail outs etc.</td>
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<tr>
<td></td>
<td>Access community events calendars and publications.</td>
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<tr>
<td></td>
<td>Make sure everyone knows the date, location and start time of the workshop.</td>
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<tr>
<td></td>
<td>Website info and registration</td>
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<tr>
<td></td>
<td>Follow up telephone reminders</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>30 Days</th>
<th>Order Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Overhead projectors</td>
</tr>
<tr>
<td></td>
<td>Screens</td>
</tr>
<tr>
<td></td>
<td>Flip charts</td>
</tr>
<tr>
<td></td>
<td>Laptop</td>
</tr>
<tr>
<td></td>
<td>Data show</td>
</tr>
<tr>
<td></td>
<td>Printer</td>
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</table>

<table>
<thead>
<tr>
<th>30 Days</th>
<th>Contract</th>
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<tbody>
<tr>
<td></td>
<td>Speakers (requesting masters handouts packages)</td>
</tr>
<tr>
<td></td>
<td>Facilitators</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>14 Days</th>
<th>Getting other Equipment and Materials</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Name tags</td>
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<td></td>
<td>Registration kit folders</td>
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<td>Flip chart markers</td>
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<table>
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<tr>
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<th>Assignment Allocation</th>
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<tbody>
<tr>
<td></td>
<td>Resource/networking coordinator</td>
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<tr>
<td></td>
<td>Speakers and facilitators introduction</td>
</tr>
<tr>
<td></td>
<td>Registration desk</td>
</tr>
<tr>
<td></td>
<td>Refreshment and lunches</td>
</tr>
<tr>
<td></td>
<td>Room rearrangements</td>
</tr>
<tr>
<td></td>
<td>Closing remarks</td>
</tr>
<tr>
<td>Evening Before Workshop</td>
<td>Arrange Facility and Equipment</td>
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<tr>
<td>-------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td><strong>Prepare and Plan</strong></td>
<td></td>
</tr>
<tr>
<td>• Registration</td>
<td></td>
</tr>
<tr>
<td>• Speakers and facilitators introductions</td>
<td></td>
</tr>
<tr>
<td>• Media contacts</td>
<td></td>
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<tr>
<td>• Closing remarks</td>
<td></td>
</tr>
<tr>
<td>• Follow-up activities</td>
<td></td>
</tr>
<tr>
<td>• Prepare nametags</td>
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</table>

<table>
<thead>
<tr>
<th>Workshop Day</th>
<th>Registration Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Greet participants</td>
<td></td>
</tr>
<tr>
<td>• Distribute name tags</td>
<td></td>
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<tr>
<td>• Distribute registration Kit</td>
<td></td>
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<tr>
<td>• Register/name tags for drop ins</td>
<td></td>
</tr>
<tr>
<td>• Introduce speakers and facilitators</td>
<td></td>
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<tr>
<td>• Locate materials depot</td>
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<tr>
<td>• Attend workshop</td>
<td></td>
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<tr>
<td>• Arrange refreshments</td>
<td></td>
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<tr>
<td>• Arrange lunch</td>
<td></td>
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<tr>
<td>• Rearrange rooms</td>
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<tr>
<td>• Coordinate media contacts</td>
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<tr>
<td>• Close workshop</td>
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</table>

<table>
<thead>
<tr>
<th>After the Workshop</th>
<th>Follow-up Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Prepare and mail participants lists</td>
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</tr>
<tr>
<td>• Finalize financial matters</td>
<td></td>
</tr>
<tr>
<td>• Mail workshop results to participants</td>
<td></td>
</tr>
<tr>
<td>• Thank you letters</td>
<td></td>
</tr>
<tr>
<td>• Debrief with project team/facilitators</td>
<td></td>
</tr>
<tr>
<td>• Determined document lessons learned</td>
<td></td>
</tr>
</tbody>
</table>