

**PUBLIC PRIVATE DIALOGUE  
FRAMEWORK  
DRAFT – OCTOBER 2020**

**Lesotho Enterprise Development  
Technical Assistance**

*Client: Lesotho Chamber of Commerce and Industry*

*Country: Kingdom of Lesotho*

*Project: Fund for Private Sector Assistance (FAPA)*

*Project*

*Issued by: African Development Bank (AfDB)*

*Submitted by:*

**Eurecna S.p.A. (IT)**





Eurecna proactively manages gender diversity by turning this diversity into a business success. We have a long-term commitment to providing equal opportunities to women and men. Currently 50% of our executive directors and more than 50% of our project managers are women. This enables Eurecna to benefit from the widest possible pool of talent, build and consolidate a good reputation in the marketplace, and improve its competitiveness and financial performance.



This object has been conceived, designed and produced with the goal of minimising its carbon footprint. A full Lifecycle Analysis has led to using recycled TCF (Totally Chlorine Free) paper and eco-efficient printers and copiers, adopting back-and-front printing, choosing recycled materials for involucre, dividers and binding, designing the container to encourage its re-use once its primary function is over. We could have saved more CO<sub>2</sub> if electronic submission of tenders were allowed. We would be happy if the AfDB could introduce a greener approach to the tendering process in the near future.



Eurecna holds the certification ISO 9001:2015 for the following products or services: “Design, provision and support of: Technical Assistance services in the framework of international projects sector; internet solutions for e-Business and e-Government”.

## Table of Contents

<b>List of Acronyms</b> .....	1
Introduction .....	2
Background and Context .....	3
Private Sector-Led Economic Growth.....	3
Preceding PPD Forum Initiatives .....	4
Mandate and Institutional Alignment.....	8
Vision Statement and Objectives .....	9
Institutional Alignment.....	10
Structure and Participation .....	10
The Governance Structure.....	10
The High-Level Forum .....	11
The Executive Committee .....	12
The Secretariat .....	13
The Thematic Working Groups.....	14
Facilitator .....	16
Champions .....	18
Monitoring and Evaluation .....	19
International Role and Development Partners .....	20
Post Crisis Response and Recovery .....	20
Annexure A: Follow-Up Initiatives .....	21
Annexure B: Proposed Capacity Building Programme .....	22
Annexure C: TORs Template for Secretariat.....	24

## List of Acronyms

AfDB	African Development Bank
AGM	Annual General Meeting
BA	Business Associations
BCL	Business Council of Lesotho
CBL	Central Bank of Lesotho
DP	Development Partners
DTIS	Diagnostic Trade Integration Study
EDSTAP	Economic Diversification Support Technical Assistance Project
FAPA	Fund for African Private Sector Assistance
GoL	Government of Lesotho
KE	Key Expert
KPA	Key Priority Area
LCCI	Lesotho Chamber of Commerce and Industry
MoU	Memorandum of Understanding
MNSD	Multi-national stakeholder Dialogue
NSDP	National Strategic Development Plan
NTFC	National Trade Facilitation Committee
PEMANDU	Performance Management and Delivery Unit
PPPP	Private-Private and Private-Public
PSCED	Private Sector Competitiveness and Economic Diversification
PSFL	Private Sector Foundation of Lesotho
PPD	Public Private Dialogue
PPP	Public Private Partnerships
SADC	South African Development Community
SMME	Small, Medium and Micro Enterprises
TWG	Thematic Working Groups
ToR	Terms of Reference
UNDP	United Nations Development Programme
WBG	World Bank Group



## Introduction

On 1<sup>st</sup> February 2018, the African Development Bank Group (AfDB) and the Lesotho Chamber of Commerce and Industry (LCCI) signed a Fund for African Private Sector Assistance (FAPA) grant agreement to finance the Economic Diversification Support Technical Assistance Project (EDSTAP). The Client, LCCI, further appointed Eurecna S.p.A. to lead a consortium of economic and enterprise development consultants to execute a technical assistance engagement funded by the African Development Bank.

The overall objective of the project is to build an inter-dependent ecosystem of Small, Medium and Micro Enterprise (SMME) Associations that would contribute towards creating a diversified and competitive economy in Lesotho. To develop such a conducive environment for private sector development, the project aims to strengthen eight Business Associations (BAs) and networks to meaningfully participate in national and sectoral dialogue, and foster cooperation among Basotho entrepreneurs and with government. The specific purpose, thereof, being to improve the institutional capacities and effectiveness of BAs in Lesotho through improvement of partnerships, entrepreneurship, skills development and access to finance and markets.

The project has three components with interlinked phases that depend on an initial assessment of the overall status and needs of the identified BAs. The Public Private Dialogue (PPD) Framework, however, is in fulfilment of Component III of the project: Strengthening Public Private Dialogue in Lesotho. The Framework is informed by the Lesotho PPD Diagnostic study<sup>1</sup>, which serves as baseline for Component III activities.

The Diagnostic Report provided an overview of Lesotho's PPD process: A diagnosis on what currently exists in Lesotho in relation to national dialogues; and Recommendations for an effective development of a PPD process in Lesotho. The Framework, therefore, outlines an institutionalized process for consultations between the Government of Lesotho (GoL) and the Private Sector. The objective is for Lesotho to establish a regular and sustainable process of dialogue that encourages clarity and consistency in the implementation of private sector development and investment climate policies and regulations.

---

<sup>1</sup> The AfDB and LCCI, in consultation with varied stakeholders, finalized the Lesotho Public Private Diagnostic Study in August 2020.

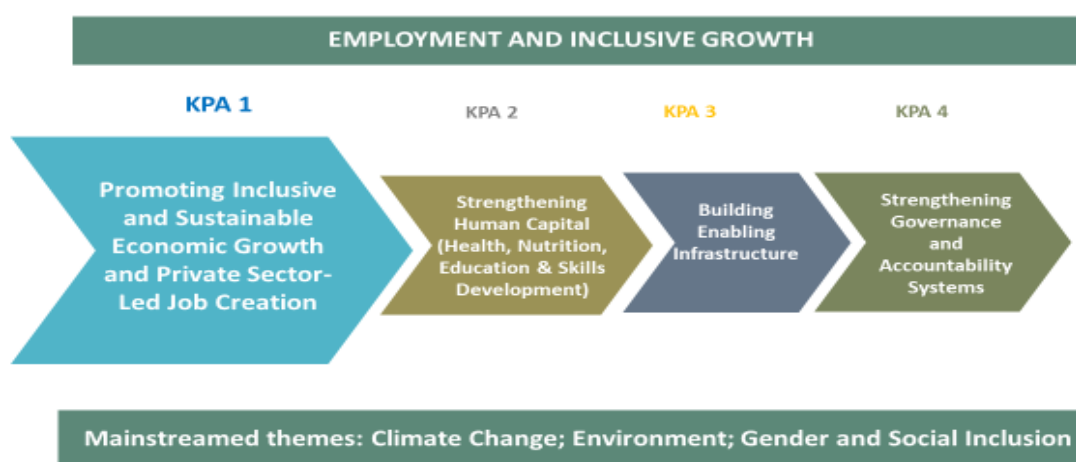
## Background and Context

Many African countries, including Lesotho, lack the institutionalized process for long-term engagement between the public and private sectors. This limitation often results in the introduction of policies and regulations that are inimical to the interests of the private sector. Furthermore, it breeds mistrust and lack of interest in compliance on the part of the private sector, which ultimately results in a weak response to government policy interventions. As such, the effectiveness of the private sector's contribution in defining and improving the policy and regulatory environment within which they operate has, therefore, become one of the most critical success factors for the sector's enhanced performance and growth.

## Private Sector-Led Economic Growth

The Lesotho economy is guided by the second National Strategic Development Plan (NSDP II), which has well designed policy targets to transform the economy from a consumer-driven to a producer-based one, as led by the private sector. Therefore, in pursuit of national development targets, the Government of Lesotho (GoL) has prioritized private sector driven inclusive economic growth and job creation as overarching objectives highlighted by the NSDP II.

### NSDP II: In pursuit of Economic and Institutional Transformation for private sector led job creation and inclusive economic growth



To anchor the strategic intervention, the Plan identifies four pillars that define key objectives and strategies for Key Priority Areas (KPAs) toward realization of employment creation and

inclusive economic growth. Within KPA 1, the NSDP II earmarks four sectors: Manufacturing, Tourism and Creative Arts, Agriculture, and Technology and Innovation, as productive pillars within which the GoL plans to enable the environment for effective participation of the private sector in Lesotho's economic growth and employment creation. To unlock the potential of private sector, therefore, implementation of NSDP II objectives is further guided by the Lesotho Economic Roadmap (2018/19 - 2022/23) Report<sup>2</sup>.

### **Preceding PPD Forum Initiatives**

Notably, there have been several attempts in Lesotho to create forums aimed at improving consultations between the Government and Private Sector. The former, in consultation with the latter, has advocated for and introduced instruments that provide for the establishment of a formal PPD, as a necessary platform for aggregating and articulating the views of the private sector in the policy formulation processes. In effort to establish the national PPD, below is a summary of three previously initiated forums in Lesotho, as per the PPD Diagnostic Study findings:

- ✚ **The Business Council of Lesotho (BCL)** - The establishment of the BCL was initiated as one of the key components of recommendations from the Diagnostic Trade Integration Study (DTIS) in 2003, and the final set up of the forum was in 2009. The Council was launched conjointly with the Private Sector Foundation of Lesotho (PSFL). The former's objective was to enhance co-operation between the government and the private sector, through provision of a platform for dialogue on the country's strategic plan. The related mandate of the PSFL, on the other hand, was to function as an apex body of the private sector and represent unified efforts and initiatives of the sector and advocate for its needs and aspirations. Overall, the objective of the elaborate structure was to develop a mechanism of ensuring dialogue within the private sector, an attribute that is still highly required, and between them and government by enhancing their participation through formal organization, capacity building and advocacy. The BCL's lifespan was from its launch in 2009 to its natural death in 2012.
  
- ✚ **The Multi-Stakeholder National Dialogue (MSND) Plenary II** - The MSND Plenary II was a three-day national dialogue held in November 2019. The forum involved consultations and negotiations within seven thematic reform areas which adeptly capture the significant interplay between the political, social, and economic

---

<sup>2</sup> Check the Lesotho Economic Roadmap (2018/19 – 2022/23), Ministry of Development Planning, Lesotho



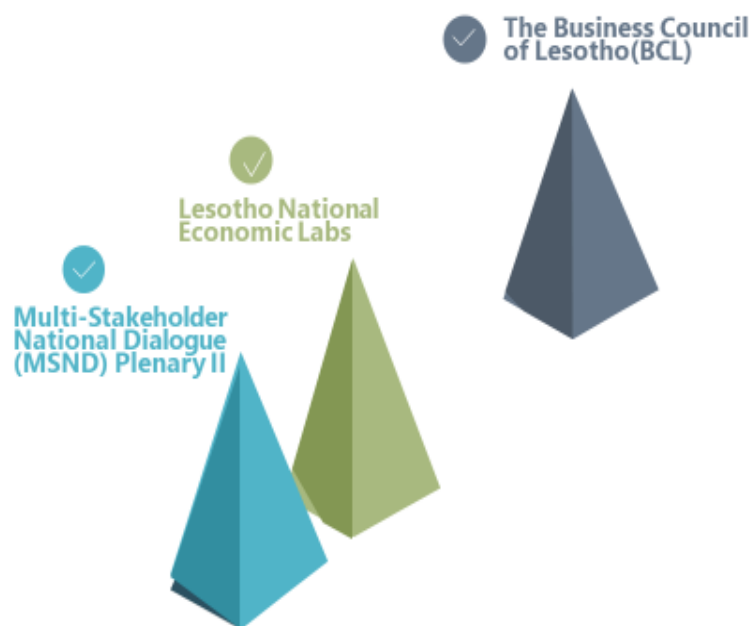
factors that impact stability. The plenary sessions, facilitated by the South African Development Community (SADC) through appointment of the retired South African Deputy Chief Justice, afforded the government, private sector, and Civil Society an opportunity to engage and reach consensus on all identified thematic areas of reform.

✚ **The Lesotho National Economic Labs** – The National Economic Labs were characterized by rigorous consultations between the public and private sector, in effort to develop the Lesotho Economic Roadmap (2018/19 - 2022/23). The Labs provided a mechanism for sustainable dialogue among the relevant parties to discuss sectoral challenges, considering regional and global economic challenges. The sessions were facilitated through the Malaysia Performance Management and Delivery Unit (PEMANDU) approach, which reinforced the principles of shared accountability and transparency. The Labs held periodic meetings and sessions attended by all stakeholders, and all were able to provide input to support the decision-making process and made effort to collectively work through any challenges.

All the three identified forums were formally structured with public-private representation and were wide-ranging in terms of covering cross-cutting economic issues. They all had a 'statement of objective' to help in terms of clarity but lacked a formal mandate. In terms of structure and participation, all three had defined structures that were manageable, although not formally documented, leaving room for manipulation and thus affecting participation in terms of balance and effectiveness.

Although all the three forums had aligned specific participatory processes carried out in a series of working groups, none had an organizational design of operating under the umbrella of a coordinating Unit, resulting in limited coherent approach to PPD. Notably, the pre-existing BCL consultative platform in nature is the one case study in Lesotho with close resemblance to a national PPD, as it brought together the government and private sector in a formal process to achieve clearly defined objectives agreed upon by both parties.



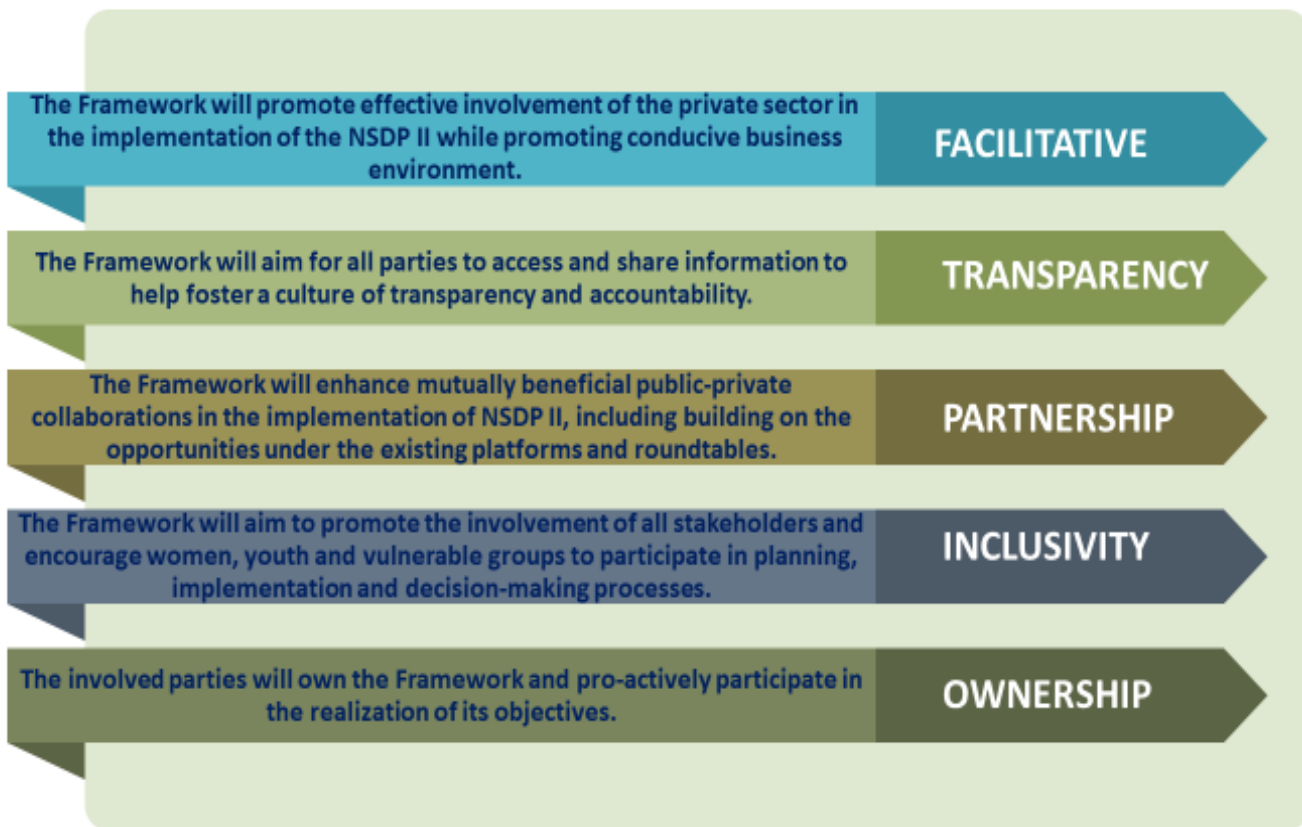


The pre-existing BCL consultative set-up displayed close resemblance to a national PPD, as it brought together the government and private sector in a formal process to achieve clearly defined objectives agreed upon by both parties.

It is against this background that the enhancement of the PPD has been identified and advocated for as one of the key pillars of Lesotho's transformation agenda. Therefore, the PPD mechanism proposed in this framework is designed as the coordination and implementation framework for putting the PPD requirements of the transformation plan into operational effect, as guided by recommendations from the Lesotho PPD Diagnostic Report.

### **Principles of Engagement**

The Lesotho PPD Framework will be guided by the following principles:



The Lesotho National PPD will be guided by the following five principles: Facilitative, Transparency, Partnership, Inclusivity and Ownership. These core values of engagement will guide the mandate and vision of the forum, with emphasis on specific objectives and related initiatives thereof.

### **General Responsibilities of Partners**

It is important to understand the general key responsibilities for each of the partners in the PPD. Although the aim is for both the government and private sector to work harmoniously in collaboration toward implementation of reforms, generally each will have specific roles.



The Government will primarily be responsible for creating the conducive business climate conditions and providing incentives for private sector to make efficient investment decisions, while managing and mitigating against risk on public assets and service delivery. The private sector, in response, will support the implementation and reporting of reforms, provide evidence-based information that can help make informed decisions, mobilize technical capability to leverage the efforts of government, and communicate and create awareness on reforms through various umbrella organizations.



## **Mandate and Institutional Alignment**

The Lesotho PPD will be mandated by a Memorandum of Understanding (MoU), to be signed by both the Government and private sector representative institutions. This will be preceded by initial negotiations between the two parties, which will include discussions related to the naming of the dialogue/forum and the appointment of the chairman(s) and other positions within the structure. The MoU will further specify the different levels at which the second and/or third levels of dialogue will be held. Typically, respective MoUs will increasingly be signed at different levels establishing dialogue platforms. As such, the MoUs will clearly define

and identify clear linkages between the cross cutting nationwide dialogue and sector specific and/or district level dialogues.

In a country where the level of mistrust between the public and private sectors is deep and relations have severely been strained for years, as evidenced by the Diagnostic Report, the signing of the MoU will represent a major milestone in rebuilding Government and private sector relations. The MoU will help coordinate the efforts towards achieving a more stable, enabling and encouraging business climate environment through sharing and partnering positions and views with the government, and through activating the economic accountability of the public institutions.

### **Vision Statement and Objectives**

Towards effective private sector engagement in planning, formulating policies and implementation, the forum will adopt the NSDP II Vision for economic development. As guided by the views of stakeholders and evidenced through the PPD Diagnostic Study, the Framework, thus, proposes the following provisional Vision Statement:

---

***Vision Statement (Provisional):** With a Unified, Vibrant and Competitive Private Sector, and based on a more Stable and Enabling Environment, by [Insert A Year] the Business Associations, through Sharing and Partnering Positions and Views with the Government, will have Coordinated Efforts towards achieving Inclusive Economic Growth and Job Creation In Lesotho.*

---

The overarching objective of the PPD will, therefore, be to promote changes in policies, rules and regulations so that Basotho-owned businesses can more easily invest and develop their businesses in and outside Lesotho, benefitting the nation as a whole. And as guided by the defined core principles of engagement, the specific objectives of the process will be to:

- ✚ Build trust and change attitudes to dialogue and deepen the culture of engagement between public and private sectors.
- ✚ Improve the business enabling environment through dialogue and action.
- ✚ Establish mechanisms for dialogue and/or strengthen existing ones that will lead to changes.
- ✚ Promote knowledge and information sharing between the public and private sectors.

- ✚ Ensure transparency on access and utilization of the resources.
- ✚ Strengthen public – private partnership in reforms.

### **Institutional Alignment**

For organizational effectiveness, the mandate of the forum will be well coordinated within and aligned to that of the newly established Delivery Unit at the Prime Minister’s Office. In what will be described as a dual structure, the Delivery Unit will be the lead public sector institutional counterpart in the Lesotho PPD model, while together the LCCI and PSFL will institutionally be the lead private sector counterparts. The Delivery Unit will, therefore, host the PPD High-Level Forum as will be outlined in the MoU, while the LCCI and PSFL will mutually identify a common ground on which to host the Lesotho PPD Secretariat/Coordinating Unit. The aim is to have the High-Level Forum and the Secretariat effectively working in close consultation in terms of leading the national dialogue effort.



## **Structure and Participation**

The MoU to establish Lesotho’s PPD process will outline the structure, roles and responsibility of the public and private sector participants. The dialogue will have a four-layered governance structure with elaborative roles for participation.

### **The Governance Structure**

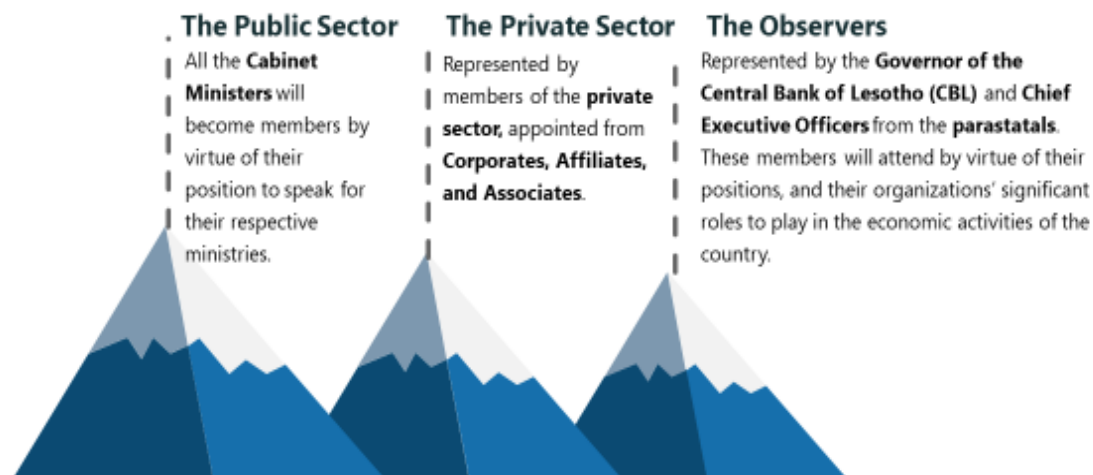


The supreme authority and overall responsibility of the Dialogue will be vested in the High-Level Forum (Business Council/Governing Board/PPD Forum) as an overseer. In relation, the High-Level Forum will have directive authority on the Executive Committee. The Executive Committee, on the other hand, will have authority over the Secretariat and the Thematic Working Committees (TWGs), mandated to execute decisions reached by the High-Level Forum. It is expected, however, that the Secretariat will work closely with all parties to further exploit an ambitious structure of the PPD model and deepen a strong dialogue culture across the nation. The detailed operations within the structure will be guided by related operational protocol mechanisms to be established by the Secretariat.

### The High-Level Forum

As an Overseer of the PPD Process in Lesotho, the High-Level Forum will play a convening role at plenary sessions and provide direction in the development strategy of the national dialogue, including its transition to a sustainable path. The proposed composition and general responsibilities of the Forum is as follows:

#### COMPOSITION:



#### RESPONSIBILITIES:

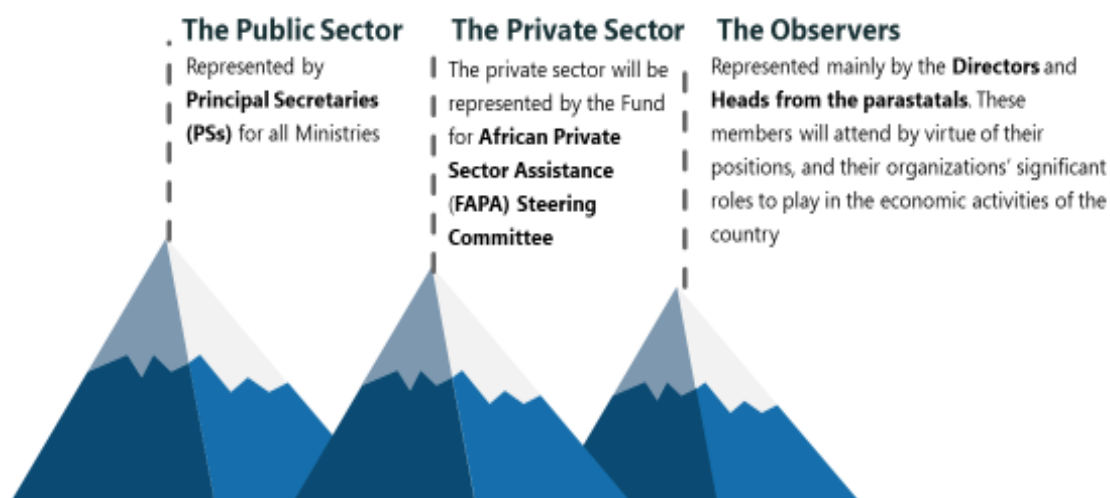
- 🌐 Elect the Chairman/s and appoint the members of the Executive Committee
- 🌐 Approve the annual report and annual accounts
- 🌐 Appoint auditors and be informed of the budget
- 🌐 The ability, subject to a qualified majority voting mechanism, to amend the MoU

The High-Level Forum will act as a channel through which the reform efforts as designed by the TWGs and facilitated by the Secretariat will be validated or rejected, preceding implementation. The Forum will meet at least twice a year, although it can meet more often if deemed necessary by the Chairperson(s). As noted earlier, it is expected that the MoU will specify the detailed composition consisting of a Chairman(s), Vice-Chairman(s), a Secretary and a Treasurer, and the related cooperation protocol thereof.

### The Executive Committee

The Executive Committee/Advisory Council will be established as a guidance and support structure to the High-Level Forum. The proposed composition and general responsibilities of the Committee is as follows:

#### COMPOSITION:



#### RESPONSIBILITIES:

- ✚ Receive reports from the High-Level Forum on activities/reforms
- ✚ Offer strategic direction and guidance on way-forward
- ✚ Provide a platform for discussions and sharing of information
- ✚ Advise the High-Level Forum on priorities and critical enablers
- ✚ Support the private sector to present a united voice, and adequately represent the sector's interests
- ✚ Support the Thematic Working Groups to unblock roadblocks to implementation of priorities
- ✚ Support the Government to identify and mobilize resources for reform implementation.



The Executive Committee will facilitate private sector participation in and support to the economic development of Lesotho and will be tasked to support every level of the Dialogue. The Committee will preferably be co-chaired by the two parties and will be expected to meet at least every quarter to discuss and review the reports from each TWGs.

## The Secretariat

To deliver on its mandate, the Lesotho PPD process will be championed by the Secretariat/Coordinating Unit. The Secretariat is the 'engine' of the dialogue; a multi-tasking presence that supports all organs and coordinates all operations of the PPD process. It will be responsible for the coordination of private sector dialogue, collection of information on private sector priorities and for ensuring that tabled issues reflect broad representation, development of evidence-based research papers, maintenance of transparency in the implementation of the PPD process by communicating the resolutions from the various dialogues and discussions, convening of stakeholder meetings and the bi-annual High-Level Forum dialogues, as well as monitoring the advancement of reform proposals and the implementation of agreements.

A well-functioning Secretariat is, therefore, one of the most critical determinants of a PPD's success. Its broad role is to mobilize and facilitate a constructive dialogue between the government and the business community, as well as other stakeholders, so that each contribute to sustainable economic growth and improve peoples' lives. The proposed composition and general responsibilities of the Secretariat is as follows:

### COMPOSITION:



### RESPONSIBILITIES:

- ✚ To coordinate, facilitate, and administer the PPD process as well as provide evidence-based inputs on key strategic issues for private sector development.
- ✚ To organize meetings, coordinate research and logistics, set agendas, rally members, manage communication and outreach strategies, act as a point of contact for others who wish to participate and, most importantly, facilitate the dialogue.






The Secretariat will be guided by the Executive Committee and will in partnership with the latter coordinate and supervise the TWGs to feed policy recommendations into the plenary sessions. Often but not always, the head of the Secretariat will act as the moderator of the official TWG meetings.

The Secretariat will be characterized by a small team (3–4 persons) providing support and keeping discussions focused, evidence-driven and moving forward. To reflect the varied roles played by the Secretariat's lead person, he/she can go by different titles: Coordinator, Manager, Administrator, Director, Relationship Manager, Consensus Builder. However, the role is most aptly described as Facilitator. Therefore, the Secretariat's facilitation role is the most important one it performs. While functioning as a facilitator, it acts as a neutral entity or 'honest broker' that helps to gather participants around common objectives and then assists with the planning of how to achieve the objectives.

### **The Thematic Working Groups**

Established within the Lesotho PPD framework, the TWGs will be the action-oriented organ of the dialogue charged with developing solutions as well as monitoring the progress of the reforms and initiatives in the priority areas to be set out. The National dialogue will be centered on four sectoral/thematic working groups acting as pillars of the Secretariat. As such, the joint public private TWGs will draw expertise from both parties and will be formed to work on the implementation of issues agreed upon by the High-Level Forum. They will collect and collate all documentation and report to the Executive Committee during the quarterly meetings through the groups' chairs.

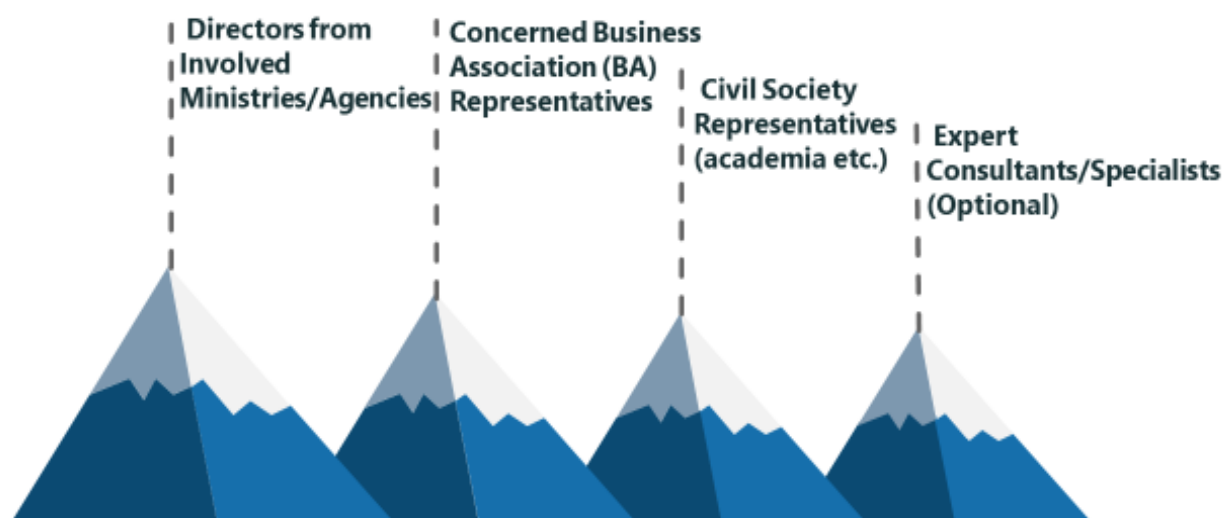
The TWGs will be formed around the key priority intervention areas of the NSDP II. And the Business Associations (BAs) through their thematic sector boards will appoint Thematic Working group (TWG) members. Therefore, as guided by KPA 1 of the NSDP II, the TWGs will be organized into:

-  Doing Business Working Group
-  Manufacturing Working Group
-  Agriculture Working Group
-  Tourism and Creative Arts Working Group
-  Technology and Innovation Working Group

The Working Groups will meet more frequently and will typically be co-chaired by both the private and public sector representatives, who will interact with the Executive Committee and the Secretariat. The TWGs working on the agreed thematic or industry related reforms will, therefore, regularly report to the Executive Committee on achievements, challenges, and a way forward.

The proposed composition and responsibilities of each TWG is as follows:

## COMPOSITION:



- RESPONSIBILITIES:**
- 🔧 Identification of related priorities and recommendations
  - 🔧 Establishment of consensual policy reform proposals
  - 🔧 Monitoring reform implementation
  - 🔧 Support to ongoing implementation
  - 🔧 Formulation and drafting of specific reform proposals (including technical and legal drafting)
  - 🔧 Institutional change programs Implementation activities

## District Level Dialogues

For district level dialogues, the Framework emphasizes alignment to the proposed governance arrangements of implementation of the NSDP II, the District Delivery Units, as proposed by the Lesotho Economic Roadmap (2018/19 – 2022/23). Furthermore, the private sector will have to also be organized in districts and unified in objectives. The secretariat will, therefore, ensure support of regional dialogues through district chambers and BAs. The expected collaboration of the district chambers and BAs with the District Authority (DA) offices will help

to identify hindrances to business and propose solutions relevant to the district's existing socio-economic and political conditions.



## Facilitator

In the context of this Framework, to facilitate means to keep the dialogue moving. This implies a focus on how partners participate in the PPD process to effectively meet objectives, with clear thinking, good participation and full buy-in from all parties involved. As noted, the Lesotho PPD Secretariat will act as a facilitative unit, and in pursuit of its role, it will consider implementing activities within the following five elements:



## Administration

The Secretariat will mostly be responsible for the general administrative activities of the PPD process. It will require sufficient capacity to carry out its administrative functions, in terms of capabilities and resources. This will include the maintenance of a smoothly functioning office,

the employment of local personnel, the drafting of respective TORs, and the training of staff. For instance, it is recommended that a rigorous approach be used when hiring and training local staff. As such, the recruitment process for the head and technical staff of the Secretariat should be a rigorous one, with the selection being individuals who are neutral and trusted by both the government and the private sector<sup>3</sup>.



### **Analytic Support**

An important feature of the Secretariat will be to provide access to technical input. This will ensure that issues forwarded to the High-Level Forum for discussion have a solid legal and economic foundation. Provision of descriptive and analytic information through analysis of options, conducting impact assessments, and providing international comparisons and best practices on specific issues will be among the analytic support to be provided by the Secretariat.

Provision of evidence-based research will further help focus the dialogue and counteract the dangers of an accusatory atmosphere or an unwillingness of participants to be frank about their concerns. A national forum will always be preceded, therefore, by rigorous analysis and validation of a potential agenda. The core value will be two-fold: a government that listens to the private sector with well designed, credible and workable reforms, and constructive and supportive businesspeople who acknowledge what government is trying to achieve with a reform program.



### **Information Management**

The organizational and coordination skills of the Secretariat will be applicable for the task of information management. Similar to many of its administrative duties, such as the preparation of and distribution of agendas and meeting minutes, the Secretariat will act as a clearing house of information and documentation as it passes through all levels of the dialogue to the High-Level Forum. Furthermore, the Secretariat will manage the intake and outflow of pertinent information, develop an Outreach and Communication Strategy, and elaborate informational materials and engage with stakeholders through traditional and digital channels of communication.

---

<sup>3</sup> Check Appendix C for an example of the Secretariat's TORs Template



## Advocacy

The Secretariat will facilitate continual advocacy on the PPD process to ensure development and implementation of reform strategies. The Unit will train its members in the art of advocacy so that they can have the capacity to approach the government or the private sector directly. Of importance, it will further see to it that both parties are continually capacitated to ensure smooth relations and productive engagements<sup>4</sup>.



## Outreach

Implementation of the PPD process involves huge coordination and mediation efforts. More time and work need to be invested in consultations and reaching out to people. Open communication about the process is also essential for creating trust and inclusion. Outreach will, therefore, be about keeping members informed on the PPD's work and progress, drafting reports for external audiences, and tabling the work of the High-Level Forum to the attention of the media.

Consistent measures to enhance transparency in the process will further help build trust beyond direct participants, such as publishing meeting minutes and decisions. It is recommended, therefore, that extensive targeted outreach and communication activities, within and between the approved structural arrangements should be accordingly guided by the Outreach and Communications Strategy to be developed.



## Champions

The Delivery Unit under the Prime Minister's office and the private sector counterparts, LCCI and PSFL, will be mandated to be institutional champions of the dialogue. However, the currently established FAPA Steering Committee<sup>5</sup> will be the representative platform advocating for the interests of the private sector and acting as collective local champions or ambassadors of their unified efforts and initiatives. The Committee will further assist with

---

<sup>4</sup> Implementation of the advocacy program and training of Business Associations is already planned for under Component III of the AfDB's FAPA.

<sup>5</sup> The FAPA Steering Committee is formed of membership from eight representative Business Associations.

sustaining dialogue between the GoL and organized businesses in promotion of the productivity and competitiveness of businesses in Lesotho. The members will pursue proper coordination among private sector organizations to ensure a high degree of integration, maximizing efforts and resources, minimizing overlapping, and eliminating any source of conflict.

Part of the discussions and consultations preceding the signing of the MoU, as proposed earlier, will further be to identify international champions from the business diaspora, or as agreed upon by all parties. The institutional and collective national champions will, therefore, work in collaboration with identified international business champions in the diaspora business community for effective ways of engagement and impact nationally and internationally. Furthermore, to further improve the quality and coordination of work, thereof, the Secretariat will draft the Terms of Reference (ToRs) for all structures and champions within the dialogue process.



## **Monitoring and Evaluation**

The Secretariat will put in place a rigorous Monitoring and Evaluation (M&E) Framework to objectively measure the results of the dialogue forums. There should be in existence internal monitoring tools, that is, application of tracking tools to keep abreast of all stages of each reform/action proposal. The degree to which monitoring results brought measurable change in planned targets should be accordingly reported and documented. Of utmost importance, public tracking of all actions agreed upon by both parties will help establish government's credibility to follow through on its promises and further demonstrate private sector's commitment to equally participate as partners to the country's economy.

To facilitate the process, the Secretariat will develop an M&E tool and submit to the TWGs. It will further use other existing feedback mechanisms for follow-up, check key areas at least six months post implementation to assess how well the changes have been integrated, and regularly communicate progress to the progressive levels of the proposed PPD structure.





## **International Role and Development Partners**

The Lesotho PPD will align to regional and global initiatives for much felt presence. Examples will be drawn from the role played by other countries' national dialogues and their alignment, thereof, to regional and global initiatives. Furthermore, the role played by the diaspora business champion/s will include, among others, to source opportunities regionally and globally.

As for Development Partners (DPs), it is important that they play a neutral role within the PPD process, maximizing local ownership and capacity, building trust, and maintaining a conducive and transparent environment. The engaged DPs will be mandated to consider the social, economic, and political context of the local PPD environment, as well as exit strategies and sustainability issues agreed upon by the GoL and businesspeople. There should be coordination among the DPs, through formal agreement from the Lesotho Aid Coordination Forum, to avoid duplication of efforts and to maximize the availability of funds in initiatives worthy of support.



## **Post Crisis Response and Recovery**

A dialogue is particularly valuable during and post-crisis environments to rebuild or reconstruct the economy through private sector development. Therefore, one of the roles of the Lesotho PPD process will be to recognize the specificities and potential of dialogue in such instances. As such, dialogue structures and instruments, as per the MoU, will need to be adapted to an identified post- crisis context.

The dialogue will be especially invaluable in enabling the sharing of resources and building capacity. The Secretariat will, therefore, be mandated to design the PPD's strategic framework and related initiatives in line with existing possibilities of crises (risk management), considering related response and budget thereof.



## Annexure A: Follow-Up Initiatives

It will be important for both parties to host *Public Consultations* on the designed Public Private Dialogue (PPD) Framework. This will ensure that follow-up activities have been informed broadly by all stakeholders, including the public. As guidance, the following are also key aspects of the implementation of the Framework, to be facilitated by the Secretariat:

1. Development of the PPD Mandate
2. Drafting of Terms of References (ToRs) for each level of the PPD structure
3. Cooperation and Operation Protocols for the PPD process
4. The PPD Strategic Framework, Implementation Plan (Roadmap) and Financing Strategy
5. The Sustainability Strategy - The Secretariat will put together a sustainability strategy to ensure the continuity of the PPD initiative with a clear Roadmap developed for an eventual ownership of the initiative.
6. Outreach and Communication Initiative - Draft a press release, Creation of materials necessary for sensitization and raising awareness at the decision-making level (videos, booklets etc.), Strengthen the capacity of implementing partners to build synergy and coherently articulate the achievements of the Framework, Create support materials in collaboration with private sector partners that will educate and inform other relevant stakeholders, Create and implement an outreach and Communication Strategy to inform and educate the public on the initiative, and Development of communication tools and materials for publicity.
7. To Leverage on Special Events to Provide an Opportunity for the Public to Learn - Identify/ map out key stakeholders and committees needed to approve the initiative and policy, Obtain buy-in, Update various key stakeholders and leadership, and Finalize implementation date – **“Go Live”** date.
8. Knowledge and Information Sharing - Develop training forms and communication materials and obtain organizational approval for forms if necessary, Work with materials management to have the necessary posters, phone stickers, badge buddies and other materials available prior to the “Go Live” date, and Maintain a surplus supply of materials for post “Go Live” date needs.

9. Capacity Building - Identify trainers and schedule train-the-trainer sessions, Familiarize trainers with training needs, content and tools, and Schedule presentations with various groups within the identified sectors.



## **Annexure B: Proposed Capacity Building Programme**

To strengthen the Lesotho PPD process initiatives, the following capacity building activities are proposed to help stakeholders engage efficiently in their respective dialogues.

### **1. Orientation Workshop**

Participants: Stakeholders of the PPD, Media, Civil Society Organizations (CSOs).

Learning Objectives: The objective of the orientation workshop will be to present the structure of the PPD, explain to stakeholders how they will engage and who their focal points will be. Members of the public and private sectors should be informed on how the dialogue will be carried out and how they can continue to discuss issues that matter to them.

During the workshop, roles and responsibilities will be detailed and the mandate be discussed. The presenter(s) will also present other examples of PPDs worldwide and what they have achieved so far to illustrate the benefits and risks of the PPD. This will usually take a two to three hour orientation workshop with different groups of stakeholders. Presenters will include the chair of the Executive Committee, champions, and co-chairs of respective TWGs. Stakeholders will also include the members of the legislative bodies, opposition parties, the media, CSOs and other stakeholders.

### **2. Capacity Building of the Secretariat**

Participants: Staff of Business Associations, PPD Secretariat.

Learning objectives: A series of training workshops can be provided for selected BAs to strengthen their capacity to operate an efficient Secretariat as a driving force of the PPD. Following an overview of how the PPD operates and what it aims to achieve, the workshop should provide a step-by-step guide to all administrative procedures needed to support the PPD Secretariat. The objectives will be defined as follows:

- ❖ Serve to build the necessary administrative capacity in selected BAs and TWGs.

- ❖ Ensure that the government of the country will find an organized private sector as a partner in the dialogue process.
- ❖ Strengthen the administrative role of the Secretariat, such as planning, delivery and follow up of PPD meetings (agenda, documentation, minutes), emphasizing the crucial role the Secretariat plays for an effective dialogue.

### **3. Communication**

Participants: Staff of the PPD Secretariat, Staff of Business Associations.

Learning objectives: The objective of the course will be to provide skills to staff of the Secretariat and staff of BAs on how to communicate about reforms, and how to garner support for the private sector's proposals. The workshop will aim at helping staff:

- ❖ Realize the need to obtain support for a reform through a well-coordinated communication and outreach campaign
- ❖ Grasp the concept of communication and learn from other PPD communication campaigns
- ❖ Initiate a communication plan and develop a 12-month communication plan on one specific reform

### **4. Advocacy**

Participants: Staff of the PPD Secretariat, Staff of Business Associations.

Learning objectives: The objective of the one-day training course will be to improve the Secretariat and BAs' ability to engage in policy advocacy. This includes handling the building blocks that are needed to develop and sustain an effective policy advocacy. The session will provide practical knowledge on how to develop and implement strategic and operational initiatives with respect to policy advocacy.

### **5. Monitoring and Evaluation**

Participants: Staff of the PPD Secretariat, Staff of Business Associations

Learning Objectives: The objective of the one-day session will be to understand the M&E Framework for the PPD and to initiate the implementation of a system to collect evidence and measure outcomes of the PPD. The session will introduce the following evaluation tools:

- ❖ The Evaluation Wheel
- ❖ The Scorecard
- ❖ The impact on the reform process, and
- ❖ Measuring the economic/social impact.

## **6. Empowerment Program: BA Revival and Strengthening**

Participants: Executive Committee, Staff of the PPD Secretariat, Staff of Business Associations.

Learning Objectives: The objectives of these sessions will be to revive the BAs and help strengthen them in terms of structure and composition, introduction of good governance and periodic switch of leadership/fixed period of office holding. This will further include continuous BA empowerment sessions on Communication and Dialogue, especially in relation to national and district dialogues. A well-targeted revival and strengthened structure of BAs will ensure good governance and enough revenue generation to sustain the Associations' objectives. Below, therefore, is a list of inexhaustible areas of interest that can be covered:

- ❖ Recruiting and retaining membership
- ❖ Developing and managing services
- ❖ Becoming a successful business training provider
- ❖ Developing effective communication and advocacy skills
- ❖ Developing a strategy and business planning



## **Annexure C: TORs Template for Secretariat**

### **Set Up**

The purpose of the Secretariat is to facilitate a constructive dialogue between the government and the business community, both foreign and domestic, and thereby improve the investment climate, stimulate private sector development in Lesotho to raise employment and improve peoples' lives. To raise the quality of the government-private sector dialogue and to monitor progress on issues raised by the private sector, the Secretariat will facilitate and coordinate interaction within and between the private sector working groups as well as between the joint government-private sector working groups.

The Secretariat will coordinate its overall activities with [insert names of relevant institutions as finalized through initial discussions] and assist in organizing joint government private sector working group meetings and a bi-annual Forum. The Secretariat will ensure that initiatives and issues emanating from the private sector are appropriately identified, are broadly representative, are adequately researched and are presented to the government

through the joint government-private sector working groups in a focused, solutions-oriented manner.

The Secretariat will monitor discussion of issues raised, implementation of potential solutions and disseminate information to the working groups and the broader community of businesses, multilateral institutions and donors. The Secretariat will have no decision-making or policy-making powers. The impact of the Secretariat will be measured by the extent to which coordination and communication within and between the working groups is considered effective and efficient. Longer term indicators of success would be the degree of participation by the business community in the dialogue process and improvement in the business environment, leading to higher foreign and local investment activity.

Tasks and Responsibilities Promote a strong public-private partnership between the government and local and foreign businesses by:

- ❖ Acting as a neutral honest broker between the various parties.
- ❖ Promoting the government-private sector dialogue within the business community to broaden and deepen private sector participation in the process, especially from local businesses.
- ❖ Acting as a resource center for private sector-led initiatives.

The Secretariat will report to the Executive Committee. [Include a paragraph on the final composition of the Executive Committee]. [The following are sample staff positions and responsibilities of a Private Sector Forum Secretariat]

**Executive Director** [Title could also be: Coordinator, Liaison Officer, Forum Manager, etc.]

The executive director has a critical role for coordinating, facilitating, administering and otherwise providing structure and form to the PPD process. The Secretariat he or she heads is an important facility for providing resources to the entire Forum process. In addition to its administrative and other duties the coordinator will play the role of the “honest broker” for the entire dialogue process, and especially when working group dialogue process moves from earliest stages to maturity. He or she:

- ❖ Assures the overall leadership and management of the PPD activities, liaises with government and private sector, brokers access to funding for studies, etc.
- ❖ Consults with all stakeholders to determine their interests, willingness/ability to participate.

- ❖ Manages Secretariat's professional and administrative staff.
- ❖ Formulates a detailed program and work plan, distributes necessary tasks, defines priorities, and ensures implementation of program tasks by the Secretariat team and other key PPD participants.
- ❖ Establishes and maintains working contacts and exchanges with the relevant public and private sector principal counterparts for the program.
- ❖ Secures support for the structure of the PPD and appropriate participation from the public and private actors.
- ❖ Arranges meetings between the government and private sector representatives to agree on the topics and agenda of the dialogue process and facilitates discussion during the meetings.
- ❖ Guides the working group in the completion of their stated objectives.
- ❖ Elaborates action plans; assists working groups in finding information on specific topics (seeking donor and government support for technical inputs when needed).
- ❖ Ensures that the partnership stays on course and that the suggestions agreed by the working groups are presented to the government and inform government policy.
- ❖ Prepares quarterly reports to participants, donors and counterparts; along with other reports which may be required, such as media briefings.
- ❖ With other team members, drafts articles, delivers presentations and speeches on reform approaches in each of the program areas.
- ❖ If the Secretariat is funding through technical assistance, prepares a plan for continuation of Secretariat function, and recommend how the functioning of the PPD will be assured following the completion of technical assistance.
- ❖ Manages funding and is responsible for accountability, transparency and efficiency of the Secretariat and the initiative. Qualifications include: strong neutral figure vis-à-vis the government and the private sector; relevant academic credential; experience in business, government, law or related profession in country and/or abroad; private sector management experience; demonstrated entrepreneurial spirit; knowledge of business environment reform programs, PPD processes



and related communication programs.

**Private Sector Development Specialist** [Title could also be: Policy Analyst, Business Reform Manager, Economist, etc.]

The PSD Specialist assists the director with sorting through working group's proposals, coordination or drafting of issues papers that emerge from working groups and elaborates on initial regulatory or policy proposals made by working groups or individual entrepreneurs, applying cost/benefit analysis to reform ideas. He or she:

- ❖ Participates in the implementation of the action plan or reform program.
- ❖ Participates in working group meetings and maintains dialogue and support to technical committees.
- ❖ Provides technical support to private sector participants on economic and policy analysis.
- ❖ Researches and drafts background papers and policy notes on issues identified by working committees, as needed on a demand-driven basis.
- ❖ Participates in the organization and execution of communication program.
- ❖ Conducts economic analysis of reform proposals as needed.
- ❖ With other team members, drafts articles, delivers presentations and speeches on reform approaches and institutional change in each of the program areas.
- ❖ Links to private sector, and to policy specialists in government institutions and within the donor community to ensure viability of proposed reforms.
- ❖ Assist the Executive director in other PPD related activities.

**Qualifications include:**

- I. Strong experience in policy analysis and formulation in areas relevant to investment climate
- II. Knowledge of international good practice on private sector development; strong communication and advocacy skills
- III. Ability to interface effectively with government and private sector; strong teamwork and interpersonal skills.

**Other professional staff** [This may include the following, depending on the specific needs of the PPD and the availability—or not—of other resources that could be drawn upon]:

- ❖ A Lawyer specialized in development economics—if the PPD is processing a lot of regulatory proposals, to ensure their compliance with best practice, their legal workability and to formulate the corresponding amendments.
- ❖ A Public Service/Institutional Change Specialist—if the government is willing to integrate the findings and work process of the PPD in its institutional framework, to maintain working relationships with all institutional partners, create change management strategies and coordinate their implementation within the institutions.
- ❖ A Regional Coordinator or a Sector specific coordinator—if the PPD has a strong regional focus and that some parts of the country are significant in term of economic activity but too remotely located; or if a partnership gives a particular emphasis to specific clusters of activities or to particular industrial activity, to manage the work on these regions or sectors.]
- ❖ Administrative Assistant. [Could also fulfill the function of interpreter/ translator if needed.]

The Administrative Assistant has a key role in supporting the PPD activities and the Secretariat team. PPD dealings tend to produce a mass of detailed documentation, which the Assistant will help manage effectively. He or she:

- I. Manages the Secretariat office and deals with all logistics related to the Secretariat.
- II. Organizes plenary meetings and working group meetings.
- III. Handles sensitive correspondence and ensures proper documenting of all Secretariat's activities and dealings.