Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Departement of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO

Economic Cooperation and Development WE

Terms of Reference (ToR)

for

External Evaluation

of

The Inclusive Payments Digitalisation Programme

in

South Africa and the SADC Region

Table of Contents

1. Purpose of the Evaluation

The primary purpose of this mid-programme evaluation is to generate actionable learning that will support planning and design of a potential next phase. The evaluation will examine the effectiveness (incl. progress to date, contribution to outcomes etc.), the coherence as well as the likelihood for sustainability of the programme. The evaluation should identify strengths, challenges, and contextual shifts that may require adaptation, and provide evidence-informed recommendations to enhance the programme's effectiveness. Ultimately, the evaluation is intended to equip programme leadership and partners with insights that enable informed decision-making, adaptive management, and improved performance for the remainder of the programme cycle and inform the development of a potential follow up phase of the programme.

2. Description of the Intervention

The Inclusive Payments Digitalisation Programme is a three-year programme aimed at creating the foundation for a conducive policy and regulatory environment in South Africa and neighbouring countries for inclusive growth and development, focusing on digital financial access. The programme seeks to catalyse digital transformation in communities, fostering economic growth, financial inclusion, and overall economic development in the region.

The programme is based on the assumption that access to and meaningful use of digital financial services for low-income people and small traders will provide them with safer means to manage their money, making them less vulnerable to theft and encourage greater economic activity within their communities which in turn encourages economic growth.

The logframe, with targets and achievements is in annexe I. The theory of change is as follows:

If we can:

- Increase digital financial literacy in low-income communities, for small-scale cross-border traders and low-income or informal wage workers and
- Develop low-cost digital payment platforms for cross-border traders and low-income or informal workers and
- Improve institutional capacity and skills for financial service providers, fintech, policymakers and regulators (including increased use of monitoring and evaluation by central banks)

Then:

- The regulatory environment can be made conducive to lowering the cost of digital payments
- There will be an increase in the acceptance and use of digital payments by traders, merchants and consumers and
- Financial service providers and fintechs will provide appropriate and affordable digital payment products.

Because there will be demonstrable use cases for the successful implementation of digital ecosystems and payment systems in South Africa and the Southern African Development Community (SADC) region that provide recommendations for the roll-out of these systems and evidence of their benefit to vulnerable people and communities.

The programme includes five projects, namely; the community digitalisation, digitalising incomes for informal and low-income workers, informal cross-border trade, cross-border remittances and SADC monitoring and evaluation projects. Given the primary goal of this evaluation is to provide recommendations for future programme development the evaluation should focus on the community digitalisation, digitalising incomes for low-income and informal workers and the cross-border remittances projects within the programme, as these are earmarked for ongoing funding.

The community digitalisation project is a long-term project, developed by FinMark Trust in 2020. It aims to support the development of digital ecosystems in South Africa's low-income communities. Using a proof-of-concept approach, the project aims to enable local, inclusive economic and social development by creating an open digital ecosystem. This will be achieved by defining a developmental framework and determining prospective pathways through which scale-up can be accomplished, and, where feasible, seeding these pathways.

The digitalising incomes for informal and low-income workers project aims to identify and implement, in a pilot, a solution that will enable those employed in the services industry and who rely on tips to receive payments digitally. The project further seeks to understand tipping dynamics from the perspective of the tipping customers, their attitudes towards tipping, and the impact tipping has on the financial lives of those who receive them.

The remittances project seeks to increase access to (digital) formal remittances, reduce the cost of onboarding new customers, improve the capacity of regulators and remittance service providers in the implementation of the risk-based approach, and improve regional identity data sharing to support access to formal financial services and foster regional integration.

3. Scope and Focus of the Evaluation / Evaluation Questions

Given that this is a mid-programme evaluation the focus will be on the output and outcome levels of the logical framework.

The objectives of this evaluation is to:

- Assess Effectiveness: Analyse to what extent components, partnerships, or approaches are effective. Surface bottlenecks, inefficiencies, or design flaws that may hinder effectiveness. This includes testing underlying assumptions of the theory of change, i.e. examining whether the programme's logic still holds under real-world conditions and updating or refining the theory of change based on emergent evidence or contextual changes.
- Assess coherence of the programme with other initiatives (internal and external consistency).
- Inform Strategic Adjustments: Provide evidence-based recommendations for improving programme design, of a potential next phase. Support decisions on reallocating resources, adapting interventions, or strengthening stakeholder coordination.
- Support Accountability: Offer an independent, credible assessment for funders, partners, and beneficiaries.

The key evaluation questions are:

Effectiveness:

1. To what extent are the programme results achieved at this stage of implementation?
2. To what extent and how are the programme's interventions contributing to outcomes?
3. Which factors explain progress and success? Which factors limit progress and success?
4. Does the programme's theory of change remain valid given emerging evidence and contextual changes? If not, what elements require refinement? What assumptions underpinning the programme have held true, which have not, and what implications do these have for achieving intended outcomes?

Coherence:

5. How well does the intervention fit with other, related interventions and policies in the same area (internal and external consistency)?
6. To what extent have the programme's demonstration effects contributed to wider acceptance and sustained use of digital payments by merchants, traders, and consumers?
7. How can the programme strengthen coordination and collaboration among key stakeholders?

Likelihood to Sustainability:

8. How effectively has the programme supported ownership and uptake by communities, regulators, and private-sector actors?
9. How well have institutional, regulatory, and market actors been capacitated to continue advancing inclusive digital payments?
10. To what extent are the digital payment solutions financially, technically, and operationally viable without continued programme support?

The evaluation report shall lay out key **lessons learned** - both positive and negative - which have emerged. The evaluation will also make evidence-based **recommendations** to support the design of a potential next phase.

4. Evaluation Methods and Process

The evaluators will ensure impartiality, methodological rigour and the generation of credible evidence to support learning and strategic steering. The evaluation will follow a transparent and consultative process, applying systematic triangulation across all data sources.

The evaluation must be **grounded in the programme's theory of change**. The evaluation will further elaborate the programme's theory of change (or several project theories of change) elaborating detailed outcome pathways, which will then be tested in answering the evaluation questions.

The evaluators are expected to propose a sound **theory-based methodological approach** tailored to the purpose and scope of the evaluation. As part of the offer and/or inception report, they should present a detailed design, including an evaluation matrix (ref. *SECO-WE's Evaluation Guidelines*, Annex IX), the proposed sampling strategy (e.g., probability or purposive sampling), and data collection methods such as document review, interviews, and/or surveys, among others. Both qualitative and quantitative evidence should be collected. If case studies are included (e.g., in a case-based design), the rationale for case selection should be clearly stated, and where applicable, cross-case comparability should be ensured.

The methodology should explain how data will be analysed, including procedures for handling qualitative data. Data collection and analysis should apply triangulation and be verifiable and transparent. Evaluators should outline how findings will be substantiated and assess the anticipated strength of evidence (e.g., low, medium, or high confidence).

Any methodological limitations should be transparently discussed, along with strategies to mitigate them.

The evaluators will be granted access to the following documentation:

- Programme inception report
- Programme progress reports
- Programme learning briefs
- Steerco and monthly meeting minutes
- The theory of change and logframe
- Published reports on project findings
- Programme risk matrix

Semi-structured interviews, exploring programme performance, contextual developments, operational challenges, and opportunities for refinement, can be conducted with key stakeholder groups, including:

- Programme management and implementation teams
- Partner organisations and service providers
- SARB representatives
- SECO representatives
- Government agencies and regulatory bodies
- Market actors and external experts

Where relevant, the evaluation will gather direct perspectives from beneficiaries or end-users. This may include:

- MSMEs, households, or individuals engaged in programme activities
- Financial sector actors
- Community or ecosystem representatives

Consultations may take place through focus groups, interviews, or remote engagement, depending on feasibility. These perspectives will help assess programme effectiveness, inclusiveness, and early effects.

Findings must be systematically triangulated across all evidence sources to ensure robustness and minimise bias. Validation will take place through:

- Internal evaluator cross-checks
- Interim consultations with SECO, the SARB and the programme team
- A formal validation workshop presenting emerging findings and seeking stakeholder feedback

This process will ensure accuracy, strengthen evidence quality, and promote ownership of findings.

The evaluation will be delivered in three main outputs:

1. Inception report: detailed methodology, sampling, evaluation matrix, tools, and final work plan.
2. Draft evaluation report: presentation of preliminary findings, analysis, and recommendations.
3. Final evaluation report: revised based on SECO and stakeholder feedback and validated through the workshop.

All findings and recommendations will be grounded in evidence, clearly linked to the theory of change, and aligned with SECO's requirements for usability and strategic learning.

Evaluations must be conducted ethically and legally, respecting the rights, dignity, and interests of those involved. Evaluators are expected to demonstrate cultural and contextual sensitivity, maintain impartiality and independence, and ensure informed consent and voluntary participation. All evaluation processes must adhere to ethical and legal standards, including data protection obligations and confidentiality. Sensitive or personal data must be handled with care, in accordance with applicable data privacy regulations.

Evaluators are expected to adhere to *SECO-WE's Evaluation Guidelines* throughout the assignment.

5. Deliverables

The key deliverables of this evaluation are:

- An inception report that includes a detailed description of the approach and methodology and the evaluation matrix. The inception report should be of a maximum of 10 pages (excluding annexes).
- A draft and a final evaluation report. The draft report will be shared with key programme stakeholders for review and comment and will then form the basis for the final report. The report should be structured and concise, a **maximum** of. 25 pages (excluding annexes) (ref. SECO-WE's Evaluation Guidelines Annex V).
- A presentation of findings, insights and key recommendations.

The draft and final evaluation reports should be factually accurate, clearly written, and include actionable, prioritised recommendations that logically follow from the findings and conclusions and indicate responsibility for implementation (ref. SECO's WE's Evaluation Guidelines, chapter 3.5).

Reports should be visually engaging, using figures, illustrations, and graphs alongside text and tables, while remaining in line with the standard format set out in *SECO-WE's Evaluation Guidelines* Annex V).

The evaluation report will be published on *www.aramis.admin.ch* in accordance with the Freedom of Information Act (FoIA). It must be submitted in a manner that protects data privacy. Any private information should be submitted in a separate annex.

All evaluation reports at SECO undergo a quality assessment (ref. *Performance & Quality Report 2023-24*). Hence, the report must be understandable as a stand-alone document. This is especially important for the evaluation's approach, design and methods. Where additional detail is needed, this can be included in the annex.

6. Schedule

The evaluation is expected to be completed over a 10-week period, following the sequence of activities and deliverables outlined below. The proposed timeline allows for thorough data collection, robust analysis, internal quality assurance, and adequate time for stakeholder engagement and feedback.

Mobilisation and Inception Phase (Weeks 1–2)

- Contracting and initial briefings
- Review of programme documentation and refinement of evaluation questions
- Stakeholder mapping and finalisation of methodological approach
- Preparation of a detailed work plan and data collection tools
- Deliverable: Inception report submitted at the end of week 2
- Feedback and revisions: Early in week 3

Data Collection and Analysis (Weeks 3–6)

- Key informant interviews with programme staff, partners, funders, and stakeholders
- Beneficiary consultations (remote or in-person, where applicable)
- Review of monitoring data and relevant documents
- Preliminary coding and analysis of qualitative and quantitative evidence
- Ongoing check-ins with the client as needed

Synthesis and Draft Reporting (Weeks 7–8)

- Integration of findings across data sources
- Development of evidence-based conclusions and recommendations
- Internal quality assurance processes
- Deliverable: Draft evaluation report submitted middle of week 8
- Feedback from implementation partner and programme funders at the end of week 8

Findings Presentation/Validation Workshop (Week 9)

- Presentation of emerging findings to programme steering committee
- Facilitation of discussion to validate interpretations and explore implications
- Consolidation of feedback for final report revisions
- Deliverable: Findings presentation or validation workshop

Finalisation of the Evaluation Report (Week 10)

- Incorporation of feedback from the workshop and client comments

- Final editing, formatting, and quality assurance
- Deliverable: Final evaluation report submitted at the end of week 10
- Approval of final evaluation report by programme funder.

7. Evaluation Team / Qualifications

The evaluation is expected to be undertaken by an independent evaluator or evaluation firm with proven expertise in conducting high-quality evaluations of development programmes. The team must collectively demonstrate the following qualifications and competencies:

Technical Expertise

- Advanced expertise in economic development, including inclusive growth, private sector development, financial sector development, MSME support, market systems strengthening, or related fields.
- Strong understanding of development policy and economic reform processes, ideally within emerging or developing economy contexts.

Evaluation and Research Skills

- Minimum of 7–10 years of experience in designing and conducting external evaluations.
- Strong command of mixed-methods evaluation design, including qualitative and quantitative data collection and analysis.
- Proven experience applying theory of change-based evaluation approaches.
- Demonstrated ability to assess programme effectiveness, coherence, and sustainability.
- Familiarity with OECD-DAC evaluation criteria.
- Experience conducting stakeholder consultations, including with government, private sector actors, and beneficiaries.

Regional and Contextual Knowledge

- Experience working in Southern Africa, with an understanding of the policy, regulatory, and market environment relevant to economic development programming.
- Experience engaging with national and sub-national stakeholders, including government counterparts, private sector institutions, and civil society.

Project and Team Management

- Demonstrated ability to manage multi-phase assignments over several months, including coordination of diverse team members and timely delivery of outputs.
- Strong organisational skills and capacity for transparent communication with the client throughout the evaluation process.

Communication and Reporting

- Excellent skills in analysis, synthesis, and report writing, with a track record of producing high-quality evaluation reports.
- Ability to produce clear, evidence-based, and actionable recommendations aligned with programme needs.
- Strong facilitation skills for conducting validation workshops, presentations, and stakeholder dialogues.
- Fluency in English (written and verbal) is required.

Ethical and Professional Standards

- Demonstrated commitment to independence, impartiality, ethical research practice, and protection of confidential information.
- No conflict of interest with programme implementers, partners, or funders.

8. Budget

No predetermined budget is allocated for this evaluation, however, the project is expected to be completed in approximately 40 days. Bidders are required to submit a detailed and transparent financial proposal that clearly outlines all anticipated costs associated with delivering the assignment.

The financial proposal must include:

- Breakdown of working days:
    - Number of working days allocated to each team member.

- - Clear description of roles and responsibilities linked to each person's level of effort.
  - Daily rates:
    - Daily fee rates for all proposed team members, including any support staff.
    - Indication of whether rates are inclusive or exclusive of VAT and other taxes.
  - Travel and logistical costs:
    - Any anticipated travel required for the evaluation, including transport, accommodation, per diems, and other logistical expenses.
    - Justification for each travel cost.
  - Subcontracting arrangements (if applicable):
    - Identification of any subcontractors, their roles, number of days, and daily rates.
    - Rationale for subcontracting and value added.

All costs should be presented in South African Rand (ZAR) and Euros and must be fully itemised, enabling a clear assessment of value for money. Proposals that do not provide transparent budgeting information may be deemed non-compliant.

9. Submission of proposals

Proposals should be submitted to Tessa Klaas, *TessaK@finmark.org.za* by no later than close of business on 26 March 2026.

10. Annexes

Annexe I: Logframe with targets and achievements as of December 2025.

Results Level	Key Performance Indicators	Baseline	Target	Achieved	Rationale
Impact 1.1	Median individual Income	R3,972 per month	TBD		In community, baselines are still being collected. These will inform the targets. Impact level targets are not anticipated to be achieved before 2027.
Impact 1.2	Improved working conditions (*Number of women and men benefitting from measures that lead to improved wages for both*)	TBD	TBD		
Impact 1.3	Increased employment	32.9% unemployment	TBD		
Impact 1.4	Residents living below the poverty line	23.7 million	TBD		
Impact 1.5	Residents in previously disadvantaged communities using digital payments	431 536	15% increase		
Outcome 1.1	Percentage of digitally facilitated transactions: Payments to suppliers	23% (*National Average*)	28% (*20% increase*)	Pending	In community, baselines are still being collected. These will inform if the targets set apply to the communities we are operating in and ongoing tracking of achievement.
Outcome 1.2	Percentage of digitally facilitated transactions: Receipts from customers	21% (*National Average*)	24%	Pending	
Outcome 1.3	Percentage of tips/payments received digitally: Receipts from Customers)	0	1000	1601	1601 transactions, amounting to a total value of R21,039.50 have been recorded. Given the number of recruited participants, this number seems insubstantial and ongoing piloting will look to boost this.
Outcome 2.1	Average cost of cross-border remittances in South Africa-Lesotho, Mozambique, Zimbabwe and Malawi corridors	8.5%	6% (tentative)	Pending	Recalculations are needed because the 6% target has been reached, but this may be artificially influenced by the currency crisis in Malawi that has led to remittance providers losing money, as charges have been a very unusual -35%.
Outcome 2.2	Number of digital cross-border remittances	2,300,000	3,300,000	3,300,000	We propose increasing the target to 3,600,000 as the 3,300,000 target has already been met organically.
Outcome 2.3	Total volume of cross-border remittances received by the target population (Lesotho, Zimbabwe, Mozambique and Malawi)	586,744 (derived from the SARB data)	TBD	Pending	Triangulations with the FinScope data and SARB's data are proposed to estimate volumes. These are still to be completed
Outcome 2.4	Number of trade-related cross-border payments (from 2023 onwards).	0	4000 transactions over 3 years	36 cash 6 remittances service providers 2 used bank transfers	The Lesotho pilot did not generate as many transactions as anticipated. Ongoing pilots will continue to contribute to this.
Outcome 3.1	Number of regional eKYCD verifications conducted across 4 corridors: South Africa-Lesotho, Mozambique, Zimbabwe and Malawi	0	5000	Pending	We are still sourcing data to track this but to track technical progress, we are also using output 2.1.2, which monitors the number of system integrations per corridor.
Outcome 4.1	Number of policy reforms/actions supported or introduced	0	3	Pending	The SARB has endorsed an approach to create a new balance of payments code to track informal trade. Other support to policy reform/actions are ongoing and being influenced by findings across all the project pilots.
Outcome 4.2	Number of people capacitated through the project	0	1280 (of which 40% female)	17	Capacity building is ongoing and more have been capacitated than the reported 17, we are awaiting attendance registers from the Banking Association of South Africa.
Outcome 4.3	Number of central banks using and providing data on all 15 or at least 10 indicators for M&E.	0	15	15	Achieved
Output 1.1.1	Number of pilots implemented	0	2 pilot sites per project	2 pilot sites per project	All pilots have been conducted in at least two sites. Community digitalisation is looking to expand to rural sites and Digitalising Incomes for Informal and Low-income Workers will expand to new corridors with the second provider.
Output 1.1.2	Number of merchants and consumers reached by the pilots	0	200 merchants (*100 in each site of which 40% female*) 2000 consumers (*60%female*)	355 merchants (total of +175 merchants at each site). Consumer figures pending.	The project has surpassed its overall merchant registration target. Preliminary gender-disaggregated data indicate that Hammanskraal is aligned with the 40% target for women-owned enterprises. In Tembisa, the proportion is slightly short at 37%. These figures remain provisional and require verification. The ongoing onboarding of scholar transport operators and early childhood development (ECD) centres is expected to influence the gender distribution, as many are led by older women.
Output 1.2.1	Digital tipping solution rolled out	0	2000 services industry employees (*40% Female*)	1057 recruited	Current participation data shows 184 females, 321 males, and 552 individuals with unspecified gender, due to non-mandatory reporting. The participant pool does not consist solely of individuals within the services industry and adjacent industries such as recycling and trade are included.
Output 2.1.1	Completed training of 80 SADC regulators and FSPs on the risk-based approach in 4 corridors: Mozambique, Malawi, Lesotho and Zimbabwe	0	80	123	Training is ongoing and the target is surpassed, we suggest increasing this to 200.
Output 2.1.2	Number of integrations between FSPs and digital civil registry databases for regional eKYC/CDD of identity	1	2 per corridor	3	Bank integration has been largely achieved. Among microfinance institutions, only two out of 100 have

	sharing targeting 3 corridors: SA-Lesotho; SA-Zimbabwe; and SA-Malawi				integrated. Smaller financial service providers continue to face challenges due to limited infrastructure and resources necessary for NRB system integration. Mukuru is integrated but has not yet implemented cross-border verification functionality, while HelloPaisa has not initiated the integration process.
Output 2.1.3	Two low-cost fully digital cross-border remittance products developed	0	2	1	Work is ongoing to overcome regulatory challenges that limit development.
Output 3.1.1	Completion of pilot testing the use of digital payments by cross-border traders	0	50 traders participating in pilot of which 12 are female	39 traders	39 traders participated in the Lesotho pilots, the Zimbabwe pilots are pending.
Output 3.1.2	SARB approved policy paper on recommendations from the pilot to facilitate a new payment product for cross-border trade	0	1	Pending	Work is ongoing
Output 3.1.3	Approval letter from the SARB to allow non-bank remittance service providers to offer digital wallet services, which can be used to remit money from South Africa to the rest of SADC	0	1	Pending	Work is ongoing
Output 4.1.1	Number of SADC member states with remittance data on the remittance portal	0	3	3	Achieved
Output 4.1.2	Number of individual regulators capacitated to support regulatory functions on the use cases of the data collected.	0	200	100+, TBC	Attendance registers for capacity-building sessions are pending.
Output 4.2.1	Conduct 3 financial literacy workshops in each site involving 400 participants (total of 1200 people) of which 50% being women for community digitisation, digitisation of informal workers payments and remittance projects)	0	1200	846	Community Digitalisation has successfully exceeded its training targets with 807 consumers receiving training thus far, and an additional 500 consumers are still going to receive training. 218 enterprises (129 in Tembisa and 89 in Hammanskraal) have completed training. Gender-disaggregated data is pending but preliminary indications suggest that 65% of trained participants were women. Training is yet to begin on the cross-border remittances project. 39 traders have been recruited to participate in training on the informal cross-border training project. The approach to literacy training on this project is different, using the FinBit app to deepen literacy and not using the standard, classroom approach.

Annexe II: Programmatic advisory and oversight structures.

	Community Digitalisation	Digitalising incomes for Informal and Low-income Workers	Informal Cross-border Trade	Cross-border Remittances	SADC Financial Inclusion M&E
Programme Governance Committee	Includes: FinMark Trust, SECO, SARB NPSD, FSCA, SARB PEM, SARB PA, SARB Fintech, SARB FinServ and National Treasury				
AML/CFT Committee	Includes: FMT, SECO, SARB NPSD, FSCA, SARB PA, National Treasury, FIC				
SARB PEM Alignment Committee	Includes: FMT, SECO, SARB NPSD and SARB PEM				
Project Management Oversight	SARB Project Management Committee				
Project advisory bodies	Steerco includes: FMT, SECO, SARB NPSD, PA and Fintech divisions, FSCA, National Treasury, the World Bank, City of Tswane, City of Ekurhuleni, SASSA and DSBD		Pilot Steerco includes: FMT, SARB NPSD and SARB FinSurv	TCIB Steerco includes: FMT, SARB NPSD, SARB PA, SARB FinSurv and PayInc.	CCBG Payment System Subcommittee
FinMark Trust Structures	FinMark Trust Head of South Africa Financial Inclusion Programme		FinMark Trust Head of SADC Financial Inclusion Programme		
	Community Digitalisation Project Leader	Digitalising Incomes for Informal and Low-income Workers Project Leader	Informal Cross-border Trade Project Leader	Cross-border Remittances Project Leader	SADC M&E Project Leader

The Programme Governance Committee serves to provide key strategic guidance and oversight to the programme and support the implementation of the programme by unlocking blockages that arise.

The AML/CFT Committee provides oversight to ensure that all programme activities appropriately consider and address money-laundering and terrorism-financing risks.

The PEM Alignment Committee is responsible for ensuring strategic alignment between the SARB's Payments Ecosystem Modernisation (PEM) initiative and IPDP.

The SARB Project Management Committee serves to provide strategic oversight, guidance, and decision-making support for the programme. The committee monitors progress, addresses risks and ensures resources are used effectively. It also reviews key deliverables and supports the project team to resolve challenges to project delivery.

The Community Digitalisation Steering Committee provides key strategic guidance and oversight to the programme and supports its implementation by unlocking blockages that arise.

The TCIB Committee serves to provide key strategic guidance and oversight to the TCIB diagnostic study that forms a part of the cross-border remittances project.

The CCBG Payment System Subcommittee (PSS) provides input and guidance to the project team on the content and use of the SADC M&E dashboard.