

Request for Proposals: Terms of Reference

for services of a consultant firm

to undertake the evaluation of the UNCDF
Regional Programme

“Building Inclusive Financial Sectors in Africa Phase I
2005-2007 (BIFSA)” and

3 case studies of projects supported by BIFSA
in Liberia, Togo and Madagascar

**THIS TERMS OF REFERENCE IS STRICTLY FOR THE PURPOSES OF
SOLICITING PROPOSALS AND MAY BE SUBJECT TO CHANGE**

June 2008

PART I: BACKGROUND

1. Background on the United Nations Capital Development Fund (UNCDF)

2. Background on UNCDF's Financial Practice Area (FIPA)

UNCDF's vision of inclusive finance is focused on assuring that each of the Least Developed Countries where UNCDF works has a continuum of financial institutions that together offer appropriate financial products and services to all segments of the population. The development objective of UNCDF's Financial Practice Area (FIPA), as stated in the organization's Strategic Results Framework for the period 2008-2011 is:

"To increase sustainable access to low-income households to quality financial services"

UNCDF's Financial Inclusion Practice Area (FIPA) made a strategic shift in 2002 from provision of microcredit grants and loans, to a sector development approach to building **Inclusive Financial Sectors**. Since 2002 UNCDF projects have aimed to help developing countries set in place a continuum of financial institutions that offer appropriate financial products and services to all segments of the population.

Inclusive Financial Sectors are characterized by¹:

- (a) **access at a reasonable cost** of all households and enterprises to the range of financial services including savings, short and long-term credit, leasing, mortgages, insurance, pensions, payments, local money transfers and international remittances;
- (b) **sound institutions** guided by appropriate internal management systems, industry performance standards, performance monitoring, and sound prudential regulation;
- (c) financial and institutional **sustainability** as a means of providing access to financial services over time; and
- (d) **multiple providers** of financial services, wherever feasible, so as to bring cost-effective and a wide variety of alternatives to customers.

It should be stressed that financial services for poor and low-income people and micro and small enterprises is seen as vital component of the financial sector. Financial sector development programs are therefore designed to create enabling environments for a variety of Financial Service Providers (commercial banks, NBFIs, NGO-MFIs, Credit Unions, Cooperatives, etc), to ensure the availability of a broad range of financial products and services for the poor. This approach also seeks to address the constraints that prevent a financial sector from being inclusive. This results in a dynamic process, tailored to the realities of each country. Such an approach resonates with the Paris Declaration on Aid Effectiveness and its call for greater national ownership, donor alignment with national strategies, harmonization of donor support and management for results.

¹ See the 'Blue Book' on Building Inclusive Financial Sectors, <http://www.uncdf.org/bluebook/index.php>

2.1 FIPA approach and process

The process through which UNCDF develops its inclusive sector programmes is quite flexible. It can be done through a full sectoral approach starting with a financial sector assessment, followed by the development of a national policy, strategy and action plan, and the implementation of this action plan. In contexts that do not support this comprehensive process, UNCDF may also opt for funding select investments (at the macro, meso and micro levels) in order to prepare the ground for a sectoral approach to be developed at a later stage.

In the majority of cases, it appears that a full sectoral approach including a financial sector assessment, followed by the development of national policy, strategy and action plan have been developed, in line with the following steps:

(1) **Financial Sector Assessment:** This assessment is a diagnosis of the financial sector and includes all aspects relevant for the functioning and development of the microfinance sector. The assessment also identifies the constraints and untapped opportunities that need to be addressed to allow for full participation of the lower segments of the market into the financial sector. This assessment should be discussed and validated by all key stakeholders in the financial sector.

(2) **Development of a national policy, strategy and action plan:** Based on the assessment it is necessary to develop a shared vision on building a competitive, efficient, and inclusive financial sector. The policy, strategy and action plan is designed to put this vision into practice. The policy describes the agreed upon principles and roles of the actors. The strategy outlines the main areas that will be addressed to develop the sector. The action plan details the identified constraints and opportunities, financing and implementation arrangements.

(3) **Implementation of the action plan:** The action plan focuses on developing a) the local capacity of institutions involved in microfinance, b) the policy c) legal and regulatory environment, d) support services (like funding mechanisms, audit and legal services, networks, training facilities, credit bureaus, etc.) and e) other environmental factors required for financial services for poor and low-income people to become a permanent and unsubsidized part of the formal financial system. At intervals, a sector assessment is conducted to review the progress made and to make improvements where necessary.

3. Background on the “Building Inclusive Finance Sectors in Africa” (BIFSA) programme

The programme draws its origin and finds its justification in the experience gained and lessons learned from the microfinance programmes funded and implemented by UNDP and UNCDF over the past 10 years in Africa. These programmes include:

- Projet Régional de Crédit

- Guichet Microfinance I and II
- Microsave
- UNDP regional Capacity Building Programme

In April 2005, UNCDF and UNDP signed a project document entitled “Building Inclusive Financial Sectors in Africa.” (copy of the original signed project document is attached as [Annex VII](#)) The programme's final objective is to contribute to the achievement of the Millennium Development Goals (MDGs), particularly the specific goal of cutting poverty in half by 2015, by increasing sustainable access to financial services in Sub-Saharan Africa for poor and low income populations in general, and for small and micro enterprises in particular.

The programme's specific outputs by the end of phase II (i.e. 2010) were stated as follows:

- 3.350.000 new microfinance clients, the majority of them women, provided with sustainable access to financial services;
- the coverage rate for provision of financial services has increased by 40 %;
- at least 20 additional microfinance institutions have become financially self-sufficient;
- 15 countries have improved the enabling environment for developing viable microfinance sectors integrated into competitive financial markets.

The Programme was implemented through two regional units, one in South Africa and the other one in Senegal, to support microfinance on the African continent using a sector development approach. This joint UNDP/UNCDF regional programme for Africa was envisioned as a 7-year Programme (2004-2010) with a total budget of US\$42.6 million, out of which 30 % was for the regional programme. The 2004 start-up was financed by UNCDF through its current regional programme (RAF/01/C01) for an amount of US\$ 1.4 million. During the first phase (2005-2007) of this programme, UNCDF was to provide US\$ 2.5 million (out of which 1.8 million was new money), UNDP Regional Bureau for Africa (RBA) was to provide U.S.\$ 1.9 million (out of which 1.0 million was new money) and US\$ 1.1 million was needed to be mobilised from other donors. The tentative budget for phase two (2008–2010) is estimated at US\$ 6.2 million.

At the country level, joint programmes totalling US\$ 29.5 million were to be funded by UNCDF and UNDP Country Offices, out of which a total of US\$ 12.3 million has been already committed.

The BIFSA programme is structured around five strategic pillars:

(1) Invest and facilitate investments in the development of microfinance sectors

UNDP/RBA, UNDP offices and UNCDF decided to co-invest in microfinance sectors development assessments in various countries. On this basis, microfinance national development programmes have

been elaborated and financed by UNDP offices, UNCDF and other donors and investors. The partnership between UNDP RBA, UNDP offices and UNCDF is meant to facilitate investment in Africa and leverage investment through strategic alliances with other donors and investors, with UNCDF's core resources being invested, first and foremost, in Least Developed Countries (LDCs).

(2) Invest in promising Micro-Finance Institutions (MFIs)

Potential leaders in the microfinance sector need to become viable and considerably increase their outreach in a conducive and competitive environment. The programme had the objective to especially support MFIs that have the potential to become leaders in the sector, including commercial banks ready to downscale. MFIs were to be selected based on their institutional assessment, realistic business plans and proposal for institutional reinforcement. UNCDF's investment committee were to review investments, leading to performance contracts with the institutions concerned.

(3) Improve UNDP microfinance programmes' quality

UNCDF committed to provide technical assistance to UNDP offices to help them significantly improve the quality of their microfinance programmes. This improvement was to be mainly measured by the increase of the viability level of the financed programmes, including MFIs' capacity to leverage resources. This technical assistance was made possible by the full-time presence of two regional teams in the UNDP regional centres in South Africa and Senegal, respectively.

(4) Facilitate the development and diffusion of new microfinance products and services

This facilitation was to particularly draw on the diffusion of *MicroSave* products including:

- supporting the creation of MFIs, offering client-focused products and services developed through the action-research partnership programme;
- developing tools and resources intended for the action-research partners and by the microfinance sector in general;
- increasing service providers' capacity in providing technical assistance and training on the elaborated tools.

(5) Encourage diffusion and application of sound microfinance practices

The programme was to implement initiatives aimed at creating a greater awareness and encouraging the application of optimal practices in microfinance programmes, by UNDP staff as well as key policy makers. The related training comprised a range of instruments namely (a) UNCDF's Microfinance Distance Learning course; (b) training scholarships to take part in reputed training courses such as UNCDF-CGAP regional courses, the CEFEB's SYDEC in Marseille (France) and the Boulder (USA) Microfinance Training Programme; (c) presentations in regional meetings gathering UNDP Resident Representatives and management staff; (d) exchange visits in other countries with Central Banks and MFIs with very good performances; (e) dissemination to African policy makers of UNCDF and UNDP work in microfinance and

their contribution to the MDGs achievement, particularly in relation to the International Year of Microcredit (2005), through seminars for African policy makers. In that context, the Blue Book carried out research to identify the constraints (such as the enabling environment, industry, customers etc) that exclude people from access to financial services. Based on that research, the Blue Book was to be used by the member states to analyse the key constraints of their microfinance industry and to form a group of stakeholders to formulate a policy, a strategy and an action plan to develop the microfinance sector and to stimulate the development of inclusive financial sectors in Sub-Saharan Africa.

The project document stipulated that an external evaluation of the BIFSA project should be undertaken in mid-term and at the final stage of the project in 2010. This RFP has been designed to undertake the mid-term evaluation which was originally slated to take place in 2007 but has had to be postponed to 2008 given delays in finalizing the institutional arrangements to cover the Evaluation function within UNCDF.

In order to explore the country-level impact of the BIFSA programme, it has been decided to combine the evaluation of BIFSA into a single package together with the evaluation of three country projects that are eligible for mandatory evaluation in 2008. The three country evaluations will cover Inclusive Finance projects in Togo, Madagascar and Liberia and these evaluations will be seen as case studies that demonstrate the impact of the BIFSA programme at the national level. (The drafts of terms of reference for the country evaluations have been formulated and are annexed to this TOR.)

4. Background on the role of evaluation in UNCDF

4.1 UNCDF's Evaluation Policy

UNCDF is a party to UNDP's Evaluation Policy, approved by the Executive Board in June 2006 (copy attached as **ANNEX I**. This policy requires:

"mandatory mid-term and final evaluation of all UNCDF programmes of a duration of five years or more and a budget of US\$2.5 million or more, or when stipulated in a partnership agreement."

4.2 Role of programme evaluation in UNCDF

UNCDF considers that independent evaluation of its programmes plays the following critical roles:

- promotes the quality of individual pilot programmes by providing objective, independent review;
- establishes, credibly, for UNCDF and its LDC and co-funding partners, the viability and desirability of the extension, replication and scaling up of UNCDF's pilots, and helps to establish the validity or otherwise of pilot experiences and lessons as a basis for adjusting national policy, regulatory and legal frameworks;
- creates a trigger and basis for discussion in the LDC on progress and options in Microfinance and building inclusive financial sectors;
- contributes to organisational learning, practice development, and refinement of the local development programme approach.

4.3 Types of programme evaluation

UNCDF programme evaluations fall into the following categories:

- **mid-term evaluations:** conducted approximately mid-way through a programme cycle, focus on assessing programme relevance, management, implementation, indications of programme results and their sustainability, etc, and recommend action to be taken in response to the findings.
- **final evaluations:** conducted during the last year of a programme, focus on programme performance with respect to results achievement, sustainability of results achieved, lessons from programme design, implementation arrangements, management and partnerships, etc, and reflect on the strategic justification for the future role, if any, of UNCDF in the programme country.
- Exceptionally, in place of final evaluations, **ex-post evaluations** are conducted after programme completion, which have an increased focus on robust evaluation of longer-run programme results (outcomes and impact).

4.4 Evaluation teams and duration

Recent practice has been that mid-term evaluations have been conducted by teams with a minimum of three people (including the team leader) including at least one local consultant. Final evaluations have had a minimum of four people (including the team leader) with at least two local consultants.

Mid-term evaluations generally involve a duration of 2-4 weeks and final evaluations approximately 4-5 weeks. These durations may vary depending on in-country travel times.

5. Contract rationale

This TOR relates to a request for services to undertake the programme evaluation of UNCDF's Inclusive Finance: Building Inclusive Financial Sectors in Africa Phase I (BIFSA I), and deliver related evaluation products. To fulfil its mandatory evaluation requirements, UNCDF intends to outsource to a qualified, independent firm [or consortium of firms] the conduct of the BIFSA I programme evaluation and the delivery of related evaluation products. The approach is viewed as relatively low risk, since the specifications foreseen for the process and deliverables are to a large extent based on tried and tested models developed in-house and refined over time through the outsourcing of 8 evaluations of UNCDF's local development programme in 2007. Quality assurance mechanisms, have been developed and will enable effective monitoring of the evaluation process and product quality.

6. Contract objectives

The objective of this contract is to ensure UNCDF compliance with evaluation policy with regard to evaluation of inclusive finance projects for 2008, through an arrangement that optimises the relationship between efficiency and effectiveness in the management, conduct and use of evaluations.

PART II: SCOPE OF WORK:

7. Scope of work of the BIFSA Evaluation Package

The scope of work covers all UNCDF Inclusive Finance Evaluations and related evaluation products foreseen in UNCDF's evaluation agenda from 1 July 2008 to 31 March 2009. The evaluation framework

concerns the assessment of the achievements of BIFSA Phase I to inform the formulation of the second phase of the programme, in relation to its regional infrastructure in Dakar and Johannesburg as well as selected assessments of country-level financial inclusion (FI) programs developed with the support of the regional offices. Accordingly, there will be two distinct parts to the evaluation:

1. A review of the BIFSA project, its regional setting and the programme's decentralized mechanism;
2. Three case studies of country IF projects that require mandatory evaluations in 2008. [Draft Terms of Reference have been formulated for the country-level evaluations -attached as Annex III. These TOR will require modification and updating during the formulation of the Inception Report]

The study will cover the timeframe 2004-2007, from the start-up phase to the end of the first phase of the programme.

Deliverables	Type of Evaluation	Reporting language
1.Evaluation Approach and Method	Inception Report	English and French
2. BIFSA regional programme	Mid-term	English and French – for both Evaluation Report and Executive summary
3.Togo Case Study	Final	French Evaluation Report and Executive Summary in French & English
4.Madagascar Case Study	Mid-term	French Evaluation Report and Executive Summary in French & English
5.Liberia Case Study	Final	English Report and Executive Summary in English & French
6.Synthesis Report of Key issues emanating from Evaluation package and Facilitated session on the Report		English and French

8. Evaluation purpose and key evaluation questions

The sectoral approach on financial inclusion has attracted increasing interest from donors, policy-makers and practitioners as they recognize the value of a holistic approach to financial inclusion that identifies and addresses key constraints for sustainable access to financial services by the poor, from the macro (policy/enabling environment), meso (financial infrastructure) and micro (retailer) perspectives. This is a relatively new approach that has not yet been tested on a large-scale or for a long period. UNCDF has

been one of the most active donors in the promotion of Inclusive Finance through such a sectoral approach, notably through the development of national microfinance strategies.

The purpose of this evaluation, beyond the assessment of the relevance, quality and impact of UNCDF interventions both at the level of its regional infrastructure and at the level of country-based national Financial Inclusive programs, is to help UNCDF learn from its experiences and address the core questions that are emerging around this approach. The ultimate objective of the exercise is therefore to help UNCDF further improve the overall relevance, effectiveness and impact of its Financial Inclusive programs, incorporating lessons learnt as they emerge from on-going experiences, in a process of continuing dialogue with donors, policy makers and practitioners in that area.

Furthermore, given that BIFSA Phase I is coming to a close and that the approach being considered for the second phase of the programme needs validation, an independent evaluation will help inform the second phase of the programme.

Accordingly, the BIFSA evaluation package has the following purposes:

- To **assess the relevance, effectiveness and efficiency of the BIFSA regional programme and the three country IF projects and validate the results** of these efforts in terms of achievements/gaps in delivering outputs, contributing to outcomes, reaching target beneficiaries, the factors that affected the results and the potential sustainability;
- To analyze the **effectiveness of the overall strategy and approach of ‘Building Inclusive Financial Sectors’**, the sectoral approach to Microfinance/ Inclusive Finance and the decentralized support mechanism in place.
- To analyze **lessons learned on both substantive and programme management issues**, specifically for the UNCDF overall approach to BIFSA.
- To provide suggestions on approaches for a second phase.

It is expected that the results of the evaluation will be used as inputs for:

- Further define the design of BIFSA II as well as adjustments to work at the national level in the Case Study countries;
- UNCDF’s strategic reflection and learning on its work in Building Inclusive Financial Sectors;
- Convening other partners (UN, Government, private sector, civil society) to share findings and stimulate broader collaboration on Inclusive Finance.

The BIFSA programme is structured around two phases: Phase I from 2004 to 2007 and Phase II from 2007 to 2011. This evaluation will focus on Phase 1. BIFSA’s budget has two components: the budget for the two regional structures (Dakar and Johannesburg offices) and the budget of the national programmes that have been developed and are receiving on-going support from those two regional offices.

The evaluation will address a number of key questions in two main areas:

- a) Results: questions on the achievement of results of the programme at the regional and national levels, based on the specific outcomes and corresponding outputs.
- b) Strategy: questions on the effectiveness of the BIFSA implementation strategy and sectoral approach and decentralized mechanism.

8.1 **Key evaluation questions**

Summarized below are evaluation questions that should be taken into consideration during the formulation of the Inception Report.

1. Key questions for analyzing the regional structure and decentralized mechanism of BIFSA I:

The following areas of BIFSA's work should be assessed:

- Overall organization of the regional offices and working modus operandi of the teams in place.
- Quality and effectiveness of programming activities at the country and delivery against targets of individual programs, as well as on the global targets mentioned in the BIFSA document.
- Services provided in support to country-level programs, as well as in support to UNDP country-offices in non-LDCs.
- Policy and advocacy role, including launching of the Blue Book, organization and follow-up to the Dakar Conference on FI in June 2006 and promotion of key messages from the Blue Book and the concept of FI towards governments and policy-makers, regional organizations, practitioner networks etc.

2. The following key cross-cutting questions should be considered throughout the evaluation process of the three case studies²:

(1) Were the Diagnostics leading to the definition of Financial Inclusive (FI) programs accurate and comprehensive?

A thorough diagnostic is a key factor for the potential success of a FI programs. Diagnostics needs to be broad (include the full scope of the pro-poor financial sector), and forward-looking. Some important challenges here include the ability to conduct a precise diagnostic on the key bottlenecks at the policy levels (especially in relation to the regulatory framework), and a strong assessment at the meso-level (including the financial infrastructure, payment systems, credit bureaus, audit capacity at the national level etc

(2) Is there an adequate Capacity Building strategy in place for FI strategy development and implementation (*among* and *within* all stakeholders including government, funders,

² These questions are cross-cutting issues that will help UNCDF assess some of the key dimensions of its work on FI. They do not replace the specific TORs that will evaluate UNCDF individual country-level projects on the basis of their relevance, effectiveness, efficiency and impact. The detailed TORs will be finalized taking into account the key substantive dimensions UNCDF work highlighted in this RFP.

consultants)? Capacity entails both technical expertise and the skills to dialogue and negotiate complex processes. Possessing “soft” skills and the political instinct to understand government’s priorities and constraints is instrumental to managing expectations well and avoiding lowest common denominator solutions. Finally, several specific types of expertise are needed for meaningful technical work; how does one ensure that there is the right mix of expertise for conducting the diagnostic / sectoral review and for supporting the implementation of FI programs in the field?

- (3) **Timeliness and flexibility: Is the programme flexible enough?** The microfinance environment and actors are changing at an increasingly rapid pace. New actors may radically change the way people access financial services within short timeframes (i.e. cell phones companies entering the remittance market, partnerships between non-financial commercial actors and MFIs for the provision of financial services etc). With a rapidly changing environment and the emergence of new actors in microfinance, UNCDF faces two challenges: minimize the time lag between a sector assessment and the implementation of its programs in the field and the need to introduce flexibility to be able to incorporate this rapidly changing environment. It also needs to carefully assess when a full national strategy is warranted as opposed to more targeted interventions, which may start more rapidly.
- (4) **Ownership: Are the right actors included (e.g., private sector, donors, and relevant government champions)? Within stakeholder groups, are the right specific agencies and persons involved to ensure success? Have the key champions for successful interventions been identified?** Also, ownership is not static. As new entrants arrive after the strategy is drafted, a process for getting their buy-in is needed. Two specific issues to be considered under the theme of ownership are the role of governments and the impact of the emergence of new donors, including from the BRIC countries³. While governments are key stakeholders in UNCDF IF programs, experience has shown that their role is most effective when focused on setting an enabling environment and an appropriate regulatory framework (including adequate supervisory capacities) and not being a direct provider of financial services. With the higher profile given to microfinance and IF in recent years, has UNCDF programs been effective in harnessing the role of governments where they can be most beneficial. New donors such as China, India and Venezuela are also playing an increasingly influential role in many African countries and can have an impact on the political agenda around IF. How has this role played out in countries of UNCDF programming and how could those emerging donors be more systematically engaged in order to optimize their positive influence on IF?

³ Brazil, Russia, India, China

- (5) **Donor coordination around FI programs:** Strong donor coordination can greatly contribute to a successful IF sectoral approach. It should start at the diagnostic stage and be reflected, through program implementation modalities and funding mechanism. What has been UNCDF's experience in that respect and how might we further reinforce this dimension of our programming?
- (6) **Scope of Action Plan (AP), priorities and accountability:** When AP are designed, are they realistic or over-ambitious? Do they focus on key priorities? Do they assign clear roles and responsibilities to the different actors concerned? How do they differentiate between achievements that can be attributed to public sector players and donors, as opposed to private sector players (FSP) based on their own individual strategies?

9. Evaluation Process and Methodology

While the offeror is encouraged to provide proposals on the evaluation process and methodology to be used, the following elements are suggested for consideration.

9.1 Management and conduct of the evaluation package;

As the BIFSA package is composed of two distinct components at the regional and national levels, the following management arrangements are suggested:

- A Core Evaluation Team responsible for (a) the overall design, management and deliverables associated with the BIFSA Evaluation package and (b) for the conduct of the Evaluation of the BIFSA Programme Evaluation
- Three Country Evaluation Teams managed by the Core Team.

The Core Team should be led by a Team Leader experienced in the conduct of Evaluations and be familiar with the issues relating to Inclusive Finance. The Team Leader will work with a team who will bear overall responsibility for the conduct and substantive quality of the BIFSA Evaluation package and will be responsible for the following:

- Inception Report containing (a) Finalised Evaluation Terms of Reference (b) Evaluation Guidelines/Manual containing substantive approach and core questions (c) Logistical details for conduct of evaluation including finalized composition of teams and workplans
- the substantive design, conduct and delivery of the evaluation of the BIFSA Regional programme;
- the organization of and providing guidance to and quality control of the products of the three country evaluation teams responsible for the case studies
- production of the synthesis report
- proposing profiles of team leaders and team members to conduct the evaluations,

It is expected that the evaluation manual/guidelines that are to be produced as part of the Inception Report should provide a generic approach to future evaluations of UNCDF Inclusive Finance Programmes.

Special note should be taken of the requirements for excellent English and French language proficiency required for the conduct of this evaluation exercise.

9.2 Composition of the core and country teams

Proposals will identify the composition of the Offeror's teams, and the team members' relevant competencies, roles and responsibilities. Team members' CVs will be annexed to the Proposal.

- **Pool of Evaluation Team Leaders responsible for leading the programme evaluations.** The proposal will also identify from the pool of Evaluation Team Leaders individuals with the responsibility for preparation of the synthesis report, and the resource persons to lead a session on the Synthesis Report with UNCDF staff at the end of the contract.
- **Details of sourcing arrangements for other evaluation team members.** Offerors will be responsible for determining the competencies and resources required for the evaluation team, based on the scope of the evaluation, technical knowledge requirements, and the evaluation methodologies to be employed.
- **Offerors will explicitly describe in their Proposal the relative roles and responsibilities of the identified team members,** as well as the team members to be sourced, ensuring that responsibilities for all the processes and deliverables required by this TOR are assigned.
- **Offerors are encouraged to form a consortium of consulting firms if deemed necessary in order** to deliver high quality evaluations in diverse regions that encompass different languages, government systems and development contexts, etc.
- **A Proposal submitted by a consortium of firms must clearly delineate and describe the relative roles and responsibilities of the members of the consortium.** One firm must take the lead coordination and management role, overall responsibility for fulfilment of the contract as well as communications and liaison with UNCDF.
- **There is a preference in the evaluation criteria for selection of a firm [or consortium] with strong local and regional sourcing arrangements for evaluation teams,** in the interests of building national and regional evaluation and decentralization/local development skills and capacity.
- **Offerors will make a concerted effort to achieve gender diversity** within the evaluation team.

- **Team members must not have worked previously on the UNCDF programmes to be evaluated, except in an evaluation capacity**, in order to ensure objectivity and independence in the conduct of evaluations.
- **All team members sourced shall have strong evaluation experience**, and familiarity with using a range of evaluation methodologies.
- **All team members not included in the Offeror's original proposal will be subject to approval by UNCDF's Evaluation Advisor.**
- **To support the building of national capacity in evaluation, UNCDF may arrange for the participation of a member of a relevant government ministry/partner institution** for all or part of the evaluation, as an observer.

Profile specifications for Core Team Leader:

- International consultant with 10 + years of proven experience in leading evaluations of Micro-Finance programmes, including experience using a range of qualitative and quantitative evaluation methodologies to assess programme results at individual/household, institutional, sector and policy level.
- Experienced in working in microfinance, either as a practitioner (working in an Micro-Finance Institution (MFI) or as a funder.
- Familiarity with CGAP defined terms/reporting standards and best practices in microfinance
- Understanding of the sector development approach to building inclusive financial sectors/systems
- Sound knowledge and awareness of issues related to gender and social inclusion.
- Thorough understanding of key elements of results-based programme management.
- Demonstrated capacity for strategic thinking.
- Excellent analytical and writing skills.
- Strong task management and team leading competencies.
- Country/regional experience relative to the programme to be evaluated an advantage.
- Be proficient in the English and French language

Profile specifications for Evaluation Team members:

Typical additional profiles that will need to be sourced, depending on the nature of the programme to be evaluated and the scope of the approved evaluation TOR, include:

- Consultant with 8+ years working in microfinance, either as a practitioner (working in an Micro-Finance Institution (MFI) or as a funder.
- Familiarity with CGAP defined terms/reporting standards and best practices in microfinance

- Understanding of the sector development approach to building inclusive financial sectors/systems
- Familiar with evaluation methodologies and processes
- Experience in conducting evaluations
- Be proficient in the English and French language as required by the specific country project to be evaluated

9.2 Evaluation design and methodology:

While the offeror is encouraged to propose an evaluation design and methodology to suit the needs of this exercise, the following elements are suggested:

- Literature and document review
- Data collection, surveys and desk reviews
- Hypothesis workshops at the start of the mission to ensure that the evaluation teams have a common approach to the key evaluation questions and issues to be covered and established a clear division of labour;
- Briefings/interviews in the capitals
- Meetings at the regions with key stakeholders and focus groups with end-users of the project at the regional and country and project-site;
- Facilitated feedback and validation events to share the evaluation teams' preliminary findings
- Debriefing event of national stakeholders during the final week in the capital ;
- Finalization of the Executive Summary and report
- Global Debriefing at the UNCDF HQ level;
- Final report produced and translated as required;
- Management response system proposed.

9.3 Timeframe for the conduct of the evaluation:

The evaluation should be begin in August and completed by 30 November 2008

9.4. Ethical code of conduct for the evaluation:

It is expected that the evaluators will respect the ethical code of conduct of the United Nations Evaluation Group (UNEG). These are summarized in **Annex II**.

10. Management of the Contracted Services

The UN Office of Project Services (UNOPS) will be responsible for the administrative management of the contract.

The substantive management of the conduct of the BIFSA Evaluation will be the responsibility of the UNCDF Evaluation Unit. The Evaluation Unit will consult with the Regional Bureau of Africa (RBA) in HQ, UNCDF Regional Bureaus in Dakar and Johannesburg and UNCDF HQ.

In addition, it is also anticipated that the UNCDF Evaluation Unit will convene **an Advisory Panel of substantive experts** to provide inputs, review draft reports and provide expert guidance at key stages during the course of the evaluation

At the country level, UNCDF Programme Officers will help coordinate and provide logistical support, help with formulation of workplans and facilitate in-country travel and the setting up of interviews and debriefings with relevant stakeholders.

11. UNCDF inputs and services

UNCDF and partners will provide the following inputs and services with respect to this contract:

- **Brief the recruited firm [or consortium]** at the start of the contract on the Inclusive Finance programme approach and evaluation requirements [Responsible: UNCDF Financial Practice Area Unit (FIPA) and UNCDF Evaluation Adviser]
- **Secure approval and security clearance** (latter as necessary) for evaluation missions from UNDP Country Office Management (Responsible: UNCDF Evaluation Adviser and UNCDF in-country Programme Officer)
- **Provide key documentation pertaining to the programme** to the evaluation team in advance of the evaluation (Responsible: UNCDF in-country Programme Officer and UNCDF Evaluation Adviser).
- **Prepare Individual evaluation TOR sections relating to programme data and programme profile** (Responsible: UNCDF in-country Programme Officer)
- **Provide in-country support for planning the evaluation mission**, including support to the Evaluation Team Leader in drafting the evaluation mission plan, and responsibility for arranging all in-country meetings for the Evaluation Team, taking minutes of the Evaluation Consultation Meeting, providing input into and co-ordinating comments from in-country programme stakeholders on evaluation TOR and reports. (Responsible: UNCDF in-country Programme Officer).
- **Timely approval of evaluation TOR, evaluation plan, evaluation team composition and evaluation deliverables**, and input into and coordination of comments from external programme stakeholders and UNCDF on evaluation TOR and reports (Responsible: UNCDF Evaluation Adviser).
- **Support for co-ordinating evaluation debriefings and final evaluation workshop session in** (Responsible: UNCDF Evaluation Adviser).

12. Deliverables

The selected firm [or consortium] will have already outlined in its Proposal a draft workplan, management plan, methodology plan and resourcing plan. During the course of the contract, the contracted firm [or consortium] will deliver:

- An **Inception Report** will be developed and submitted to the UNCDF Evaluation Adviser by the selected firm [or consortium] within the first two weeks of the signing of the contract, based on consultations with programme stakeholders and the UNCDF Evaluation Adviser. The inception report is subject to review and approval by the UNCDF Evaluation Adviser. The inception report will contain (a) Finalised Evaluation Terms of Reference for all four evaluations (b) Evaluation Guidelines/Manual containing substantive approach and core questions; (c) Logistical details for conduct of evaluation including finalized composition of teams and workplans and other information pertinent to delivering the BIFSA Evaluation package.
- **Four Evaluation Reports**, namely (1) Midterm Evaluation report of the BIFSA Phase I programme (2) Mid-Term Evaluation Report of the Inclusive Finance Programme in Madagascar (3) Final Evaluation report of the Inclusive Finance Programme in Togo (4) Final Evaluation Report of the Inclusive Finance Programme in Liberia.
- **Synthesis Report** summarizing the key findings from the four evaluations report
- **Facilitated Session** on the Synthesis Report and related issues.

Deliverables	Reporting language
1.Inception Report - Evaluation Approach/.Manual and Method	English and French
2. BIFSA regional programme	English and French – for both Evaluation Report and Executive summary
3.Togo Case Study	French Evaluation Report and Executive Summary in French & English
4.Madagascar Case Study	French Evaluation Report and Executive Summary in French & English
5.Liberia Case Study	English Report and Executive Summary in English & French
6.Synthesis Report	English and French

7. Facilitated Session	English with simultaneous interpretation into French
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Submission of Proposals: All Proposals submitted must include both **Technical and Financial sections**

Commencement of contract: The contract of the assignment is anticipated to commence by 15 August 2008.

13. Provisions for monitoring and evaluation of performance

Ongoing monitoring of contract fulfilment and performance will be managed by UNOPS and the UNCDF Evaluation Unit, and will include:

- review and approval of the , evaluation plan, evaluation team composition and evaluation deliverables by the UNCDF Evaluation Adviser.
- ongoing monitoring of the firm's [or consortium's] fulfilment of the Contract TOR and approved individual evaluation TOR requirements by UNOPS;
- assessment of compliance with the "Quality Standards for Evaluation" currently under development by the UNDP Group; and

Evaluation monitoring missions: One or two evaluation monitoring missions will be made by the UNCDF Evaluation Unit to observe the conduct of the evaluations, with the purpose of:

- monitoring the quality of the evaluation process;
- monitoring the quality and adequacy of the evaluation methodology
- monitoring the quality of the evaluation team; and
- identifying and addressing any issues arising with regard to contract and evaluation TOR fulfilment.

The UNCDF Evaluation Adviser will observe the evaluation only and will not engage in any activities that might stand to compromise the independence of the evaluations.

If deemed useful, meetings and/or teleconferences may be set up with the Advisory Panel that is to be constituted by the Evaluation Unit to provide guidance for this evaluation.

ANNEX I

DP/2006/28

Annual session 2006

12 to 23 June 2006, Geneva

Item 15 of the provisional agenda

Evaluation

The evaluation policy of UNDP*

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Introduction

1. This paper presents the policy of UNDP for evaluation. The purpose of the policy is to establish a common institutional basis for the UNDP evaluation function. The policy seeks to increase transparency, coherence and efficiency in generating and using evaluative knowledge for organizational learning and effective management for results, and to support accountability. The policy applies to UNDP and its associated funds and programmes – the United Nations Development Fund for Women (UNIFEM), the United Nations Volunteers (UNV) programme, and the United Nations Capital Development Fund (UNCDF). The policy also applies to all UNDP-managed programmes, irrespective of funding source.

2. The policy responds to General Assembly resolution 59/250 of 2004 which requires the systematic evaluation of United Nations system operational activities by assessing their impact on poverty eradication, economic growth and sustainable development of programme countries. It further mandates the United Nations system to promote national ownership and capacity development and to make system-wide progress in collaboration in evaluation. The policy draws from and is aligned with the norms and standards for evaluation in the United Nations system approved by the United Nations Evaluation Group (UNEG) in April 2005.

3. UNDP subscribes to the overarching United Nations goal of reducing extreme poverty and hunger by half by 2015. It supports the efforts of partner countries to achieve the Millennium Development Goals (MDGs) and other development results primarily through its role as a global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build better lives. While emphasizing national ownership and capacity development, UNDP helps countries develop and share solutions to challenges in key strategic development areas. As resident coordinator of United Nations operational activities at the country level, UNDP promotes effective coordination of United Nations system support to national priorities.

4. Evaluation in UNDP will provide an objective assessment of contributions to development results, through assessing its programmes and operations, including advocacy, advisory services, knowledge networks, technical assistance, coordination and partnerships. Evaluation will address what works and why, as well as what does not work and unintended outcomes. This will support accountability, inform decision-making and allow UNDP to better manage for development results.

5. Evaluation will improve learning and knowledge for development among UNDP and its partners. Engagement of all key stakeholders will enhance capacity for evaluation as well as its utility. The development of knowledge-management systems, learning groups and communities of practice will increase access to knowledge and enhance knowledge-sharing, collaboration and innovation.

6. This policy note establishes the guiding principles and norms; explains key evaluation concepts; outlines the main organizational roles and responsibilities; defines the types of evaluation covered; and identifies the key elements of a system for learning and knowledge management. It also outlines the capacity and resource requirements to enhance excellence in the development of an evaluation culture and a learning organization.

I. Guiding principles

7. The following are the key principles.

(a) *Human development and human rights*. Evaluation is guided by the people-centred approach of UNDP to development, which enhances capabilities, choices and rights for all men and women. Evaluation abides by universally shared values of equity, justice, gender equality and respect for diversity.

(b) *United Nations system coordination and global partnership*. Evaluation draws on and contributes to collaboration within the UN system to improve effectiveness and reduce transaction costs for development cooperation. UNDP advocates strengthened professional collaboration under the aegis of UNEG and country-level coordination in evaluation under the Resident Coordinator system. With the increasing engagement of UNDP in global initiatives and partnership programmes with other donors, non-governmental organizations and civil society, the conduct of joint evaluations enhances global partnership.

(c) *National ownership*. Evaluation should be guided by national priorities and concerns. It should be inclusive and take into account diverse national interests and values. Evaluation should strengthen partnerships with governments and key stakeholders. It should build the capacity of national institutions to implement, monitor and evaluate.

(d) *Managing for results*. Evaluation supports UNDP to manage for results by assessing the extent to which UNDP's processes, products and services contribute effectively to development results affecting people's lives. Through this, evaluation highlights the need for quality in the design of programmes so that results are clear, measurable and can be monitored and evaluated. Through the generation of evidence, evaluation enables more informed management and decision-making for strategic planning and programming.

II. Norms

8. UNDP evaluations will operate under norms based on the UNEG norms for evaluation in the United Nations system, as follows:

(a) *Independence*. The evaluation function should be structurally independent from the operational management and decision-making functions in the organization so that it is free from undue influence, more objective, and has full authority to submit reports directly to appropriate levels of decision-making. Management must not impose restrictions on the scope, content, comments and recommendations of evaluation reports. To avoid conflict of interest, evaluators must not be directly involved in policy-setting, design, implementation or management of the subject of the evaluation either before, during or after the evaluation.

(b) *Intentionality*. The rationale for an evaluation and the decisions to be based on it should be clear from the outset. The scope, design and plan of the evaluation should generate relevant, timely products that meet the needs of intended users.

(c) *Transparency*. Meaningful consultation with stakeholders is essential for the credibility and utility of the evaluation. Full information on evaluation

design and methodology should be shared throughout the process to build confidence in the findings and understanding of their limitations in decision-making.

(d) *Ethics*. Evaluation should not reflect personal or sectoral interests. Evaluators must have professional integrity and respect the rights of institutions and individuals to provide information in confidence and to verify statements attributed to them. Evaluations must be sensitive to the beliefs and customs of local social and cultural environments and must be conducted legally and with due regard to the welfare of those involved in the evaluation, as well as those affected by its findings. In line with the Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender inequality.

(e) *Impartiality*. Removing bias and maximizing objectivity are critical for the credibility of the evaluation and its contribution to knowledge. Prerequisites for impartiality are: independence from management; objective design; valid measurement and analysis; and the rigorous use of appropriate benchmarks agreed upon beforehand by key stakeholders. In addition to being impartial, evaluation teams should include relevant expertise and be balanced in their gender and regional composition.

(f) *Quality*. All evaluations should meet minimum quality standards defined by the Evaluation Office. The key questions and areas for investigation should be clear, coherent and realistic. The plan for evaluation should be practical and cost effective. To ensure that the information generated is accurate and reliable, evaluation design, data collection and analysis should reflect professional standards, with due regard for any special circumstances or limitations reflecting the context of the evaluation. To ensure this, the professionalism of evaluators and their intellectual integrity in applying standard evaluation methods is critical. Evaluation findings and recommendations should be presented in a manner that will be readily understood by target audiences.

(g) *Timeliness*. Evaluations must be designed and completed in a timely fashion so as to address the specific purpose and objectives for which they were commissioned and ensure the usefulness of the findings and recommendations. Balancing technical and time requirements with practical realities while providing valid, reliable information is central to ensuring that the evaluation function supports management for results.

(h) *Utility*. Evaluation is a management discipline that seeks to provide information to be used for evidence-based decision-making. To enhance the usefulness of the findings and recommendations, key stakeholders should be engaged in various ways in the conduct of the evaluation. The scope, design and plan of the evaluation should generate relevant, timely products that meet the needs of intended users. The interpretation of findings should be grounded in the realities of the country and programme context, and the recommendations made should be practical and realistic.

III. Key concepts

9. *Evaluation*. Evaluation is judgment made of the relevance, appropriateness, effectiveness, efficiency, impact and sustainability of development efforts, based on agreed criteria and benchmarks among key partners and stakeholders. It involves a rigorous, systematic and objective process in the design, analysis and interpretation of information to answer

specific questions. It provides assessments of what works and why, highlights intended and unintended results, and provides strategic lessons to guide decision-makers and inform stakeholders.

10. *Monitoring.* Monitoring is distinct from evaluation. It is a continuous function providing managers and key stakeholders with regular feedback on the consistency or discrepancy between planned and actual activities and programme performance and on the internal and external factors affecting results. Monitoring provides an early indication of the likelihood that expected results will be attained. It provides an opportunity to validate the programme theory and logic and to make necessary changes in programme activities and approaches. Information from systematic monitoring serves as a critical input to evaluation.

Definition

11. Development results.

(a) *Output:* Tangible product (including services) of an intervention that is directly attributable to the initiative. Outputs relate to the completion (rather than the conduct) of activities and are the type of results over which managers have most influence. An example of an output for a project for judicial reform is the number of judges trained and qualified.

(b) *Outcome:* Actual or intended changes in development conditions that an intervention(s) seeks to support. The contribution of several partners is usually required to achieve an outcome. Using the same example an outcome is the improvement in the judicial process as evidenced by a reduction in the backlog of cases.

(c) *Impact:* Actual or intended changes in human development as measured by people's well-being. In this example, an impact is that more people have access to justice and are better able to exercise their rights.

12. *Attribution:* The precise causal link to changes in development results flowing from an individual intervention. For example, the number of judges trained could be directly attributed to a specific intervention.

13. *Contribution:* The changes in development results that can be credibly linked to an intervention. Contribution implies a logical cause and effect relationship which points to the meaningful input of an intervention to the development result(s). For instance, improvement in the judicial process could result from the interventions of several actors working to train judges, improve administrative processes or bring about changes in legislative policy.

14. *Organizational effectiveness:* The more direct, accountable and attributable measures of performance over which the organization has relatively more control or manageable interests.

15. *Development effectiveness:* The extent to which the intended development goals of a country are achieved through the agency of the government, civil society and development partners. Evaluation assesses the effectiveness of the partners' contribution in enhancing the factors and conditions that enable countries to achieve their development goals.

IV. Roles and responsibilities

16. The roles and responsibilities of the key constituents of the UNDP evaluation system are identified below.

17. *The Executive Board of UNDP/UNFPA* is the custodian of the evaluation policy. The Executive Board:

- (a) approves the evaluation policy;
- (b) ensures the independence of the evaluation function;
- (c) approves the annual work programme for the centralised evaluation function;
- (d) requires management response and follow-up to evaluation by UNDP; and
- (e) uses evaluation and reports on compliance with evaluation policy for accountability; and
- (f) draws on the findings and recommendations of evaluation for oversight and approval of corporate policy, strategy and programmes.

18. *The Evaluation Office* is the custodian of the evaluation function. The Evaluation Office will:

(a) *Governance and accountability*

- (i) prepare and periodically review and update UNDP's policy for evaluation;
- (ii) submit its annual plan to the Executive Board;
- (iii) report annually to the Executive Board on the function, findings and recommendations of evaluations, on compliance, quality assurance, and follow-up to evaluations conducted by UNDP and its associated funds and programmes;
- (iv) maintain a system to record management responses to all evaluations; and
- (v) alert senior management to emerging evaluation-related issues of corporate significance;

(b) *Conduct of evaluations*

- (i) develop an agenda for independent evaluations, based on consultations with the Executive Board, senior management, the associated funds and programmes and other stakeholders, and in response to emerging issues that the Evaluation Office may identify;
- (ii) conduct strategic and thematic evaluations, programme evaluations such as the Assessment of Development Results (ADRs) at the country level, evaluations of global, regional, and South-South programmes, and other evaluations as required; and
- (iii) ensure that the evaluations provide strategic and representative coverage of UNDP programmes and results, and that mandatory evaluations are carried out;

(c) *Quality assurance*

- (i) set evaluation standards for planning, conducting and using evaluations, developing and disseminating methodology and establishing the institutional mechanisms for applying the standards;
- (ii) support the setting of frameworks and standards for monitoring in the context of the UNDP results-based management system to facilitate the evaluation of programmes and activities; and
- (iii) assure mandatory decentralized evaluations and support quality assurance of the evaluations conducted by the associated funds and programmes;

(d) *Capacity development*

(i) build knowledge of good practice standards and approaches for evaluation management in UNDP; and

- (ii) strengthen programme country evaluation capacity and involvement in evaluations through country-led evaluations, joint evaluations and use of partner country professional resources;

(e) *Knowledge management*

(i) maintain a publicly accessible repository of evaluations;

(ii) distil evaluation findings and lessons for dissemination in appropriate formats for targeted audiences; and

(iii) support the development of learning groups and communities of practice in evaluation by establishing and supporting knowledge networks;

(f) *United Nations reform*

(i) ensure that evaluation in UNDP contributes to and remains consistent with UN policy and reforms including supporting and participating in joint evaluations;

(ii) support the harmonization of the evaluation function of UNDP and its associated funds and programmes;

(iii) contribute evaluative evidence to system-wide evaluations, such as the Triennial Comprehensive Policy Review; and

(iv) use the experience of UNDP and its partners, including through working with UNEG, to advance the science, practice, quality and usefulness of evaluation.

19. The *Administrator of UNDP* is accountable for UNDP results, and:

(a) ensures compliance with the evaluation policy as integral to effective accountability across the organization;

(b) safeguards the integrity of the evaluation function and its independence from operational management;

(c) appoints the Director of the Evaluation Office, in consultation with the Executive Board, and ensures that there is no conflict of interest in employment, including limiting the term of appointment to four years, renewable once, and barring reentry into the organization;

(d) safeguards the independence of the Evaluation Office by ensuring that the Director has the final say on the contents of all evaluation reports issued by the Evaluation Office;

(e) provides sufficient resources and capacity for evaluation in the organization;

(f) ensures that UNDP prepares a management response to evaluations that are submitted to the Executive Board; and

(g) ensures that senior management responds to and utilizes evaluation in their operational, strategic, policy and oversight functions and that appropriate follow-up to the findings and recommendations of evaluation is taken by the relevant units.

20. The *senior management of country offices, regional bureaux, practice and policy bureaux, and the associated funds and programmes* will:

(a) ensure the evaluability of programmes by identifying clear results, developing measurable indicators, and establishing performance targets and baseline information;

(b) in collaboration with national stakeholders and partners, ensure the effective monitoring of implementation and performance of programmes to generate relevant, timely information for management for results and evaluation;

(c) identify, with partner governments and key stakeholders, priority areas for evaluation when preparing the programme, and designing and implementing a strategic evaluation plan;

(d) establish an appropriate institutional arrangement to manage evaluation;

(e) ensure adequate resources for evaluation;

(f) safeguard the independence of the evaluation process and product;

(g) ensure the conduct of mandatory evaluations in line with established quality standards;

(h) promote joint evaluation work with the United Nations system and other partners and, in the case of country offices, contribute to the UNDAF evaluation;

(i) prepare management responses to all evaluations, and ensure and track appropriate, timely implementation of the agreed evaluation recommendations;

(j) draw on evaluation findings to improve the quality of programmes, guide strategic decision-making on future programming and positioning, and share knowledge on development experience;

(k) ensure the transparency of, and public access to, all evaluation reports; and

(l) Directors of regional bureaux, in their exercise of line oversight, ensure compliance by country offices with mandatory requirements of the evaluation policy, and support and guide country office capacity in evaluation, including establishing regional expertise and evaluation support systems.

21. *Evaluation units of the associated funds and programmes* are the custodians of the evaluation function in their organizations, and they will, respectively, for their fund or programme:

(a) periodically review and revise, as necessary, the evaluation policy;

(b) contribute to the development by the Evaluation Office of common evaluation quality standards and guidelines;

(c) support the elaboration of well-defined results frameworks to facilitate the evaluation of programmes and activities;

(d) submit to their senior management a biennial plan and budget for the evaluation unit;

(e) develop, in consultation with key stakeholders, an annual agenda of evaluations to be conducted;

(f) manage and conduct evaluations;

(g) ensure, whenever possible, joint evaluation work with the United Nations system and other partners;

(h) quality-assure mandatory evaluations outsourced or managed by programme staff;

(i) ensure the maintenance of a publicly accessible repository of evaluations;

(j) ensure the dissemination of evaluation findings and lessons in appropriate formats for targeted audiences, and promote their consideration in decision-making and for learning;

(k) track management response and follow-up to agreed evaluation recommendations;

(l) alert their senior management to evaluation-related issues of corporate significance;

(m) provide input to the annual report on evaluation to the Executive Board;

(n) contribute to developing evaluation capacity

(o) ensure consistency with United Nations policy and reforms, and contribute to improving evaluation collaboration, quality and usefulness, including through participation in UNEG.

V. Types of evaluations conducted by UNDP

22. The evaluations conducted by UNDP fall into two categories: independent evaluations conducted by the Evaluation Office, and decentralized evaluations managed by country offices, regional bureaux and practice and policy bureaux, and conducted by external experts. Together they represent a coherent system of evaluation that provides the necessary coverage to manage for results and to support organizational accountability.

Evaluations conducted by the Evaluation Office

23. The Evaluation Office is mandated to conduct evaluations for corporate accountability, strategic planning, and the development of information for global knowledge use.

(a) *Strategic evaluations* assess UNDP performance in areas that are critical to ensuring sustained contribution to development results in the context of emerging development issues and changing priorities at the global and regional levels. To this end, strategic evaluations may cover, for example, UNDP policies, practice areas, partnerships, programmatic approaches, cooperation modalities, or business models. The Evaluation Office will also engage in evaluations conducted jointly with other United Nations organizations to assess system-wide performance.

(b) Programmatic evaluations

(i) *Global, regional and South-South* programme evaluations assess the performance and intended and achieved results of those programmes. They are intended to reinforce the substantive accountability of UNDP to the Executive Board, and will be timed to contribute to the preparation and approval of the next programme.

(ii) *Assessments of Development Results (ADRs)* assess the attainment of intended and achieved results as well as UNDP contributions to development results at the country level. Their scope will include, but not necessarily be confined to, UNDP responsiveness and alignment to country challenges and priorities; strategic positioning; use of comparative advantage; and engagement with partners. The number and selection of countries, and the timing of these evaluations, will be determined to ensure coverage and to allow findings and recommendations to feed into the preparation of the subsequent programme. Wherever possible, these evaluations will be conducted in conjunction with other United Nations organizations.

Decentralized evaluations

24. Country offices, regional bureaux, and practice and policy bureaux commission evaluations in the programmatic frameworks for which they are responsible. All programme areas or project clusters should be subject to evaluation. The selection of what is evaluated and the number of evaluations are decided with stakeholders at the outset of the programme cycle. The focus

is on information for programme improvement and the development of new programmatic frameworks. The information also provides the basis for strategic and programmatic evaluations conducted by the Evaluation Office as described above. The key decentralized evaluations are the following:

25. *Outcome evaluations* address the short-term, medium-term and long-term results of a programme or cluster of related UNDP projects. They include an assessment of the effectiveness, efficiency, sustainability and relevance of the programme against their own objectives, their combined contribution, and the contribution of external factors and actors. Outcome evaluations also examine non-intended effects of the programme or projects. Rather than being ad hoc, the selection of the programme or project cluster to be evaluated should be guided by strategic decisions made by the programme unit, in line with the evaluation plan. This decision should be informed by agreements with national government and key stakeholders and partnership requirements, with attention to utility and linkage with strategic and programmatic evaluations.

26. *Project evaluations* assess the efficiency and effectiveness of a project in achieving its intended results. They also assess the relevance and sustainability of outputs as contributions to medium-term and longer-term outcomes. Projects can be evaluated during the time of implementation, at the end of implementation (terminal evaluation), or after a period of time after the project has ended (ex-post evaluation). Project evaluation can be invaluable for managing for results, and serves to reinforce the accountability of project managers. Additionally, project evaluation provides a basis for the evaluation of outcomes and programmes, as well as for strategic and programmatic evaluations and ADRs, and for distilling lessons from experience for learning and sharing knowledge. In UNDP, project evaluations are mandatory when required by a partnership protocol, such as with the Global Environment Facility.

VI. Types of evaluations conducted by the associated funds and programmes

27. *Strategic and thematic evaluations* provide a basis for developing forward-looking strategies for organizational effectiveness and core thematic programme areas. They involve reviews of past experience to identify strengths and gaps in the approach and results relating to a particular aspect of the organization and its approach, or to a thematic programme area. They may also include a review of the global trends and partner practices in the organizational or thematic area to determine whether approaches and interventions are relevant. Strategic and thematic evaluations are undertaken by UNCDF, UNIFEM and UNV.

28. *Country reviews* assess the comprehensive coverage of the programme contribution to projects and support provided by the organization; they are the only mechanism that measures the contribution of non-project-related volunteer assignment. Country reviews are undertaken by UNV, and are typically conducted in countries where there has been a significant UNV presence over a period of time.

29. *Outcome evaluations* assess projects or clusters of related programmes in terms of their contribution to the achievement of target outcomes. Outcome evaluations are undertaken by UNCDF, UNIFEM and UNV.

30. *Programme and projects evaluations* focus on evaluating performance mid-way through and at the end of the programme cycle. They assess the specific contributions, efficiency, effectiveness, relevance and sustainability of interventions, as well as strategic positioning and partnerships. Programme and projects evaluations are undertaken by UNCDF, UNIFEM and UNV.

VII. Mandatory evaluations

31. The table below presents mandatory evaluations and the responsible units.

Mandatory evaluations

Responsibility	Type of evaluation
Evaluation Office	Strategic evaluations Evaluations of: - Global programme - Regional programmes - South-South programme ADRs at the country level
Country offices	Outcome evaluation(s) identified in the evaluation plan Project evaluations, when required by a partnership protocol or national priority
Regional bureaux	Outcome evaluation(s) identified in the evaluation plan Project evaluations, when required by a partnership protocol
Practice and policy bureaux and units	Outcome evaluations, as identified in the evaluation plan, of: - Global programmes - Practice areas - South-South programmes Project evaluations when required by a partnership protocol
UNCDF	Mid-term and final evaluation of all programmes of a duration of five years or more and a budget of \$2.5 million or more, or when stipulated in a partnership agreement.
UNIFEM	One thematic assessment every two years One evaluation during the lifecycle for all programmes with a budget of between \$1 million and \$3 million Mid-term and final evaluation of all programmes with a budget of \$3 million or more
UNV	Mid-term and final evaluation of projects and initiatives financed from the Special Voluntary Fund (SVF)

VIII. Use of evaluation findings and recommendations

32. Units responsible for functions or programmes that have been evaluated should systematically implement evaluation recommendations when these have been agreed to by management. All evaluations will have a management response. The Evaluation Office will maintain a system to track management

responses to evaluations. The responsible unit should periodically update the status of follow-up actions in the tracking system. Programme audits also routinely check the status of follow-up actions to recommendations made by evaluations, as well as the implementation of agreed management responses to evaluations, in the period covered by the audit. The Evaluation Office will periodically brief those with oversight function on the status of follow-up to evaluation recommendations and implementation of management responses, and will alert senior management to any areas of concern.

33. All UNDP evaluation reports will be made public. The Director of the Evaluation Office is responsible for authorizing the dissemination of evaluation reports and related material. Resident Representatives, Regional bureau directors, and directors of practice and policy bureaux are required to disclose all evaluations commissioned by their respective units.

34. To facilitate wider use and dissemination of evaluation findings, the executive summary of all strategic evaluations will be translated into the three working languages of UNDP. Country offices are encouraged to translate a summary of evaluations into local languages and use other means in order to inform stakeholders of findings and for learning. The Evaluation Office will be responsible for a communication and outreach programme to expand the effective use of evaluation findings and the development of a learning community.

35. The Evaluation Office supports systems and initiatives with partners to promote access to evaluative evidence by target audiences. The Evaluation Office manages an online repository of evaluations that can be used to distil lessons and contribute to peer learning and the preparation of specifically tailored materials for staff training and briefings. The UNDP evaluation network is an active forum for expert referral and dialogue, and for sharing comparative experiences.

Capacity for evaluation

36. UNDP espouses the highest levels of quality and rigour in the conduct of evaluation and seeks to enhance the capacity of all units engaged in the conduct and management of evaluations.

37. The Evaluation Office, and the evaluation units of the associated funds and programmes, require the specialized and technical expertise to fulfill their mandate. Likewise, country offices, regional bureaux, and practice and policy bureaux require technical and managerial expertise for commissioning and using evaluation for their programmes.

38. EO will support a network of evaluation practitioners who will be responsible for nurturing a culture of evaluation in the organization by integrating evaluation into training programmes; promoting the use of quality standards; disseminating methodologies; providing technical guidance; and sharing evaluative knowledge.

39. The evaluation community in UNDP, in collaboration with the United Nations system, will seek to partner with, and build and draw upon, national and regional capacities in evaluation so as to encourage innovation and increase relevance.

Resources

40. Evaluations of global, regional and country programmes and strategic evaluations conducted by the Evaluation Office will be funded with resources approved as part of these respective programmes.
41. Country offices, regional bureaux, and practice and policy bureaux will be required to: (a) prepare an evaluation plan, based on guidelines established by the Evaluation Office, which will include mandatory and other evaluations; and (b) cost this plan, and allocate the requisite funds from appropriate project and programme budgets.
42. Resources allocated for evaluation should be used in a cost-effective manner. Whenever possible, the use of resources should be coordinated with related national, United Nations and other evaluation efforts. Cost-effectiveness should be ensured by following a pre-established, costed plan, shared in a timely way with all major partners, with a view to encouraging collaboration and/or joint evaluation.

Partnerships

43. Success in carrying out development evaluation requires partnerships in evaluation, with national and international actors. UNDP will promote joint and country-led evaluations to respond to the expanding sectoral and programmatic nature of development cooperation.
44. The Evaluation Office engages in partnerships with professional evaluation networks, including UNEG, the Development Assistance Committee Network on Evaluation, the Evaluation Cooperation Group of the multilateral development banks, and regional professional organizations to enhance quality and credibility.
45. Country offices should nurture a collaborative relationship with national evaluation institutions and associations. Such partnerships enhance the relevance, quality and utility of UNDP evaluation and its contribution to development, and can help build national capacity for evaluation.
46. The implementation of the present evaluation policy, and the evaluation function, will be reviewed periodically to extract lessons and make improvements. The first such review will take place in mid-2009.
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ANNEX II

Ethical Code of Conduct for Evaluators

The following should be adhered to all consultants recruited under the contract.

- **Ensuring that the evaluation design, process and products comply** with the [Norms](#)⁴ and [Standards](#)⁵ for Evaluation in the UN System, and with the evaluation quality standards established by the UNDP Group. Moreover, It is expected that the evaluators will respect the ethical code of conduct of the United Nations Evaluation Group (UNEG). These are:
 - **Independence:** Evaluators shall ensure that independence of judgment is maintained and that evaluation findings and recommendations are independently presented.
 - **Impartiality:** Evaluators shall operate in an impartial and unbiased manner and give a balanced presentation of strengths and weaknesses of the policy, program, project or organizational unit being evaluated.
 - **Conflict of Interest:** Evaluators are required to disclose in writing any past experience, which may give rise to a potential conflict of interest, and to deal honestly in resolving any conflict of interest which may arise.
 - **Honesty and Integrity:** Evaluators shall show honesty and integrity in their own behavior, negotiating honestly the evaluation costs, tasks, limitations, scope of results likely to be obtained, while accurately presenting their procedures, data and findings and highlighting any limitations or uncertainties of interpretation within the evaluation.
 - **Competence:** Evaluators shall accurately represent their level of skills and knowledge and work only within the limits of their professional training and abilities in evaluation, declining assignments for which they do not have the skills and experience to complete successfully.
 - **Accountability:** Evaluators are accountable for the completion of the agreed evaluation deliverables within the timeframe and budget agreed, while operating in a cost effective manner.
 - **Obligations to Participants:** Evaluators shall respect and protect the rights and welfare of human subjects and communities, in accordance with the UN Universal Declaration of Human Rights and other human rights conventions. Evaluators shall respect differences in culture, local customs, religious beliefs and practices, personal interaction, gender roles, disability, age and ethnicity, while using evaluation instruments appropriate to the cultural setting. Evaluators shall ensure prospective participants are treated as autonomous agents, free to choose whether to participate in the evaluation, while ensuring that the relatively powerless are represented.
 - **Confidentiality:** Evaluators shall respect people's right to provide information in confidence and make participants aware of the scope and limits of confidentiality, while ensuring that sensitive information cannot be traced to its source.
 - **Avoidance of Harm:** Evaluators shall act to minimize risks and harms to, and burdens on, those participating in the evaluation, without compromising the integrity of the evaluation findings.
 - **Accuracy, Completeness and Reliability:** Evaluators have an obligation to ensure that evaluation reports and presentations are accurate, complete and reliable. Evaluators shall explicitly justify judgments, findings and conclusions and show their underlying rationale, so that stakeholders are in a position to assess them.

⁴ See <http://www.uneval.org/docs/ACFFC9F.pdf>.

⁵ See <http://www.uneval.org/docs/ACFFCA1.pdf>.

- **Transparency:** Evaluators shall clearly communicate to stakeholders the purpose of the evaluation, the criteria applied and the intended use of findings. Evaluators shall ensure that stakeholders have a say in shaping the evaluation and shall ensure that all documentation is readily available to and understood by stakeholders.
- **Omissions and wrongdoing:** Where evaluators find evidence of wrong-doing or unethical conduct, they are obliged to report it to the proper oversight authority.

ANNEX III:

DRAFT TERMS OF REFERENCE FOR COUNTRY-LEVEL EVALUATIONS

1) Terms of reference for Liberia

*DRAFT TERMS OF REFERENCE FOR THE FINALEVALUATION
OF THE JOINT PROJECT ON THE LAUNCH OF AN INCLUSIVE FINANCIAL
SECTOR IN LIBERIA (2005 -2007)*

Country:	Liberia
Project Number:	LIB/04/C01
Project Title:	Launch of an Inclusive Financial Sector in Liberia (2005 -2007)
Executing Agency:	UNCDF
Implementing Agencies:	UNCDF and UNDP, in cooperation with Cordaid
Project duration:	2005-2007
Start Date:	March 2005
Total project cost:	US \$ 1,250,000million and EURO 500,000
Financing	
▪	
▪ Cordaid:	Euro 500,000
▪ UNCDF:	US \$ 750,000
▪ UNDP:	US \$ 500,000

Final evaluation date: Est. November 2007

1.0. Background

1.1. Country Context

Fourteen years of war in Liberia resulted in a decline in the economic and social indicators . The GDP per capita is around US\$169 while the HDI is one of the lowest in the world (0.276). This reflective in the fact that Liberia hovers near the bottom of UNDP's Human Development Index. More than 76 percent of the population has an income below the poverty line of \$1 per day. The improved security situation provided through the support of UNMIL has facilitated the resumption of economic activities.

At project start the microfinance sector in Liberia was at a nascent stage. The volume of the present supply of credit services to micro and small businesses services was less than 8,200 active clients, with a combined loan portfolio of less than U.S\$250,000. Initial estimate of demand is a potential market of 82,000 active clients, and a loan portfolio of US\$ 19 million. Although a range of potential institutions with a focus on sustainable operations were present (commercial

banks, credit unions, NGOs), the capacity of these institutions to deliver sustainable microfinance services was extremely low . there was an obvious need to develop market leaders in the field and aa well as encourage new entrants which would contribute towards closing the gap.

The policy environment also posed constraints for the microfinance industry to develop and expand. The most immediate constraints being interest rate ceilings, reserve requirements, guidance on non-collateralized lending were recognized as being within the purview of the Central Bank of Liberia to adjust, thus creating a favorable environment for investment.

1.2. Project Summary

The Government Liberia (GoL), has developed a programme in 2005 to launch an inclusive financial sector, with support from the main co-financing partners, the United Nations Capital Development Fund (UNCDF), the United Nations Development Programme (UNDP) and Cordaid. The total initial programme cost is US\$ 1.750 million. To meet this objective, they have established a project secretariat in the Central Bank of Liberia objective is to support the development and expansion of the microfinance sector through concerted support at all levels – MFIs, support institutions, Central Bank of Liberia, Government, donor/investors and the broader microfinance community.

The project secretariat recommends funding for MFIs through grants, and loans . The technical assistance support ranges from in-house coaching, to a local, regional and international training program, to study tours to other MFIs and central banks and advice and assistance for improving the general policy and operational environment. The project also supports an internship programme with the University of Liberia from which graduates are posted to the various MFIs.

Project donors are currently funding the following institutions:

1. Local Enterprise Assistance Programme (LEAP) Local NGO established and supported by international donors.
2. American Refugee Committee(ARC)/Liberty Finance(Programme of an International NGO)

1.3. Project Expected Results

The overarching goal of the programme is to contribute to the achievement of the Millennium Development Goals, in specific the goal of cutting absolute poverty by half by 2015, by increasing sustainable access to financial services for poor and low-income people in Liberia. The programme will contribute to this goal by establishing the range of building blocks needed for the development of an inclusive financial sector in Liberia , with microfinance as an integrated part of the financial system. The four outputs to be achieved by MITAF are:

Outputs	Output Targets(2005-2007)
<u>Intended Output 1:</u> Potential leaders of MF industry have reached have addressed institutional weaknesses that allow them to make clear progress toward sustainability and	☐ Increase, from the baseline 8,200, the number of active clients of selected MFIs to 12,000 in twelve months, 18,000 in 24 months and 30,000 in 30months. ☐ At least 3 MFIs have received grants and technical assistance that produce substantial improvements from baseline in outreach, portfolio quality and profitability.

considerably increase their outreach to launch an Inclusive Financial Sector.	
<u>Intended Output 2: Strategic partnerships are built with other donors and the private sector</u> in joint support of an Inclusive financial sector. ..	☐ Strategic partnerships that enable MFIs access to capital (grants, loans and commercial equity) are established in year 1, then expanded; ☐ Coordination amongst donors/investors from year 1 as donors/investors utilize investment committee framework; ☐ Resources mobilized for MFIs as cost-sharing, parallel financing or savings mobilization (an additional US\$ 6 million) if policy constraints (interest rate ceilings, excessive reserve requirements) have been addressed
<u>Intended Output 3: A professional microfinance working group in the Central Bank of Liberia is trained and operational</u> and capable of ensuring an optimal enabling environment for the launch of the microfinance industry and its eventual integration into the financial system.	☐ A Microfinance Working Group in CBL established as a professional focal point for the development of the microfinance industry. ☐ Industry standards developed with MFIs including efficient and transparent information exchange; ☐ A national policy and strategy for the development of the microfinance sector as an integral part of the financial sector (year 2) ☐ Immediate policy constraints (interest rate ceilings, excessive reserve requirements) are addressed prior to a Phase II.
<u>Intended Output 4: Sound microfinance principles have been disseminated</u> and are widely accepted and adopted.	☐ Clear guidelines and coordination amongst actors of how best to apply grants versus loans⁶ ☐ NGO-MFI conducive registration and monitoring process established. ☐ Government, donors, consultants and practitioners have access to and utilize best practices in microfinance

The outputs are intended to be mutually reinforcing and aimed at identifying breakthrough MFIs and supporting them with training, technical assistance, and appropriate capital structures. This involves a variety of donor/investors, capacity building with the Central Bank of Liberia.(CBL) to establish an enabling policy environment, and strengthening sector knowledge and understanding of microfinance best practice.

1.4. Project Status

Output 1: The total number of active loan clients as of the end of June for the two MFIs supported by the programme was just below 11,000 .At this time LEAP reported an operational sustainability rate of 36%, and ARC/Liberty Finance 40.83%.Although LEAP has been established as a national entity with a functioning board, Liberty Finance is yet to be established as an institution independent of ARC. Operations of both institutions are heavily concentrated in Monrovia. LEAP also has branches in Harbel, Kakata and Tubmanburg .Liberty Finance besides Monrovia also has branches in Monrovia,,Kakata and Gbarnga and Ganta .

Output 2: The accumulated funding amount committed by Cordaid is EURO 500,000 UNCDF USD 750,000 and UNDP USD 500,000. Amounts disbursed for Grants to cover Loan Capital and Operations for MFIs are as follows: UNCDF – USD 235,000; UNDP USD 193,000; CORDAID, 182,000. Pending amounts in grants to be disbursed are as follows: UNCDF, 145,000; UNDP 205,000.

Output 3: The project held discussions with the working group of the Central Bank policy issues related to anticipated constraints to expansion of the sector. A National Vision Strategy and Action Plan for Financial Inclusion has been drafted together with other documents for both the Government and the donors, a view to harnessing additional resources. The National Microfinance Taskforce chaired by the Central Bank has been established and has been very much involved in the resource mobilization efforts.

Output 4: In an effort to disseminate and promote the adoption of sound microfinance principles, the project has undertaken various initiatives. Government and MFI personnel were sponsored to attend the Boulder microfinance training in 2005 and the School of Applied Microfinance training in 2007 as well as an microfinance training programme sponsored by WAIFEM. In country training programmes were also run in the areas of best practice methodology, governance, interest rates and delinquency management. The project also piloted an innovative internship programme with the University of Liberia in which 21 students are trained and posted to MFIs and other relevant institutions for which they will provide manpower versed in microfinance sound principles and practices. The MFIs were also given technical and administrative advice by the project.

2.0. Purpose of the Evaluation

The project document calls for an independent evaluation. The general objectives of the final evaluation are: to assist the recipient Government, beneficiaries, and the concerned co-financing partners, to improve the efficiency, effectiveness, relevance and impact of the project; to provide feedback to all parties to improve the policy, planning, project formulation, appraisal and implementation phases; and to ensure accountability for results to the project's financial backers, stakeholders and beneficiaries. The evaluation will be forward-looking, offering lessons learned and recommendations to improve programme performance or national policy to input into a follow on project.

The expected outcome of this Final Evaluation is a strategic review of project performance to date, in order to:

- Help project management and stakeholders identify and understand (a) successes to date and (b) problems that need to be addressed, and provide stakeholders with an external, objective view on the project status, its relevance, how effectively it is being managed and implemented, and whether the project is likely to achieve its development and immediate objectives, and whether UNCDF is effectively positioned and partnered to achieve maximum impact.
- Provide project management and stakeholders with recommendations capturing additional opportunities, to be incorporated into the follow on project.
- Help project management and stakeholders assess the extent to which the broader policy environment remains conducive to replication of the lessons being learnt from project implementation and/or identify exit strategies.
- Help project management and stakeholders to draw initial lessons about project design, implementation and management.
- Comply with the requirement of the Project Document/Funding Agreement as well as UNCDF Evaluation Policy.

The findings of this End of Project Evaluation will be reported to the Government and relevant stakeholders, and presented to the Investment Committee and the National Microfinance Task Force to help its decision-making process.

3.0. Contents and Scope of the Evaluation

Taking into account the implementation status of the programme and the resource disbursements made to date, evaluate the following questions:

3.1. Results Achievement

3.1.1. Did the project make satisfactory progress in timely achievement of project outputs (as per logframe intended results and indicators), and related delivery of inputs and activities? Were the partners able to achieve the results? In doing so, specifically address, among other things:

- In relation to Output 1, assess progress of MFIs towards achieving self-sustainability and increasing outreach (an assessment, limited to confirming available reported data and field visits to sample of MFIs supported).
- Linked to Output 1, provide an opinion, to the extent feasible, on whether any of the existing MFIs in Liberia are ready for formalization and transformation into for profit businesses and what would be the positive/negative impacts of this.?
- In relation to Outputs 3 and 4, is the programme effective in supporting changes in the enabling environment for MF and in dissemination and establishment of good practices in the country? With regard to dissemination of good practices:
 - To which audiences?
 - Through what media?
 - Which actors should be responsible for which messages/media?
 - Who should pay for what, i.e., what should the programme budget cover, and what should the government cover and take responsibility for disseminating?
- 3.1.2. Given output achievement and related delivery of inputs and activities to date, was the project likely to attain its Immediate and Development Objectives?

3.2. Factors Affecting Successful Implementation and Results Achievement

Is project implementation and results achievement proceeding well and according to plan, or are there any obstacles/bottlenecks/outstanding issues on the partner or Government side that are limiting the successful implementation and results achievement of the project?

3.2.1. External Factors:

- To what extent does the broader *policy environment* remain conducive to achieving intended results, including adherence to policy and policy impact and replication of the lessons being learnt from project implementation? Specifically in this regard, to what extent do critical assumptions (refer to logframe) on which project success depends still hold?
- Are there *any other factors external to the project* that are affecting successful implementation and results achievement?

3.2.2. Project-related Factors:

Project design (relevance and quality)

- Was the project concept/logic and design optimal to achieve the desired project objectives/outputs?
- In assessing design consider, among other issues:
 - Are the partners credible? Are the checks and balances sufficient in the framework?

- Were relevant gender issues adequately addressed in project design?
- Was the project preparation process (formulation, inception) and its products (logframe, Project Operations Plan, Annual Work plans) of high quality?
- Did the project document include adequate guidelines for implementation of the project?
- Is the project rooted in and effectively integrated with national strategies (eg poverty reduction strategy) and UN planning and results frameworks (CCA, UNDAF) at country level?
- Do the project's objectives remain valid and relevant? Will they result in strategic value added if they are achieved? Does the project design and document need to be reviewed and updated?

Institutional and implementation arrangements. Are the project's institutional and implementation arrangements suitable for the successful achievement of the project's objectives or are there any institutional obstacles that are hindering the implementation or operations of the project, or which could benefit from adjustment? Among other issues, assess:

- LIFS Project Secretariat:
 - Assess and evaluate the strategy, structure, performance and utilization of financial resources of the LIFS project secretariat and of the funding mechanisms of the project.
 - Define options for the role and structure of the project secretariat after the end of the project (2007) and measures to be taken in order to evolve these structures.
 - .
- Government of Liberia, namely the Central Bank and the National Microfinance Task Force:
 - Evaluate the Government of Liberia's :
 - assess technical capacity of the CBL and the National Microfinance Task force, and their ability to successfully fulfill their respective ToR from the project document.
 - ensure an optimal enabling environment for the development of the microfinance industry.
 - supervise a sustainable microfinance sector in Liberia.
 - assess and evaluate the technical assistance foreseen within the project with respect to reaching these capacities.
 - Evaluate the capacity of the implementing partners (CBL, Ministries) to meet their respective responsibilities in the programme? Are they the most appropriate implementing partners? What capacities are the responsibility of the programme to strengthen, and what capacities are the responsibility of the Government to provide? What is the optimal use of programme resources?
- Investment Committee:
 - Assess and evaluate whether the Investment Committee serves its purpose of ensuring donor coordination within the Government's microfinance policy.
 - Evaluate whether the investments approved by the Investment Committee are likely to contribute to an Inclusive Financial Sector in Liberia? If not, what is missing?
 - Assess whether the Investment Committee is taking sufficient risk in its investments?
 - Evaluate whether the right balance of grants, such that the MFIs will not be dependent on donor funding.
 - Assess whether the investments approved so far represent a potentially solid return on investment?
 - Evaluate whether the results are being achieved in an efficient manner with limited donor funds?
- All partners:
 - Provide an objective assessment and evaluation of the designated roles, functions and tasks of the different parties involved in the project (as named above) within the project secretariat, , within the Investment Committee as well as within the microfinance sector of Liberia in general as well as the distribution between them.

- Assess the coordinating mechanism and its effectiveness of enhancing project performance.

Project management:

- Are the management arrangements for the programme adequate and appropriate?
- How effectively is the project managed at all levels? Is project management results-based and innovative?
- Do management systems, including M&E, reporting and financial systems function as effective management tools, facilitate effective implementation of the project, and provide a sufficient basis for evaluating performance of the programme?
 - Regarding financial systems: assess any bottlenecks in the system of financial disbursement between the project partners and beneficiaries.
 - Regarding M&E, does the project monitoring system include:
 - a. A baseline that enables a good understanding of the target populations and market for financial services.
 - b. Appropriate and cost-effective indicators and related targets linked to the baseline that will enable monitoring of process, output and outcome level performance.

Technical backstopping: Is technical assistance and back-stopping from programme partners appropriate, adequate and timely to support the project in achieving its objectives?

Other: Are there any other project-related factors that are affecting successful implementation and results achievement?

3.3. Strategic Positioning and Partnerships

3.3.1. Are the programme partners, through this project and any other engagement in the country, optimally positioned strategically, with respect to:

- UN/donor/government efforts in the same sector in Liberia?
- Implementing national priorities, as reflected in national development strategies (including the iPRSP)?
- Corporate priorities, and leveraging its comparative advantages to maximum effect?

3.3.2. Is the selection of project partners optimal given the stated objectives of the project? Are actual/potential partnerships being leveraged to maximum effect?

3.3.3. What level of value added and consequence can be attached to the partners' intervention in the area of microfinance in Liberia?

3.4. Sustainability of Results and Exit Strategy/Post Project Planning

3.4.1. What is the likelihood that the project results will be sustainable, in terms of systems, institutions, financing, and in terms of anticipated poverty reduction impact?

3.4.2. Ownership: Is sufficient capacity being built so that local actors will be able to manage the process by the end of the programme without continued dependence on international expertise? Are the necessary steps owned and driven by the people?

3.4.3. Is there an added value role for programme partners to play beyond project completion?

In addition to assessing the evaluation questions above, the team should analyze any other pertinent issues that need addressing or which may or should influence future project direction and partners' engagement in the country.

4.0. Organization of the Evaluation: to be decided based on Inception Report

4.1. Consultant profiles and responsibilities

The Final Evaluation is to be conducted by a team of two to four consultants. Suggested with the profiles outlined below.

External Lead Consultant

Profile

- Minimum of ten years accumulated experience in microfinance
- A minimum of five years of microfinance management and/or consulting experience
- Must have proven evaluation experience in microfinance
- Extensive microfinance training and technical assistance experience
- Comprehensive knowledge of CGAP benchmarks and industry best practices
- Advanced report writing skills
- Experience at the country wide sector level/understanding of building inclusive financial sectors, preferably in Africa

Responsibilities

- Documentation review
- Leading the evaluation team in planning, conducting and reporting on the evaluation.
- Deciding on division of labour within the evaluation team
- Use of best practice evaluation methodologies in conducting the evaluation
- Leading presentation of the draft evaluation findings and recommendations in-country
- Conducting the debriefing for UNCDF HQ and regional staff
- Leading the drafting and finalization of the evaluation report

Local Consultant(s)

Profile

- A minimum of three years of management experience with a Liberian MFI or related technical service institution.
- Microfinance training and technical experience
- Knowledge of CGAP benchmarks and industry best practices

Responsibilities

- Documentation review
- Contributing to the development of the evaluation plan and methodology
- Conducting those elements of the evaluation determined by the lead consultant
- Contributing to presentation of the evaluation findings and recommendations at the evaluation wrap-up meeting
- Contributing to the drafting and finalization of the evaluation report.

4.2 Evaluation methodology

The evaluators will determine the methodology for the evaluation, using best practice evaluation planning and methodologies, which will include, among other things, key informant interviews, focus group

discussions with clients, questionnaires, documentation review, as appropriate. As far as possible the Evaluation Team will triangulate evaluation findings, using multiple sources/methodologies. Wherever possible, all evaluation data should be disaggregated by gender. Whilst this evaluation does not focus on achievement of outcomes or impact, indications of such should be sought using qualitative methods, including consultations with the intended clients of the project. The evaluation should include all key stakeholders. It is guided by but not limited to the list of interviewees in Annex 2.

The evaluators will interview the MFI program directors, senior management and clients of the two MFI financially supported by the project. Time is scheduled for a light review of financial statements and MIS reports. Time will be allotted to interview some MFIs that have not received funding through LIFS and a meeting with Board members.

4.3. Evaluation Plan

An indicative workplan detailing the schedule and number of workdays for the evaluation can be found in **Annex 1**. The workplan is based on a six-day work week.

Specifically the evaluation will comprise the following stages:

- Partners consultations and briefing: The lead consultant will be briefed by telephone prior to the fieldwork by the relevant evaluation, technical and programme staff.
- Review of relevant documentation: A list of key reference documents and people to be interviewed is provided in **Annex 2**.
- Finalization of evaluation work plan: On the first day of the evaluation mission, the Evaluation Team will review the draft evaluation workplan (**Annex 1**), and make any adjustments they see fit, taking into account practical and logistical considerations.
- In-country briefing: The Evaluation Team will be briefed on the first day of the evaluation mission by programme stakeholders. All relevant documentation not already sent in advance to the Evaluation Team will be provided by the LIFS project secretariat..
- Evaluation fieldwork: Conducted in Monrovia, and locations where supported MFIs are based. As far as possible, the Evaluation Team should discuss findings with beneficiaries and stakeholders at each stage of the evaluation and obtain their feedback.
- Preparation of Aide Mémoire and presentation for evaluation consultation meeting: On the basis of its findings, the Evaluation Team will prepare an aide memoire, which will be shared, through the in-country evaluation focal point, with all key stakeholders and with the UNCDF Evaluation Unit prior to the in-country evaluation consultation meeting as a basis for discussion.
- Evaluation consultation meeting: At the meeting, the Evaluation Team will present their key findings and recommendations to key stakeholders for discussion. The minutes of the meeting will be submitted promptly to the UNCDF Evaluation Advisor, all key stakeholders, and to the Evaluation Team, for their consideration in drafting the evaluation report.
- Draft evaluation report and Evaluation Summary: The lead consultant will submit a Draft Evaluation Report and Evaluation Summary to the UNCDF Evaluation Adviser, which will be circulated to all key stakeholders for comment.
- A phone evaluation debriefing for UNCDF Microfinance and management staff will be provided by the lead consultant. The Evaluation Advisor will take minutes of the debriefing, which will be submitted promptly to the lead consultant, for his/her consideration in finalizing the evaluation report and summary.

- The Final Evaluation Report and Evaluation Summary will be submitted by the lead consultant to the UNCDF Evaluation Adviser, who will disseminate it to all key stakeholders.

5.0. Deliverables

The lead consultant is responsible for preparing and submitting the following deliverables:

- Aide Mémoire: A summary of key evaluation findings and recommendations prepared towards the end of the evaluation and submitted to the LIFS project secretariat and the UNCDF Evaluation Unit before the Evaluation Consultation Meeting.
- Draft Evaluation Report and Evaluation Summary: The lead consultant is responsible for consolidating the inputs of team members, and taking into consideration comments received at the in-country evaluation consultation meeting, to produce a coherent Draft Evaluation Report and Evaluation Summary, according to the format in **Annex 3**. The Draft Report and Summary is to be submitted electronically to the UNCDF Evaluation Advisor.
- Final Evaluation Report and Evaluation Summary: Based on comments received on the Draft Evaluation Report, and at the UNCDF evaluation debriefing, the lead consultant will finalise the evaluation and summary, with input from other evaluation team members, as required, and submit the Final Evaluation Report and Summary to the UNCDF Evaluation Advisor within five days of the receipt of the minutes of the UNCDF evaluation debriefing, or by the agreed date.

The Evaluation Team's contractual obligations are complete once the UNCDF Evaluation Advisor has reviewed and approved the Final Evaluation Report for quality and completeness as per the TOR.

6.0. Management, Reporting Arrangements, and Administrative/logistical support of the Evaluation

6.1. Management Arrangements

To ensure full independence and that the evaluation meets U.N. standards, the Evaluation Unit of UNCDF have foremost responsibility for managing the evaluation. The Evaluation Unit of UNCDF reports directly to the Executive Secretary of UNCDF, a key criteria for independence of U.N. evaluations.

6.2. Reporting Arrangements

Overall, the Evaluation Team reports to the UNCDF Evaluation Advisor in New York. MITAF will act as the in-country evaluation focal point and will ensure that the evaluation team is provided with all necessary administrative and logistical support to arrange and carry out the evaluation.

Annex 2: List of Key Documents and People to be Interviewed

Preparation in home country

- Thoroughly review the following documents:
 - Government of the Republic of Liberia and United Nations Capital Development Fund “PRODOC”
 - Government of National Vision ,Strategy and Action Plan for Financial Inclusion.
 - Diagnostic of the Microfinance Sector and Draft Of Microfinance Development Strategy for Liberia.(August 2007) By Dr.Wolday Amha.
 - The Role of Governments in Microfinance, CGAP June 2004
 - Microfinance, Grants and Non-Financial Responses to Poverty Reduction: Where Does Microcredit Fit? CGAP
 - Building Inclusive Financial Systems, (primarily section III) CGAP 2004
 - Promoting Linkages for Livelihood Security and Economic Development – The LINKS Program Performance Report
 - UNDP Microfinance Portfolio Review (CGAP)
 - Liberia iPRSP
 - Evaluation of Microfinance Guichet
 - LIFS budget, work plan(annual and quarterly) and annual and quarterly reports ,
 - LIFS Investment Committee summaries of MFIs
 - Minutes to Investment Committee and Technical Committee meetings
 - MFI quarterly reports to LIFS
 - Summaries of Investment Committee applications presented to IC members
 - Distance Learning programme MOU between LIFS and the Njala University.
 - Report of the National Stakeholders Workshop –January 2007
 - Report on Stakeholder workshop fir the development of a National Vision and Action plan for Financial Inclusion.
 - IFC report on support for regulatory reform of the microfinance sector in Liberia
 - Report and publication on Honoring Liberia’s Unsung Heroes Of Entrepreneurship.
 - Resource mobilization concept paper.
 - Report from working group retreat.
 - Internship concept paper.
 - Grant agreements Liberty Finance and LEAP
 - Agreements: Cordaid and LEAP , Cordaid and Liberty Finance
 - LIFS Personnel CVs (Kenyeh Barlay-CTA UNCDF, John Morris-PM UNDPJ. Cyrus Saygbe Admin/Fin Manager-UNDP)
- Telephone interviews with:
 -
 - UNCDF West Africa Regional Technical Manager Makarimi Adechoubou
 - UNCDF West Africa Technical Manager Madina Assouman
 - Mr. John Tucker, Deputy Director, Microfinance

- CORDAID Mildred Kolk, Jos Van Sterren

Personal interviews in Liberia

- Central Bank of Liberia Governor Dr. J.Mills Jones
- Central Bank of Liberia Deputy Governor, Ms. Ethel Davies
- Chairman of the National Microfinance Taskforce of Liberia, Mr. Kolli S. Tamba II
- Sr. Analyst for Microfinance , Mr. J. C. N. Howard
- Ms. Kenyeh Laura Barlay, Country Technical Advisor, LIFS
- Mr John J. Morris, National Programme Officer, LIFS
- Mr. J. Cyrus Saygbe, Admin & Fin. Assistant, LIFS
- Minister of Planning, Dr. Toga McIntosh
- Sr. Economist of Planning, Mr. J. Charles Nyemah
- Minister of Finance , Dr. Antoinette Sayeh
- Department of Microfiscal Unit- Ministry of Finance (Boimah Kaydee)
- UNDP Country Director, Mr. Dominic Sam
- UNDP ARR/P, Mr. Emmett Watson
- Mrs. Angelline Osegge, Executive Director, LEAP
- Ms. Paula Nwarocki, Country Director, ARC
- Mr. Enamul Sarkar, Programme Manager, Liberty Finance
- Dr. Francis Dennis, President, LBDI
- Mr. Elvis Crusoe, SME Manager, LBDI
- Ms. Moroinike Adepoju, Managing Director, Ecobank
- Mr. Jacob Boimah, Microfinance Manager, Ecobank
- Mr. Richard Reeyah, Executive Director, LCUNA
- Mr. G. Henry Valhmu, Consultant, LCUNA
- Mr. Horatio Weedor, Executive Director, Restore Hope
- Ms. Renita Reed, Consultant, LEAD
- Mr. D. Maxwell Kemayah, Chairman, Microfinance Network of Liberia
- Central Bank of Liberia Working Group
- National Microfinance Taskforce of Liberia
- Prof. Geegbae A. Geegbae, Dean of Students, University of Liberia
- Mr. Jackson Wolorbah, Coordinator, Internship Programme, University of Liberia
- Sam Gotomo ,Executive Director Making Enterprises
- Meeting with Interns:

2) Terms of reference for Togo

Programme des Nations Unies pour le Développement

Fonds d'Équipement des Nations Unies

Programme d'Appui à la Stratégie Nationale de Microfinance (PASNAM) (2005 – 2008)

MISSION D'ÉVALUATION FINALE

TERMES DE REFERENCE

Pays :	Togo
Numéro du Projet :	00047823 TGO 10
Titre du Projet :	Programme d'Appui à la Stratégie Nationale de Microfinance (PASNAM)
Coût total du Projet :	2 702 194 US \$
Secteur :	Microfinance
Agence de coopération : UNOPS	
Date d'approbation :	Mai 2005
Durée :	03 ans et 6 mois
Date de l'évaluation à mi-parcours :	Néant

PREMIERE PARTIE

CADRE GENERAL DE L'EVALUATION

I. Historique du Projet

Malgré son impact encore limité, beaucoup d'espoirs sont fondés sur le rôle important de la microfinance dans la réduction de la pauvreté. Le Groupe Consultatif d'Assistance aux Plus Pauvres (CGAP), consortium de bailleurs de fonds auquel appartiennent le PNUD et le FENU, a tout récemment montré que la microfinance contribue à l'atteinte des objectifs du millénaire pour le développement (OMD) tels que définis en 2000 par l'Organisation des Nations Unies (ONU), notamment la réduction de la pauvreté de moitié d'ici à 2015. En effet, pour les populations pauvres et les ménages à faibles revenus, l'accès aux services financiers durables constitue une base à partir de laquelle d'autres besoins peuvent être satisfaits (santé, éducation, conseils en nutrition, autonomisation des femmes...).

Compte tenu de la situation actuelle du secteur de la microfinance, le PNUD / FENU considère qu'une approche coordonnée visant à bâtir le secteur de la microfinance comme une partie entière du secteur financier formel est la plus efficace pour construire des systèmes financiers et atteindre les objectifs précités.

Les outils privilégiés de cette démarche sont : une politique nationale, une stratégie et un plan d'action élaborés et mis en œuvre par tous les principaux acteurs du secteur.

La stratégie consiste, en s'appuyant sur les avantages comparatifs du PNUD / FENU, notamment en microfinance, à appuyer par des actions spécifiques le renforcement des capacités des principaux acteurs.

Aussi, après avoir appuyé à l'élaboration de la Stratégie nationale de Microfinance du Togo, le PNUD et le FENU appuient à la mise en œuvre de la Stratégie à travers le PASNAM dans le but de contribuer à l'exécution des objectifs des axes retenus.

II. Le Projet

En février 2004, les principaux acteurs du secteur de la microfinance au Togo ont validé le document de stratégie nationale de microfinance (SNMF) pour la période 2005 – 2008. Cette SNMF vise à asseoir un secteur de la microfinance viable et pérenne, privé, intégré au marché financier national, diversifié sur les plans de la forme institutionnelle et de l'offre de produits et services, innovateur, assurant une couverture géographique satisfaisante de la demande solvable de produits et services de microfinance, et opérant dans un cadre politique, légal, réglementaire et fiscal adapté et favorable. Le coût global de réalisation des actions de cette stratégie pour la période 2005 – 2008 s'élève à 5 729 000 000 FCFA (environ 10,7 millions de dollars US).

Le PASNAM a été élaboré pour appuyer à la mise en œuvre de cette stratégie nationale dont il s'inscrit dans la dynamique.

Il vise à contribuer à la réduction de la pauvreté et à l'atteinte des Objectifs du Millénaire pour le Développement (OMD) et a comme objectif de développer de favoriser l'accès accru à des services de microfinance pérennes à des ménages pauvres ou à faibles revenus et des micro-entrepreneurs, grâce à des IMF viables et intégrées dans le marché financier national, par un appui à la réalisation des axes suivants de la SNMF : (i) le développement d'un cadre légal, réglementaire et institutionnel pour un développement harmonieux et sécurisé du secteur de la microfinance et (ii) la professionnalisation des IMF et le développement d'une offre pérenne de produits et services diversifiés et en expansion, notamment dans les zones non couvertes, par des IMF professionnelles.

Les principaux résultats attendus du programme sont les suivants :

- Un cadre légal, réglementaire et institutionnel amélioré et mis en œuvre dans un sens et avec des moyens permettant d'assurer le développement harmonieux et sécurisé du secteur ;
- Deux ou trois IMF potentiels leaders deviennent viables ou renforcent leur viabilité et développent ainsi une offre pérenne de produits et services financiers y compris dans les zones insuffisamment couvertes mais à demande solvable.
- Le Cadre Institutionnel permet une gestion concertée, harmonieuse, en partenariat et articulée avec les autres politiques d'une part et une opérationnalisation efficiente du Programme (PASNAM) d'autre part.

Le PASNAM dispose d'un Comité de Pilotage du Programme (CPP) et d'une Cellule de Gestion du Programme (CGP). Le CPP est constitué par le Bureau du Comité National de Microfinance (CNM) et des représentants de bailleurs de fonds. Il est l'organe de décision du Programme chargé d'approuver les programmes d'activité de la Cellule de Gestion du Programme ; il agit comme Comité de Financement pour la prise de décisions sur les demandes de financement. La Cellule de Gestion du Programme est l'organe d'exécution des décisions prises par le CPP.

D'une durée de 3 ans et 6 mois, pour un montant de 2 702 194 USD, le Programme d'Appui à la Stratégie Nationale de Microfinance (PASNAM) est conjointement financé par le PNUD (1 427 993 USD) et le FENU (1 274 201 USD).

Le PASNAM a été approuvé lors de la réunion du au siège du FENU à New York le 2005 et par le PNUD le 2005.

III. Objectifs de l'Evaluation

La présente évaluation finale est menée dans l'objectif principal (i) d'apprécier l'efficacité et la pertinence du Projet ainsi que les résultats atteints depuis le début de mise en œuvre en comparaison avec le plan initial de travail (ii) de formuler des recommandations concrètes en vue de la pérennisation des acquis.

Plus spécifiquement, la mission devra :

- apprécier la pertinence du projet au moment de sa formulation et à l'heure actuelle, au regard :
 - ✓ des principes clés de la promotion de la microfinance tels que définis par le FENU et le PNUD ;
 - ✓ des objectifs et instruments d'intervention du PASNAM ;
 - ✓ des besoins des bénéficiaires directs et indirects ;
 - ✓ des besoins du secteur de la microfinance ;
 - ✓ de l'objectif global du FENU et du PNUD de lutte contre la pauvreté.
- apprécier la qualité des résultats et vérifier que les objectifs fixés ont été atteints ;
- examiner l'efficacité de la mise en œuvre du projet, en comparant les résultats obtenus aux résultats attendus et aux ressources utilisées ; identifier les obstacles éventuels à la bonne mise en œuvre du projet et à la réalisation à terme de ses objectifs ou, au contraire, les aspects qui l'ont facilitée ;
- apprécier l'impact du projet notamment en termes de « investissement dans le développement du secteur de la microfinance ; « investissement direct dans les IMF » et « renforcement des capacités du Groupe PNUD en microfinance » ;
- apprécier les perspectives et formuler des recommandations pour la poursuite des activités du PASNAM dans un autre cadre.

IV. Méthodologie de l'Évaluation

La méthodologie suivie par la mission comprendra les éléments suivants :

- Exploitation de la documentation disponible sur le projet :
 - ✓ Le document de Projet et le document de la Stratégie Nationale de Microfinance ;
 - ✓ La Stratégie Nationale de réduction de la pauvreté au Togo
 - ✓ Le Plan cadre pays du PNUD
 - ✓ Le livre bleu des Nations Unies sur les systèmes financiers inclusifs ;
 - ✓ Les documents de politique du FENU dans le domaine de la microfinance ;
 - ✓ Les PTA du PASNAM ;
 - ✓ Les contrats de performances avec les IMF et autres acteurs;
 - ✓ Les documents techniques de travail, les rapports de mission et les rapports d'activité du PASNAM ;
 - ✓ Toute autre documentation relative aux interventions du système des Nations Unies dans le domaine de la Microfinance.
- Rencontre avec des représentants du PNUD et du FENU
- Rencontre avec les autorités gouvernementales du Togo,

- Visites sur le terrain et rencontres avec les IMF, la CAS-IMEC, l'APIM-Togo, le CNM, les banques, l'APBEF/CFBT,
- Visites sur le terrain et rencontres avec les IMF sous convention avec le FENU.

V. Organisation, composition et durée de la mission

✓ **Organisation**

La mission d'évaluation comprendra une exploitation de la documentation disponible sur le Programme, des rencontres avec des représentants des organismes promoteurs du Programme (Gouvernement, PNUD, FENU, CNM) et des acteurs du secteur.

Au démarrage de l'évaluation, la mission aura des séances de briefing et de collecte de documentation à Dakar (UNOPS/FENU) et à Lomé (Gouvernement, PNUD-Lomé, PASNAM). Elle se rendra dans les cinq (05) régions du pays et rencontrera les principaux acteurs et partenaires du secteur (CNM, APIM-TOGO, IMF, BANQUES, APBEF/CFBT et aura notamment des séances de travail avec les opérateurs financiers (IMF) sous convention avec le FENU ou partenaires potentiels du PASNAM.

Après les séances de briefing et de collecte de documentation, les deux consultants affineront leur méthodologie commune d'évaluation. A la fin du séjour sur le terrain, l'équipe participera à des réunions de débriefing au PNUD-Lomé.

Durant la mission, les consultants bénéficieront de l'appui logistique des bureaux du PASNAM et du PNUD et travailleront en étroite collaboration avec l'équipe du PASNAM.

Sur le terrain et durant la durée de la mission, les consultants bénéficieront de l'appui logistique des bureaux du PNUD-Lomé et travailleront en étroite collaboration avec l'équipe du PASNAM.

La mission sera libre de discuter avec les autorités compétentes de toutes les questions touchant à la conduite de l'évaluation, mais ne sera pas habilitée à prendre des engagements au nom du PNUD ou du FENU.

L'Unité d'Evaluation du FENU – New York étant responsable de la supervision générale de l'évaluation, le consultant devra la contacter si un problème d'ordre contractuel, logistique ou méthodologique ne peut être résolu localement.

Toute modification des présents termes de référence ne pourra être acceptée sans l'accord explicite et préalable de l'Unité d'Evaluation du FENU – New York.

✓ **Expertise requise et composition**

L'évaluation sera conduite par un consultant international, expert de haut niveau dans le domaine de l'évaluation des projets/programmes et ayant une bonne connaissance de la microfinance et dans le domaine de l'évaluation. Chef de la mission, il sera responsable du rapport final. Il associera les services d'un consultant national, expert en microfinance et ayant une connaissance approfondie du paysage bancaire et financier et du secteur de la microfinance au Togo.

Le consultant international et le consultant doivent être hautement qualifiés, avoir assumé des responsabilités importantes dans le domaine de l'évaluation et le secteur de la microfinance ; ils seront recrutés pour leur capacité d'analyse, de réflexion et de conception. Les consultants principaux doivent avoir une expérience professionnelle de 10 ans minimum dont 5 à 7 ans dans la microfinance, la banque ou la finance.

✓ **Durée**

La mission d'évaluation durera 45 jours (y compris les jours de voyage) répartis comme suit:

- Préparation et organisation : 4 jours ;
- Briefing et documentation à Lomé (Gouvernement, PNUD, PASNAM) : 2 jours;
- Visite sur le terrain : (17 jours) ;
- Rédaction du rapport : 10 jours
- Débriefing à Lomé en présence du Directeur Technique Régional FENU Dakar (2 jours) ;
- Finalisation du rapport : 2 jours (chef de mission)

Le consultant international devra disposer de ressources humaines suffisantes pour réaliser la mission dans le temps imparti.

La mission démarrera au plus tard le 15 juin 2008 au plus tard, après la signature des contrats.

VI. Rapport

6.1. Rapport préliminaire

Le rapport préliminaire, rédigé en langue française et devant être finalisé deux semaines après la fin de la visite sur le terrain, sera communiqué au FENU-New-York pour distribution à toutes les parties prenantes du projet (PNUD-Lomé, Gouvernement du Togo, PASNAM, CNM) et recueil de leurs commentaires. Lors de la réunion de restitution au PNUD-Lomé, les commentaires des différentes parties prenantes au projet seront synthétiquement présentés et discutés avec le consultant, Chef de mission. Le rapport provisoire comprendra obligatoirement un résumé.

6.2. Rapport final

Le rapport d'évaluation final sera finalisé 2 semaines au plus tard après la tenue de la séance de restitution au PNUD-Lomé. Il sera transmis, en cinq exemplaires, au FENU à New-York, par le consultant. Il sera également transmis en version électronique en fichier Word sous Windows. Le rapport final comprendra obligatoirement un résumé.

VII. Coûts de la mission et financement

La mission d'évaluation finale sera financée par le budget du PASNAM Résultat 3 activité 3. 30% des honoraires des consultants seront payés au démarrage de la mission, 40% dès réception du rapport d'évaluation provisoire et le restant des honoraires sera réglé après approbation du rapport d'évaluation final.

VIII. Présentation du rapport

Cf. termes de référence détaillés

DEUXIEME PARTIE

TERMES DE REFERENCE DETAILLES

La mission d'évaluation devra traiter chacun des points mentionnés dans les Termes de Référence détaillés présentés ci-après. Ces points détaillés serviront également de canevas pour l'établissement du plan du rapport d'évaluation. Le rapport d'évaluation et le résumé seront rédigés en français.

I) RESUME ANALYTIQUE (*maximum 5 pages*)

Le résumé d'évaluation constituera une partie intégrante du rapport d'évaluation. Il sera rédigé en langue française et sera établi selon le plan suivant:

- Données de base du projet ;
- Situation avant projet ;
- Description du projet ;
- Principales observations et conclusions de la mission ;
- Recommandations concrètes ;
- Leçons tirées de l'expérience ;
- Composition de l'équipe d'évaluation et calendrier de la mission.

II) RAPPORT D'EVALUATION (*maximum 60 pages*)

1. Présentation du projet

- Situation avant-projet dans la zone d'intervention: bref aperçu sur la région et le secteur de la microfinance; présentation des données de base sur la zone d'intervention (localisation géographique, situation socio-économique et politique, population; etc.) ;
- Présentation factuelle du programme tel que conçu à l'origine et des modifications éventuellement apportées en cours d'exécution : objectifs de développement, objectif immédiat, résultats attendus, activités, modalités d'exécution, budget et financement, le système de suivi-évaluation, les plans de travail, les risques identifiés lors de la conception du programme, etc.

2. Evaluation de la conception du projet

La mission évaluera les éléments détaillés suivants :

- Pertinence et clarté de l'objectif immédiat et des résultats attendus tels que stipulés dans le document de projet. Les objectifs et les résultats ont-ils été formulés dans des termes vérifiables ? Les objectifs étaient-ils réalisables et la relation entre les objectifs, les résultats, et les activités était-elle claire, logique et en rapport avec le temps et les ressources disponibles ?
- Pertinence des modifications apportées et des réorientations effectuées au cours de la phase pilote et leur justification ;

- Adéquation de l'objectif immédiat et des résultats attendus du projet aux besoins des bénéficiaires directs (les IMF appuyées) et des bénéficiaires finaux (les populations défavorisées et les entrepreneurs pauvres, en particulier les femmes) ;
- Analyse des conditions critiques et des hypothèses de départ ;
- Pertinence de la conception du projet par rapport à l'objectif global du FENU et du PNUD de lutte contre la pauvreté.

3. Supervision du programme et cadres de performance

Supervision et gestion d'ensemble du programme

La mission procédera à l'analyse approfondie de :

- La pertinence du cadre de supervision et de gestion mis en place (distribution des rôles et responsabilités ; pouvoirs décisionnels ; relations et articulations organiques entre le FENU, le PNUD, le PASNAM, etc.) ;
- La clarté des rôles et responsabilités attribués aux différents acteurs (le PNUD-Lomé, le FENU - Dakar, la CGP-PASNAM, le CPP-PASNAM, le CNM...) ;
- La qualité d'ensemble de la supervision et de la gestion du programme ;
- L'efficacité du circuit de prise de décisions.

Assistance technique

- La mission appréciera la nature, les caractéristiques, la ponctualité, la fréquence, la pertinence et la qualité de l'assistance technique extérieure apportée au projet par l'organisme donateur, à savoir :
 - Le Bureau régional du FENU à Dakar ;
 - Le Bureau du PNUD-Lomé.

4. Les résultats de l'exécution du programme

4.1. Diagnostic des institutions bénéficiaires du programme

La mission réalisera un diagnostic approfondi des bénéficiaires du programme, notamment les institutions de microfinance, la CAS-IMEC et l'APIM-Togo, selon le cadre détaillé en Annexe. Les aspects suivants seront notamment approfondis pour chaque bénéficiaire :

- **Objectifs stratégiques** : vision, objectifs (immédiats et à moyen terme) et rôle du PASNAM ;
- **Facteurs institutionnels** : historique, statut juridique, structure du capital, alliances, direction, ressources humaines, structure administrative, système d'information de gestion, systèmes de contrôle interne, audit et supervision ;
- **Services / clientèle / marché** : prêts, épargne et autres services financiers, services non financiers, clientèle ;

- **Performance financière** : Analyse des comptes de résultat et bilans sur les trois dernières années ; des ajustements en fonction de l'inflation et des subventions ; rentabilité ; efficacité ; analyse du portefeuille de prêts ; analyse des taux d'intérêt, sources de financement, dettes et capitaux propres ;
- **Rôle et incidence du PASNAM sur l'évolution de la structure** ;
- **Rôle du PASNAM dans l'accomplissement de la mission de la CAS-IMEC et de l'APIM-Togo** ;
- **Conclusions et recommandations** : forces, faiblesses, valeur ajoutée du PASNAM, possibilités d'amélioration et d'évolution vers l'autosuffisance financière (modalités et délais), et recommandations.

4.2. Les résultats de l'exécution du programme

La mission évaluera sur le plan quantitatif et qualitatif tous les résultats obtenus par le programme.

L'analyse portera aussi sur les coûts des résultats obtenus et l'efficacité avec laquelle ils l'ont été. En outre, la mission précisera si les résultats obtenus sont conformes aux besoins des bénéficiaires directs et indirects et aux attentes des concepteurs du programme.

Enfin, et pour chacun des résultats obtenus, la mission identifiera les principaux points forts et les principales faiblesses (ou "facteurs de blocage"), vérifiera la conformité de l'exécution du projet aux principes de l'approche du FENU et du PNUD en matière de microfinance, à l'échéancier et au budget, et formulera des recommandations concrètes.

5. Atteinte des objectifs et impact du projet

La mission évaluera les progrès accomplis par le projet s'agissant de l'atteinte de l'objectif immédiat et de sa contribution à l'objectif de développement.

Plus précisément, la mission présentera une analyse approfondie portant sur les aspects non exhaustifs suivants :

- L'impact du programme sur les IMF appuyées :
 - Mesure dans laquelle les capacités des IMF ont été durablement renforcées ;
 - Viabilité financière et opérationnelle et maturité des IMF ;
 - Amélioration des pratiques de gestion des IMF ;
 - Amélioration quantitative et qualitative de l'offre de produits des IMF.
- L'impact du programme sur la réduction de la pauvreté : après avoir défini le profil de la clientèle des IMF appuyées par le programme, la mission répondra aux questions suivantes :
 - Constate-t-on une amélioration de l'accès des populations défavorisées et des entrepreneurs pauvres clients des IMF appuyées, à des services de microfinance adaptés à leurs besoins?

- Les produits de microfinance proposés ont-ils permis de répondre à une partie significative des besoins des entrepreneurs pauvres locaux clients des IMF appuyées?
- Constate-t-on un développement des affaires des entrepreneurs pauvres ? Une augmentation de leurs revenus et de leur épargne ?
- Constate-t-on une amélioration des conditions de vie des populations défavorisées ?

➤ L'impact du programme sur le secteur de la microfinance :

- Notoriété et visibilité du programme au niveau sectoriel ;
- Quelle a été l'implication du gouvernement dans l'exécution du programme ?
- Le programme a-t-il eu un effet d'entraînement ou multiplicateur ?
- Le programme a-t-il réussi à influencer le cadre législatif ou réglementaire du secteur de la microfinance ?
- Le programme a-t-il contribué à changer la façon dont le secteur bancaire perçoit, traditionnellement, les populations pauvres et défavorisées ?
- Le programme a-t-il contribué à améliorer les pratiques d'autres donateurs engagés dans l'appui au secteur de la microfinance ?

6. Pérennité

Après avoir présenté les mécanismes mis en place pour garantir la pérennité des outils et des produits développés dans le cadre du programme, la mission évaluera, pour chacune des réalisations du programme, les perspectives de pérennité des acquis (ou les conditions de leur pérennité).

En particulier, la mission appréciera les perspectives que (i) les IMF appuyées par le programme continuent à fournir durablement des services de microfinance adaptés – sur le plan quantitatif comme qualitatif – aux besoins des clients défavorisés et des entrepreneurs pauvres (ii) que la CAS-IMEC continue de jouer efficacement son rôle de supervision et (iii) que l'APIM-Togo assure la défense du secteur tout en atteignant sa viabilité financière.

7. Conclusions, enseignements et recommandations

7.1. Conclusions

La mission résumera les principales conclusions de l'évaluation, en considérant tant les succès que les échecs du programme.

7.2. Enseignements dégagés de l'expérience des projets

Le programme s'inscrit dans une dynamique de mise en place d'outils de lutte contre la pauvreté. Il est attendu que l'on puisse en tirer des leçons pour la formulation et la mise en œuvre d'autres projets ou programmes d'appui à la lutte contre la pauvreté en Afrique de l'Ouest et à la consolidation du secteur de la microfinance.

En conséquence, la mission dégagera de l'expérience du programme des enseignements utiles pour le PNUD, le FENU ou tout autre acteur du secteur de la microfinance.

7.3. Recommandations

La mission fera des recommandations concrètes - et dont les responsables seront clairement identifiés - s'agissant notamment :

- Des activités indispensables restant éventuellement à mener à bien, avec description des modalités d'exécution requises et détermination du budget et du calendrier ;
- Des conditions de la viabilité et de la pérennité des résultats obtenus au-delà de la phase pilote.

Ces recommandations seront résumées dans un tableau récapitulatif incluant les personnes ou entités responsables de leur mise en œuvre, ainsi que des délais fixés dans le temps.

Annexe

Cadre d'évaluation d'une institution de microfinance

Résumé

1. Données de base

Rubriques	Réalisations			Projections	
	31/12/2004	31/12/2005	31/12/2006	31/12/2008	31/12/2009
1. Nombre de clients actifs					
2. Encours total de prêts					
3. Solde moyen de prêts par client					
4. Nombre d'épargnants					
5. Encours d'épargne					
6. Pourcentage des créances irrécouvrables					
7. Pourcentage d'impayés					
8. Efficacité administrative					
9. Degré d'autonomie opérationnelle					

2. Principales conclusions et recommandations

Forces

Faiblesses

Valeur ajoutée du PASNAM

Recommandations

I. Facteurs institutionnels

A. Historique et principales évolutions institutionnelles

B. Statut juridique

C. Structure du capital / Conseil d'Administration

D. Alliances

E. Direction

F. Ressources humaines

Nombre total d'agents, fin de période	2004	2005	2006
Nombre de chargés de prêts, fin de période			
Pourcentage des chargés de prêts par rapport au nombre total d'agents			
Salaire annuel moyen des chargés de prêts en FCFA			
Salaire moyen des chargés de prêts en multiple du PIB par habitant			
Salaire moyen des chargés de prêts en multiple de l'encours moyen des prêts			

G. Structure administrative

H. Système d'information de gestion

I. Système de contrôle interne, audits et supervision

Services, Clientèle et marché

A. Prêts

Rubriques	Réalizations			Projections
	31/12/2004	31/12/2005	31/12/2006	31/12/2008
Nombre de prêts octroyés durant la période				
Montant de prêts déboursés durant la période				
Montant du prêt moyen				
Nombre de clients actifs				
Pourcentage de femmes				
Encours de prêts				
Encours moyen par client actif				

B. Epargne

Rubriques	Réalizations			Projections
	31/12/2004	31/12/2005	31/12/2006	31/12/2008
Nombre d'épargnants (volontaires et forcés)				
Pourcentage de femmes				
Encours de l'épargne				
Encours moyen par épargnant				

C. Services non financiers

D. Clientèle

Objectifs stratégiques

A. Vision et Objectifs

B. Objectifs immédiats et à moyen terme

C. Rôle du PASNAM

IV. Performance financière

A. Compte de résultat

Rubriques	31/12/2004	31/12/2005	31/12/2006
+ Produits financiers			
- Charges financières			
= Produit Net Financier			
- Frais de personnel			
- Autres Frais généraux			
+ Produits divers d'exploitation			
= Résultat brut d'exploitation avant amortissements et provisions			
- Dotations aux amortissements			
+ Reprises sur amortissements			
= Marge de couverture de risque			
+ Reprise sur provisions			
- Dotations aux provisions			
= Résultat net d'exploitation après amortissements et provisions			
+ Subventions d'exploitation			
+ Produits exceptionnels			
- Charges exceptionnelles			
= Résultat avant impôt			
- Impôt			
= Résultat net après impôt			

B. Bilan

Rubriques	31/12/2004	31/12/2005	31/12/2006
Opérations avec les institutions financières			
Opérations avec la clientèle			
Opérations diverses			
Immobilisations			
Total Actif			
Opérations avec les institutions financières			
Opérations avec la clientèle			
Opérations diverses			
Fonds propres et assimilés			

Résultat			
Total Passif			

C. Ajustements en fonction de l'inflation et des subventions

	31/12/2004	31/12/2005	31/12/2006
Charges d'exploitation non ajustées			
Ajustement en fonction de l'inflation			
Ajustement du coût des ressources subventionnées			
Charges d'exploitation ajustées			
Bénéfice (perte) d'exploitation ajustée			

D. Efficacité

Rubriques	31/12/2004	31/12/2005	31/12/2006
Efficacité administrative			
Efficacité opérationnelle			
Frais de personnel sur charges d'exploitation totales			

E. Rentabilité

Rubriques	31/12/2004	31/12/2005	31/12/2006
Rendement des actifs			
Rendement des fonds propres			
Degré d'autonomie opérationnelle hors coûts des fonds			
Degré d'autonomie financière			
Rendement ajusté des fonds propres			
Ratio des fonds propres			

F. Qualité du portefeuille de prêts

Rubriques	31/12/2004	31/12/2005	31/12/2006
Portefeuille en impayés > 1 jour			
Portefeuille à risque > 30 jours			
Pertes sur prêts			
Taux de rétention de la clientèle			

G. Analyse des taux d'intérêt

H. Sources de financement, dettes et capitaux propres

Sources	Date	Montant	Conditions	Monnaie	Etat

V. Rôle et incidence du programme MicroStart sur l'évolution de la structure

VI. Conclusions et recommandations

3) Terms of Reference Madagascar

Programme des Nations Unies pour le Développement

Fonds d'Equipement des Nations Unies

Programme d'Appui à la Stratégie Nationale de Microfinance (PA/SNMF) : 2005 – 2009

Mission d'évaluation

Termes de référence

Pays : Madagascar

Numéro du Projet : 52417

Titre du Projet : Programme d'Appui à la Stratégie Nationale de Microfinance

Période	2005 – 2009	Budget	4 003 381 \$US
		Frais de services généraux de gestion	77 419 \$US
Titre du Projet	Programme d'Appui à la Stratégie Nationale de Microfinance (PA/SNMF)	Budget total	4 080 800 \$US
Numéro du Projet	52417	Ressources allouées	
Durée du Projet	: Quatre (04) ans	▪ Ressources ordinaires PNUD	2 455 000 \$US
Modalité de gestion	: <u>DEX pour le FENU</u> <u>NEX pour le PNUD</u>	▪ FENU :	1 625 800 \$US
		○ Donateur	
		○ Donateur	
		○ Donateur	
		▪ Apport en nature du Gouvernement non compté dans le budget total (estimé)	1 100 000 \$US



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CADRE GENERAL DE L'EVALUATION

I. Historique du Programme

1. Avec une population de 17,4 millions (estimation de 2005) sur une superficie de 587 000 km², Madagascar fait encore partie des pays les plus pauvres du monde et se classe au 149^e rang sur 174 pays d'après le rapport sur le développement humain en 2003. Près de 70% de sa population vit encore avec un revenu inférieur à moins de un (01) dollar US par jour. La crise politique, que le pays a connue en 2002, a entraîné une grave récession marquée par un taux de croissance de -12%. Cette situation a aggravé encore plus le taux d'incidence de la pauvreté qui est passé de 71% en 2001 à environ 80% en 2002.
2. Dans son cycle de programmation 2005–2009, le Plan Cadre des Nations Unies pour l'Assistance au Développement (UNDAF) considère l'amélioration de la sécurité alimentaire des populations défavorisées comme l'un de ses axes prioritaires. Le PNUD a intégré la microfinance dans son programme de réduction de la pauvreté comme un de ses domaines d'intervention avec la Gouvernance et le VIH/SIDA.
3. Les diagnostics du secteur de la microfinance effectués en 2003 et en 2007 pour l'alignement de la stratégie nationale 2004-2009 par le PNUD et le FENU ont mis en exergue les principales forces et faiblesses de ce secteur à Madagascar. Ces études soulignent, parmi les contraintes et faiblesses identifiées, les aspects suivants : la couverture inégale et insuffisante du territoire avec un déséquilibre de l'offre entre les zones rurales et urbaines, les compétences limitées des institutions de microfinance (ressources humaines, gestion financière, système d'information et de gestion et planification), l'insuffisance de l'offre en matière de formation et services d'appui/conseil aux IMF. Ainsi, l'organisation actuelle des IMF, les moyens et les outils dont elles disposent ne permettent de répondre que très partiellement à la demande potentielle. En effet, la portée du secteur demeure encore faible, car 7,86% (juin 2008) seulement des ménages malgaches ont accès aux services financiers (épargne et crédit) fournis par les IMF du secteur.
4. Même si l'effet de la Microfinance reste globalement limité, des études d'impact et des expériences positives découlant des meilleures pratiques montrent qu'elle représente un outil important de réduction de la pauvreté et doit être considérée comme une des stratégies en vue d'atteindre les Objectifs du Millénaire pour le Développement (OMD) notamment la réduction de moitié de la pauvreté d'ici à 2015. Le Groupe Consultatif d'Assistance aux Pauvres (CGAP) a montré que la Microfinance, par le biais des services financiers durables qu'elle fournit aux pauvres, contribue à l'atteinte de ces objectifs.
5. Compte tenu de la situation du secteur de la microfinance, le PNUD et le FENU considèrent qu'une approche coordonnée visant à bâtir le secteur de la microfinance comme partie intégrante du secteur financier formel est la plus efficace pour construire des secteurs financiers accessibles à tous et atteindre les objectifs précités.
6. Cette approche a comme objectif, l'intégration des différents segments du secteur financier afin d'assurer, aux pauvres et aux populations à faibles revenus, un accès durable aux services financiers. Elle vise à créer une vision commune partagée par tous les acteurs pour un développement optimal du secteur.

7. Les outils privilégiés de cette démarche sont : une politique nationale, une stratégie et un plan d'action élaborés et mis en œuvre par tous les principaux acteurs du secteur considéré.
8. C'est pourquoi après avoir appuyé un diagnostic approfondi du secteur, le FENU et le PNUD ont contribué à l'élaboration de la Stratégie nationale de Microfinance de Madagascar et appuient aussi la mise en œuvre des actions y relatives en synergie avec les autres acteurs.

II. Le Programme

9. En juin 2004, les pouvoirs publics ont approuvé le Document de Stratégie Nationale de MicroFinance (SNMF) pour la période 2004-2009. Cette SNMF vise à asseoir un secteur de la Microfinance viable et pérenne, privé, intégré au marché financier national, diversifié sur les plans de la forme institutionnelle et de l'offre de produits et services, innovateur, assurant une couverture géographique satisfaisante de la demande solvable de produits et services de microfinance, et opérant dans un cadre politique, légal, réglementaire et fiscal adapté et favorable.
10. Le PA/SNMF s'inscrit dans la dynamique de cette stratégie nationale et vise à contribuer à la réduction de la pauvreté et à l'atteinte des Objectifs du Millénaire pour le Développement (OMD). Il a comme objectif global de favoriser l'accès accru à des services de microfinance pérennes à des ménages pauvres ou à faibles revenus et des micro-entrepreneurs grâce à des IMF viables et intégrées dans le marché financier national.
11. La SNMF prévoit d'atteindre en 2009 : un nombre d'épargnants (1 par ménage) d'environ 592.000 ; un nombre d'emprunteurs (1 par ménage) de l'ordre de 295.500 ; des crédits d'environ 603 milliards Fmg⁷, soit environ la moitié des besoins projetés en 2009; et une épargne de l'ordre de 236 milliards Fmg.
12. D'une durée de 5 ans pour un montant de 4.080.800 USD (incluant les frais de gestion pour les ressources du FENU), le PA/SNMF constitue la contribution du PNUD et du FENU à l'exécution du Plan d'Actions de la SNMF. Il est conjointement financé par le PNUD (2.455.000 USD) et le FENU (1.625.800 USD). Cependant, le financement du Plan d'Actions de la SNMF reste ouvert aux autres bailleurs de fonds intéressés par le secteur de la microfinance à Madagascar.
13. La stratégie du PA/SNMF consiste, en s'appuyant sur les avantages comparatifs du PNUD et du FENU, notamment en Microfinance, à appuyer par des actions spécifiques le renforcement des capacités des principaux acteurs dans le but de contribuer à l'exécution des objectifs des axes stratégiques de la SNMF :
 - (i) la professionnalisation des IMF et le développement d'une offre pérenne de produits et services diversifiés et en expansion, notamment dans les zones non couvertes, par des IMF viables ;
 - (ii) l'organisation du cadre institutionnel de manière à permettre une bonne structuration et une coordination efficace du secteur d'une part et une conduite efficiente de la SNMF d'autre part.

⁷ 1 USD = 1615 Malagasy Ariary (UNDP rate October 2005) and 1 Malagasy Ariary = 5 Fmg.

14. Cette stratégie visera également à contribuer à la création des conditions d'un développement de partenariat dans le secteur, d'une diffusion et d'une application des pratiques optimales et de la promotion de l'innovation afin de renforcer l'intervention d'investisseurs. Cela permettra d'accroître la capacité d'offres pour répondre à la demande solvable
15. Cette stratégie s'appuiera sur des options privilégiant la capacité nationale et son renforcement et des principes de compétitivité et de responsabilité, mettant l'accent sur la signature de contrats de performance avec les structures appuyées.

Effet(s) de l'UNDAF et indicateur(s):

(Relier à l'effet de l'UNDAF, - en l'absence d'UNDAF, laisser en blanc)

Sécurité alimentaire durable et soutenue des zones/populations à risque ou défavorisées renforcée et nutrition améliorée, tout en assurant la protection de l'environnement et la gestion durable des ressources naturelles.

Effet(s) escompté(s)/Indicateur(s)

(Effets du PP liés aux but et ligne de service du CRSICFP)

Pouvoir d'achat des populations amélioré par la mise en œuvre de la Stratégie Nationale de la Microfinance, intégrant l'approche genre.

Produit(s) escompté(s)/Indicateur(s)

(Produits du PP liés aux but et ligne de service du CRSICFP)

1. Le cadre institutionnel de la microfinance appuyé et renforcé,
2. Les partenariats et les synergies développés notamment par des actions de plaidoyer.
3. Offre viable et pérenne de services et produits financiers par des IMF renforcées techniquement et financièrement dans un cadre légal et réglementaire adapté,
4. Les relations banques/IMF renforcées et développées en vue de l'intégration des marchés financiers,

16. Après trois années de mise en œuvre, la SNMF a été évaluée à mi-parcours (en Août 2007) et ajustée selon les orientations du pays définies au sein du Madagascar Action Plan. Cette nouvelle SNMF couvre la période de 2008 à 2012.
17. Cette évaluation a montré que malgré une forte croissance, la Microfinance fait face à plusieurs défis et présente des fragilités d'ordre institutionnel et financier, même si le secteur compte plus d'institutions solides et performantes qu'en 2004.
18. Le document de la SNMF 2008-2012 a été validé en Octobre 2007 au cours d'un atelier national par les principaux acteurs.
19. Au cours des dernières années, les activités des IMF ont connu une forte croissance. Au 31 décembre 2007, les résultats globaux atteints par les IMF se présentent comme suit :

Nombre d'IMF existantes : 33 dont 13 agréées par la CSBF

Nombre de caisses / agences de base	: 488
Nombre de membres/clients	: 360 713 (+22,5%)
Taux de pénétration (ménage)	: 7,86%
Encours des dépôts (millions MGA)	: 37 130 (+ 16,9%)
Encours de crédit (millions MGA)	: 70 093 (+57,04%)

20. La SNMF est conduite conjointement par la Coordination Nationale appuyée par le Programme PA/SNMF et le Comité de Pilotage.
21. **Le Comité de Pilotage (CP)** est en charge de la conduite de l'orientation générale du secteur conformément au plan d'actions de la SNMF et assure en même temps son suivi. Il regroupe les principaux acteurs de la microfinance.
22. **La Coordination Nationale de la Microfinance** est le prolongement du Ministère des Finances et du Budget dans la coordination générale des acteurs et des actions. Il fait vivre la stratégie nationale.
23. **Le programme PA/SNMF** fonctionne selon les principes de l'exécution nationale, avec le Coordonnateur National de la Microfinance comme gestionnaire et le personnel du programme en appui dans le cadre de la mise en œuvre et le renforcement de capacités.
24. D'une durée de 5 ans pour un montant de 4.080.800 USD (incluant les frais de gestion pour les ressources du FENU), le PA/SNMF constitue présentement la contribution du PNUD et du FENU à l'exécution du Plan d'Actions de la SNMF. Il est conjointement financé par le PNUD (2 455 000 USD) et le FENU (1 625 800 USD).

III. Objectifs de l'Evaluation

25. La présente évaluation est menée dans l'objectif principal de (i) apprécier l'efficacité et la pertinence du Programme ainsi que les résultats atteints depuis le début de sa mise en œuvre en comparaison avec le plan initial de travail et de (ii) formuler des recommandations concrètes en vue de la pérennisation des acquis.
26. Plus spécifiquement, la mission devra :
- apprécier la pertinence du programme au moment de sa formulation et à l'heure actuelle, au regard :
 - ✓ des principes clés de la promotion de la microfinance tels que définis par le FENU et le PNUD ;
 - ✓ de la pertinence du montage institutionnel, notamment son organisation, son fonctionnement et ses ressources ;
 - ✓ des objectifs et instruments d'intervention du PA/SNMF ;
 - ✓ des besoins des bénéficiaires directs et indirects ;
 - ✓ des besoins du secteur de la microfinance ;
 - ✓ de l'objectif global du FENU et du PNUD de lutte contre la pauvreté.

- apprécier la qualité des résultats en fonction des ressources affectées et vérifier que les objectifs fixés ont été atteints ;
- examiner l'efficacité de la mise en œuvre du programme, en comparant les résultats obtenus aux résultats attendus et aux ressources utilisées ; identifier les obstacles éventuels à la bonne mise en œuvre du programme et à la réalisation à terme de ses objectifs ou, au contraire, les aspects qui l'ont facilité ;
- apprécier l'impact du programme notamment en termes de : "Investissement dans le développement du secteur de la microfinance"; "Investissement direct dans les IMF" et "Renforcement des capacités du Groupe PNUD en microfinance" ;
- apprécier les perspectives, tirer des leçons à apprendre de l'exécution du programme et formuler des recommandations pour la poursuite des activités du PA/SNMF et des programmes similaires.

IV. Méthodologie de l'Evaluation

27. La méthodologie suivie par la mission comprendra les éléments suivants :

- Exploitation de la documentation disponible sur le programme :
 - ✓ Le document de Programme et le document de la Stratégie Nationale de Microfinance ;
 - ✓ La Stratégie Nationale de réduction de la pauvreté à Madagascar ;
 - ✓ Madagascar Action Plan ;
 - ✓ Le Plan cadre pays du PNUD ;
 - ✓ Le Livre Bleu des Nations Unies sur les secteurs financiers inclusifs ;
 - ✓ Les documents de politique du FENU dans le domaine de la microfinance ;
 - ✓ Les PTP et PTA du PA/SNMF;
 - ✓ Les contrats de performances avec les IMF et autres acteurs;
 - ✓ Les documents techniques de travail, les rapports d'activité du PA/SNMF;
 - ✓ Toutes autres documentations relatives aux interventions du système des Nations Unies dans le domaine de la Microfinance.
- Rencontre avec des représentants du PNUD et du FENU ;
- Rencontre avec les autorités gouvernementales de Madagascar, notamment le Ministère chargé des Finances ;
- Rencontre avec le comité de pilotage ;
- Rencontre avec la Coordination Nationale ;
- Visites sur le terrain et rencontres avec les IMF et leurs associations, la CSBF et les banques ;
- Rencontre avec les autres partenaires au développement, notamment le FIDA et la Banque Mondiale ;
- Visites sur le terrain et rencontres avec les IMF sous convention avec le FRIF du FENU.

V. Organisation, composition et durée de la mission

✓ **Organisation**

28. La mission d'évaluation comprendra une première partie d'exploitation de la documentation disponible sur le Programme, des rencontres avec des représentants des organismes partenaires techniques promoteurs du Programme (Gouvernement, PNUD, FENU, CNMF) et des acteurs du secteur de même que d'autres bailleurs intervenant dans le secteur, notamment le FIDA et la Banque Mondiale.
29. Au démarrage de l'évaluation, la mission aura des séances de briefing et de collecte de documentation à Johannesburg (FENU) et à Antananarivo (Gouvernement, PNUD - PA/SNMF). Les principaux partenaires basés à Antananarivo seront le Comité de Pilotage, les Associations Professionnelles, la CSBF et les IMF partenaires sous conventions FRIF (5) dont ADEFI, SIPEM, FIVOY, et les futurs partenaires (CECAM, MICROCRED) et aussi les autres IMF ayant bénéficié de soutien dans le cadre du CEE.
30. Après les séances de briefing et de collecte de documentation, les deux consultants affineront leur méthodologie commune d'évaluation. A la fin du séjour sur le terrain, l'équipe participera à des réunions de débriefing au PNUD –Antananarivo avec les principaux partenaires.
31. Durant toute la durée de la mission, les consultants bénéficieront de l'appui logistique de la Coordination Nationale et du PNUD et travailleront en étroite collaboration avec l'équipe du Programme PA/SNMF.
32. La mission sera libre de discuter avec les autorités compétentes de toutes les questions touchant à la conduite de l'évaluation, mais ne sera pas habilitée à prendre des engagements au nom du PNUD ou du FENU ou du programme.
33. L'Unité d'Evaluation du FENU – New York étant responsable de la supervision générale de l'évaluation, le consultant devra la contacter si un problème d'ordre contractuel, logistique ou méthodologique ne peut être résolu localement.
34. Toute modification des présents termes de référence ne pourra être acceptée sans l'accord explicite et préalable de l'Unité d'Evaluation du FENU – New York.

✓ **Expertise requise et composition**

35. L'évaluation sera conduite par un consultant international, expert de haut niveau dans le domaine de l'évaluation des projets/programmes et ayant une bonne connaissance de microfinance et des méthodes d'évaluation, notamment en Afrique et pour des programmes des Nations Unies. Chef de la mission, il sera responsable du rapport final. Il s'associera les services d'un consultant national, expert en microfinance et ayant une connaissance approfondie du paysage bancaire et financier et du secteur de la microfinance à Madagascar.
36. Le consultant international et le consultant national doivent (i) être hautement qualifiés, et (ii) avoir assumé des responsabilités importantes dans le domaine de l'évaluation et du

secteur de la Microfinance. Ils seront recrutés pour leur capacité d'analyse, de réflexion et de conception. Ils doivent avoir une expérience professionnelle de 10 ans minimum dont 5 à 7 ans dans la microfinance, la banque ou la finance, notamment en Afrique.

✓ **Durée**

37. La mission d'évaluation durera 30 jours (y compris les jours de voyage) répartis comme suit:

- Préparation et organisation : 2 jours ;
- Briefing et documentation à Antananarivo (Gouvernement, PNUD, PA/SNMF) : 2 jours ;
- Visite sur le terrain : (15 jours) ;
- Rédaction du rapport : 7 jours ;
- Débriefing à Antananarivo en présence du Directeur Technique Régional FENU Johannesburg (2 jours) ;
- Finalisation du rapport : 2 jours (Chef de mission).

38. La mission démarrera le2008 au plus tard, après la signature des contrats.

VI. Rapport

✓ **Rapport préliminaire**

39. Le rapport préliminaire, rédigé en langue française et devant être finalisé deux semaines après la fin de la visite sur le terrain, sera communiqué au FENU - New York pour distribution à toutes les parties prenantes du programme (PNUD - Madagascar, Gouvernement de Madagascar, PA/SNMF, CNMF) et recueil de leurs commentaires. Lors de la réunion de restitution au PNUD - Madagascar les commentaires des différentes parties prenantes au Programme seront synthétiquement présentés et discutés avec le consultant, Chef de mission. Le rapport provisoire comprendra obligatoirement un résumé.

✓ **Rapport final**

40. Le rapport d'évaluation sera finalisé deux semaines au plus tard après la tenue de la séance de restitution au PNUD - Madagascar. Il sera transmis, en cinq exemplaires, au FENU à New - York, par le consultant. Il sera également transmis en version électronique en fichier Word sous Windows. Le rapport final comprendra obligatoirement un résumé.

VII. Coûts de la mission et financement

41. La mission d'évaluation sera financée par le budget du PA/SNMF.

VIII. Présentation du rapport

Cf. termes de référence détaillés

DEUXIEME PARTIE

TERMES DE REFERENCE DETAILLES

42. La mission d'évaluation devra traiter chacun des points mentionnés dans les Termes de Référence détaillés présentés ci-après. Ces points détaillés serviront également de canevas pour l'établissement du plan du rapport d'évaluation. Le rapport d'évaluation et le résumé seront rédigés en français.

I) RESUME ANALYTIQUE (maximum 5 pages)

43. Le résumé d'évaluation constituera une partie intégrante du rapport d'évaluation. Il sera rédigé en langue française et sera établi selon le plan suivant:

- Données de base du Programme ;
- Situation avant Programme ;
- Description du Programme ;
- Principales observations et conclusions de la mission ;
- Recommandations concrètes ;
- Leçons tirées de l'expérience ;
- Composition de l'équipe d'évaluation et calendrier et activités de la mission.

II) RAPPORT D'EVALUATION (maximum 60 pages)

1. Présentation du Programme

44. Il s'agit de la :

- Situation Avant-Programme dans la zone d'intervention: bref aperçu sur la région et le secteur de la microfinance; présentation des données de base sur la zone d'intervention (localisation géographique, situation socio-économique et politique, population; etc.) ;
- Présentation factuelle du programme tel que conçu à l'origine et des modifications éventuellement apportées en cours d'exécution : objectifs de développement, objectif immédiat, résultats attendus, activités, modalités d'exécution, budget et financement, le système de suivi - évaluation, les plans de travail, les risques identifiés lors de la conception du programme, etc.

2. Evaluation de la conception du Programme

45. La mission évaluera les éléments détaillés suivants :

- Pertinence et clarté de l'objectif immédiat et des résultats attendus tels que stipulés dans le document du Programme. Les objectifs et les résultats ont-ils été formulés dans des termes vérifiables ? Les objectifs étaient-ils réalisables et la relation entre les objectifs, les résultats, et les activités était-elle claire, logique et en rapport avec le temps et les ressources disponibles ?

- Pertinence des modifications apportées et des réorientations effectuées au cours de la phase pilote et leur justification ;
- Adéquation de l'objectif immédiat et des résultats attendus du Programme aux besoins des bénéficiaires directs (les IMF appuyées) et des bénéficiaires finaux (les populations défavorisées et les entrepreneurs pauvres, en particulier les femmes) ;
- Analyse des conditions critiques et des hypothèses de départ ;
- Pertinence de la conception du Programme par rapport à l'objectif global du FENU et du PNUD de lutte contre la pauvreté.

Supervision du programme et cadres de performance

✓ **Supervision et gestion d'ensemble du programme**

46. La mission procédera à l'analyse approfondie de :

- La pertinence du cadre de supervision et de gestion mis en place (distribution des rôles et responsabilités ; pouvoirs décisionnels ; relations et articulations organiques entre le FENU, le PNUD, le PAS/SNMF et la Coordination Nationale d'une part et le PASNMF et le PNUD etc.) ;
- La clarté des rôles et responsabilités attribués aux différents acteurs (le PNUD-Madagascar, le FENU - Johannesburg, le Comité de Pilotage, la CNMF, le PA/SNMF-;
- La qualité d'ensemble de la supervision et de la gestion du programme ;
- L'efficacité du circuit de prise de décisions.

✓ **Assistance technique**

47. La mission appréciera la nature, les caractéristiques, la ponctualité, la fréquence, la pertinence et la qualité de l'assistance technique extérieure apportée au Programme par l'organisme donateur, à savoir :

- Le Bureau Régional du FENU à Johannesburg ;
- Le Bureau du PNUD-Madagascar.

4. Les résultats de l'exécution du programme

4.1. Diagnostic des institutions bénéficiaires du programme

48. La mission réalisera un diagnostic approfondi des bénéficiaires du programme, notamment les institutions de microfinance, la CNMF, selon le cadre détaillé en Annexe. Les aspects suivants seront notamment approfondis pour chaque bénéficiaire :

- **Objectifs stratégiques** : vision, objectifs (immédiats et à moyen terme) et rôle du PA/SNMF ;
- **Facteurs institutionnels** : historique, statut, structure du capital, alliances, direction, ressources humaines, structure administrative, système d'information de gestion, systèmes de contrôle interne, audit et supervision ;
- **Services / clientèle / marché** : prêts, épargne et autres services financiers, services non financiers, clientèle ;

- **Performance financière** : Analyse des comptes de résultat et bilans sur les trois dernières années ; des ajustements en fonction de l'inflation et des subventions ; rentabilité ; efficacité ; analyse du portefeuille de prêts ; analyse des taux d'intérêt, sources de financement, dettes et capitaux propres ;
- **Rôle et incidence du PA/SNMF sur l'évolution de la structure** ;
- **Rôle du PA/SNMF dans l'accomplissement de la mission de la CNMF et des Association professionnelle AIM, APIFM** ;
- **Conclusions et recommandations** : forces, faiblesses, valeur ajoutée du PA/SNMF possibilités d'amélioration et d'évolution vers l'autosuffisance financière (modalités et délais), et recommandations.

6.2. Les résultats de l'exécution du programme

49. La mission évaluera sur le plan quantitatif et qualitatif tous les résultats obtenus par le Programme.
50. L'analyse portera aussi sur les coûts des résultats obtenus et l'efficacité avec laquelle ils l'ont été. En outre, la mission précisera si les résultats obtenus sont conformes aux besoins des bénéficiaires directs et indirects et aux attentes des concepteurs du programme.
51. Enfin, et pour chacun des résultats obtenus, la mission identifiera les principaux points forts et les principales faiblesses (ou "facteurs de blocage"), vérifiera la conformité de l'exécution du Programme aux principes de l'approche du FENU et du PNUD en matière de microfinance, à l'échéancier et au budget, et formulera des recommandations concrètes.

Atteinte des objectifs et impact du Programme

52. La mission évaluera les progrès accomplis par le Programme s'agissant de l'atteinte de l'objectif immédiat et de sa contribution à l'objectif de développement.
53. Plus précisément, la mission présentera une analyse approfondie portant sur les aspects non exhaustifs suivants :
 - L'impact du programme sur les IMF appuyées :
 - Mesure dans laquelle les capacités des IMF ont été durablement renforcées ;
 - Viabilité financière et opérationnelle et maturité des IMF ;
 - Amélioration des pratiques de gestion des IMF ;
 - Amélioration quantitative et qualitative de l'offre de produits des IMF.
 - L'impact du Programme sur la réduction de la pauvreté : après avoir défini le profil de la clientèle des IMF appuyées par le programme, la mission répondra aux questions suivantes :
 - Constate-t-on une amélioration de l'accès des populations défavorisées et des entrepreneurs pauvres clients des IMF appuyées, à des services de microfinance adaptés à leurs besoins ?

- Les produits de microfinance proposés ont-ils permis de répondre à une partie significative des besoins des entrepreneurs pauvres locaux clients des IMF appuyées?
 - Constate-t-on un développement des affaires des entrepreneurs pauvres ? Une augmentation de leurs revenus et de leur épargne ?
 - Constate-t-on une amélioration des conditions de vie des populations défavorisées ?
- L'impact du programme sur le secteur de la microfinance :
- Notoriété et visibilité du programme au niveau sectoriel ;
 - Quelle a été l'implication du Gouvernement dans l'exécution du programme ?
 - Le programme a-t-il eu un effet d'entraînement ou multiplicateur ?
 - Le programme a-t-il réussi à influencer le cadre législatif ou réglementaire du secteur de la microfinance ?
 - Le programme a-t-il contribué à changer la façon dont le secteur bancaire perçoit, traditionnellement, les populations pauvres et défavorisées ?
 - Le programme a-t-il contribué à améliorer les pratiques d'autres donateurs engagés dans l'appui au secteur de la microfinance ?

Pérennité

54. Après avoir présenté les mécanismes mis en place pour garantir la pérennité des outils et des produits développés dans le cadre du programme, la mission évaluera, pour chacune des réalisations du programme, les perspectives de pérennité des acquis (ou les conditions de leur pérennité).
55. En particulier, la mission appréciera les perspectives que (i) les IMF appuyées par le programme continuent à fournir durablement des services de microfinance adaptés – sur le plan quantitatif comme qualitatif – aux besoins des clients défavorisés et des entrepreneurs pauvres (ii) que la CNMF continue de jouer efficacement son rôle de coordination et (iii) que les associations assurent la défense du secteur tout en atteignant sa viabilité financière?

7. Conclusions, enseignements et recommandations

7.4. Conclusions

56. La mission résumera les principales conclusions de l'évaluation, en considérant tant les succès que les échecs du programme.

7.5. Enseignements dégagés de l'expérience des Programmes

57. Sur la base de leur évaluation, les consultants doivent dégager des leçons pertinentes pour la formulation et la mise en œuvre d'autres projets ou programmes de microfinance à Madagascar et en Afrique.
58. En conséquence, la mission dégagera de l'expérience du programme des enseignements utiles pour le PNUD, le FENU ou tout autre acteur du secteur de la microfinance.

7.6. Recommandations

59. La mission fera des recommandations concrètes - et dont les responsables seront clairement identifiés - s'agissant notamment :
 - Des activités indispensables restant éventuellement à mener à bien, avec description des modalités d'exécution requises et détermination du budget et du calendrier;
 - Des conditions de la viabilité et de la pérennité des résultats obtenus.
60. Ces recommandations seront résumées dans un tableau récapitulatif incluant les personnes ou entités responsables de leur mise en œuvre, ainsi que des délais fixés dans le temps ainsi que les indicateurs pertinents.

Annexe

Cadre d'évaluation d'une institution de microfinance

Résumé

1. Données de base

Rubriques	Réalisations					Projections
	31/12/ 2003	31/12/ 2004	31/12/ 2005	31/12/ 2006	31/12/ 2007	31/12/2008
1. Nombre de clients actifs						
2. Encours total de prêts						
3. Solde moyen de prêts par client						
4. Nombre d'épargnants						
5. Encours d'épargne						
6. Pourcentage des créances irrécouvrables						
7. Pourcentage d'impayés						
8. Efficacité administrative						
9. Degré d'autonomie opérationnelle						

2. Principales conclusions et recommandations

Forces

Faiblesses

Valeur ajoutée du PA/SNMF

Recommandations

I. Facteurs institutionnels

J. Historique et principales évolutions institutionnelles

K. Statut juridique

L. Structure du capital / Conseil d'Administration

M. Alliances

N. Direction

O. Ressources humaines

Nombre total d'agents, fin de période	2005	2006	2007
Nombre de chargés de prêts, fin de période			
Pourcentage des chargés de prêts par rapport au nombre total d'agents			
Salaire annuel moyen des chargés de prêts en AR			
Salaire moyen des chargés de prêts en multiple du PIB par habitant			
Salaire moyen des chargés de prêts en multiple de l'encours moyen des prêts			

P. Structure administrative

Q. Système d'information de gestion

R. Système de contrôle interne, audits et supervision

Services, Clientèle et marché

A. Prêts

	Réalizations			Projections
Rubriques	31/12/2005	31/12/2006	31/12/2007	31/12/2008
Nombre de prêts octroyés durant la période				
Montant de prêts déboursés durant la période				
Montant du prêt moyen				
Nombre de clients actifs				
Pourcentage de femmes				
Encours de prêts				
Encours moyen par client actif				

B. Epargne

	Réalizations			Projections
Rubriques	31/12/2005	31/12/2006	31/12/2007	31/12/2008
Nombre d'épargnants (volontaires et forcés)				
Pourcentage de femmes				
Encours de l'épargne				
Encours moyen par épargnant				

C. Services non financiers

D. Clientèle

Objectifs stratégiques

D. Vision et Objectifs

E. Objectifs immédiats et à moyen terme

F. Rôle du PA/SNMF

IV. Performance financière

I. Compte de résultat

Rubriques	31/12/2005	31/12/2006	31/12/2007
+ Produits financiers			
- Charges financières			
= Produit Net Financier			
- Frais de personnel			
- Autres Frais généraux			
+ Produits divers d'exploitation			
= Résultat brut d'exploitation avant amortissements et provisions			
- Dotations aux amortissements			
+ Reprises sur amortissements			
= Marge de couverture de risque			
+ Reprise sur provisions			
- Dotations aux provisions			
= Résultat net d'exploitation après amortissements et provisions			
+ Subventions d'exploitation			
+ Produits exceptionnels			
- Charges exceptionnelles			
= Résultat avant impôt			
- Impôt			
= Résultat net après impôt			

J. Bilan

Rubriques	31/12/2005	31/12/2006	31/12/2007
Opérations avec les institutions financières			
Opérations avec la clientèle			
Opérations diverses			
Immobilisations			
Total Actif			
Opérations avec les institutions financières			
Opérations avec la clientèle			

Opérations diverses			
Fonds propres et assimilés			
Résultat			
Total Passif			

K. Ajustements en fonction de l'inflation et des subventions

	31/12/2005	31/12/2006	31/12/2007
Charges d'exploitation non ajustées			
Ajustement en fonction de l'inflation			
Ajustement du coût des ressources subventionnées			
Charges d'exploitation ajustées			
Bénéfice (perte) d'exploitation ajustée			

L. Efficacité

Rubriques	31/12/2005	31/12/2006	31/12/2007
Efficacité administrative			
Efficacité opérationnelle			
Frais de personnel sur charges d'exploitation totales			

M. Rentabilité

Rubriques	31/12/2005	31/12/2006	31/12/2007
Rendement des actifs			
Rendement des fonds propres			
Degré d'autonomie opérationnelle hors coûts des fonds			
Degré d'autonomie financière			
Rendement ajusté des fonds propres			
Ratio des fonds propres			

N. Qualité du portefeuille de prêts

Rubriques	31/12/2005	31/12/2006	31/12/2007
Portefeuille en impayés > 1 jour			
Portefeuille à risque > 30 jours			
Pertes sur prêts			
Taux de rétention de la clientèle			

O. Analyse des taux d'intérêt

P. Sources de financement, dettes et capitaux propres

Sources	Date	Montant	Conditions	Monnaie	Etat

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V. Rôle et incidence du programme PA/SNMF sur l'évolution de la structure

VI. Conclusions et recommandations

Annex IV: UNCDF Microfinance Strategic Results Framework

F. UNCDF Goal: Achievement of the Millennium Development Goals in the LDCs					
Sub-Goal 2: To increase sustainable access of low-income households to quality financial services					
Core result 2.1 Sustainable retail intermediaries providing a range of financial services to low-income households established					
High-Level Outcomes	High-level Outcome Indicators	Programme-level Outcomes	Programme-level Outcome Indicators	Programme Outputs	Output Indicators
- Increased access to financial services by low-income households - Increased depth and range of services available to low-income households - Increased sustainability and efficiency of financial intermediaries serving low-income households <i>Contribution to:</i> MDG Goal 1: Eradicate extreme poverty and hunger - Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day - Indicator: Proportion of population below \$1 (PPP) per day	- % of households accessing financial services/total households (disaggregated by, gender) - % of Households with savings / transactions accounts - Average transaction / GDP per capita - Interest rate spreads: (average lending rate - average deposit rate) - Industry AROA	-Increased outreach of UNCDF-supported financial intermediaries to low-income households -Increased breadth and depth of services provided by UNCDF-supported financial intermediaries to low-income households -Increased sustainability and efficiency of UNCDF-supported financial intermediaries serving low-income households	- % increase in # of Clients of UNCDF-supported institutions (male/female) - # of clients of UNCDF-supported institutions (male/female) - average loan size/GDP - % change in # and types of products offered by UNCDF-supported institutions - # (out of total) of UNCDF-supported institutions with PAR @ 30days <5% - # (out of total) of UNCDF-supported institutions with PAR @ 30days <10% - # (out of total) of UNCDF-supported institutions with positive AROA - # (out of total) of UNCDF-supported institutions reporting positive change in AROA	-UNCDF provides capital assistance to selected financial intermediaries - UNCDF provides technical assistance to selected financial intermediaries through recognized technical service providers	- # of financial intermediaries receiving capital assistance from UNCDF - # of financial intermediaries receiving technical assistance from UNCDF through recognized technical service provider - % of UNCDF programmes recognized technical service providers

UNDP MYFF Service Line 1.3 : Local poverty initiatives, including microfinance - Core result: Inclusive financial sectors with sustainable microfinance fully integrated					
2.2 Supporting industry infrastructure for the delivery of financial services to low-income households developed					
High-Level Outcomes	High-level Outcome Indicators	Programme-level Outcomes	Programme-level Outcome Indicators	Programme Outputs	Output Indicators
- Increased access to quality support services by financial intermediaries - Increased transparency of sector actors	- % increase in recognized local service providers # (out of total) of financial intermediaries submitting to independent audits and ratings - Coverage of credit registries (% coverage of households accessing credit services)	- Local financial-sector supporting infrastructure in place -Increased visibility and transparency of UNCDF-supported financial institutions	- # (out of total) of UNCDF programme countries with supporting industry infrastructure (recognized networks, credit bureau, microfinance associations, etc.) - # (out of total) of UNCDF-supported institutions submitting to audits and ratings - # (out of total) of UNCDF-supported institutions participating in credit bureau	- Industry service providers (networks, associations, credit bureaus, etc.) receive assistance (funding, technical assistance, etc) from UNCDF -UNCDF-supported institutions participate in network / association - UNCDF-supported institutions submit to audits and ratings - UNCDF-supported institutions participate in credit bureaus	- # of Industry providers (networks, associations, credit bureaus, etc.) receiving assistance (funding, technical assistance, etc) from UNCDF - % of UNCDF-supported institutions participating in network / association - % of UNCDF-supported institutions submitting to audits and ratings - % of UNCDF-supported institutions participating in credit bureaus

2.3 Enabling environment for building inclusive financial sectors fostered					
High-Level Outcomes	High-level Outcome Indicators	Programme-level Outcomes	Programme-level Outcome Indicators	Programme Outputs	Output Indicators
- A conducive policy framework for building inclusive financial sectors exists in UNCDF programme countries - A legal / regulatory/ supervisory framework conducive to the sustainable expansion of financial service delivery to low -income households exists - Coordinated approach by key sector actors to building inclusive financial sectors exists	- # (out of total) of UNCDF programme countries in which microfinance is included in National Planning Processes (PRSP, FSAPs, etc.) - % of UNCDF programme countries recording positive policy changes for an inclusive financial sector - Nationally-owned mechanisms for co-ordinated action in place	-Increased capacity of government to support conducive policy environment for an inclusive financial sector - Increased capacity of regulatory and supervisory authorities to develop conducive legal framework for an inclusive financial sector -Nationally-owned government and donor strategies exist in support of building inclusive financial sectors	- # (out of total) of UNCDF programme countries recording positive policy changes (interest rate liberalization, tax policy, etc.) linked to UNCDF support - # (out of total) of UNCDF programme countries recording positive legal/regulatory/supervisory changes linked to UNCDF support) - # (out of total) of financial intermediaries in UNCDF programme countries reporting to Central Bank / supervisory agency - Existence of government and donor joint strategies - Implementation of joint Action Plans	- UNCDF government partners receive technical assistance to increase capacity - UNCDF regulatory partners receive technical assistance to increase capacity -Nationally-owned policies and strategies led and/or significantly supported by UNCDF	- # of government partners receiving training - # of legal /regulatory/ supervisory staff receiving training - # (out of total) UNCDF programme countries where UNCDF has led or provided significant support to the development of nationally-owned policies and strategies

Annex V:

Format for Programme Evaluation Executive Summary and Reports

NOTE: To better support use of evaluations, reports should not exceed 40 pages, plus annexes.

Table of contents, list of acronyms, tables, one-page programme data sheet (as per established UNCDF Standard Evaluation TOR)

1. Executive summary

2. Purpose of the evaluation

- Restate the purpose of the evaluation
- How this evaluation fits into programme cycle and programme planning/review activities (as applicable)

3. Evaluation methodology

- Methodology and tools used
- Workplan
- Methodological issues encountered, and any qualifiers relating to findings
- Team composition

4. Programme profile

- Country context (policy, institutional environment with relevance to UNCDF programme)
- Programme summary (programme hypothesis; intervention strategy; any major strategic changes adopted during implementation; intended results; scope and location of the programme; broader context within which the programme is located and its scale and scope relative to this broader context; expected added value of programme; partnerships, etc – as foreseen in programme document)
- Programme status (implementation, financial)

5. Evaluation

This section of the report will be structured as per the scope of the evaluation outlined in TOR Section C.

5.1 Results achievement

- Include summary table listing development and immediate objectives, outputs and indicators, baselines, annual and end-of-programme targets (as available) and data on target achievements to date.
- Assessment of progress by output (validate monitoring data, plus evaluative evidence)
- Assessment of progress in achieving outcome/immediate objective and development objective achievement, or likelihood of achieving the same (dependent on stage of programme implementation will assess actual achievement or indications of likely achievement).
- Other critical issues related to results achievement
- Results relating to specific thematic focus area.

5.2 Sustainability of results

5.3 Factors affecting successful implementation and results achievement

- External factors
- Programme-related factors

5.4 Strategic positioning and partnerships

5.5 Lessons

Extract lessons at two levels:

- Programme-level lessons
- Partner-specific lessons

5.6 Recommendations

Make recommendations to improve the programme based on the evaluation and lessons.

Structure recommendations according to sections 5.1-5.4, plus any additional recommendations.

Annexes

To include, at minimum:

- Evaluation Follow-up Matrix (template provided in Annex 7)
- List of people interviewed/focus group discussions, etc
- References
- Section C of the Evaluation TOR

Format for the Evaluation Executive Summary

This is a 25-page summary of the Evaluation Report. It is distinct from the Executive Summary, and should serve as a self-contained summary that may be read without reference to the main report. The Evaluation Summary should follow this outline:

1. Programme data sheet (as per front page of the UNCDF Standard Evaluation TOR)
2. Programme profile
3. Purpose of the evaluation
4. Key findings of the evaluation mission
5. Lessons
6. Recommendations of the mission
7. Evaluation team composition

Annex VI: Evaluation Follow-up Matrix

Purpose and Use of the Evaluation Follow-up Matrix

- **The evaluator** will use this Evaluation Follow-up Matrix to summarise the key findings and recommendations of the evaluation, and propose responsibilities and timeline for follow up.
- **The programme manager** will subsequently discuss the recommendations and proposed follow-up responsibility and timeline with programme stakeholders and record agreed follow-up actions, responsibilities and timelines in this matrix, and use it monitor their implementation.
- **The Director of Practice Division** is responsible for oversight, to ensure timely implementation of agreed follow up actions.
- **The Evaluation Unit** will periodically report to UNCDF Senior Management and the Executive Board on progress in implementing agreed follow up to evaluations, as part of its accountability function.

Issue area	Evaluation finding	Evaluation recommendation	Responsible	Timeline	Agreed follow up
Organized as per evaluation structure <i>(Completed by evaluator)</i>	List key evaluation findings <i>(Completed by evaluator)</i>	<i>(Completed by evaluator)</i>	Who is responsible for follow up? <i>(Completed by evaluator)</i>	Monitorable timeframe for follow up. <i>(Completed by evaluator)</i>	Either: ▪ Yes (agree to recommendation, responsibility and timeline, and describe follow up action to be taken) ▪ No (provide justification for rejecting recommended follow up) ▪ Alternative (state alternative follow-up action, responsibility and/or timeline to be taken and justification) <i>(Completed by programme manager)</i>
1. Results achievement					
2. Sustainability of results and exit strategy					
3. Factors affecting successful implementation and results achievement					
4. Strategic positioning and partnerships					
5. Other issues					

