

## Section 5. Terms of Reference

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### Mid-Term Evaluations of two UNCDF Financial Inclusion Practice Area Programmes in Asia

- **Shaping Inclusive Finance Transformations (SHIFT) in the ASEAN Region**
- **Shaping Inclusive Finance Transformations (SHIFT) in the SAARC Region**

#### Countries to be covered by the evaluations:

**SHIFT ASEAN:** ASEAN regional component, plus Cambodia, Lao PDR, Myanmar, Vietnam country components

**SHIFT SAARC:** Bangladesh

**Executing Agency:** United Nations Capital Development Fund (UNCDF)

#### Timeframe of programme implementation to be assessed

**SHIFT ASEAN:** May 2014 – December 2020

**SHIFT SAARC:** July 2016 – July 2021

#### Initial approved budget:

**SHIFT ASEAN:** US\$ 33,433,574

**SHIFT SAARC:** US\$ 20,022,870

#### Total committed budget to end Q4 2017:

**SHIFT ASEAN:** US\$ 8,702,476

**SHIFT SAARC:** US\$ 9,145,914

#### Total disbursement to end Q4 2017

**SHIFT ASEAN:** US\$ 4,883,159

**SHIFT SAARC:** US\$ 1,859,760

#### Funders:

**SHIFT ASEAN:** DFAT<sup>2</sup> (US\$ 7,646,720), FMO (US\$ 200,000), LMTF (US\$ 173,256), UNCDF (US\$ 582,500), VISA (US\$ 100,000), Monetary Authority of Singapore (US\$ 50,000) **SHIFT SAARC:** Bill and Melinda Gates Foundation, European Union, UNCDF

#### Timing for the evaluations:

**SHIFT ASEAN:** March – August 2018<sup>3</sup>

**SHIFT SAARC:** September 2018 – March 2019

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<sup>2</sup> DFAT's contribution currently concludes 31 Dec 2018.

<sup>3</sup> Since the SHIFT ASEAN evaluation will be included in DFAT's Annual Aid Evaluation Plan for 2018, the timeframe for evaluation has been structured to align with DFAT requirements in terms of the finalization and publishing of the report and preparation of a management response.

## **1. Background**

### **1.1 The United Nations Capital Development Fund and its Inclusive Finance Practice Area**

The United Nations Capital Development Fund (UNCDF) is the UN's capital investment agency for the world's 48 Least Developed Countries (LDCs). UNCDF uses its capital mandate to help LDCs pursue inclusive growth. UNCDF uses 'smart' Official Development Assistance (ODA) to unlock and leverage public and private domestic resources; it promotes financial inclusion, including through digital finance, as a key enabler of poverty reduction and inclusive growth; and it demonstrates how localizing finance outside the capital cities can accelerate growth in local economies, promote sustainable and climate resilient infrastructure development, and empower local communities. Using capital grants, loans, and credit enhancements, UNCDF tests financial models in inclusive finance and local development finance; 'de-risks' the local investment space; and proves concept, paving the way for larger and more risk-averse investors to come in and scale up.

The main challenge the UNCDF's Financial Inclusion Practice area tries to address is the reality that currently two billion adults - more than half of the world's working adults - are still excluded from formal financial services. This is most acute among low-income populations in emerging and developing economies. Including people in the formal economy is a critical contribution to poverty reduction, tackling inequality, and fostering inclusive growth.

UNCDF's Inclusive finance practice area (FIPA) contains a mixture of country, regional and global programmes. It supports 33 LDCs and is serving 8 million clients through the Financial Service Providers (FSPs) in which it invests. FIPA follows a sector-based approach and, more recently, has been implementing its programmes through a series of thematic initiatives. These initiatives are designed to test promising models or solve specific problems across a range of countries to demonstrate a new approach or model. Global programmes often work in countries closely with country or regional country programmes, if present. A detailed explanation of FIPA's approach can be found at:

<http://www.uncdf.org/financial-inclusion>

#### **1.2. UNCDF's Engagement in Asia in Support of Financial Inclusion**

UNCDF has extensive experience working in the ASEAN and the SAARC regions through comprehensive country, regional and global programmes, discrete thematic project initiatives, strategic alliances with governments and networks/forums, and longstanding networks with market leaders. These include:

- Comprehensive country programmes in Lao PDR and Myanmar that seek to build inclusive financial sectors with deeper thematic interventions in national financial inclusion diagnostic and road-mapping, savings-market development, and digital financial services;
- A regional market facilitation programme aimed at facilitating the financial inclusion of low-income men and women in ASEAN with a focus on Cambodia, Lao PDR, Myanmar and Vietnam (SHIFT ASEAN);
- Discrete thematic project initiatives in Cambodia and Myanmar in clean energy financing and in Thailand with national financial inclusion diagnostics (in collaboration with the ADB);
- Strategic alliances in Indonesia and the Philippines through the Better than Cash Alliance;
- Networks with market leaders in Cambodia (Aceda Bank), the Philippines, (CARD Bank), and Myanmar (PACT Myanmar Microfinance Company);
- A regional market facilitation programme in the SAARC region with ongoing implementation in Bangladesh focusing on accelerating financial inclusion through digital pathways. The current focus of SHIFT SAARC in Bangladesh is on Digital Financial Services (DFS) policy advocacy and promoting micro-merchants' financial inclusion;
- UNCDF agency-wide initiatives, such as the POWER initiative, which is a global strategy on women's economic participation and empowerment across its global inclusive finance portfolio.

## 1.3 The SHIFT Programmes in ASEAN and SAARC

### 1.3.1 SHIFT ASEAN

#### *Overview*

The SHIFT (Shaping Inclusive Financial Transformations) concept was developed in support of UNCDF's strategic intent to establish a regional financial market facilitation programme aimed at delivering rapid improvements in levels of financial inclusion of low-income men and women in the ASEAN region by making them active participants in the economy and increasing their income and employment opportunities. In so doing, the envisioned programme impact is a reduction in their vulnerability to economic shocks - one of the main reasons people fall into poverty, or are unable to escape it. Consultations with financial inclusion market - leaders throughout 2013 led to the validation of the concept and need for a regional response to accelerating financial inclusion in the ASEAN countries through the following broad areas of intervention: data generation, funding and technical assistance, capacity development, and policy advocacy.

A 30-month Programme Initiation Plan (PIP) was approved by UNCDF in May 2014 with initial seed funding of US\$ 547,000. The PIP was to undertake a set of preparatory activities, which broadly included: the analysis and design of interventions that responded to the political economy of the regional policy processes, priorities of policy makers, and dynamics between members; a consultation and coordination with ASEAN Secretariat, policy makers, practitioners and development partners to build a common vision and ownership of the programme and to secure consensus on priorities and sequencing of interventions through multi-stakeholder processes, formal working group meetings, smaller exchanges and individual meetings to develop; the engagement of and collaboration with existing market-leading institutions, networks and alliances, and policy processes in support of priorities identified through multi-stakeholder processes; and a deeper assessment of the appropriateness of the competitive funds and training facility.

To date, SHIFT has seen the disbursement of almost USD 5 million, including funds from its lead development partner the Australian Government's Department of Foreign Affairs and Trade (DFAT), in addition to the Netherlands Development Finance Company (FMO) and, more recently, from VISA Inc and the Monetary Authority of Singapore (MAS). With these funds, SHIFT has reached 1.8 million beneficiaries through 16 Financial Service Providers (FSPs) piloting and scaling a variety of business models and associated financial services designed to meet the financial needs of women, especially in Cambodia, Lao PDR, Myanmar and Vietnam. At the same time, SHIFT has progressed with its data analysis work, policy advocacy (at both the ASEAN and national levels) and capacity building/technical assistance that in combination have laid the foundations for recent observations that may reflect incipient systemic change. These four separate work streams make up the core of the SHIFT implementation approach.

#### *Theory of change*

SHIFT's broad programme goal is to contribute to increased income and employment, reduced vulnerability to shocks and reduced poverty by the inclusion of low-income people, especially women, and businesses to be active agents in the formal economy.

The Outcome Level goal of the programme is that large-scale and sustainable access to, and use of, well-regulated and affordable financial services is possible when financial institutions, regulators, customers, and other actors in complementary markets are incentivized and supported to change how they work. In this context, SHIFT aims to support 6 million low-income people, (1 million directly, and 5 million indirectly) micro-entrepreneurs and SMEs in their transition from using informal financial mechanisms to more formalised financial services. It is intended that at least 65 per cent of these people will be female consumers and 100 per cent of the enterprises will be led by, or primarily employing or serving women.

SHIFT uses a market development approach in its implementation. This involves looking at the whole ecosystem around the delivery and use of financial services, and the factors driving the behaviour of market actors - low-income people, businesses and excluded sections within these markets such as women and young people, financial institutions, business development service providers, and regulators. This approach helps to better understand the constraints that prevent the delivery and use of financial services, and also to understand and use opportunities that have the potential to transform financial markets and allow large numbers of people and businesses to benefit from, and contribute to, the delivery and use of financial services (Hammond, Kramer, Tran, Katz, & Walker, 2007). In taking this approach, SHIFT is seeking to bring benefits to individuals and businesses beyond the life of the SHIFT programme.

For a market systems programme to achieve outcomes and impact level results which transform the market, it is necessary for the programme to adapt and evolve over time. Through SHIFT's learning, data analysis and research, it has been shown that at the market level, while women have approximately equal or even more formal access to financial services than men in certain countries, women's use of financial services is much lower than men, women's financial literacy is lower and financial stress faced by women is significantly higher than men. Additionally, women lack assets to meet collateral requirements and there is a lack of tailored financial products and services, which are coupled with gender blindness/absence of focus on gender differences at the policy/regulatory level. Such findings have influenced the evolution of SHIFT from a pure financial inclusion programme to a programme with a strong strategic focus on women's financial inclusion and subsequently women's economic participation through access to financial services.

To achieve its objectives, SHIFT takes a four-pronged approach which is represented in the programme's theory of change. The approach addresses key market constraints and areas of implementation in the following areas: policy and advocacy, learning/skills development, data and analysis (Data Hub), and through incentivizing private sector financial product innovation (Challenge Fund).

The fund mechanism, known as the Challenge Fund, aims to service the needs of the private sector by focusing on FSPs and supporting them with co-funded grants and technical assistance intended to improve their investment potential and capacity to develop, validate and pilot appropriate financial product models and technologies. As these are introduced, it is expected that they are able to better service low-income and vulnerable customers (especially women), and the aim is to eventually crowd in further investors as the models are proven and scaled.

Closely linked to the Challenge Fund are the programmatic activities related to the Learning and Skills Development work stream as well as the Data Hub. To create further capacity amongst ecosystem stakeholders, the former aims to provide targeted training content to relevant SHIFT programme partners which will further feed into a product development process that is more appropriate to the needs of low income men and women, as well as increase the number, diversity and affordability of training services. The work undertaken through SHIFT's Learning and Skills Development work stream is especially relevant and interlinked with SHIFT's Data Hub activities that aim to use data for facilitating a data driven approach to product development and policy making, ultimately foster an improved environment for decision-making processes for policy and/or product development, and with it, improved ability to address the needs of low-income women and women run businesses. Furthermore, through the program policy and advocacy work, the envisioned results are national financial inclusion policies and strategies that specifically respond to the low-income women segments of the financial market, and are duly implemented, enforced, monitored and evaluated. A supportive policy environment is expected to further incentivize the private sector to respond with appropriate financial products which will accelerate the roll out of national strategies and create a virtuous circle of development that eventually leads to increased numbers, diversity and affordability of financial products and reduces the vulnerability of low income women.

SHIFT is also applying a regional approach by taking advantage of policy processes at the regional (ASEAN) level and by achieving economies of scale in addressing common constraints across a number of countries,

while reducing the restrictions that cannot be addressed cost-effectively through work in individual countries alone. While the SHIFT programme works first and foremost in countries with the most under-developed financial systems (Cambodia, Lao PDR, Myanmar and Vietnam) to address countries and markets in greatest need and narrow the development gap within ASEAN, a regional approach means that SHIFT also works in lower-middle-income countries in ASEAN when intervention in these countries can have a multiplier effect in the rest of the ASEAN region, or create the potential for south-south cooperation that benefit the most under-developed financial markets (CLMV). This is exemplified by SHIFT's role in providing technical advice to the ASEAN Working Committee on Financial Inclusion, which is a regional coordination mechanism to promote financial inclusion to accelerate financial integration and inclusive growth in ASEAN.

Additionally, as a market facilitation programme, partnerships are essential to influence changes across the financial market. Throughout the programme, a range of collaboration partnerships have been established with regulators and regional development actors including: the Alliance for Financial Inclusion (AFI), National Bank of Cambodia, International Labour Organization (ILO), UNWOMEN and PulseLab Jakarta, aimed at advancing SHIFT's agenda in the region and globally (through AFI).

### **Programme Implementation status**

In order for SHIFT to reach its intended scale, and enable the behavioural change of market actors, customized intervention approaches that consider a variety of private and public-sector stakeholders are essential. Important obstacles to financial inclusion remain and include the lack of capacity to act amongst public and private stakeholders, as well as the lack of information to take appropriate action. By taking a market development approach that incentivizes private sector participation, enhances policy and advocacy, and utilizes capacity building and data, our objective is to strengthen the functions that support the market ecosystem. With time, this will lead to the supply of new financial products in addition to an improved regulatory environment that will improve access and usage of financial services, especially for women.

To achieve this, significant groundwork was necessary to ultimately inform activities that support the market preconditions to enable changes in the market system as a whole. Examples of such groundwork include: undertaking and supporting FinScope/Making Access Possible (MAP) activities in Cambodia, Lao PDR and Myanmar, development of the procedures and structures for the SHIFT Challenge Fund, providing technical assistance for the establishment of the ASEAN Working Committees on Financial Inclusion, establishment of a robust monitoring and evaluation (M&E) system, etc. SHIFT is now in mid-implementation and has therefore set much of the groundwork and preconditions, and is beginning to see mid-term outcome achievements particularly in the areas of its investment, data and policy work.

To date **the Challenge Fund mechanism** has reached a total of 16 Financial Service Providers through 3 funding windows aiming to develop, pilot and/or scale innovative financial products aimed at low-income people (especially women). Through its partners, SHIFT has reached 1.8 million direct beneficiaries, significantly exceeding both its 2017 and 2020 targets of 300,000 beneficiaries and 800,000 beneficiaries respectively. In addition to access to financial services, SHIFT is also seen to be performing above the industry average in terms of product usage, which remains at 29 per cent (14 per cent higher than the industry standard).

Through its **Policy and Advocacy activities**, SHIFT's approach has been focused on influencing very specific aspects such as gender, payment systems, DFS related licenses to private sector, etc., at country, regional and global levels. To date, SHIFT's work in the area of Policy and Advocacy has also seen initial outcomes. SHIFT's Making Access Possible (MAP) study successfully created the basis of information, which fed into the drafting, and finalization of Cambodia's National Financial Inclusion Roadmap, which has now been approved by the steering committee and is currently in the process of official government approval. SHIFT was able to strategically position specific priority items on the policy agenda of the Roadmap, including increased savings mobilization, increased uptake of micro-insurance and reducing financial exclusion among women from 27 per cent to 13 per cent by 2025.

At the regional level, SHIFT has worked in establishing and strengthening its engagements with ASEAN by being an active participant in the Working Committee for Financial Inclusion (WC-FINC) joining a range of meetings and providing technical assistance in financial inclusion to its regulator member when required.

At the global level, SHIFT's partnership with the Alliance for Financial Inclusion (AFI) has led to the establishment of the Denarau Action Plan. The action plan sets out the roadmap for how AFI Members can meet their Maya Declaration Commitments and how they will increase the numbers of women with access to quality and affordable financial services globally by 2021. As a result, 27 countries have now made commitments including the National Bank of Cambodia.

The **Data Hub** has been increasingly influential in SHIFT's policy and advocacy work drawing on SHIFT's unique access to 6.4 million of micro-level transactions from four FSPs in Cambodia. The insights produced by the analysis of the work known as "Customer Journey Action Research (CJAR)" have proven to be essential inputs to other areas of SHIFT work, identifying important market gaps and facilitating the development of tailored financial products to address these gaps. The latter has been characterized by targeted training activities aiming to enhance the information available for decision making to develop new products and services that more closely meet customer demand.

To date, the Data Hub activities have reached 4 private financial service providers and 2 regulators, with a combined audience of almost 80 middle and upper management executives of which approximately 40% were women. Concrete impacts of this work include more efficient data analysis processes, the recognition of the importance of understanding the customer journey and the value of data in product development, and the identification of specific market challenges such as savings mobilization. In one case, this experience has triggered upper management interest in data driven product development, and the participating FSP is currently adjusting its procedures to make its product development more customer centric.

Moving forward, SHIFT plans to continue to grow its **Learning and Capacity Building Hub** activities as a means of providing technical assistance and capacity support to ensure the sustainability of results for FSP's, regulators and the market. For example, a lesson learned in both Challenge Fund Windows, in addition to Customer Journey Action Research, concerns the necessity of including expanded technical assistance activities that further support the roll out of market innovations that increase financial inclusion for women. There is proven demand for this, and as such, SHIFT is currently evaluating the expansion of the CJAR training activities to further accompany the incorporation of data driven product and policy development.

As SHIFT continues to implement its planned programmatic activities, it seems that these are beginning to trigger small but significant behavioural changes that if continued could potentially lead to the broader systemic change the programme aims to achieve. Indeed, the challenge fund mechanism and grantees have shown clear signs that innovations are now in the "adopt" stage of systemic change, having moved on from "adapt" as the innovations and capacity are further entrenched within the partners institutions structures. We are also starting to observe the crowding-in of third parties, which may be initial signs of "expansion". These are all results on which UNCDF is seeking validation and additional assessment in this mid-term evaluation.

### 1.3.2 SHIFT SAARC

#### *Overview*

The Shaping Inclusive Finance Transformations programme framework for the SAARC<sup>4</sup> countries (SHIFT SAARC) is a regional market-facilitation initiative that seeks to stimulate investment, business innovations, and regulatory reform to expand economic participation of and opportunities for low-income people, especially women, and small and growing businesses to be active agents in the formal economy. This is

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<sup>4</sup> South Asian Association for Regional Cooperation. The members include: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. The members are joined by observer countries, including Australia, China, the European Union, Iran, Japan, Mauritius, Myanmar, South Korea and the United States of America.

expected to contribute to increased growth in income and employment, reduced vulnerability to shocks and lower poverty levels.

The SHIFT SAARC programme and intervention framework is based on some of the lessons from its sister initiative in the ASEAN region (SHIFT ASEAN), on-going dialogue with selected opinion shapers in South Asia<sup>5</sup>, complemented by growing evidence of the impact business and market-focused initiatives have on solving a range of development problems. The programme aims at delivering rapid improvements in levels of financial inclusion of low income groups, especially women in the SAARC region, by making them active participants in the economy and increasing their income and employment opportunities through the broad areas of intervention including: data & analysis, capacity development, policy advocacy and supporting innovations.

A 60-month programme period was approved by UNCDF in June 2016 with initial funding of \$3,968,090, major contribution coming from the Bill and Melinda Gates Foundation (BMGF) with key programmatic focus on policy advocacy, research and capacity building of regulators in Bangladesh. In February 2017, a micro-merchant centric real sector component was added with supports from the European Union (EU). This additional component aims at fostering business growth and financial inclusion of micro-merchants in Northern Bangladesh through facilitating capacity building and business innovation.

To date, SHIFT SAARC has seen the disbursement of almost \$1.8 million, including funds from the Bill and Melinda Gates Foundation and the EU. With these resources, SHIFT SAARC has conducted research, provided technical assistance and capacity building supports to regulators and policymakers, facilitated stakeholder consultation and policy advocacy through coalition mobilization and undertook preparatory activities for rolling out field training and business innovation targeting micro-merchants in four selected districts of northern Bangladesh.

### *Theory of change*

The SHIFT (SAARC) broad programme goal is to contribute to improved livelihoods and reduced poverty among low income people, especially women in SAARC countries by 2021. The programme's intended outcome is to enable at least one million low income people, 65% of whom are women, and 30,000 small and growing businesses access and use financial services to secure opportunities for employment, enterprise development, and increased sustainable consumption.

To achieve intended objectives, SHIFT SAARC is adopting a market facilitation approach in its implementation. This involves looking at the whole eco-system around the delivery and use of financial services and what drives behaviour of market actors - low-income people, businesses and excluded sections within these markets such as women and young people, financial institutions, business development service providers, and regulators. Through this approach SHIFT SAARC will attempt to better understand the constraints that prevent the delivery and use of financial services, and also the opportunities that have the potential to transform financial markets and allow low income groups, especially women and small businesses to benefit from and contribute to the delivery and use of financial services.

SHIFT SAARC Theory of Change (ToC) depicts how programme activities lead to short (output), intermediate (outcome) and long term (impact) changes. SHIFT SAARC ToC is based on an understanding that markets are of fundamental importance in the livelihood strategy of low income people, women and small and growing businesses. Markets are where low income people and women, as employees and businesses owners, earn their income and where, as consumers, they spend their income to buy food, invest in education, housing, retirement.

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<sup>5</sup> Central Banks in Bangladesh and Nepal, Ministries of Foreign Affairs and Finance of South Asian LDCs, Sankalp Forum, DFID, Bill and Melinda Gates Foundation, Alliance for Financial Inclusion, and selected financial inclusion providers and thought leaders.

Low income households, particularly women, have diverse livelihood strategies, encompassing a range of activities. For most, using financial services is a key strategy to achieve livelihood goals and interact with real economy markets. Financial services enable households to take advantage of employment, entrepreneurship and investment opportunities. Interacting with financial markets is therefore an important aspect of the livelihood strategies for many low income households. However, low income people and especially women, for one reason or the other, are unable to equally participate in financial markets and therefore cannot take full advantage of real markets (be employed, start a business for example) and improve their living standards. For these reasons, improved access to financial markets and better use of financial products is critical in assisting low income people and women to fully benefit from real economy markets, and therefore improving market access is an important element of SHIFT SAARC ToC and strategy.

The ToC (see in Annex 2) hypothesizes that linking real economy markets with financial markets will enable low income people, women and small and growing businesses to access employment, entrepreneurship and investment opportunities to improve their livelihoods.

Based on secondary research, ToC starts with an understanding that in many SHIFT SAARC markets there is a lack of data, capacity, enabling policy and regulatory environment and innovation incentives for financial inclusion which in turn impacts ways low income people, especially women, access and participate in the financial and real economy markets. To change this, it is important to improve market data and information availability and exchange; improve understanding and capacity of providers, small and growing businesses and regulators; facilitate policy and regulatory changes in financial and real economy markets and improve products, services and business models. These improvements will lead to better access and use of financial products and services affecting the terms and conditions of market participation for low income consumers, women and small and growing businesses: increasing employment, entrepreneurship and investment opportunities. As a result of these changes, low income people, women and small and growing businesses will be able to improve their livelihoods.

To achieve intended outcomes and impact, SHIFT SAARC supports four types of interventions: 1. *Improving* data and market information exchange; 2. *Improving* understanding and capacity; 3. *Improving* policy and regulatory environment; and 4. *Increasing* supply of financial products and business models through incentives. The expected outcome of these four streams of intervention under SHIFT SAARC is that at least one million low income people, 65% of whom are women, and 30,000 small and growing businesses have access and use financial services to secure opportunities for employment, enterprise development, and increased sustainable consumption.

### **Programme Implementation status**

Since the inception of SHIFT SAARC, UNCDF undertook several research and partnership building activities in Bangladesh to complement policy advocacy and micro-merchant centric work. As a market facilitation programme with strong focus on policy advocacy and stakeholder consultation facilitation, partnerships are crucial to promote changes within the ecosystem. During the inception period SHIFT SAARC established a range of partnerships with diverse public and private stakeholders at different levels.

Through **Policy and Advocacy** SHIFT SAARC in Bangladesh aspires to influence priority policy issues around interoperability, eKYC, gender, merchant payments, competition etc. SHIFT SAARC has engaged with Bangladesh Bank (Central Bank of Bangladesh) and conducted a regulatory self-assessment study to take stock of existing DFS policy regime in the country and provide future directions. SHIFT SAARC in Bangladesh has also facilitated thematic stakeholder consultations engaging private and public sector institutions, through mobilizing a new coalition titled 'Digital Finance Consultative Group (DFCG)'. Through these undertakings, SHIFT SAARC was able to strategically position specific priority items like digital finance interoperability, eKYC, merchant payments etc. on the policy agenda of the regulators.

As part of **Data and Research**, SHIFT SAARC is supporting **Hrishipara Financial Diary** research in Hrishipara, Gazipur since June 2017 to get more precise understanding of the way that low-income households use



financial tools and services available in rural Bangladesh, including informal practices, MFIs and co-operatives, with specific focus around DFS and women's digital financial needs. SHIFT SAARC has also commissioned a nationwide micro-merchant landscape assessment survey, first of its kind qualitative and quantitative research study to better understand the enablers and existing challenges of micro-merchants' business growth and access to finance related issues in the context of Bangladesh.

SHIFT SAARC has started facilitating **capacity building** supports to regulators, policy makers and micro-merchants in 2017 to complement policy advocacy activities and innovations. Technical assistance and capacity building trainings on DFS issues have been delivered to concerned regulators which will be continued throughout the project period in various modalities. Preparatory activities for rolling out capacity development training to 2500 micro-merchants in four project districts have been accomplished and field training will start in the 1<sup>st</sup> quarter of 2018.

SHIFT SAARC has finalized communication campaign strategies to complement policy advocacy and micro-merchant capacity building activities in 2017. Both national and community level communication and awareness campaign will begin in early 2018. Also SHIFT SAARC will pilot at least 06 private sector led business innovation models integrating micro-merchant value chains, business development services and financial service providers in four project districts.

SHIFT SAARC has expanded its activities and partnerships to a range of public and private stakeholders and different levels till date, and establishing a robust monitoring and evaluation (M&E) system. By 4<sup>th</sup> quarter of 2018 SHIFT SAARC will be in mid-implementation phase and will begin to see mid-term outcomes, particularly of policy advocacy, capacity building and research works.

As SHIFT SAARC continues to implement its planned activities, it is evident that the outcomes will potentially lead to the broader systemic change the programme aims to achieve. Next phases of the programme will largely focus on facilitation of private sector led business innovations and capacity development activities targeting micro-merchants to amplify impacts in the grassroots.

## **2.1. Purpose, scope and objectives of the evaluations**

The **two evaluations** are being conducted in accordance with UNCDF's Evaluation Plans for 2016 - 2017 and 2018 – 2021<sup>6</sup>, and its broader Evaluation Policy which sets out a number of guiding principles and key norms for evaluation in the organization, following the standards of the United Nations Evaluation Group in which UNCDF is an active member.<sup>7</sup> The SHIFT ASEAN Mid-Term Evaluation is also included in DFAT's 2018 Annual Aid Evaluation Plan as a partner-led evaluation and will be reviewed against the relevant DFAT evaluation standards, many of which overlap with those of the UN Evaluation Group.

Amongst the norms that the Policy seeks to uphold, the most important are that the evaluation exercises should be independent, credible and able **to provide information that is useful and relevant to support evidence-based programme management and broader strategic decision making.**

With this in mind, the evaluations have been designed with the following overall objectives:

- i) to allow UNCDF and funding partners to meet their accountability and learning objectives
- ii) ensure that the evaluations can support ongoing attempts by the programmes and their funders to capture good practice and lessons to date in a sector which is evolving fast and is increasingly relevant to meeting the objectives of the Sustainable Development Goals

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<sup>6</sup> <https://erc.undp.org/evaluation/units/255>

<sup>7</sup> For more information, please see:

<http://web.undp.org/evaluation/policy.shtml><http://web.undp.org/evaluation/policy.shtml>

iii) to guide and inform the remaining years of implementation as well as – if appropriate – inform subsequent programming for each programme

The mid-term evaluations are expected to **assess both the results to date (direct and indirect, whether intended or not) from the first years of programme implementation as well as the likelihood of the programmes meeting their end goals** on the basis of current design, human resource structure, broad implementation strategy, etc. It is expected that the evaluations will provide **useful and actionable recommendations** to increase the likelihood of success by the end of the programme.

The evaluations will attempt to explore - data permitting - the full range of current and likely results of the programmes – both immediate and longer-term, direct and indirect, whether intended or not.

These overall objectives of the evaluations will be framed by their focus on the **relevance and performance of the programmes** to date. Critical to both of these evaluations is the assessment of the relevance and effectiveness of the ecosystem approach in moving markets.

The specific objectives of the evaluations are:

- To assist UNCDF and its partners understand the **relevance, efficiency, effectiveness, and likely impact and sustainability** of the programmes/projects in the different regions (ASEAN/SAARC)/countries in which they are active;
- To provide learning on how the programmes are functioning in regards to Gender Equality and Human Rights, as well as validate the programmes' achievements (in qualitative and quantitative terms), and identify likely outcomes or risks for women's economic empowerment;
- To validate and/or refine the programmes' theory of change at this stage of implementation;
- Situate the programmes in their broader environment, compared to similar programmes and other initiatives by other development partners;
- Provide forward-looking operational and strategic recommendations that are realistic and practical
- To understand more broadly how successful are UNCDF's partnerships with the private sector in achieving their broader programme objectives

More specifically, the evaluations are expected to provide preliminary evidence on the programmes' current and likely contributions to:

- Building the **organisational capacity** (knowledge, institutional, financial, network) of financial service providers, telecom companies, regulators and other key ecosystem actors to develop and facilitate the roll out of financial services to new geographical areas and to new market segments as well as support the broader development and regulatory oversight of the financial market systems in the countries supported by the programme.
- **Supporting impact at client level.** Here the focus will be on assessing to the extent possible current or likely impact on end clients distinguishing between impacts on men and women in the program area benefiting from access to, and sustained usage of, financial services. This includes aspects such as: whether or not they had access to financial services before the initiative; what kind of financial services they now have access to now; whether the financial services meet their current needs; how the financial services have helped to reduce their vulnerability; how the financial services have helped to increase income and employment; what the best and worst aspects of the financial services are; what the financial services are being used for; and how often the new financial services are being used and how accessing and using the financial service has impacted their life overall.
- **Influencing the broader finance systems** in which the programmes have intervened. Here the evaluators should consider the extent to which the programmes have been successful through their

policy advocacy, funding, data/knowledge and capacity/learning activities in beginning to influence the broader inclusive finance systems (policy, institutions and markets). This aspect will also consider the extent to which the programme is positioned to support replication and upscaling of its approach by others once it comes to an end. Including the effect of SHIFT on MAP surveying and on AFI gender integration.

## 2.2. Evaluation methodology:

The evaluations should be **transparent, inclusive, participatory and utilization-focused**. The overall methodology is organized following a theory of change approach, framed by the UN/Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) criteria drawing upon mixed methods (quantitative and qualitative) data to capture contributions to market development and systemic change to date in the various regions/countries in which it is intervening. This draws also on measurement frameworks such as those of the approaches of the Consultative Group to Assist the Poor (CGAP)<sup>8</sup> and the Donor Committee for Enterprise Development to measuring market development.<sup>9</sup> These approaches are also in line with UNCDF's own 'innovation-to-scale' or maturity model approach whereby UNCDF supported interventions aim to start with piloting/innovation, move to consolidation in additional countries before being scaled up in markets and country policy systems more broadly.

In line with good practice in evaluating this type of complex system change-focused intervention<sup>10</sup>, the overall methodology should be based on three concrete pillars:

i) the interventions' **theories of change**

ii) an **evaluation matrix** grouping key evaluations questions and sub-questions by broad OECD/DAC criterion

iii) a **data collection toolkit** showing how quantitative and qualitative primary and secondary data will be analysed to answer the evaluation questions.

### 2.2.1 Theory of change

The main framework for these types of evaluations is provided by the programmes' **theories-of-change** which help frame the evaluation questions against programmes' expected end results, considering the influence of relevant contextual factors at the regional, national and local levels that may have influenced the programme results. In doing so, the evaluation should use as far as possible **contribution analysis** as a frame for the evaluation with a view to capturing in the various countries in which SHIFT is being implemented the programme's contribution to broader system- and market-level change alongside – where relevant - the contribution of other actors or drivers of change.<sup>11</sup>

In line with UN evaluation practice, the scope of the evaluation should cover all five standard **UN/OECD DAC evaluation criteria**: relevance/ appropriateness of design, efficiency, effectiveness, and (likelihood of) impact and sustainability, recognising that at the mid-term stage of programme implementation there may be more

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<sup>8</sup> [http://www.cgap.org/sites/default/files/Technical-Guide-Measuring-Market-Development-Oct-2017\\_0.pdf](http://www.cgap.org/sites/default/files/Technical-Guide-Measuring-Market-Development-Oct-2017_0.pdf)

<sup>9</sup>

<sup>10</sup> See, for example, pages 78 – 79 in the recent guidance published by CGAP on how to evaluate the results of support to complex policy and market systems in financial inclusion: <http://www.cgap.org/publications/measuring-market-development> building.

<sup>11</sup> For more information, please see: [http://www.betterevaluation.org/en/plan/approach/contribution\\_analysis](http://www.betterevaluation.org/en/plan/approach/contribution_analysis). Please also note the work of the Consultative Group to Assist the Poor (CGAP), the Donor Committee on Enterprise Development (DCED), the Springfield Center and others on this with specific reference to measuring the results of market development for the poor in the area of inclusive finance.

to say about the programme’s relevance and appropriateness of design, effectiveness and efficiency. In doing so, the focus of the evaluation goes beyond assessing whether UNCDF is currently ‘doing things right’ in programme execution and management, to a broader assessment of whether, given evidence available, - as implemented by UNCDF together with key programme partners, and in comparison, with similar approaches implemented by others - looks to be the ‘right approach’ to achieving the higher-level objectives agreed in the initial phase.

In addition to these standard DAC criteria, the evaluation design should also address systematically questions around innovation, work with the private sector and risk identification and management which are priorities for both DFAT and UNCDF.

The evaluation approach should also take into consideration, as far as possible, UNCDF’s broader monitoring efforts and incorporate – where possible - financial and economic evaluation techniques into the evaluation design, both for Microfinance Institutions (MFI) making reference – when appropriate - to CGAP MFI indicators and for Mobile Network Operators (MNOs) when appropriate making reference to the new methods proposed by Microfinance Information Exchange (MIX).<sup>12</sup>

In both evaluations, it will be important for the evaluation to distinguish carefully results at the level of ASEAN regionally as well as from the in-country components in Cambodia, Lao PDR, Myanmar, Viet Nam and Bangladesh.

### 2.2.2. Evaluation Matrix

In proposing how to conduct the evaluation, the evaluators should use an evaluation matrix to operationalise the theory of change and its agreed framework of direct and indirect results into a set of measurable categories of evaluative analysis following the results chain of the intervention.

The table below presents a set of preliminary questions that the evaluators should apply in each of the evaluations. A final, more detailed evaluation matrix tailored to each programme should be developed during the inception phase on the basis of extensive document review and initial consultation with key programme stakeholders.

Evaluation criteria and main questions	Evaluation sub-questions
<p><b>Question 1: Relevance and quality of design</b></p> <p><i>The appropriateness of the programme’s objectives to the real problems, needs and priorities of its target groups/beneficiaries and the quality of programme design through which these</i></p>	<p>1.1. How relevant are the different programme approaches being followed to the priorities and policies of governments in the regions/countries in which the respective programmes are intervening?</p> <p>1.2. As presently designed, how coherent are each of the programme designs in view of their objectives and how well are they designed with regard to eventual transition, expansion and replication of the programme approach by others?</p> <p>1.3. To what extent are programme designs sufficiently taking cross-cutting issues such as human rights, marginalized groups (including the disabled) and gender?</p>

<sup>12</sup> <http://www.themix.org/mixmarket/publications/measuring-performance-alternative-delivery-channels>  
<https://www.cgap.org/sites/default/files/CGAP-Technical-Guide-Measuring-Results-of-Microfinance-Institutions-Minimum-Indicators-That-Donors-and-Investors-Should-Track-Jul-2009.pdf>

<i>objectives are to be reached.</i>	
<b>Question 2: Efficiency</b> <i>Extent to which the programme has delivered quality outputs that are appropriately managed and overseen.</i>	2.1 How well has UNCDF management (at both the programme and HQ level) supported delivery of the programmes to date?
	2.2 To what extent have programme deliverables (outputs) met the expectations of programme beneficiaries, board members and development partner?
	2.3 To what extent is the program MRM generating sufficient evidence to inform accountability and contribute to program improvements?
	2.4 How well are partner contributions/involvement in the programme working?
<b>Question 3: Effectiveness (organizational and policy change)</b> <i>Extent to which SHIFT deliverables are contributing (or not) to capacity development of partner organisations?</i>	3.1 To what extent are programme deliverables helping financial services partner organisations to develop and scale viable financial inclusion business models for men and women?
	3.2 To what extent are SHIFT's policy and advocacy activities at regional and national levels contributing to changes in the capacity of policy makers/regulators to develop and enact financial inclusion policies/regulations affecting low-income people and specifically women?
<b>Question 4: Likely Impact</b> <i>(Likely) programme impact at both beneficiary and market/policy system levels</i>	4.1 On the basis of FSP products launched to date, which are most likely to deliver impact at the level of programme beneficiaries, including particularly low-income women, and why?
	4.2. On the basis of programme performance to date, what is the likely impact of the changes in policies and regulations at the level of financial markets and systems in the countries that SHIFT is supporting?
<b>Question 5:</b> Sustainability of programme results within the broader policy and market environments	5.1 To what extent are changes in the capacity of FSPs to reach low-income men and women likely to continue over time?
	5.2 To what extent are changes in government priorities and performance introduced as a result of SHIFT – including in the way regional institutions (ASEAN) and governments develop and implement gender sensitive financial inclusion policies - likely to be sustainable over time?

### 2.2.3 Data collection toolkit

Finally, on the basis of the questions included above and the information present elsewhere in this RFP and on the SHIFT website, interested bidders are requested to propose a **data collection toolkit** (that includes gender disaggregation and triangulation tools) explaining how they will make best use of existing secondary data as well as generate additional primary data – including from female beneficiaries - during the country visits which together will be able to answer the questions listed above.

For information, the key categories of secondary data that will be made available to the evaluators include:

- Initial programme documents including programme document, donor agreements, reports from scoping missions, donor implementation guidelines

- Mapping of external and/or UNCDF initiatives that are complementary or overlap with SHIFT
- Documents explaining SHIFT internal management procedures and processes
- Annual results reporting/donor reporting/minutes of Investment Committees approving SHIFT activities/financial information; minutes from ASEAN Board meetings
- Key knowledge management products, including Knowledge Management Strategies, results of learning events and Digital Financial Services working groups
- Overview of broader ecosystem activities, including platforms for knowledge sharing

The combination of primary and secondary tools or separate ‘**lines of evidence**’ should number at least five and be designed – as with the rest of the evaluation - with triangulation and complementary assessment of the sub-questions in the matrix in mind.

The content of these different lines of evidence should also be used to inform the writing of 10 – 15 page country reports from visits to each of Cambodia and Myanmar which should summarise SHIFT’s contribution to the development of markets in inclusive financial services in the countries visited paying careful attention to the role of policy and institutional context in driving or hindering programme results. A third report should also be prepared summarising the results of SHIFT at the level of ASEAN regionally, including background information on the context in which SHIFT is operating.

Both the results of the data collection toolkits and the country reports should then be used in a transparent manner to inform the writing of the final evaluation report as a way of demonstrating the findings of the evaluators to the evaluation questions and supporting the conclusions and recommendations that the team will make.

#### 2.2.4 Gender and Human Rights

The promotion and protection of Human Rights (HR) & Gender Equality (GE) are central principles to the mandate of the UN, and all UN agencies must work to fundamentally enhance and contribute to their realization by addressing underlying causes of human rights violations, including discrimination against women and girls, and utilizing processes that are in line with and support these principles. Those UN interventions that do not consider these principles risk reinforcing patterns of discrimination and exclusion or leaving them unchanged. It is therefore important that evaluations commissioned by UNCDF take these aspects into account.

UNCDF takes seriously its commitments to gender equality and women’s empowerment throughout its programme cycle, including evaluation. In recent assessment processes under the UN’s System-Wide Action Plan of the quality of UNCDF’s evaluation reports, overseen by the United Nations Evaluation Group, its Evaluation Unit was scored as ‘exceeding requirements’ which remains the goal for all evaluations designed and managed by its Evaluation Unit. These objectives are shared by UNCDF’s partners, including in the case of SHIFT ASEAN by DFAT which is made all the more relevant by the programme’s focus on women’s equality and gender empowerment.

With that in mind, it is important that evaluation design for both programmes respect the standards set out in the United Nations Evaluation Group (UNEG) *Handbook to Integrate **Human Rights and Gender Equality in Evaluation*** as well as the most recent publications by the United Nations on the seven drivers of women’s economic empowerment in the context of the SDG focus on leaving no one behind.<sup>13</sup>

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<sup>13</sup> In addition to the UN Evaluation Group guidance on embedding gender equality and women’s empowerment into UN evaluations: <http://www.unevaluation.org/document/download/2107>, please see for information the latest report by the UN Secretary General’s High Level Panel on Women’s Economic Empowerment: Leave No One Behind – Take Action for Transformational Change on Women’s Economic Empowerment <http://hlp-wee.unwomen.org/>

## Principles for integrating human rights and gender equality in evaluation

Concretely, interested bidders are requested to incorporate the following key principles from the UNEG guidance for integrating human rights and gender equality in their proposals:

- **Inclusion.** Evaluating HR & GE requires paying attention to which groups benefit and which groups contribute to the intervention under review. Groups need to be disaggregated by relevant criteria: disadvantaged and advantaged groups depending on their gender or status (women/men, class, ethnicity, religion, age, location, etc.) duty-bearers of various types, and rights-holders of various types in order to assess whether benefits and contributions were fairly distributed by the intervention being evaluated. In terms of HR & GE, it is important to note that women and men, boys and girls who belong to advantaged groups are not exempt from being denied their human rights or equal rights: for example, violence against media workers from advantaged groups who expose wrong-doing or corruption, or constraints on women's public presence and freedom of movement in some countries, regardless if they belong to advantaged or disadvantaged groups. Therefore the concept of inclusion must assess criteria beyond advantage. Likewise, it is not unusual that some groups may be negatively affected by an intervention. An evaluation must acknowledge who these stakeholders are and how they are affected, and shed light on how to minimize the negative effects.
- **Participation.** Evaluating HR & GE must be participatory. Stakeholders of the intervention have a right to be consulted and participate in decisions about what will be evaluated and how the evaluation will be done. In addition, the evaluation will assess whether the stakeholders have been able to participate in the design, implementation and monitoring of the intervention. It is important to measure stakeholder group participation in the process as well as how they benefit from results.
- **Fair Power Relations.** Both the human rights and gender equality approaches seek, inter alia, to balance power relations between or within advantaged and disadvantaged groups. The nature of the relationship between implementers and stakeholders in an intervention can support or undermine this change. When evaluators assess the degree to which power relations changed as a result of an intervention, they must have a full understanding of the context, and conduct the evaluation in a way that supports the empowerment of disadvantaged groups, e.g. women's empowerment where women are the disadvantaged gender within a given context. In addition, evaluators should be aware of their own position of power, which can influence the responses to queries through their interactions with stakeholders. There is a need to be sensitive to these dynamics.

They are also requested to ensure that their proposal includes the following elements<sup>14</sup>:

- That the evaluation team includes evaluators with a strong understanding of financial inclusion and gender issues and proven ability to apply that to the conduct of an evaluation, including in the data collection phase of the exercise.
- That the evaluation methodology includes specific questions around gender (as in the evaluation matrix below) and that it is included as a cross-cutting issue throughout the different phases of the evaluation, including inception, data collection and country visit and final data aggregation and write

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/media/hlp%20wee/attachments/reports-toolkits/hlp-wee-report-2017-03-taking-action-en.pdf?la=en

<http://hlp-wee.unwomen.org/-/media/hlp%20wee/attachments/reports-toolkits/hlp-wee-report-2017-03-taking-action-en.pdf?la=en>

<sup>14</sup> This section draws on guidance prepared by DFAT reviewing the gender components in recent DFAT-commissioned evaluations in the South East Asia region.

up stages.

- More specifically, that the country visits include plans to disaggregate performance data by gender in terms of stakeholder groups and that the analytical techniques applied include challenging assumptions related to gender in the program logic and implementation approach, contextual analysis, and looks for unintended consequences or benefits of the investment related to gender

### 3. Conduct of the evaluation

#### 3.1 Timeframe and level of effort

Each evaluation will be conducted in three phases:

- Inception phase, culminating in an inception report of not more than 25 pages (see below);
- Desk review and stakeholder/country visit phase, including visits to programme countries and key partners – both direct and indirect – of the programme in each country;
- Synthesis phase, including the writing of a draft report, and presentation of a draft final report to key stakeholders;

The total level of effort for the two evaluations is estimated to be around 130 person/days, with approximately 80 days set aside for SHIFT ASEAN and 50 days for SHIFT SAARC.

It is estimated that the approximate breakdown in level of effort between the various stages for both evaluations will be: inception phase (20%), desk review and stakeholder/country visit phase (50%) and write up phase (30%).

#### 4. Main deliverables of each evaluation

The contractor is expected to produce the following deliverables for each evaluation:

- An **inception report** (maximum 25 pages) presenting the theory of change for SHIFT alongside a fully-developed evaluation matrix, data collection toolkit and a detailed workplan of visits to SHIFT countries. This report should follow a template to be provided by the Evaluation Unit.
- **Draft and final reports** presenting the evaluation findings and recommendations for each programme as a whole (maximum 35 - 40 pages *which will be strictly enforced*) plus in annex (brief synthesis reports of findings from each country visited) as well as an Executive Summary of a maximum of 5 pages summarizing the main findings and recommendations. The country reports will describe the broader ecosystem in which SHIFT has been working and present SHIFT results alongside the work of other key organisations working in the same space.
- For SHIFT ASEAN, three country reports are expected, covering SHIFT's interventions in Cambodia, and Myanmar as well as a report on SHIFT's work with ASEAN at the regional level.
- For SHIFT SAARC, 2 country reports are expected. One for Bangladesh and one covering the regional dimension of the intervention.
- All completed tools and **datasets** making up the different lines of evidence should be made available to the Evaluation Unit in the form of a dedicated DropBox (including transcribed highlights from key interviews and focus group discussions, and details from quantitative and qualitative analysis as relevant).



- Ahead of the final **key stakeholder presentation** and any other debriefings that are organised, provide a PowerPoint presentation that serves as a visual aid when presenting evaluation findings. The Powerpoint should be put together on the basis of a template provided by the Evaluation Unit and should follow the structure of the evaluation report.

## **5. Management roles and responsibilities:**

To ensure independence and fulfilment of UN evaluation standards, the Evaluation Unit of UNCDF in New York is responsible for the management of this evaluation and will hire an independent firm to conduct the evaluations. The Evaluation Unit will work with the evaluators to ensure that the evaluations are conducted per UNEG Norms and Standards in Evaluation in the UN System, the UNEG Code of Conduct for Evaluation in the UN System and UNEG Guidance for Integrating Human Rights and Gender Equality in Evaluation. The Evaluation Unit will provide substantive support, including joining the evaluation team in selected field visits, and is responsible for the overall quality of the report.

The programmes being evaluated will provide administrative and logistical support as possible. Specifically, SHIFT staff will provide access to all relevant documents, a list and contact information of key stakeholders; and assistance in scheduling meetings in each country. The team will be available for introductory and close out meetings in each country and shall make itself available to answer questions and provide documents. UNCDF may provide office space in each country for the team to work upon request. *The evaluation team is expected to organize its own travel, visas, accommodation and local transport.*

An Advisory Panel for the evaluation will be set up, composed of representatives of UNCDF'S Financial Inclusion Practice Area at Headquarters as well as from the direct funders of the evaluations. The role of the Advisory Committee is to support the Evaluation Unit in managing the evaluation by participating in the following:

- Reviewing the TOR
- Reviewing and commenting on the inception report
- Reviewing and commenting upon the draft report
- Being available for interviews with the evaluation team

Please note that the evaluation team may be joined by UNCDF's Evaluation Unit and/or by observers from DFAT and from government partners at any point in the country visits.

## **6. Evaluation process**

The evaluation process for each one of the 3 evaluations has 3 distinct phases (please see above for suggested breakdown in level of effort per phase):

### **a) Inception Phase and desk review**

- ✓ Methodological briefing between the evaluation team and the Evaluation Unit to ensure clear understanding of the evaluation methodology, approach and main deliverables as per TOR;
- ✓ Inception meetings with Advisory Panel and key programme stakeholders to familiarize the Evaluation Team with the programme objectives, results to date and expectations for this evaluation;
- ✓ Stakeholder Mapping and stakeholder selection for data gathering;
- ✓ Workshop to finalize the Evaluation Matrix with the programme team;
- ✓ Finalization of the evaluation methodology and tools, to include a sampling strategy for more

in-depth analysis of various aspects of the performance of the programme as well as a strategy for collecting, analysing and aggregating different sources of data into the final evaluation report;

- ✓ Finalization of the schedule for country visits and stakeholder interviews;

- b) In-country phase:** in-depth data collection and research, including site visits and key informant interviews. De-briefing sessions with the key in-country stakeholders will be organized to present emerging trends/preliminary findings and to build ownership of the findings with programme counterparts. The Team Leader may be asked to debrief the Advisory Panel and Evaluation Unit at the end of the country visits. This with a view to provide a sense of the evaluation team's preliminary findings ahead of the draft reporting phase.
- c) Post-Mission Phase:** analysis and synthesis stage, including a final in-person debrief with key stakeholders on initial findings and final questions, interpretation of findings and drafting of the evaluation report, HQ debrief of the final evaluation report.

In drawing up the proposed work plan, evaluation teams should be given sufficient time to complete: i) a thorough review of all relevant programme documentation during the inception phase; ii) the countries requested, including at least two days in Bangkok to meet with key stakeholders in ASEAN and iii) a thorough write up phase of the evaluation report, to include analysis and transparent aggregation of the different 'lines of evidence' collected during the preceding evaluation phases into country reports and then a final evaluation report with relevant annexes.

During the country visits, the expected level of effort for the evaluation should include at a minimum 8 working days per country with a minimum of two members of the evaluation team to visit each country. Country visits should be led by an evaluator with at least eight years of relevant experience to the intervention being evaluated.

All team members that will engage in country visits should also be available for the initial kick-off meeting. The team is also expected to spend four days in Bangkok to engage with key UNDP/UNCDF counterparts, DFAT as well as ASEAN stakeholders as appropriate.

The methodology – including the final sampling strategy of countries and categories of investment - will be further developed during the inception phase under the supervision of the Evaluation Unit.

## **7. Audience:**

The primary audience for this evaluation is UNCDF, the funders of each of the two programmes as well as partners in its partner countries represented in the global implementation mechanism.

In the case of SHIFT ASEAN, the evaluation is to be included in the 2018 Aid Evaluation Plan which will require publishing of the report by October 2018 alongside a response from UNCDF and DFAT management.

## **8. Main deliverables and timing:**

The below proposed timeframe and expected deliverables will be discussed with the evaluation team and refined during the inception phase. The final schedule of deliverables will be presented in the inception report. The Evaluation Unit reserves the right to request revisions to the evaluation deliverables until they meet the quality standards set by the UNCDF's Evaluation Unit for evaluation reports (please see Annex 3 for more details).

For each report, the Evaluation Team Leader is responsible for preparing and submitting the following deliverables:

Deliverables	Description	General Timeframe
<p><b>INCEPTION PHASE:</b></p> <p>Inception Report and Data Collection Toolkit</p>	<p>The <b>inception report</b> presenting a fully developed evaluation matrix, methodology, data collection tool kit and a detailed work plan with timeline following a template to be provided by the Evaluation Unit.</p>	<p>SHIFT ASEAN – <b>May 2018</b></p> <p>SHIFT SAARC – <b>October 2018</b></p>
<p><b>FIELD MISSION PHASE:</b></p>	<p>For SHIFT ASEAN, this includes country visits to Cambodia and Myanmar and also to Bangkok to meet with UNDP/UNCDF and ASEAN stakeholders.</p> <p>For SHIFT SAARC, this includes country visits to Bangladesh and to Bangkok to meet with the programme team and ASEAN stakeholders.</p>	<p>SHIFT ASEAN – <b>May/June 2018</b></p> <p>SHIFT SAARC – <b>November – December 2018</b></p>
<p><b>POST MISSION PHASE:</b></p> <p>Draft Evaluation Report and organized according to the evaluation sub-question with evaluation findings aggregated and synthesized on the basis of the results of the different data collection and analysis tools.</p> <p>(including up to three rounds of revisions)</p>	<ol style="list-style-type: none"> <li>a. A <b>report</b> presenting the evaluation findings and recommendations for each program/evaluation as a whole (<b>max. 35 – 45 pages</b>) plus in annex short (15 – 20 page) <b>synthesis reports</b> of findings from each country visited alongside <b>summaries of the findings</b> from each of the minimum five ‘lines of evidence’ used to support the evaluation findings as well as an <b>Executive Summary</b> of maximum 5 pages summarising the main findings and recommendations in English.</li> <li>b. All completed tools and datasets making up the different lines of evidence should be made available to the Evaluation Unit upon request (including field notes, transcribed highlights from interviews and focus group discussions, details from quantitative analysis)</li> <li>c. A report presenting the evaluation findings and recommendations for the 2 programmes in line with a strategic look at the current relevance and performance of the broader FIPA portfolio in the region, its implication for the new strategic framework and UNCDF’s theory of change.</li> </ol>	<p>SHIFT ASEAN – <b>June/July 2018</b></p> <p>SHIFT SAARC – <b>January – February 2019</b></p>
<p><b>Power Point Presentation for HQ debriefing</b> (max 20 slides and 20 minutes presentation).</p>	<p>A PPT summarizing the main findings and recommendations.</p>	
<p><b>Final Evaluation Report</b>, including an Executive</p>	<p>A final report that incorporates comments received from all partners.</p>	

Summary, and organized according to the evaluation sub-question with evaluation findings aggregated and synthesized on the basis of the results of the different data collection and analysis tools.		SHIFT ASEAN – July 2018  SHIFT SAARC – February 2019
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## 9. Composition of Evaluation Team:

**The evaluation team should present a combination of technical expertise in evaluation and experience in designing and managing interventions in the field of financial inclusion and market development relevant to the programmes, with clear experience and expertise in evaluating gender equality in financial inclusion programmes. Experience in evaluating UN programmes, including UNCDF, is preferred but not mandatory.**

The team should be familiar with approaches used to assess program contribution to market development/systemic changes as well as theory-based approaches to programme evaluation, using both quantitative and qualitative analysis of existing secondary data and primary data sources. The team should have comprehensive knowledge of inclusive finance industry best practices and experience in applying CGAP benchmarks around good performance of FSPs in developing countries. Evidence of experience with inclusive finance programmes to support women’s empowerment and gender equality.

The evaluation team should also be gender-balanced and include representatives from a programme country in which the programme has been implemented.

Bidders should present a team to conduct the two above-mentioned evaluations, with team members to be combined in whichever way bidders feel the objectives of the evaluation, can be best addressed. However, we request that the Project Director within the firm remain at least the same for each evaluation.

The teams should also demonstrate the following experience and expertise:

- Proven experience of designing and leading international development evaluations applying mixed methods evaluation approaches (including preferably elements of experimental, quasi-experimental and theory of change based, utilization focused, participatory, and gender and equity focused evaluations) and looking at a variety of different modalities in international development cooperation;
- Proven experience in regional financial market facilitation, funding facilities and market assessment;
- Demonstrated experience in policy making; strengthen financial policy regulators and FSPs;
- Experience of market development approach; low-income market segments; electronic payment;
- Demonstrated experience in integrating gender equality and women’s empowerment in evaluations;
- Evidence of formal evaluation and research training, including familiarity with OECD or UN norms and standards for development evaluation as well as the evaluation of market system approaches, such as that of CGAP;
- Familiarity with evaluating market and system development approaches to poverty reduction;
- Experience in developing relevant program recommendations from evaluation insights;
- Knowledge and awareness of issues related to the business case for savings-led FSPs, underserved markets (rural and women), alternative delivery mechanisms, Digital Financial Services, and financial education.

The team should also be able to work in English in view of the countries to be visited.

It is **requested** that the proposed evaluation team be made up of at least the following roles:

- 1 Team Leader with evaluation/inclusive finance/market development experience
- Team Member(s) with 7 - 10 years relevant experience
- 1 gender expert with experience in financial inclusion programmes
- At least national/regional consultants with country ecosystem experience to participate in the country visits

In order to meet good practice in ensuring sufficient coverage of gender equality and women's empowerment in the evaluation design and conduct, the financial inclusion gender equality expert should support the evaluation team in understanding the distinction between women's financial inclusion versus empowerment, and ensure that the evaluations report this accordingly. The expert should focus on filtering the sex-disaggregated data, and distinguish gender-differentiated impacts at the client level. The expert will have the responsibility for appraising the substance and effectiveness of approaches, products, outcomes and risks of women's financial inclusion.

## 10. Proposal requirements

### 10.1 The technical proposal

- **Methodology**
- **Detailed work plan with timeline of major activities**
- **Overview of past examples of conducted evaluations with comparable scope, including references**
- **Proposed team (with detailed CVs)**

The technical proposal shall describe the methodology and approach to achieve the objectives of the study, including the team proposed.

As part of the **methodological proposal** for the evaluation the following elements should be included:

- Description of the **methodological approach** to be applied, including the bidders' proposal of a data collection toolkit that would be deployed to answer the evaluation questions, including the qualitative and quantitative tools that will be used in assessing existing secondary data and generating new primary data:
  - o Considering the gender equality expertise proposed in the team, present how strong gender analysis is gained from all the site visits.
  - o The proposal should highlight how the evaluation will **disaggregate and present findings on women, rural, and un(der) banked population segments**, as well as other elements of inclusion such as minority groups. Regarding gender, the proposal should show how the team will apply a gender lens, particularly in regard to women's economic empowerment<sup>15</sup>, as well as how primary evidence on gender results will be collected in a way that brings

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<sup>15</sup> please see for information the latest report by the UN Secretary General's High Level Panel on Women's Economic Empowerment: Leave No One Behind – Take Action for Transformational Change on Women's Economic Empowerment <http://hlp-wee.unwomen.org/-/media/hlp%20wee/attachments/reports-toolkits/hlp-wee-report-2017-03-taking-action-en.pdf?la=en>

women's voices into the evaluation.

- In proposing the evaluation methodology, bidders are requested to respect the various quality standards for UNCDF evaluation set out in Annex 3 which draw in turn from good practice evaluation standards established by the United Nations Evaluation Group.

As part of the **detailed work plan** with timeline of major activities should include:

- A detailed **evaluation work plan** showing the overall time commitment to the project, as well as specific activities and time allocated to each individual team member. Note that the evaluation team should have sufficient time to complete:
  - i. During the inception phase:
    - An extensive review of all relevant programme documentation during the inception phase, as well as interviews with programme staff and key stakeholders (including members of the evaluation sub-committee) including through in-person interaction in New York
    - A proposed sampling strategy of countries and key stakeholders to be visited during the desk review and data collection phase
  - ii. During the desk review and data collection phase:
    - 2 Country visits for SHIFT ASEAN and one country visit SHIFT SAARC (1) together with a visit to the Bangkok office and ASEAN stakeholders for both evaluations
    - Write up of the evaluation report presenting the findings on the programme as a whole as well as the supplementary country reports.

As part of the **proposed team (with detailed CVs) should be included:**

- CV's for each member of the team,
- Description of team position and area of expertise (ex. Team Leader; Digital Finance Expert, etc)
- Description of data collection and logistic support team for each of the countries visits

## **10.2 Impartiality requirements**

We take the opportunity here to remind potential bidders that in line with UN norms and standards for evaluation, the ability of the evaluation team to conduct an independent and impartial evaluation of the intervention being assessed is a pre-requisite. With this in mind, interested firms should ensure specifically that members of the evaluation team that are proposed have not had any previous experience of working with the programme being evaluated.

## **11. SCOPE OF PROPOSAL PRICE AND SCHEDULE OF PAYMENTS**

The technical proposal cannot include any information on costs. The financial proposal should provide a detailed costing for the scope of work and deliverables described for each of the above mentioned evaluations. The Financial Proposal shall list all major cost components associated with the services and the detailed breakdown of such costs, including fees, travel costs, per diem, etc. All outputs and activities described in the offer must be priced separately on a one-to-one correspondence.

Any output and activities described in the offer but not priced in the Financial Proposal shall be assumed to be included in the prices of other activities or items, as well as in the final total price.

In terms of level of effort, interested firms are invited to propose a methodology that includes at least 20 days for the country visit, and an additional 25 days total for the inception phase and write up stage for each consultant.

**Schedule of payments:**

35% of contract: upon submission of inception report

30% of contract: upon submission of 1st draft report

35% of contract: upon approval of final evaluation report.