

Section 5. Terms of Reference

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Final Evaluation of the Pacific Financial Inclusion Joint Programme – Phase 2

Countries in which PFIP has been implemented: Fiji, Solomon Islands, Samoa, PNG, Tonga, Vanuatu

Executing Agency: UNDP/ UNCDF

Timeframe of programme implementation: July 2014 - June 2020

Total programme budgets: 33,776,716 (Initial ProDoc dated 2014)

Initial Approved Budget: 21,263,527 USD (Initial ProDoc dated 2014)

Unfunded budget: 10,873,727 USD (Amendment dated Oct 2017)

Disbursement to date: 23,098,199 USD

1. Programme description

1.1. 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 (FIPA) tries to address is the reality that globally about 1.7 billion adults remain unbanked, with two billion adults - more than half of the world's working adults - 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 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 typically through private sector actors such as financial service providers or mobile network operators that if successful can then be taken to scale by them. 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 PFIP programme

Background: PFIP Phase 1 & Phase 2

PFIP was developed to support the expansion of greater financial inclusion among one of the least -banked regions in the world: the Pacific islands. Supported by the Government of Australia, the Government of New Zealand, United Nations Capital Development Fund (UNCDF), United Nations Development Programme (UNDP), and EU Africa, Caribbean and Pacific Microfinance Framework Programme (EU/ACP), a first phase of PFIP became active in August 2008, with a second phase starting in 2014.

By the end of September 2018, PFIP 1 and 2 had enrolled through its partners a cumulative total of 2,141,385 people with access to financial products. 1,453,765 enrolments were added since June 2014 under PFIP 2 through partnerships with insurance companies, mobile network operators, MFIs, commercial banks, NGOs and pension funds. Approximately 40%² of these new customers are women. 55% of current clients used a product in the last 90 days and 48% of beneficiaries were active in the last month.

PFIP also worked during this time on building the foundation for an enabling policy environment across the Pacific region, while at the same time strengthening institutional capacities and incubating a range of financial services. The financial inclusion landscape in the Pacific region underwent significant development as a number of initiatives looked to address the challenges of geography, low population density, low levels of technical expertise and a vulnerability to natural disasters. A key driver of the increased focus was establishing the Money Pacific Goals endorsed by the Forum Economic Ministers Meeting (FEMM), signing the Maya Declaration, formulating National Financial Inclusion Task Forces (NFITs), and joining the Better than Cash Alliance – all of which occurred in several Pacific Island Countries (PICs). The programme engaged with a range of private sector Financial Service Providers (FSPs) to bring or advance myriad new financial services within the Pacific.

Several lessons were learned from the implementation of PFIP 1, and several areas of improvement were identified. The workstream areas of the second phase of PFIP - which is the intervention to be evaluated in this exercise – were to build on previous work in the areas of mobile money/branchless banking, capacity

² The dip in % women over the last quarter is due to the addition of over 100,000 insurance customers for which gender data is unknown. PFIP expects to have a basis for estimating this figure by the next quarter, bringing this % higher.

development of central banks and National Financial Inclusion Task Forces at the policy level, as well improvements in the way PFIP executed its work, including improved results measurement of programme activities. There was also to be a new focus on gender and impact work across the programme.

More specifically, to achieve its mission and targets, PFIP 2 was set up to continue work in the same four core output areas during its second phase while modifying outcomes and outputs under each. The programme approach was later refined to three workstreams, with the following annual budget (July 1, 2018 to June 30, 2019) and expenditure as of Sept 30, 2018:

	Budget	Expenditure & Commitments	Budget Balance	Budget Utilization
Output 1: Financial Innovation	3,235,000	896,162	2,338,838	28%
Output 2: Policy & Regulation	670,000	22,298	647,702	3%
Output 3: Consumer Empowerment	1,714,500	80,331	1,634,169	5%
Output 5: Technical Support and Indirect Cost	3,356,497	1,140,077	2,216,421	34%
Total	8,975,997	2,138,868	6,837,130	24%

Sector background in the region and PFIP 2 approach

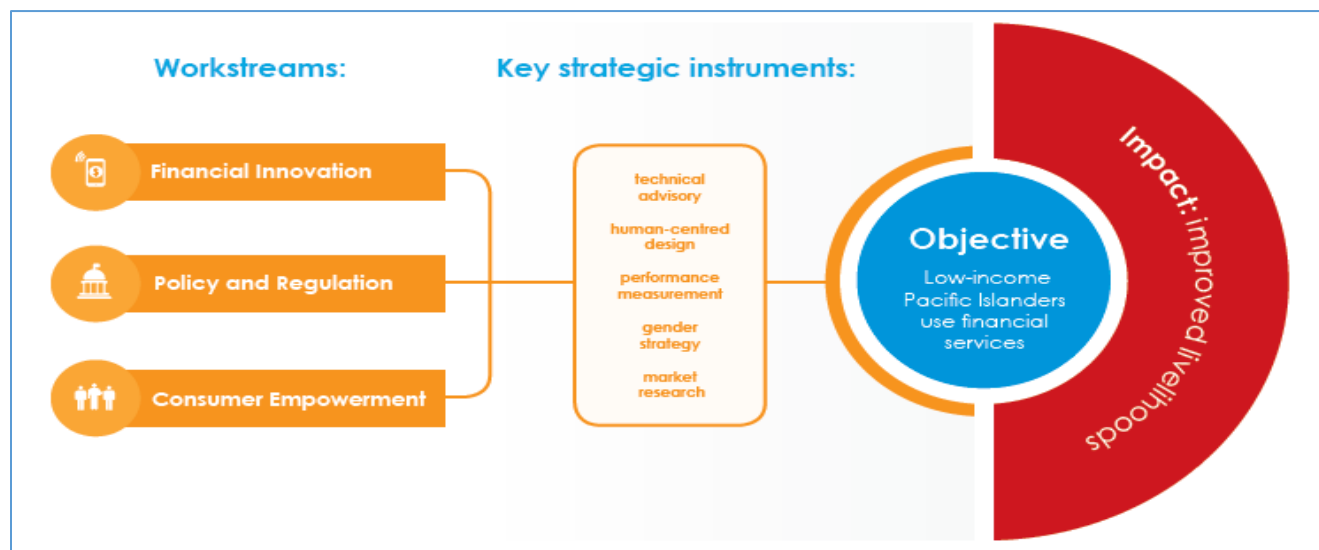
As a regional programme support facility, PFIP was set up to provide performance-based grants and technical assistance to eligible financial service providers, central banks and government to address the regional financial inclusion priorities. The aim of the programme is to increase the number of people who adopt formal financial services. PFIP achieves this objective by supporting Financial Service Providers to innovate with products and services for mass market customers, supporting governments to create an enabling policy environment for financial innovation, and empowering consumers. PFIP's theory of change asserts that markets need these three elements to expand access to finance, and that access to finance improves livelihoods, the ultimate development impact goal of the programme. These successful models of pro-poor financial innovations, collectively, will act as center(s) of excellence for facilitating learning and regional replication both by governments and market actors that are not directly supported by PFIP.

Regionally, the programme is aligned with the Money Pacific Goals endorsed by FEMM in support of the global Financial Inclusion Vision 2020. The implementation strategy of the programme at a national level was to be rolled out in cooperation with the Pacific Islands Regional Initiative (PIRI). At the national level, it was intended that the programme continue to align its interventions with the overall financial inclusion strategy/priorities of the central banks and the national governments via NFITs or other coordinating units.

PFIP Theory of change 2014 - 2020

The theory of change was designed to help the programme respond to current and emerging challenges in the inclusive finance space in the Pacific to play a catalytic role in expanding access to financial services for rural and low-income women, men, youth and microentrepreneurs.

As per the diagram below, the programme is currently organized into three outcome areas: Financial Innovation; Policy and Regulation; and Consumer Empowerment, all centered around the programme's objective. These three focus areas represent the elements of the holistic approach:



Change in PFIP's approach 2017 – 2020

In 2017, and based on results achieved to date, PFIP partners provided an additional USD 4.2 million to the programme raising total expected programme funding to 26.2 million. At the same time, it was agreed that the programme should receive a one-year time extension taking the new programme close date through to June 2020.

In parallel, PFIP proposed an updated workplan, budget and performance targets for the remaining three years of the programme. As presented in the section above, highlights of these changes included a revision of the structure of the programme workstreams, outcome statements, indicators and targets. The revised theory of change also specifies the key strategic instruments used to work toward the PFIP objective, as well as the objective itself. Furthermore, the strategy outlined specific plans in the pursuit of understanding the programme vis-a-vis impact and gender.

The refined set of workstreams are as follows:

Workstream 1: Financial Innovation

Outcome statement: *Financial service providers test and then commercially scale services for mass market customers.*

Workstream 1 supports FSPs to expand services to mass market customers. PFIP diversifies its portfolio of FSPs to leverage a broad range of delivery models, company structures, and customer segment specialization. This means that PFIP engages banks, finance companies, microfinance institutions, mobile money operators, money transfer operators and even savings groups. This strategy aims to exploit the potential of all types of service providers and cultivate a more robust and varied industry.

Sample key PFIP deliverables and results under the period being evaluated have included:

- **Vodafone Innovation Lab in Fiji:** The Vodafone mobile financial services Innovation Lab project is designing and testing financial services and delivery models to increase the user base and transaction activity on the Vodafone M-PAiSA mobile money platform to a level that is commercially scalable. The project aims to drive usage and create a new model of mobile village agents to expand outreach and prove the operational feasibility and commercial viability of the digital platform and merchant network. The programme has enrolled 11,038 Fijians.
- **SINPF voluntary pension in Solomon Islands:** PFIP is working with SINPF to research, explore and pilot improved voluntary micro pension products targeted at economically active Solomon Islanders without pension schemes. The aim is to create appropriate, affordable and flexible micro pension product offerings which better meet the needs of the target group to provide adequate funds for their retirement. The project has enrolled 4,674 people, been particularly popular with women, reaching 58% women.
- **BIMA mobile insurance in Papua New Guinea:** BIMA and PFIP are partnering to address the low levels of insurance coverage in PNG. The project focuses on offering convenient, affordable life and hospitalization insurance cover via a mobile platform to low-income, financially underserved Papuans. BIMA's insurance products are cheaper and simpler to use than traditional insurance, making them appealing to low-income customers. Over 400,000 people have been enrolled, mostly using insurance for the first time.
- **FijiCare bundled Insurance products:** In August 2017, FijiCare piloted an insurance product that offers the benefits of having both life and non-life insurance covers. The product was sold first to the members of the Sugarcane Growers Fund, supplying insurance to over 12,500 farmers. Seeing the success of the project, the Fiji Government purchased the product for its pensioners and social welfare recipients, bringing the total number of policies to almost 120,000 Fijians.

For more information on the full portfolio of projects funded under this workstream to date, please see: <http://www.pfip.org/our-work/work-streams/financial-innovation/>

Workstream 2: Policy and Regulation

Outcome Statement: *Governments implement policies which enable innovation with financially inclusive solutions.*

Workstream 2 consists of projects that support regulation, policy and government actions that enable financial inclusion. Projects under this workstream support regulators to undertake initiatives and develop supervisory instruments that enable the commercial financial sector to innovate and expand services using new technologies and channels. PFIP provides advice, technical assistance and project funding to address specific regulatory issues as they become important in the respective markets.

The key deliverables and results under the period to be evaluated are:

- **National Financial Inclusion Strategies for the Pacific:** PFIP has worked with six central banks to develop their National Financial Inclusion Strategies. Many of the national stakeholders workshops to build consensus on priority actions have been in partnership with the [Alliance for Financial Inclusion's](#) (AFI) [Pacific Islands Regional Initiative](#) (PIRI). The strategies also encompass a multi-sector approach, including recognizing the importance for financial education in developing Pacific Islanders' financial competencies to enable understanding and use of financial products.

Workstream 3: Consumer Empowerment

Outcome Statement: *Governments and financial service providers empower consumers through financial literacy and consumer protection initiatives.*

Workstream 3 continues to support governments which aspire to follow Fiji's example of integrating financial education – the FinEd Programme - into the primary and secondary curriculum. Many of the newer initiatives are at the sub-national level (e.g. technical and vocation schools) where PFIP is better positioned to ensure effective implementation.

There is significant stakeholder demand for replicating FinEd in other Pacific Island Countries (PICs). PFIP 2 promotes Fiji's FinEd as a center of excellence and work to broker public-private partnerships for introducing financial education in school curriculum in other PICs. PFIP will play an advocacy role and provide technical assistance in the prioritization, design and implementation. PFIP also embeds customer education efforts in its innovation lab projects with providers, when appropriate. The innovation workstreams contain a focus on consumer protection mechanisms, ensuring the proper recourse is available for each new product type.

Key PFIP deliverables and results under the period being evaluated have included:

FinEd Fiji: The FinEd Fiji programme began in 2011, with the aim of integrating learning about personal money management and investment into the curriculum for Fiji's primary and secondary schools. Beginning in 2013 with national implementation, every Fijian child has participated in FinEd throughout their primary and secondary school years. FinEd Fiji is seen as a role model of best practice in the region. PFIP's major accomplishment in the area of financial education (FinEd) thus far has been providing technical assistance and implementation support to the Fijian Ministry of Education and [Reserve Bank of Fiji](#) in rolling out financial education in the national school curricula, now impacting almost 200,000 students annually nation-wide, 48% of whom are female.

FinEd PNG: PFIP also with the Ministries of Education, central banks and technical vocational institutions (TVETs) in the relevant countries to support the integration of financial education (FinEd) into the core curricula, in a replication of the Fiji implementation model. Two sub-national projects have been launched around FinEd with TVETs in Solomon Islands and Papua New Guinea.

Full information on these and other initiatives will be provided during the inception phase.

2. Evaluation objectives

2.1. Purpose, scope and objectives of the evaluations

The final evaluation of PFIP is being conducted in accordance with UNCDF's Evaluation Plan 2018 – 2021, and in line with UNDP's Evaluation Policy (to which UNCDF is party) 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.³

Amongst the norms that the Policy seeks to uphold, the most important are that the evaluation exercise be independent, and that it provide technically and methodologically credible findings that are useful and relevant to support evidence-based programme management and broader strategic decision making.

In support of this, the evaluation has been designed with the following objectives:

To assist UNCDF and its partners understand the relevance, efficiency, effectiveness, and likely impact and sustainability of the programme in the different countries in which it is active,

To consider variation in PFIP's performance at all levels taking into account differences in implementation modality, the evolution of the programme's strategy and the importance of policy and institutional context on PFIP results,

To provide evaluative evidence on the contribution of PFIP's work to financial inclusion in partner countries and to UNCDF's broader financial inclusion strategy

Situate the programme in its broader development cooperation environment, compared to similar approaches that promote financial inclusion by other development actors, as well as across UNCDF's Financial Inclusion Practice Area.

As a final evaluation, the evaluation team is expected to focus particularly on the effectiveness, likely impact and sustainability of programme results to date. Critical to this evaluation is an assessment of the relevance and long-term sustainability of the PFIP's approach in inspiring Pacific Financial Service Providers to reach more Pacific Islanders with diverse, appropriate services, and accelerate the overall market of financial services, and in supporting the emergence of improved enabling environments for financial inclusion, to increase the amounts of sustainable finance available for inclusive development. Attention will also be paid to the overall delivery methodology vis-à-vis engagement with the FSPs, as well as PFIP governance, staffing structure, and effectiveness of the Investment Committee. The evaluation, where appropriate, may give guidance, lessons learned, suggestions for mitigating legacy risk in a forward-looking fashion – informing any future strategies.

2.2. Evaluation methodology

The evaluation should be **transparent, inclusive, participatory and utilization-focused**. The overall methodology to be followed should be organized following a theory-based approach approach, framed by the

³ For more information, please see: <http://web.undp.org/evaluation/policy.shtml>

UN/OECD DAC evaluation criteria, and drawing upon the most appropriate evaluative methods (quantitative and qualitative) to capture evidence of direct and indirect programme results, as well as broader contributions to market development and policy and institutional change to date in the various countries in which it is intervening. To do so, the methodology proposed should draw as appropriate on relevant established measurement frameworks for capturing these kinds of development outcomes.

The approach to the evaluation should also intend to capture progress against UNCDF's 'innovation-to-scale' or maturity model approach whereby UNCDF-supported interventions aim to start with piloting/innovation of financial instruments or policy innovations, move to consolidation in additional countries before being scaled up by others in markets and country policy systems more broadly.

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

- i) the programme's **theory of change**,
- ii) an **evaluation matrix** grouping key evaluation questions and sub-questions by broad UN/OECD DAC criterion allowing analysis of programme,
- iii) a **data collection toolkit** for the evaluation describing the quantitative and qualitative primary and secondary data collection tools that will be deployed to collect and analyze data to answer the evaluation questions.

2.2.1 Theory of change

The main analytical framework for the evaluation is provided by the programme's theory of change which helps organize the evaluation questions according to programme's expected results and underlying assumptions at each level of its results chain. In doing so, the evaluation should use as far as possible a contribution analysis approach with a view to understanding the influence of relevant contextual factors at the regional, national and local levels that may have influenced the programme's direct and indirect, intended and unintended results.

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. In doing so, the focus of the evaluation goes beyond assessing whether UNCDF implemented the programme correctly to a broader assessment of whether , given available evidence, and in comparison with similar approaches implemented by others, programme design was appropriate to achieve the higher-level objectives agreed in the initial phase.

2.2.2 Evaluation Matrix

In proposing how to conduct the evaluation, the evaluators should use an evaluation matrix to operationalize 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 address in their proposed approach. A final, more detailed evaluation matrix should be developed during the inception phase on the basis

of extensive document review and initial consultation with key programme stakeholders, including the programme staff themselves.

Evaluation criteria and main questions	Evaluation sub-questions
<p>Question 1: <i>Relevance and quality of design</i></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 objectives are to be reached.</i></p>	1.1. How relevant is PFIP to partner country needs? How distinct/complementary is the PFIP approach to other financial Inclusion programmes and initiatives deployed by other national and international initiatives to support increased financial inclusion in the Pacific region?
	1.2. How well designed is the PFIP programme with a view to successful programme implementation and broader ownership of programme results by PFIP's different partners?
	1.3. To what extent has programme design been in line with UNCDF's evolving strategy for financial inclusion, and how well does the PFIP approach support other initiatives supporting financial inclusion across UNCDF?
	1.4. To what extent is programme design sufficiently taking cross-cutting issues such as gender and age into account? Has the programme been designed with a clear gender strategy, particularly with a view to contributing to Women's and Youth Economic Empowerment?
<p>Question 2: Efficiency <i>Extent to which the programme has delivered quality outputs that are appropriately managed and overseen.</i></p>	2.1 How well has PFIP delivered its expected results to date, including in terms of timeliness and cost-efficiency of activities?
	2.2 How well has the programme been managed (including management, staffing structure and investment committee) and what is the quality of the programme's outputs (deliverables) provided to date?
	2.3 How appropriate is the programme's results measurement and monitoring system to track direct and indirect programme results, as well as programme contributions to broader financial system development?
	2.4 How well is the programme being governed? To what extent are partners appropriately involved in programme management and oversight?
<p>Question 3: Effectiveness (organizational and policy change)</p>	3.1 To what extent has PFIP contributed to changes in the capacity of policy makers to design and implement better strategies, policies and regulations in support of increased financial inclusion in the partner countries?
	3.2 To what extent has PFIP contributed to changes in the capacity of financial inclusion partner organisations to develop and roll out

<i>Extent to which the programme is supporting capacity development in programme partners across the countries in which it is present</i>	new financial products for low income populations, including women and youth, in the countries supported?
	3.3 To what extent is there evidence of increased use of PFIP-developed financial products by low-income populations and with what effects? How successful has the programme been in supporting the improved financial capabilities of low-income people making use of financial services?
Question 4: Likely Impact Programme impact in terms of contribution to market development for financial inclusion	4.1. To what extent are programme results contributing to accelerated market development for financial inclusion in partner countries? Where changes have occurred in markets, what evidence is there to support attribution to PFIP, and what other factors are driving the change?
	4.2 What is the capacity of stakeholders at the meso/macro-level to support programme-supported evolutions in financial inclusion markets? What are the gaps, if any, that need attention to support impacts?
	4.3 What evidence is there of changes in beneficiaries lives that can be linked to beneficiaries' use of products developed as a result of PFIP support?
Question 5: Sustainability of programme results within the broader policy environment	5.1 To what extent are changes in the performance of market actors for financial inclusion likely to continue over time?
	5.2 To what extent are changes in the enabling environment for financial inclusion (at both meso- and macro – levels) supported directly and indirectly by PFIP likely to be sustainable over time?
	5.3. How sustainable is the knowledge and capacity building that has been transferred at the macro, meso and micro levels over time? What are the challenges to this end? What efforts are being pursued to overcome these challenges?

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 PFIP website (www.pfip.org), the evaluation team should deploy a data collection toolkit that will include both existing secondary data as well as new primary data to be gathered during country visits which together will be able to answer the questions listed above. The toolkit should include techniques to ensure gender disaggregation and triangulation of data received.

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.

2.2.4 Reports from country visits

To provide an additional source of evaluation analysis, evaluation teams should prepare 10 – 15 page country reports that will provide contextual background to the performance of the PFIP programme in four countries representing the full universe of implementation environments.

These reports should explore in more detail the contribution of PFIP to the development of financial inclusion systems in each of the countries visited during the evaluation, paying careful attention to the role of policy and institutional context in driving or hindering programme results. 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.

2.2.5. Case Studies

With a view to probing more deeply the factors facilitating or hindering the achievement of PFIP's results, interested bidders are requested to include a proposed approach to generating case studies of key aspects of PFIP's performance in the different work streams being implemented which should also be described in the proposal.

2.2.6. Gender

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.

Addressing gender equality and women's economic empowerment is central to UNCDF's mandate and is an integral part of UNCDF's Strategic Framework 2018-2021 under Annex 3 - Pathway to gender equality and women's economic empowerment⁴.

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.⁵

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

⁴ <http://www.uncdf.org/article/3205/pathway-to-gender-equality-and-womens-economic-empowerment>

⁵ 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/>

- **Inclusion.** Evaluating HR & GE requires paying attention to which groups benefit and which groups contribute to the intervention under review. Groups should 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 it should shed light on how to minimize the negative effects.
- **Participation.** Evaluating HR & GE should be done in a participatory manner. 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.

3. Management roles and responsibilities

In line with the organisational set up for evaluation in UNCDF, the Evaluation Unit – reporting directly to the Executive Secretary of UNCDF - 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 UN Evaluation Group (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 PFIP Programme will provide administrative and logistical support. Specifically, PFIP will provide a reference guide and 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. The role of the Advisory Committee is to support the Evaluation Unit in managing the evaluation by participating in the following:

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

4. Evaluation process

The evaluation process will have 3 distinct phases:

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.
- ✓ 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 including via a representative set of country visits, 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 in selected countries. 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 i) a debrief with the programme team and UNCDF technical experts on initial findings and final questions, interpretation of findings and drafting of the evaluation report and 2) a HQ debrief of the final evaluation report.

In drawing up the proposed work plan, the successful bidder should ensure that the evaluation team has enough time to complete: 1) a thorough review of all relevant programme documentation during the inception phase and preparation of the methodological approach to be followed by the evaluation team; 2) country visits to a representative range of at least 4 programme countries⁶, and 3) a thorough write up of the evaluation report,

⁶ The final choice of countries to be visited will be decided during the inception phase with a view to providing as representative an overview of programme results as possible. These countries may include Fiji (where the programme secretariat is based), Papua

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 5 days per country with a minimum of two members of the evaluation team to visit each country. Team members should be experienced evaluators with relevant technical knowledge of the intervention being assessed.

In total, it is expected that the evaluation will take at a minimum 150 person days to complete, including all team members' contributions to the inception, country visit and write up phases of the evaluation.

The methodology – including the final choice of which countries to visit - will be further developed during the inception phase under the supervision of the Evaluation Unit.

5. Audience and timing

The primary audience for this evaluation is UNCDF and key stakeholders (including programme funders) and partners in the UNCDF-supported countries that have benefited from PFIP support.

The mid-term evaluation is scheduled as follows:

Inception phase:	February 2019
Country visits:	March, 2019
Write up phase and final report:	April - May, 2019

6. Main deliverables

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 1 for more details). The Evaluation Team Leader is responsible for preparing and submitting the following deliverables:

Deliverables	Description	General Timeframe
INCEPTION PHASE:	An inception report presenting a fully developed evaluation matrix, methodology, data collection tool kit and a detailed work	February, 2019

Inception Report and Data Collection Toolkit	plan with timeline following a template to be provided by the Evaluation Unit.	
FIELD MISSION PHASE: Country visits planned and conducted	The final choice of countries will be decided during the inception phase.	March, 2019
POST MISSION PHASE: Draft Evaluation Report including clear evaluation findings aggregated and synthesized on the basis of the results of the different data collection and analysis tools. (including up to three rounds of revisions)	a. A report presenting the evaluation findings and recommendations for each program/evaluation as a whole (max. 35 – 40 pages) plus in annex i) short (15 – 20 page) synthesis reports of findings of the performance of MAP in each country visited taking into account the specificities of the implementation model and the importance of policy and institutional context alongside 2) summaries of the findings from each of the minimum five ‘lines of evidence’ used to support the evaluation findings as well as 2i) an Executive Summary of maximum 5 pages summarising the main findings and recommendations in English and French. b. All completed tools and datasets making up the different lines of evidence should be made available to the Evaluation Unit upon request (including <u>transcribed highlights</u> from interviews and focus group discussions, details from quantitative analysis).	April - May, 2019

Power Point Presentation for HQ debriefing (max 15 slides and 20 minutes presentation).	A PPT summarizing the main findings and recommendations.	May - June, 2019
Final Evaluation Report , including an Executive 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.	A final report that incorporates comments received from all partners.	June, 2019

7. 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, business case of financial products and services, 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 across the board in the financial services industry – from customer to product to regulatory

environment. Evidence of experience with inclusive finance programmes to support women's empowerment and gender equality will also be considered a plus.

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

The teams should also demonstrate the following experience and expertise:

- At least 10 years of proven experience in designing and conducting international development evaluations applying mixed methods evaluation approaches (including preferably experience with techniques such as contribution analysis, outcome mapping, process tracing etc) applied to a variety of different modalities in international development cooperation;
- At least 10 years of proven experience in regional financial market facilitation, funding facilities and market assessment;
- Experience in assessing the business case and transformational value of specific products, delivery models and channels;
- At least 10 years of demonstrated experience in support to policy making and capacity development of regulators overseeing inclusive finance systems;
- Understanding of the product innovation and product development processes within financial institutions;
- Deep general understanding of private sector motivations and culture and the process of product innovation;
- Experience in Human-Centered Design (HCD);
- Understanding of the operations of financial service providers, particularly digital financial services, particularly in rural, sparsely populated environments;
- At least 7 years of proven experience in creating or supporting innovations to expand mass market financial services to low-income market segments;
- 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
- Experience in developing relevant program recommendations from evaluation insights;
- Knowledge and awareness of issues related to the business case overall for overall FSPs, underserved markets (rural and women), alternative delivery mechanisms, Digital Financial Services, and financial education.

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

- 1 Team Leader with at least 10 - 15 years evaluation/inclusive finance/digital financial service/market development experience
- Team Members with 10 - 12 years relevant experience of inclusive finance and evaluation, including relevant gender mainstreaming as well as digital financial services experience
- 1 expert with 7-10 years of experience in digital financial services

- National/regional consultants with country ecosystem experience to participate in the country visits as necessary
- Significant experience with gender mainstreaming/financial services for women should be present in the profiles of at least two of the listed team members

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.

For the country visits, the evaluation team should be made up of at least two consultants, the senior consultant having at least ten – twelve years of relevant experience to the programme being evaluated and be able to 'apply an evaluative lens' at all points during the conduct of the country visits.

It is also requested that the Team Leader participate in at least the first country visit with a view to familiarising themselves with the environment in which the programme is being implemented and to help with team lead responsibilities.

8. Proposal requirements

- **Methodology**
- **Detailed work plan with timeline of major activities**
- **Proposed team (with up to date CVs)**
- **Overview of past examples (minimum 10) of conducted evaluations with comparable scope, including references**

The technical proposal should describe the methodology and approach to achieve the objectives of the evaluation, including the team proposed. The technical proposal should not exceed 30 pages + annexes (for example CVs).

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

- An overview of the **data collection strategy** to be used in answering the evaluation questions, including the type of qualitative and quantitative tools that will be used in assessing existing secondary data and generating new primary data. In proposing the evaluation methodology, bidders are requested to respect the various quality standards for UNCDF evaluation set out in Annex 1.
- The proposal should also highlight how the evaluation will apply a gender responsive lens with a view to generating findings that take into account the perspective of women, rural, and un(der)banked population segments, as well as make use of the Gender Economic Empowerment Framework

b. A **detailed work plan** including:

- A **detailed evaluation work plan for conducting the evaluation**, showing the overall time commitment for the evaluation, 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. Review of all relevant programme documentation during the inception phase, including a briefing by the project team on the programme during the inception phase;
 - ii. Country visits to the four countries mentioned above;
 - iii. Write up of the evaluation report presenting the findings on the programme as a whole as well as the supplementary country reports.

c. **Information on the proposed team** members should include at least:

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

All team members that will engage in country visits should also be available for the initial kick-off meeting.

d. **Information on past examples of evaluations** conducted should include:

- A concise description of relevant past evaluations conducted including the methodology that has been followed
- Details of references for these evaluations that can be followed up

9. 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.

10. 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 an average of at least 25 days for the country visits, and an additional 25 days total for the inception phase and write up stage for each consultant.

Schedule of payments:

25% of contract: upon submission of inception report

35% of contract: upon submission of 1st draft report

40% of contract: upon approval of final evaluation report.

Annex 1: Quality Grid for UNCDF Evaluations

TOR and Design (Weight 15%)
1. Do the Terms of Reference clearly outline the focus for the evaluation in a logical and realistic
2. Do the Terms of Reference detail timescales and budgets for the evaluation?
3. Does the TOR clearly outline the evaluation's planned approach?
4. Is the proposed outline of the evaluation approach and methodology clearly detailed in the
5. Does the ToR request the evaluator to include gender and vulnerable group issues within the evaluation?
Report and Methodology (Weight 30%)
STRUCTURE
1. Is the evaluation report well-balanced and structured?
2. Does the Evaluation report clearly address the objectives of the evaluation as outlined in the
METHODOLOGY
3. Is the evaluation's methodological approach clearly outlined?
4. Is the nature and extent of the project/ programmes stakeholders or partnerships and their role and involvement in the project/ programme explained adequately?
5. Does the Evaluation clearly assess the projects/ programmes level of RELEVANCE?
6. Does the Evaluation clearly assess the projects/ programmes level of EFFECTIVENESS?
7. Does the Evaluation clearly assess the projects/ programmes level of EFFICIENCY?
8. Does the Evaluation clearly assess the projects/ programmes level of SUSTAINABILITY?
DATA COLLECTION
9. Are data collection methods and analysis clearly outlined?
10. Is the data collection approach and analysis adequate for scope of the evaluation?
11. Are any changes to the evaluation approach or limitations in implementation during the evaluation mission clearly outlined and explained?
REPORT CONTENT
12. Does the evaluation draw linkages to the UNDP country programme strategy and/ or
13. Does the Evaluation draw linkages to related National government strategies and plans in the sector/ area of support?

14. Does the evaluation detail programme/ project funding and provide funding data?
15. Does the evaluation include an assessment of the projects M&E design, implementation and
16. Are all indicators in the logical framework assessed individually, with final achievements
Crosscutting (Weight 15%)
1. Are human rights, disabilities, minorities and vulnerable group issues addressed where
2. Does the report discuss poverty/ environment nexus or sustainable livelihoods issues, as
3. Does the report discuss disaster risk reduction and climate change mitigation and adaptation
4. Does the report discuss crisis prevention and recovery issues, as where relevant?
5. Are the principles and policy of gender equality and the empowerment of women (GEEW) integrated in the evaluation scope and indicators, as relevant?
6. Does the Evaluation's Criteria and Evaluation Questions specifically address how GEEW has been integrated into the design, planning, implementation of the intervention and the results achieved, as relevant?
7. Are gender-responsive Evaluation methodology, Methods and tools, and Data Analysis Techniques selected?
8. Do the evaluation findings, conclusions and recommendation take gender equality and the empowerment of women (GEEW) aspects into consideration?
9. Does the evaluation draw linkages to the SDGs and relevant targets and indicators for the area
Evaluation Findings, Conclusions and Recommendations (Weight 40%)
FINDINGS AND CONCLUSIONS
11. Are any changes to the evaluation approach or limitations in implementation during the evaluation mission clearly outlined and explained?
REPORT CONTENT
12. Does the evaluation draw linkages to the UNDP country programme strategy and/ or
13. Does the Evaluation draw linkages to related National government strategies and plans in the sector/ area of support?
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7. Are gender-responsive Evaluation methodology, Methods and tools, and Data Analysis Techniques selected?
8. Do the evaluation findings, conclusions and recommendation take gender equality and the empowerment of women (GEEW) aspects into consideration?
9. Does the evaluation draw linkages to the SDGs and relevant targets and indicators for the area
Evaluation Findings, Conclusions and Recommendations (Weight 40%)
FINDINGS AND CONCLUSIONS
1. Does the evaluation report contain a concise and logically articulated set of findings?
2. Does the evaluation report contain a concise and logically articulated set of conclusions?
3. Does the evaluation report contain a concise and logically articulated set of Lessons learned?
4. Do the findings and conclusions relate?
5. Are the findings and conclusions supported with data and interview sources?
6. Do the conclusions build on the findings of the evaluation?
7. Are risks discussed within the evaluation report?
RECOMMENDATIONS
8. Are the recommendations clear, concise, realistic and actionable?
9. Are recommendations linked to Country Office outcomes and strategies and actionable by the