

TERMS OF REFERENCE

Final Evaluation of the Municipal Investment Finance Programme

Countries in which the programme is implemented	Bangladesh, Nepal, Niger, Senegal, Tanzania, Uganda, Gambia, Guinea, Guinea-Bissau, Sierra Leone, Morocco, Ghana, Kenya, Liberia
Executing Agency	United Nations Capital Development Fund (UNCDF)
Partner organisations	<p>Funding Partners : Swiss Agency for Development and Cooperation (SDC), Swedish International Development Cooperation Agency (SIDA), German Federal Institute for GeoSciences and Natural Resources (BGR), German Gesellschaft fuer Internationale Zusammenarbeit WB (PPIAF), EU, Cities Alliance</p> <p>Implementing Partners: OMVG, FCC, FMDV, UCLG, UN-DESA, UNOPS, Cities Alliance, ODI</p> <p>Other Partnerships : UN Habitat, ICLEI, Cities Alliance</p>
Duration	24 August 2015 – 31 December 2022
Programme budget	<ul style="list-style-type: none"> • Total resources initially sought: USD 39,064,687 • Total resources allocated: USD 16,504,294 <ul style="list-style-type: none"> ○ UNCDF: USD 1,139,891 ○ SIDA: USD 5,906,150 ○ SDC: USD 8,857,465 ○ Cities Alliance : USD 230,000 ○ World Bank: USD 200,000 ○ GIZ : USD 122,997 ○ Germany (BGR): USD 47,791 ○ In-Kind (FMDV): USD 45,000 EU Indonesia: USD 5,521,472 • Additional Funding Gap: USD 16,993,921
Disbursed to date	USD \$11,729,693 (December 2021)

Evaluation during a crisis: COVID-19

As COVID-19 spreads globally, it is a massive health, humanitarian, and development crisis. UNCDF Evaluation Unit remains operational and is adapting the way it works and manages evaluations. Our priority is the safety of our staff, consultants and stakeholders while trying to ensure that UNCDF continues to benefit from high quality evaluative evidence to support its strategic learning and accountability. The text boxes “Evaluation during a crisis: COVID-19” throughout these TOR provide additional information, including on how the conduct of this evaluation will be affected by COVID-19.

1. Programme description

1.1. Background

Today, around half of the world's population lives in urban areas, a trend that is expected to increase to 68% by 2050¹. More than 80% of global GDP is generated in cities². Developing countries are particularly expected to experience faster urbanization than others. In 2018, the proportion of the population living in urban areas was 41% in lower-middle-income countries and 32% in low-income countries. By 2050, these countries are expected to reach, on average, 59% and 50% urban populations, respectively³. As the world continues to urbanize, sustainable development depends increasingly on the successful management of urban growth, especially in developing countries where the pace of urbanization is projected to be the fastest. The importance of the urbanization challenge is explicitly recognized in the Addis Ababa Action Agenda⁴, in the Sustainable Development Goals (SDG 11)⁵ as well as in the 2016 New Urban Agenda⁶ adopted at the UN Conference on Housing and Sustainable Urban Development (Habitat III) in Quito, Ecuador.

Urban growth however, is not limited to capital cities – it is having a profound impact on secondary cities too⁷. This is particularly the case in least developed countries (LDCs) where many of the world's fastest growing cities are located. 56% of the urban population in LDCs lives in secondary cities, which are growing rapidly.

The accelerating rate of urbanization puts enormous strains on urban resources as there is increased demand for water, sanitation, education, transport, energy, housing, and jobs. City governments need to have access to the necessary tools and capacities to manage urbanization, and they also require a large amount of investment capital to finance major infrastructure improvements.

Mobilizing these resources remains a considerable challenge for most cities, which depend heavily on government transfers for their development. In addition, local governments in LDCs face a series of critical constraints that undermine municipal financing:

- The lack of an enabling policy and regulatory environment for investing;
- A mismatch between investment needs and available finance;
- The lack of credit-worthy local governments and bankable plans and projects.

¹ 68% of the world population projected to live in urban areas by 2050, says UN _ UN DESA _ United Nations Department of Economic and Social Affairs. Available at <https://www.un.org/development/desa/en/news/population/2018-revision-of-world-urbanization-prospects.html>

² Urban Development Overview_ Development news, research, data _ World Bank. Available at <https://www.worldbank.org/en/topic/urbandevelopment/overview>

³ UN DESA (2018). World Urbanization Prospects: The 2018 Revision. Available at <https://population.un.org/wup/Publications/Files/WUP2018-Report.pdf>

⁴ "(...) We will support cities and local authorities of developing countries, particularly in least developed countries and small island developing States, in implementing resilient and environmentally sound infrastructure (...) We will enhance inclusive and sustainable urbanization and strengthen economic, social and environmental links between urban, peri-urban and rural areas (...)" Paragraph 34 of the outcome document of the Third International Conference on Financing for Development: Addis Ababa Action Agenda. Available at https://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

⁵ Goal 11: Make cities inclusive, safe, resilient and sustainable. Available at <https://www.un.org/sustainabledevelopment/cities/>

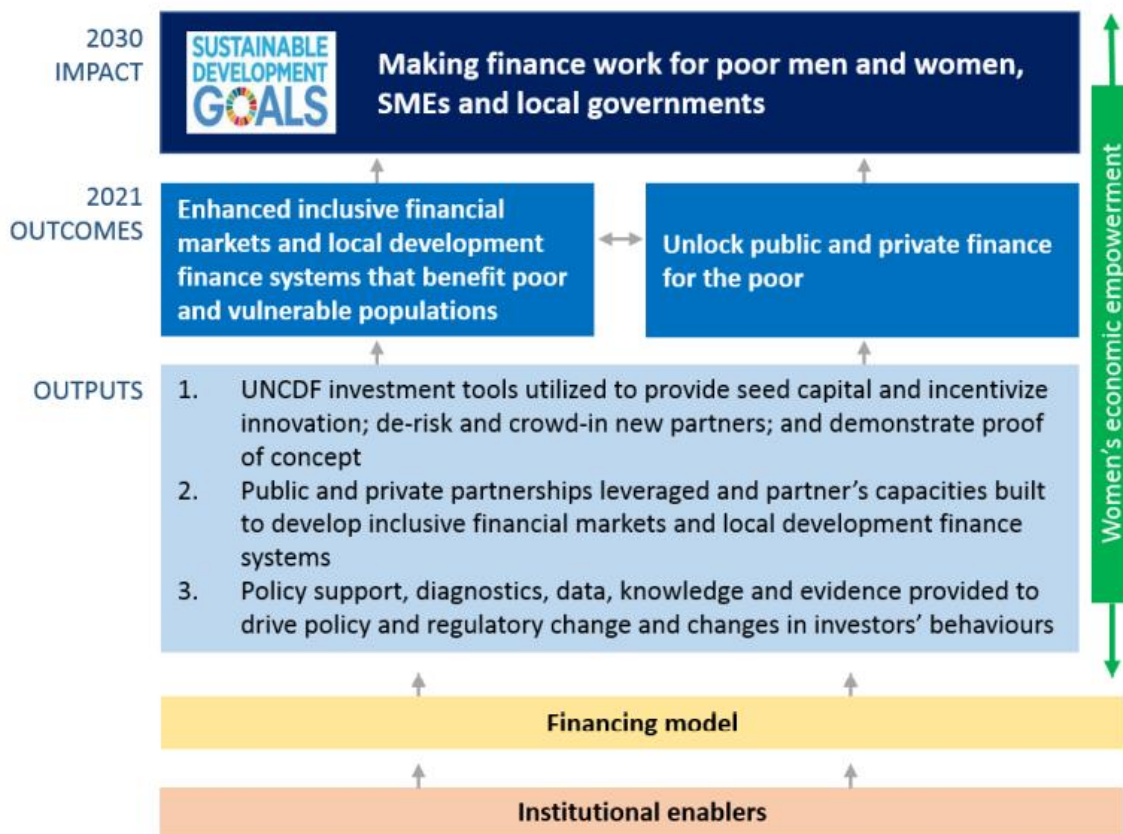
⁶ The New Urban Agenda - Habitat III. Available at <https://habitat3.org/the-new-urban-agenda/>

⁷ _The new Urban Imperative for Secondary Cities_, by David Jackson, Director Local Development Finance Practice Area - UN Capital Development Fund (UNCDF). Available at <https://www.unCDF.org/article/1673/the-new-urban-imperative-for-secondary-cities-by-david-jackson-director-local-developm-migration>

1.2. The MIF Programme

MIF Context: UNCDF Strategic Framework 2018 – 2021 and the Local Transformative Finance Practice (LTFP)

The 2018 – 2021 Strategic Framework for UNCDF which was in force during much of the implementation period for the MIF programme was aimed at two overarching development outcomes that articulate UNCDF’s ambition to ‘unlock public and private finance for the poor’ and support ‘enhanced inclusive financial markets and local development finance systems that benefit poor and vulnerable populations’ in the Least Developed Countries (LDCs). To achieve this, UNCDF uses financing models through three channels, including inclusive digital economies, local development finance (today “local transformative finance”) and investment finance. UNCDF’s 2018 – 2021 Strategic Framework was structured according to a theory of change that set out a set of expected ‘output to outcome’ pathways with progress under each of the two outcomes requiring, and contributing to, progress under the other. For example, ‘unlocking public and private finance for local investments’ and developing innovative financing mechanisms, should help build robust local development finance systems. Support to municipal finance remains a central focus of the new Strategic Framework approved for the period 2022 – 2025.⁸ *Figure 1: UNCDF high-level Theory of Change under its 2018-2021 Strategic Framework:*



The mission of the UNCDF Local Transformative Finance practice (LTFP)⁹ is to promote and support transformative investment through local governments and domestic banks in LDCs by piloting and scaling up innovative financing mechanisms and policies in the public and private sectors with the

⁸ <https://www.uncdf.org/article/7488/uncdf-strategic-framework-2022-2025-undp-executive-board-version>

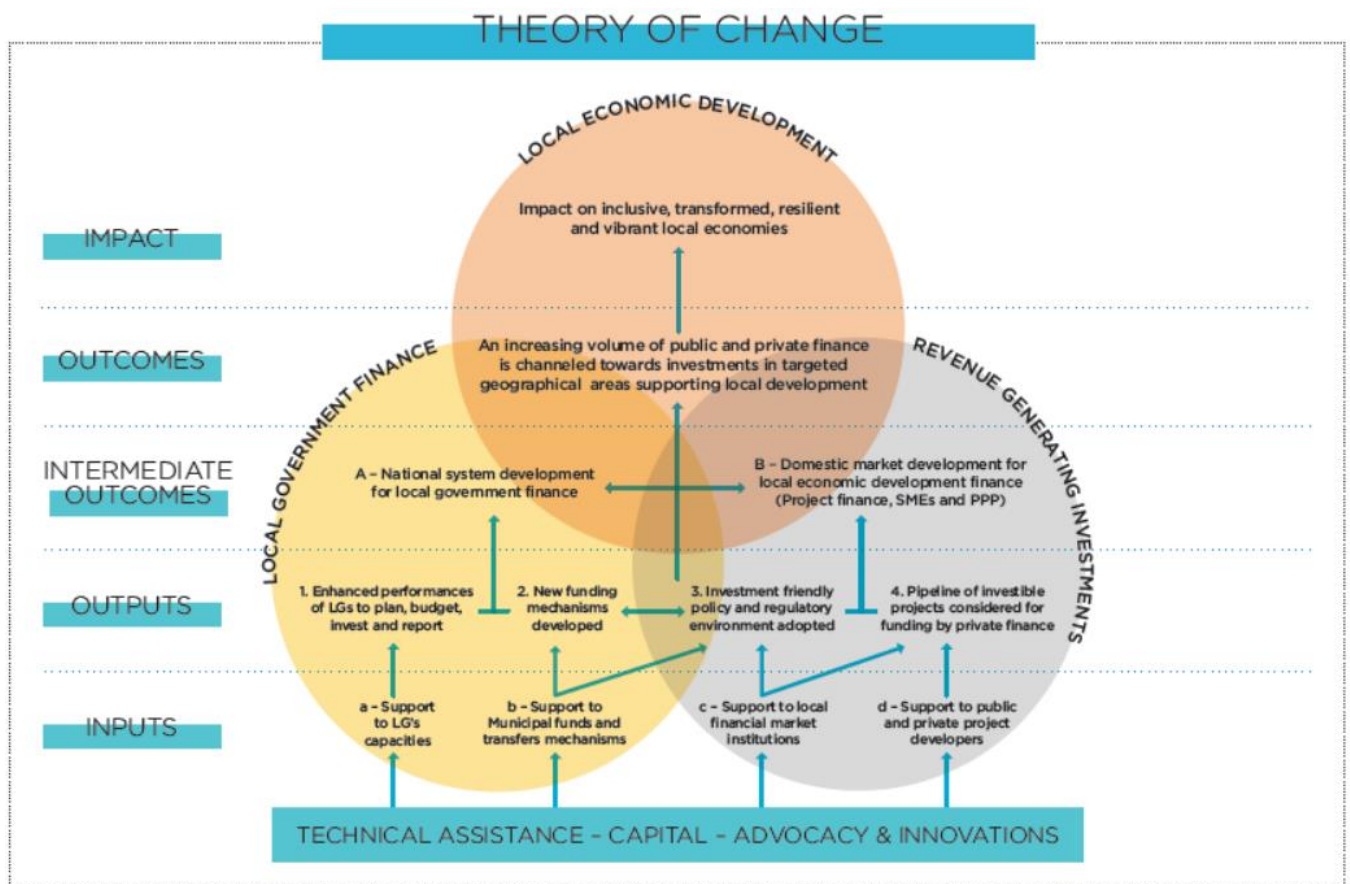
⁹ Previously called “Local Development Finance Practice (LDFP)”

vision to support LDCs to graduate to middle-income country status. Hence, The LTFP contributes to UNCDF’s Strategic Framework by addressing three key challenges in the area of local economic development:

- a) Fiscal resources and domestic capital markets are not investing in local governments and local economies in a way that promotes sustainable and equitable growth, which is holding back structural transformation and economic resilience;
- b) Local governments and local economies are not able to attract development finance and therefore the benefits of growth are bypassing many populations;
- c) Finance is not available for local catalytic infrastructure projects with high impact in critical themes such as women’s economic empowerment, climate change, clean energy and food security.

The LTFP adopts a transformative impact financing approach to promote service delivery, infrastructure investment and local economic development that retains value within the local territory. This builds local fiscal space and local fixed capital formation. It does so by providing technical assistance, catalytic capital, advocacy and innovative approaches for local government finance and revenue generating investments leading to sustainable local economic development.

Figure 2: Theory of Change of LTFP



Overall Objectives of the MIF Programme¹⁰

¹⁰ <https://www.uncdf.org/mif>

Launched in 2015, the Municipal Investment Financing (MIF) Programme was designed within the UNCDF's Local Transformative Finance Practice (LTFP) as a vehicle to continue UNCDF's preceding and ongoing efforts to increase the capacity of local governments and other sub-sovereign entities. Hence, it strongly contributes to the LTFP mission and vision as well as the UNCDF strategic framework. MIF works alongside other projects, programmes and activities with similar purposes. The purpose in launching the MIF project was to: a) define and fund a discrete set of activities within the broader work in local government finance and b) mobilize resources for this discrete set of activities as well as contribute to the wider set of activities. In this way MIF complements UNCDF's previous and continuing work to address key urbanization challenges through promoting access to sustainable sources of capital financing¹¹ (Programme outcome). In order to achieve this outcome, MIF aims to leverage the resources of non-sovereign government entities to mobilize public and private capital investment, while transitioning regional and local government finances from traditional pure grant funding to a broadened mix of financial sources, in order to address local challenges. It does so by:

- Helping local governments broaden their tax revenue base.
- Building capacity in the preparation of long-term local and regional capital investment plans.
- Utilizing domestic private sector capital that would otherwise remain dormant and not be directed to municipal investments. MIF and UNCDF's involvement was intended to support the technical capacity on the demand side enabling a crowding-in effect to catalyze risk adverse investors.
- Helping selected local governments and regional organizations to get credit rated.
- Channelling funds towards investments to provide capital to support priority investment needs to a growing urban population.
- Proposing new innovative financial instruments that could expand the options in accessing capital finance for local and regional non-sovereign entities, specifically Local Governments and Regional Organizations.

Specifically, the programme was designed to advance UNCDF's capacity to support local governments in issuing municipal bonds and in securing investment finance. In doing so, the programme worked alongside parallel initiatives of LTFP, which is a Centre of Excellence and an innovative Fund for local government finance and local economic development finance. Following an agile and needs-based approach, the MIF Program has evolved since its inception and paved the way for innovative initiatives such as ASEAN or the Blue Peace Financing Initiative, promoting access to capital not only for local governments but also regional organizations¹². All MIF projects are cross-cutting and contribute not only to one but at least two or all three outcomes. This is especially the case for support provided by the IMIF - Technical Assistance Facility (TAF)¹³ which is a parallel initiative intended to support applicants prepare proposals for the International Municipal Investment Fund – an initiative launched by LTFP that led to an investment fund managed by Meridiam.

The specific objective of MIF is to leverage the resources of local and regional governments to mobilize public and private capital investment, while transitioning local government finances from traditional pure grant funding to a broadened mix of financial sources, in order to address local challenges. It does so by working in three different results areas with the following expected outcomes:

- Local Governments and other sub-sovereign entities have transformative capital investment plans, demonstrated debt-carrying capacity, and enabling conditions for financing (Outcome 1 -);

¹¹ Municipal Investment Finance - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/mif>

¹² Due to this historic evolution, the MIF Prodoc was updated in 2021.

¹³ <https://www.uncdf.org/article/6060/international-municipal-investment-fund--technical-assistance-facility>

- Local fiscal space is increased with debt financing transactions closed and repayments initiated (Outcome 2);
- Sustainable development of municipal financing mechanisms to contribute to the realization of SDG11 (Outcome 3).

The programme had an original budget of \$39.06 million and is funded by UNCDF, SIDA, SDC, UNOPS, World Bank, GIZ, and Germany (BGR). As of December 2021, MIF had disbursed a total of \$11.7 million with work implemented in the following countries: Bangladesh, Cameroon, Mali, Nepal, Morocco, Ghana, Senegal, Tanzania, Uganda, Gambia, Guinea, Guinea-Bissau, Sierra Leone.

The three MIF outcomes were expected to be accomplished by UNCDF carrying out a range of activities at the programme, regional, country, and local government level. In addition to the MIF global results framework, each MIF intervention is designed to reflect the needs and context of the country in which it is being implemented and to complement the other UNCDF local development finance work in that country.

Specific Objectives and Implementation Status

The following is a description of the focus of work that was planned under each of the Results Areas including the different mechanisms to be deployed, alongside a brief overview of what has been achieved thus far. so far:

1.2.1. Outcome Area 1 -strengthened enabling environment for transformative finance for local governments

The total expenditure under Outcome Area 1 as of December 2021 is USD 5,247,600.

Under the first outcome area, MIF was expected to help target countries create the enabling conditions for private financing of regional and local government investments and prepare local governments and regional organizations to attain credit worthiness. MIF activities are intended to strengthen the “demand side” of the financing equation. Activities are mostly focused on addressing key policy and legal constraints that impede the development of appropriate financing vehicles. The implementation is done mostly through technical assistance. Ultimately, the goal is to create enabling environments in terms of policy and regulatory frameworks to improve local government and regional organizations’ capacity to access to private finance, and to foster its implementation it over time.

An example of an initiative under Outcome Area 1 is the following:

- ***National Enablers for Infrastructure: Investment and Economic Development In Secondary Cities In Ghana and Uganda: Local Economic Acceleration through Partnerships (LEAP)*** is a Joint Venture of UNCDF and Cities Alliance. The project aims to support global and national dialogues addressing the obstacles to investment in rapidly growing cities by creating avenues for public-private partnerships. The project has been implemented in four secondary cities of which two are in Ghana (Cape Coast and Agona Swedru) and two are in Uganda (Mbale and Gulu) in close collaboration with local and national governments in the two countries. A key output of the LEAP project was the production of a report on “National Enablers for Infrastructure Investment and Economic Development in Secondary Cities in Ghana and Uganda”. Produced by UNCDF and in collaboration with Cities Alliance, the report explores how national governments in developing countries can enable infrastructure financing and local economic development. Various options for financing infrastructure in Ghana and Uganda, are reviewed, with the objective of providing

recommendations for the best options for the two countries. As of September 2021, this project is finalized.

1.2.2. Outcome Area 2 – increased finance available for local governments

The total expenditure under Outcome Area 2 as of December 2021 is USD 1,361,119.

Under Outcome 2, MIF's intention was to contribute to strengthening the "supply side" of the municipal financing system. UNCDF works on increasing access to both public and private funding sources and planned to raise third-party funds to contribute to develop regional and local government capital investment plans. Regional and Local government transactions are likely to be financed with more than one source of funding. Appropriate sources may vary depending on the size of the transaction, the type of transaction, or the level of risk, among other factors.

Work under this output has consisted largely of technical assistance, policy advocacy and facilitation, and includes: research to understand the existing nature of the private markets; engaging private market actors and entities; assessing public municipal financing sources; designing mechanisms to channel public funds to leverage private financing; defining standards for structuring and evaluating creditworthiness of regional and municipal transactions.

Example Initiatives / Projects under Outcome Area 2 are mostly country projects and include:

- **Tanzania:** MIF supported the Tanzania LTFP team to implement regulatory programs which were well received in the government. The reforms adopted that municipal bonds to be one of the investment instruments that local governments can use in their infrastructure financing agenda. Most recently, the MIF team has been engaged in the development of a water infrastructure bond for the Tanga Urban Water Authority.
- **Nepal:** MIF worked with the EU to support the transformation of the Nepal Municipal Lending institute, Town Development Fund (TDF) in order to support the government of Nepal in its effort to broaden the supply side of investment products for Local Governments. The process is fully underway for a multi-year transformation of the TDF. This work enhances the capacities of municipalities to access non-grant financing and for TDF an impact investor and a market maker for other financial institutions to finance municipalities.
- **Bangladesh:** MIF worked with the Ministry of Local Government to enact reforms that allowed local governments to be given the right to pilot innovative finance in the investment agenda. As a result of the reform, MIF Bangladesh is piloting PPP projects with six municipalities in Waste-to-Recycle and Waste-to-Energy subsectors. This will result in a total maximum of 12 projects. After the projects are completed and based on the success of the projects, the goal is to continue to replicate these projects across other municipalities where these projects can not only be profitable and provide employment but to provide the basic services that are needed by residents in those communities.
- **Senegal:** MIF is working with the LTFP country team to support the Ministry of Economy and Planning to reform its PPP mandate and include the local governments. MIF program has worked to support the regulatory change on the how the process of identifying projects, project preparation and also PPP process within the government to be fully in line with the law and market practice. MIF has also engaged with the Strategic Investment Fund (FONSIS) to develop new funds and financing initiatives. This has resulted in the the launch of a dedicated women's empowerment fund, which is acting as trailblazer for other financing mechanisms that are being developed.

- **INFRASTRUCTURE ASSET MANAGEMENT** : The *UN Infrastructure Asset Management Handbook* provides practical guidance to local and national governments on how to manage the assets on which people rely every day, such as roads, buildings, parks, water and sanitation facilities, etc. This handbook was published in 2021 and shows how to improve the reliability and longevity of assets, and how to plan ahead with improved coordination among government and community stakeholders. The Handbook is available in English, Arabic, Serbian, French and Swahili. As part of the initiative, various training programs have been launched based on the Handbook. This includes a Massive Open Online Course which was attended by more than 2,000 participants.
Link to the IAM Handbook: [IAMH ENG Jun2021.pdf](#)
Link to the IAM web: [Infrastructure Asset Management | Financing for Sustainable Development Office \(un.org\)](#)
- **Rebuilding Local Fiscal Space** : The overall aim of the initiative “Rebuilding Local Fiscal Space” is to provide tools and recommendations on improving local fiscal space in light of the challenges caused by COVID-19, through a case-by-case review and analysis of the core factors affecting fiscal space in a range of selected (very different) sub national governments (SNGs). UNCDF leads this Initiative in close collaboration with its partners in the United Cities and Local Governments (UCLG). This initiative includes two main activities: (a) Understanding the factors that contribute to the loss of local fiscal space and (b) Designing and testing the three measures to accelerate recovery and rebuild trust. Under these activities, studies on the four factors and three measures are to be conducted in the following selected cities and local governments: Kumasi (Ghana), Chandpur (Bangladesh), Telita (Moldova), Gulu Municipality (Uganda), Chiapas, (Mexico), Chefchaouen (Morocco). As of September 2021, data collection and analysis for the diagnostic study has been concluded and the study findings were presented at the Global Conference on Rebuilding Local Fiscal Space (virtual). Furthermore, the final report with analytical findings and recommendations for each of the four factors for each city has been submitted and a pilot implementation of the recommendations is ongoing.

1.2.3. Outcome Area 3 - Strengthened international municipal finance mechanisms

The total expenditure under Outcome Area 3 as of December 2021 is USD 1,897,751 .

Under Outcome 3, MIF ensures the alignment and contribution of global and country commitments to *SDG 11 – Safe, Resilient and Sustainable Cities* - through different tools and instruments such as technical assistance programs, PPP, structuring financing instruments, creating financing vehicles, etc. Activities include the establishment of a *Technical Assistance Facility* for municipal finance, research in the field of municipal finance and the development of knowledge products and SDG 11-focused reports. The objective of this outcome area was to create tools and mechanisms to specifically address access to and strengthening of municipal finance.

Example Initiatives / Projects under Outcome Area 3 include are mostly country projects and include:

- **The International Municipal Investment Fund (IMIF)**: As part of this outcome area, UNCDF, along with United Cities and Local Governments (UCLG) and The Global Fund for Cities Development

(FMDV)¹⁴ has launched the International Municipal Investment Fund (IMIF)¹⁵. The IMIF is a bespoke investment fund designed to focus exclusively on supporting cities and local governments increase their capacity to access capital markets for transport, utilities, clean energy, waste management, land use and city planning sectors, amongst others. The IMIF is designed to focus exclusively on supporting cities and local governments, with a particular focus on developing countries, to accelerate the achievement of the SDGs and the Paris Agreement. The target for the IMIF first closing is 350 million EUR. Meridiam¹⁶ was selected as Fund Manager for the IMIF. Meridiam will establish, fundraise for and act as the Investment manager of the Fund. Meridiam will manage the IMIF with an objective to identify, develop and invest in resilient and sustainable infrastructure projects in urban and municipal environments of non-OECD developing countries. As of April 2022, the contract negotiations between UNCDF and Meridiam are in its final stages.

- **THE IMIF-TAF** : UNCDF manages the Technical Assistance Facility for the fund (IMIF TAF)¹⁷. The aim of the TAF is to provide technical assistance to cities to help them finalize their investment project and, where necessary, strengthen their capacity to access credit, so that their investment project can be presented to the Fund Manager. The TAF is designed to support cities with investment projects of less than USD 25 million, whereas cities with projects above this amount are supported directly by the Fund Manager to structure their project file. Cities with projects above this amount will be supported directly by Meridiam to structure their project file and be able to present it to the Fund's Investment Committee. As of September 2021, UNCDF is about to close the deal for a proof-of-concept project (Public Lighting project in Chefchaouen) and started with the implementation of another project for the IMIF pipeline (Multi-Story Parking Facility in Kumasi).
- **MUNICIPAL BOND ISSUANCE IN TANZANIA** : Local Governments in Tanzania, like any other developing country are faced with uncertain financial future due to their dependency to fiscal transfers. However, they have not sufficiently utilized available financing and investment opportunities that could possibly enhance their financial sustainability. UNCDF Municipal Investment Finance programme in collaboration with the Local Finance Initiative programme are supporting the Tanzania subnational entities (*i.e LGAs and urban water utilities*) to access cheaper and long-term capital financing through issuance of revenue bonds in the domestic capital market. An initial Municipal Revenue Bond pipeline for a possible bond issuance has been identified with income generating infrastructure projects valued **at around \$50m**. Currently the projects are under preparation stage where UNCDF is providing technical guidance to pilot issuers on development of investment package.

¹⁴ In 2018, UNCDF, UCLG and FMDV launched The Malaga Global Coalition for Municipal Finance – a coalition for a global financial ecosystem that works for cities and local governments, advocating for the necessary policy reform, regulatory changes, fiscal architecture and financial mechanisms and products at both global and national levels. One of the instruments of the Coalition is the IMIF. <https://www.uclg.org/en/media/events/second-annual-meeting-malaga-coalition-municipal-investment-finance>

¹⁵ Malaga Coalition, Dedicated to Municipal Finance, Presents the International Municipal Investment Fund - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/4981/malaga-coalition-dedicated-to-municipal-finance-presents-the-international-municipal-investment-fund>

¹⁶ Meridiam Named Fund Manager for International Municipal Investment Fund (IMIF) - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/5177/meridiam-fund-manager-for-imif>

¹⁷ International Municipal Investment Fund- Technical Assistance Facility - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/6060/international-municipal-investment-fund-technical-assistance-facility>

- PUBLIC LIGHTING PROJECT IN CHEFCHAOUEN, MAROCCO** : The Chefchaouen public lighting project has been sourced through the IMIF call for proposal. The main objective of the project is to significantly reduce Chefchaouen’s public lighting expenses (energy consumption and maintenance) and the financial burden of public lighting costs which represent ~7% of its USD 4.8M budget. After thorough study of the project and its financial feasibility, UNCDF has proposed a structure for the financing with a USD 400K loan, USD 400K reimbursable grant at 0% and USD 200K pure grant. The next steps of the project have two components: one led by UNCDF which consist of going through LDIC and LDCIP committees for the financing approvals; and the other led by the Municipality of Chefchaouen which consists of securing the approval from the Central Government (Ministry of Interior) and from the Municipal Council. Once these approvals are secured, the project documentation shall be signed then procurement and commissioning shall start. The total project cost is USD 1.4M.
- RAPID TRANSPORT SYSTEM IN KUMASI, GHANA:** One of the key development challenges faced by Kumasi is congestion which impedes achievement of SDG 11 especially the safety and long-term liveability of the city. Kumasi’s current urban travel is dominated by use of *trotros*. It is estimated that trotros and taxis respectively carry 68% and 12% of all the passenger traffic in the city while private cars accounted for just about 14% of travellers. The human traffic coupled with increased vehicles congests the town roads and creates traffic jams. A Bus Rapid Transit (BRT) system that utilizes enforced dedicated lanes will provide a safer, more comfortable transportation option for many passengers, decreasing dependency on trotros and private vehicles, hence lessening congestion. The proposed BRT network consists of two City corridors namely Abuakwa route running 10.07kms from Kejetia Market - Abuakwa New Market (with 12 bus stations); and Ejisu route running 18.18kms from Kejetia Market – Ejisu (with 18 bus stations). The corridors will operate at a frequency of 13 departures per hour (bus depart in every 5 mins.) and 17 departures per hour (bus leaving every 4 mins.) for Abuakwa and Ejisu routes respectively. The project duration is 30 years, where the BRT operations are expected to commence in 2027.

In 2022 the UNCDF LTFP team negotiated and signed an agreement with UN Habitat to co-implement a global programme called SDG Cities and to co-manage an investment facility called the Cities Investment Facility. The team also began work on expanding UNCDF’s balance sheet transactions to include loans and guarantees to local governments. Further advances were made with the policy and regulatory environment for local government finance through the Malaga Coalition (with United Cities and Local Governments) for a global financial ecosystem that works for cities and local governments, including a flagship publication entitled “Local Government Finance is Development Finance”. It is expected that the activities initiated in the context of the MIF programme will continue under the new arrangements of collaboration with UN Habitat and United Cities and Local Governments.

2. Evaluation objectives

Evaluation during a crisis: COVID-19

Considering the COVID-19 pandemic and resultant restrictions, the proposed evaluation methodology may be subject to change. All work of the evaluation team during the field visits shall be done within the guidelines and protocols set by local and national governments.

1.1. Purpose, scope and objectives of the evaluation

This evaluation is being conducted in accordance with UNCDF's remaining commitments under its Evaluation Plan 2018–2021¹⁸ and in line with UNDP's Evaluation Policy¹⁹ (to which UNCDF is party) which sets out a number of guiding principles and key norms for evaluation in the organization following the Norms and Standards of the United Nations Evaluation Group (UNEG)²⁰. Amongst the norms that the Policy seeks to uphold, the most important are that the evaluation exercise be independent and provide technically and methodologically credible findings that are useful and relevant to support evidence-based programme management.

With this in mind, the evaluation has been designed with the following **overall objectives**:

- to allow UNCDF and partners to meet their accountability and learning objectives for MIF;
- to support ongoing efforts to capture good practice and lessons to date;
- to guide and inform the remaining period of implementation as well as inform subsequent UNCDF programming in municipal finance and in local transformative finance;
- to inform updating of UNCDF global strategies within the 2022-2025 Strategic Framework.²¹
- To assess the impact of COVID-19 on the overall implementation framework and provide recommendations for the remaining years of implementation.

The final evaluation is expected to assess both project results to date (direct and indirect, whether intended or not) from the first years of implementation as well as the extent to which MIF is on track to meeting its end goals on the basis of current design, human resource structure, choice of partners, and broad implementation strategy. It is expected that the evaluation will provide useful and actionable recommendations to increase the likelihood of success by the end of the programme including remedial actions where the project might not be on track.

Critical to this evaluation is the assessment of the relevance and effectiveness of the MIF approach in increasing the ability of local governments and other sub-sovereign entities to address key urbanization challenges through access to sustainable sources of capital financing.

¹⁸ Evaluation Plan (SF 2018-21) - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/3206/evaluation-plan-2018-21>

¹⁹ United Nations Development Programme – Evaluation. Available at <http://web.undp.org/evaluation/policy.shtml>

²⁰ Detail of Norms and Standards for Evaluation (2016). Available at <http://www.unevaluation.org/document/detail/1914>

²¹ Strategic Framework 2018-21 - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/3207/strategic-framework-2018-21>

The **specific objectives** of the evaluation are:

- To assist UNCDF and partners to understand the relevance, coherence, efficiency, effectiveness, and the likely pathways towards impact and sustainability of MIF while understanding the context and challenges in which MIF operates;
- To provide evaluative evidence on the contribution of MIF's work to address key urbanization challenges through access to sustainable sources of capital financing and lessons learned so far
- To understand better how MIF is working with UN agencies and other UNCDF programmes as well as with national and international partners in achieving its objectives;
- To support the conceptualisation of new approaches to municipal finance as part of the new UNCDF/LTF strategy going forward

1.2. Evaluation methodology

The evaluation should be transparent, inclusive, participatory and utilization-focused. The overall methodology to be followed should be organized following a theory of change approach, framed by the UN/OECD DAC evaluation criteria²², and drawing upon a number of mixed methods (quantitative and qualitative) data to capture direct programme results as well as (likely) contributions to: increased financing for basic services and inclusive growth/local economic development; a better policy environment conducive to enabling sustainable financing for development.

To do so, the methodology should draw as appropriate on established measurement frameworks for capturing these kinds of development outcomes, such as the approaches of the Consultative Group to Assist the Poor (CGAP)²³ and/or the Donor Committee for Enterprise Development to measuring the development of markets for the poor in situations of complexity.²⁴

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, 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 intervention²⁵, the overall methodology should be based on three concrete pillars:

- i) the programme's **theory of change and the way this has been operationalised into a set of concrete expected results**;
- ii) the **evaluation matrix** grouping key evaluation questions and sub-questions by broad UN /OECD DAC evaluation criterion allowing analysis of programme results at different levels of its results chain
- 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 analyse data to answer the evaluation questions.

²² Revised evaluation Criteria – OECD. Available at <https://www.oecd.org/dac/evaluation/dacriteriaforevaluatingdevelopmentassistance.htm>

²³ http://www.cgap.org/sites/default/files/Technical-Guide-Measuring-Market-Development-Oct-2017_0.pdf

²⁴ <https://www.enterprise-development.org/measuring-results-the-dced-standard/>

²⁵ See, for example, pages 78 – 79 in the guidance published by CGAP

1.2.1. Theory of change

The main analytical framework for the evaluation is provided by the programme's theory of change which should be used to organize the evaluation questions according to the programme's expected results at each level of its results chain. In doing so, the evaluation should use a broad Contribution Analysis (CA) approach to causal inference²⁶ with a view to understanding the influence of relevant contextual factors, and alternative and additional drivers or obstacles to change at the regional, national and local levels that may have influenced the programme's direct and indirect, intended and unintended results including, at the level of communities and individuals.

The evaluation should also seek to apply additional evaluation techniques that can further strengthen the plausibility of links between the results of MIF's different strands of work on various intended programme outcomes at the policy, community and individual beneficiary levels as well as tell the story of how and why change has or has not happened as a result of the MIF intervention. These techniques could include, for example, case studies, Process Tracing (PT), and techniques linked to participatory evaluation.²⁷

In line with UN evaluation practice, the scope of the evaluation should cover all six standard UN/OECD DAC evaluation criteria: relevance/appropriateness of design, coherence, efficiency, effectiveness, and (likelihood of) impact and sustainability. In doing so, the focus of the evaluation goes beyond assessing whether UNCDF and its partners are currently 'doing things right' in programme execution and management, to a broader assessment of whether, given available evidence, and in comparison with similar approaches implemented by others, the programme looks to be the 'right approach' to achieving the higher-level objectives agreed in the initial phase.

1.2.2. 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 evaluation matrix should properly address gender equality (GE) and human rights (HR) dimensions, including age, disability, migration, displacement and vulnerability.

The table below presents a set of preliminary questions that the evaluators should address in their proposed approach, following the revised UN/OECD DAC criteria. A final, more detailed evaluation matrix will be developed during the inception phase on the basis of document review and initial consultation with key programme stakeholders.

²⁶ For more information, please see:

http://www.betterevaluation.org/en/plan/approach/contribution_analysis

²⁷ For more information, please see publications on evaluation methods by the Independent Evaluation Group of the World Bank as well as the United Nations Evaluation Group:

<http://www.unevaluation.org/document/detail/2939>, <https://ieg.worldbankgroup.org/evaluation-international-development> as well as Befani and Mayne (2014) "Process Tracing and Contribution Analysis: A Combined Approach to Generative Causal Inference for Impact Evaluation". <https://onlinelibrary.wiley.com/doi/abs/10.1111/1759-5436.12110>

Criteria	Evaluation questions
<p>1. Relevance <i>The extent to which MIF objectives and design responded to beneficiaries', global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.</i>²⁸</p>	<p>1.1 How relevant has the MIF approach been to the ongoing priorities of partner governments in the area of municipal finance and how appropriately designed is it, considering the programme's intended support to address key urbanization challenges through access to sustainable sources of capital financing?</p> <p>1.2 How relevant has the support provided by MIF been to the needs of local governments, regional organizations, other non-sovereign entities and other partners?</p> <p>1.3 To what extent did the MIF design incorporate gender equality (GE), human rights (HR), vulnerable groups, disability and climate change adaptation issues offering good quality information on the underlying causes of inequality and discrimination to inform the programme design?²⁹</p>
<p>2. Coherence <i>The compatibility of MIF with other interventions in a country, sector or institution.</i>³⁰</p>	<p>2.1 How distinct/complementary has the MIF approach been to other municipal finance initiatives implemented in LDCs by government and/or key development partners, with similar objectives?</p> <p>2.2 How compatible was MIF to UNCDF's Strategic Framework 2018-2021 and beyond? How compatible is MIF to target countries' UNDAF/UNSDCF ongoing objectives as well as to similar initiatives by the UN in the programme countries?</p>
<p>3. Efficiency <i>The extent to which MIF has delivered results in an economic and timely way.</i></p>	<p>3.1 How well has MIF delivered its expected results to date, including in terms of budget allocation and cost-effectiveness of activities? How well are the key implementation partnerships functioning?</p> <p>3.2 What is the quality of outputs (deliverables) provided to date? How appropriate is the programme's monitoring system to track direct programme results and its broader contribution to the overall objectives?</p> <p>3.3 How well is the programme being governed, through the involvement and contributions of key partners?</p> <p>3.4 How well were resources (financial, time, people) allocated to integrate Human Rights (HR) & Gender Equality (GE) in the</p>

²⁸ 'Respond to' means that the objectives and design of the intervention are sensitive to the economic, environmental, equity, social, political economy and capacity conditions in which it takes place.

²⁹ This includes, but is not limited to, the extent to which the programme is formulated according to international norms and agreements on HR & GE (e.g. The Convention on the Elimination of all Forms of Discrimination Against Women – CEDAW; the Universal Declaration of Human Rights – UDHR; Convention on the Rights of Persons with Disabilities – CRPD) as well as national policies and strategies to advance HR & GE

³⁰ The extent to which other interventions (particularly policies) support or undermine the intervention and vice versa. This includes internal coherence which should address the synergies the interlinkages between the intervention and other interventions carried out by the same institution/government, as well as the consistency of the intervention with the relevant international norms and standards to which that institution/government adheres. External coherence considers the consistency of the intervention with other actors' interventions in the same context, including complementarity, harmonization and coordination with others, and the extent to which the intervention is adding value while avoiding duplication of effort.

	<p>implementation of MIF, and to what extent have HR & GE objectives been mainstreamed in the overall intervention budget? To what extent are such resources being used efficiently?</p> <p>3.5 How did programme management adapt to the impact of COVID-19 in the design and management of the programme, and with what actual and likely results?</p>
<p>4. Effectiveness <i>The extent to which MIF has achieved its objectives, and its results, including any differential results across groups.</i></p>	<p>4.1 To what extent are MIF activities under Output 1 contributing to the improved capacities of local governments, regional organizations and other non-sovereign entities for capital investment plans, demonstrated debt-carrying capacity, and enabling conditions for financing in target countries?</p> <p>4.2 To what extent are MIF activities under Output 2 contributing to increase the local fiscal space with closed debt financing transactions and repayments initiated in target countries?</p> <p>4.3 To what extent are MIF activities under Output 3 contributing to the sustainable development of regional, non-sovereign and municipal finance mechanisms and the realization of SDG 11, SDG 13 and other related SDGs in target countries and regions?</p> <p>4.4 To what extent is MIF on track towards progress on HR & GE? To what degree are any results achieved equitably distributed among the targeted stakeholder groups?</p>
<p>5. Likely Impact <i>The extent to which MIF has fostered or is likely to foster an inclusive and sustainable growth and employment of youth and women.</i></p>	<p>5.1 To what extent is the improved policy environment supported by MIF likely to enable access to capital for non-sovereign entities and hence enable sustainable financing for development?</p> <p>5.2 To what extent is the improved access to sustainable sources of capital financing caused by MIF likely to address key urbanization challenges?</p>
<p>6. Sustainability <i>The extent to which the net benefits of MIF are likely to continue beyond the life of the intervention³¹</i></p>	<p>6.1 To what extent are any changes in the capacity of targeted local governments and non-sovereign entities brought upon by MIF likely to continue over time? To what extent are partners likely to institutionalize and scale-up the mechanisms under MIF?</p> <p>6.2 How sustainable are changes in the local fiscal space of target countries likely to be over time ?</p> <p>6.3 How sustainable are changes in the municipal finance mechanisms of target countries, including TAF, likely to be over time?</p>

1.2.3. Data collection toolkit

³¹ Note that this should include as far as possible an examination of the financial, economic, social, environmental and institutional capacities of the systems needed to sustain net benefits over time, including analyses of resilience, risks and potential trade-offs.

Finally, on the basis of the questions included above and the information present elsewhere in this Terms of Reference and on the UNCDF website, the evaluation team should deploy a data collection toolkit (that includes gender disaggregation and triangulation tools) that will include both existing secondary data as well as new primary data to be gathered during field visit which together will be able to answer the initial questions listed above.

Evaluation during a crisis: COVID-19

The proposal should outline any adjusted evaluative approaches/ methodologies that may be needed to implement the evaluation effectively, including extended desk reviews, primary use of national consultants and virtual stakeholder meetings and interviews. This will be further detailed in the inception report.

If all or part of the evaluation is to be carried out virtually then remote interviews may be undertaken through telephone or online (skype, zoom etc.). Consideration should be taken for stakeholder availability, ability or willingness to be interviewed remotely.

International consultants can work remotely with national evaluator support in the field if it is safe for them to operate and travel. No stakeholders, consultants or UNCDF staff should be put in harm's way and safety is the key priority.

The bidder is requested to propose a set of mixed methods data collection/analysis methodologies and techniques to answer the evaluation questions.³² This will be refined in the inception phase. The constraints of COVID – 19 permitting, at least the following lines of evidence could be considered:

- Document and literature review;
- Analysis of deliverables and financial reports;
- Structured, semi-structured and/or in-depth interviews;
- Quantitative surveys;
- Direct observations;
- Focus groups, including implementing partners and community-level partners
- Case studies of different type of partner supported and the different aid modalities deployed by the programme³³

In deciding upon the different lines of evidence to be used (which should number at least 5), bidders are requested to focus on how they will assess the results of the MIF programme to date particularly at the output and outcome level, using methods built around a contribution analysis approach. Bidders are encouraged to propose additional alternative innovative methods and approaches. In proposing the evaluation methodology, bidders are requested to respect the various quality standards for UNCDF evaluation set out in Annex.

³² See guidance available within the international development evaluation community on selecting appropriate evaluation methods to answer different type of evaluation questions, such as <https://www.betterevaluation.org/en/approaches> or <https://www.bond.org.uk/resources/evaluation-methods-tool>

³³ The choice of case studies should be finalized during the inception phase and support the broader evaluation approach and sampling strategy.

Finally, as part of the data collection tools, bidders are encouraged to use the Truepic³⁴ platform and application, with whom UNCDF has a Memorandum of Understanding. Truepic is a photo and video verification platform, that bidders will be asked to use as part of their field visit and approach to data collection³⁵.

1.2.4. Human rights and gender equality

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.³⁶

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

³⁴ <https://truepic.com/>

³⁵ More information, on how bidders will use this technology will be determined together with the Evaluation Unit and Programme Team during the inception phase.

³⁶ 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/>

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

To ensure independence and fulfilment of UN evaluation standards, the Evaluation Unit of UNCDF in New York is responsible for the design and management of this evaluation and will hire an independent firm (Evaluation Team) to conduct the evaluation.

UNCDF Evaluation Unit: In line with the organisational setup for evaluation at UNCDF, the Evaluation Unit in New York – reporting directly to the Executive Secretary of UNCDF as per the UN Evaluation Group Norms on organisational independence of evaluation entities - is responsible for the design and management of this evaluation and for the overall quality of the evaluation report³⁷.

Evaluation Team: An independent firm will be hired by the Evaluation Unit to conduct the evaluation. The Evaluation Unit will provide substantive support, including joining the Evaluation Team on one of the evaluation's country visits. The Evaluation Team will be responsible for arranging all meetings and field visits, with support from the MIF programme team and the Evaluation Unit. The Evaluation Team is expected to organize its own travel, visas, accommodation and local transport. The Evaluation Team is also responsible for respecting the ethical foundations for evaluation within the United Nations, including safeguarding the rights and confidentiality of information providers, for example, and taking measures to ensure compliance with legal codes governing areas such as provisions to collect and report data³⁸. More information will be provided at the start of the inception phase.

MIF Programme team: The MIF programme staff will provide administrative and logistical support. This will include: timely access to an extensive range of documentation for the desk review; an updated stakeholder list with contact details, including emails, telephone numbers and preferred method of access (if possible); and assistance in scheduling meetings in the countries. The country-based staff will also be available for initial briefing and final debriefings and shall make itself available to answer questions and provide documents. The country staff may provide office space in the visited countries for the evaluation team to work upon request.

Advisory Panel: An Advisory Panel will be set up and composed of representatives of UNCDF as well as from other key MIF stakeholders. The UNCDF Evaluation Unit will reach out to interested stakeholders. The role of the Advisory Panel is to support the Evaluation Unit in managing the evaluation by participating in the following:

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

4. Audience and timing

The primary audience for this evaluation includes UNCDF and key stakeholders (including programme funders) and partners.

³⁷ The final evaluation report will be assessed externally by UNDP's Independent Evaluation Office (IEO) once the evaluation has been completed. The quality assessment grid, against which the report is assessed, is available at <http://web.undp.org/evaluation/guideline/documents/PDF/section-6.pdf>

³⁸ The Evaluation Team will be bound by the UNEG Norms and Standards in Evaluation in the UN System, the UNEG Code of Conduct for Evaluation in the UN System, the UNEG Ethical Guidelines for Evaluation, and the UNEG Guidance for Integrating Human Rights and Gender Equality in Evaluation.

Evaluation during a crisis: COVID-19

Considering the COVID-19 pandemic and resultant restrictions, the proposed evaluation schedule may be subject to change. All work of the evaluation team during the field visit shall be done within the guidelines and protocols set by local and national governments.

The evaluation will have three distinct phases:

Phase 1 - Inception

- Kick-off meeting between the evaluation team and the Evaluation Unit to ensure clear understanding of the evaluation methodology, approach and main deliverables as per TOR;
- Adjustments to any evaluative approaches/methodologies that may be needed to implement the evaluation effectively in response to national COVID-19 restrictions, including safety guidance, extended desk reviews, primary use of national consultants and virtual stakeholder meetings and interviews;
- Kick-off meetings with Advisory Panel, the MIF programme staff, as well as the senior management of UNCDF, to familiarize the Evaluation Team with the programme objectives, results to date and expectations for this evaluation;
- Provision of all relevant documents;
- Stakeholder mapping and selection;
- Finalization of the evaluation methodology and tools, including the sampling strategy and the data collection strategy.
- Finalization of data collection tools (questionnaire, checklist, guidelines). The Evaluation team will be responsible for pre-test and finalization of tools and techniques for the survey. The data collection tools will be in English language.
- Finalization of the schedule for field visits;
- Interviews by the team with key stakeholders

Phase 2 - Field visits:

- Considering the COVID-19 pandemic and resultant restrictions, the schedule and length of field visits may be subject to change and will follow guidelines and protocols set by local and national governments. No stakeholders, consultants or UNCDF staff should be put in harm's way and safety is the key priority.
- Primary data collection, including site visits, focus groups discussions, and key informant interviews
- Security briefing with UNCDF country offices
- Debriefing sessions with key in-country stakeholders should be organized to present emerging trends/ preliminary findings and to build ownership of the findings with programme counterparts at the end of the country visits
- The Team Leader may be asked to debrief the Advisory Panel and Evaluation Unit at the end of field visits. This with a view to provide a sense of the evaluation team's preliminary findings ahead of the draft reporting phase.
- The evaluators are also expected to conduct interviews with key informants from HQ.

Phase 3 – Reporting

- Analysis and synthesis, including a technical debrief with MIF staff on initial findings and final questions
- Drafting of the evaluation report, the evaluation summary and short country reports
- HQ debrief of the final evaluation report to UNCDF senior management.

In drawing up the proposed work plan, the evaluation team should be given sufficient time to complete: i) 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; ii) multiple country visits, 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 case studies and a final evaluation report with relevant annexes.

During the field visits, the expected level of effort for the evaluation should include 5 days (minimum) in each country with a minimum of two members of the evaluation team to visit the country. Both 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 between 100 – 120 person days to complete, including all team members’ contributions to the inception, field visits and write up phases of the evaluation. Evaluators should plan to visit at least three countries in which MIF is being implemented, at least two of which should be in both Asia and Africa.

The methodology – including the final sampling strategy and choice of countries to be visited - should be further developed by the evaluation team during the inception phase under the supervision of the Evaluation Unit. 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 should 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 for more details).

The Evaluation Team Leader is responsible for preparing and submitting the following deliverables:

Phase	Deliverable	Tentative timeframe
Phase 1: Inception	An Inception Report presenting a full description of programme implementation to date as well as the final evaluation matrix, methodology, data collection toolkit and detailed work plan with timeline following a template to be provided by the Evaluation Unit. The report must also detail any adjusted evaluative approaches/methodologies that may be needed to implement the evaluation effectively due to COVID-19.	Q2 -3 2022 Approximately 4-5 weeks
Phase 2: Field visits	Evaluators should prepare to visit at least three countries in which MIF activities have been implemented, including one from each of Africa and Asia. The choice of countries should be finalised	Q3 2022 Approximately 4 - 5 weeks

	during inception as part of the team’s final proposed sampling strategy.	
Phase 3: Reporting	<ul style="list-style-type: none"> • A Draft Evaluation Report³⁹ organized by evaluation sub-question, presenting evaluation findings and recommendations for the MIF programme, aggregated and synthesized on the basis of the results of the different data collection and analysis tools (35-45 pages). • Annexes with summary of findings from each of the ‘lines of evidence’ used to support the evaluation findings⁴⁰ • An Executive Summary of maximum 5 pages summarizing the main findings and recommendations in English and French • Case studies following the template provided • Country reports (8-10 pages) briefly describing the main characteristics of the municipal finance systems, as well as MIF performance to date, in each of the countries visited, drawing on the results of the different lines of evidence that the team will have deployed throughout the evaluation • A PPT slideshow for HQ debriefing (20 minutes’ presentation) summarizing the main findings and recommendations. • A Final Evaluation Report that incorporates comments received from all partners and a matrix of recommendations to be used for the Management Response and action, with recommendations for the next phase of the programme. • If all or part of the evaluation was carried out virtually as a result of COVID-19, the report should reflect such limitations. 	<p>Q3 – Q4 2022</p> <p>Approximately 4-5 weeks</p>

³⁹ Including up to three rounds of revisions.

⁴⁰ 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). Bidders are requested to make sure that the Evaluation Team is ready to provide this information upon request.

5. Composition of Evaluation Team

The evaluation team should present a combination of technical expertise and experience in evaluation with a focus on **municipal finance, public finance management, decentralization, local governance and project finance**.

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

- 1 Team Leader with relevant technical expertise and at least 10 years of relevant evaluation experience
- Team member(s) with at least 10 – 15 years of relevant thematic experience
- At least 1 national expert per each target country for the country visits

The team should also strive for gender balance in its composition and, if necessary, should demonstrate experience in implementing evaluations remotely.

4.1. Overall expertise/experience

Overall, the team should be familiar with approaches used to

- theory-based approaches to programme evaluation, using both quantitative and qualitative analysis of existing secondary data and primary data sources;
- measure the performance of public financial management systems at the local level;
- deploy municipal finance approaches and instruments in countries in both the developing and developed worlds
- assess programme contribution to the increase of local fiscal space;
- assess programme contribution to local governments' capacity building on financing for development;
- assess programme contribution the sustainable development of municipal finance mechanisms and the realization of SDG 11 (and other related SDGs) in target countries.

4.2. Evaluation expertise/experience

- Proven experience (at least 10 years for the team leader) with designing and conducting international development evaluations that apply relevant mixed-methods evaluation approaches to a variety of different modalities in international development cooperation, involving inter-governmental organisations and their government and private sector counterparts.
- Knowledge and experience of working for the UN system at the service of UN Member States is highly preferred.
- Demonstrated experience in integrating gender equality, human rights and youth in evaluation.
- Evidence of formal evaluation and research training, including familiarity with OECD or UN norms and standards for development evaluation.
- Experience in implementing evaluations remotely, including familiarity with virtual and remote data collection techniques.
- Experience of undertaking/participating in evaluations in local development finance.

4.3. Thematic expertise/experience

The teams should also demonstrate the following thematic expertise/experience:

- Proven international experience in the fields of public administration, local governance reforms and decentralization in developing countries
- Understanding of urban policy in developing countries
- Experience in local level public financial management, municipal finance and municipal bonds
- Knowledge of financial flows as part of Municipal Development Funds and Financing Mechanisms, and Innovative Financing for Development
- Experience in capacity development and institutional strengthening in developing countries, ideally in the context of decentralization processes and/or regional and municipal finance
- Experience with Project finance with demonstrated experience and track record of project finance, private sector financing for income generating municipal, central government or regional infrastructure projects with project sponsors, including sponsors who are cities, municipalities or regional non-sovereign entities;
- Track record with infrastructure projects in developing countries, using risk mitigation structures, including specific elements such as EPC, O&M and PPA contracts;
- Experience working with lenders and alternative equity partners, Development Finance Institutions (DFIs) / Multilateral Finance Institutions (MFIs) / impact investment community;
- Experience in water-related infrastructure projects and policy. Experience working with (transboundary) water resource organizations or local governments, preferably in developing countries is desirable
- Understanding of the political economy of water provision (water supply, water demand, water availability, integrated water resource management (IWRM), water policies and regulations, water-related infrastructure and projects) is desirable
- Awareness of key and emerging issues related to water diplomacy and transboundary and/or multisectoral water cooperation is desirable

In order to meet good practice in ensuring sufficient coverage of gender equality and women's empowerment in the evaluation design and conduct, one gender equality expert should be appointed within the evaluation team to support the gender analysis and ensure that the evaluation reports this accordingly. The expert should focus on gender data disaggregation and gender-related impacts at the beneficiary level. The expert will have the responsibility for appraising the substance and effectiveness of approaches, products, outcomes and risks of women's economic empowerment.

In addition to relevant technical expertise, the Team Leader should also have demonstrated experience in conducting evaluations and be equipped with the relevant skills and experience to ensure that the team apply an 'apply an evaluative lens' to all stages of the evaluation. The Team Leader should also plan on leading at least one of the three country visits.

6. Selection process and proposal requirements

This evaluation will be procured using UNCDF’s Long-term Agreement (LTA) modality with already - qualified evaluation firms. Interested bidders should submit a proposal that meets the requirements below.

Evaluation during a crisis: COVID-19

Given the potential restrictions for travel to and/or within the countries due to COVID-19, the proposal should highlight a methodology and a workplan that take into account the different possible scenarios for the conduct of the evaluation, including the use of virtual and remote interview methods, extended desk reviews, data analysis, surveys and evaluation questionnaires.

Consistent with the principles of fairness, transparency and best value for money prescribed by the United Nations public procurement rules, UNCDF shall “call-off” the services of the LTA holders based on a process of secondary competition. Under the secondary competition, UNCDF will solicit proposals from the LTA holders, and the firm that presents the proposal that achieves the highest combined score will be awarded the call-off in the form of a Purchase Order (PO). The TOR for the call-off shall be attached to the PO.

During the secondary competition, UNCDF will send the TORs to LTA holders and provide a fixed period (two weeks maximum) to submit a technical and financial proposal. The technical proposal should include a proposed methodology for the evaluation - not more than 10 pages - as well as the names, CVs and roles of the evaluation experts proposed to conduct the evaluation. The LTA holder shall endeavor to draw from the pre-approved experts under the LTA, and that such experts shall comprise all or a majority of teams that will engage under any call-off.

UNCDF shall perform a comparative analysis and evaluate the proposals received using the 70:30 method, with 70% of scores going to the technical proposal and 30% to the financial offer. The LTA holder who achieves the highest combined score shall receive the call-off PO and perform the assignment. The comparative analysis of the technical proposal will focus on the appropriateness of the proposed methodology and team to the evaluation terms of reference. Methodological innovation will be considered an asset.

The technical proposal shall consist of:

- A focused proposed methodology, approach and implementation plan (maximum 10 pages);
- Presentation of the proposed evaluation team, drawn from the pre-approved list of experts in the LTA. For team members sourced outside of the pre-approved list, a complete CV and justification for not sourcing from the pre-approved list shall be provided;
- As part of the technical assessment, an interview will be conducted for all proposed team members.

1. Proposed Methodology, Approach and Implementation Plan

Points obtainable

1.1	Appropriateness of evaluation design to the programme being assessed. This includes but is not limited to:	150
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	<ul style="list-style-type: none"> • Appropriateness of the overall methodological approach to the evaluation and variety of evaluation methods and techniques/lines of evidence being proposed to answer the evaluation questions, bearing in mind the complex nature of the policy and financing systems that UNCDF is seeking to influence and the presence of likely alternative drivers of these changes • Quality and appropriateness of the proposed evaluation matrix including proposed judgement criteria/performance indicators and how the lines of evidence will be deployed to answer the evaluation questions at different levels of the theory of change (at the level of programme execution; at the level of key organisational partners the programme is working with; at the system level; and, if requested in the Terms of Reference, at the programme beneficiary level) • Quality of the data collection strategy to be applied in answering the evaluation questions, including details of the qualitative and quantitative tools that will be used in assessing existing secondary data and generating new primary data to answer the evaluation questions. • Appropriateness of the proposed data analysis strategy, including plans to transform the analysis and aggregation of data into evaluation findings • Appropriateness of the proposed approach to case study analysis that can compare and contrast the results of the different programme instruments being deployed in support of the variety of partners across the portfolio. 	
1.2	<ul style="list-style-type: none"> • Extent to which the proposal highlights how the evaluation will apply a gender responsive lens at different stages of the evaluation cycle (inception, data collection, draft and final reports) 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 UNCDF's Gender Economic Empowerment Framework 	75
1.3	<ul style="list-style-type: none"> • 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. 	75
<i>Total Section 1</i>		300

2. Management Structure and Key Personnel

**Points
obtainable**

2.1	Responsiveness of the proposed evaluation team to the team composition set out in the Terms of Reference.	350
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Bearing in mind the technical focus of the intervention being evaluated, in the event that the LTA holder wants to propose the engagement of experts that are not in the pre-approved list of experts in the LTA, the LTA holder shall : (a) submit a complete CV that UNCDF will review; and (b) paying attention to the specific expert profiles being sought in the evaluation ToR, provide a justification as to why an expert outside of the pre-approved list is being proposed. Both documents shall be reviewed by UNCDF and shall be considered in the determination of rating of the Technical Proposal.

The assessment of not pre-approved experts will be based on scoring grid set-out in the LTA on a pass or fail basis, as well as the responsiveness to the team composition set out in the Terms of Reference (see above). For reference, the scoring grid set-out in the Terms of Reference to the RfP sets out a series of expected attributes for each of the following categories of expert:

- Project Directors and Team Leaders experienced in managing and conducting international development evaluation in relevant areas to UNCDF;
- Technical experts with deep knowledge and expertise of UNCDF's Areas of Work (either Local Development Finance OR Inclusive Finance experts AND MSME Investment Finance experts) in the countries in which we work as well as relevant evaluation experience;
- Knowledge and experience of experts of gender-responsive evaluation;
- Knowledge and experience of evaluation methodology;
- Junior evaluation experts (enumerators, survey designers etc)

In case where the non pre-approved proposed experts do not meet the requirements as set-out both in the LTA scoring grid and call-off terms of reference, UNCDF reserves the right to request submission of CVs that meet the both those sets of criteria

Total Section 2

400

Only firms totaling > 490 points out of 700 points during the first step of the technical evaluation will be invited to the interview.

3. Interview

Points obtainable

3.1	Clarity of presentation on the proposed methodology and evidence of clear division of labour within the team	150
3.2	Quality of responses to the questions	150
<i>Total Section 3</i>		300

7. 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 or supporting the programme being evaluated or have any plans to do so for the duration of the programme being implemented.

8. Price and schedule of payments

Evaluation during a crisis: COVID-19

In line with the UNDP's financial regulations, when determined by the UNCDF Evaluation Unit and/or the evaluation team that a deliverable or service cannot be satisfactorily completed due to the impact of COVID-19 and limitations to the evaluation, that deliverable or service will not be paid.

Due to the current COVID-19 situation and its implications, a partial payment may be considered if the consultant invested time towards the deliverable but was unable to complete to circumstances beyond his/her control.

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.

Schedule of payments:

- 25% of contract: upon submission of inception report;
- 35% of contract: upon submission of draft evaluation report;
- 40% of contract: upon approval of final evaluation report.

List of Annexes

Annex 1: Quality Grid for UNCDF Evaluations

Annex 2: MIF Programme Results and Resource Framework

Annex 3: Implementation Status (as of September 2021)

Annex 1. Quality Grid for UNCDF Evaluations

Following UNDP's Evaluation Policy, to which UNCDF is party, all external evaluations commissioned by UNCDF's Evaluation Unit are subject to external quality control by UNDP's Independent Evaluation Office. Bidders are requested to respect the elements of this quality assessment tool in coming up with their proposed approach for the evaluation. Full details of previous UNCDF evaluations can be found here: <https://erc.undp.org/evaluation/units/255>

TOR and Design (Weight 15%)
1. Do the Terms of Reference clearly outline the focus for the evaluation in a logical and realistic manner?
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 ToR?
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 ToR?
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 UNDAF?

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 overall quality?
16. Are all indicators in the logical framework assessed individually, with final achievements noted?
Crosscutting (Weight 15%)
1. Are human rights, disabilities, minorities and vulnerable group issues addressed where relevant?
2. Does the report discuss poverty/ environment nexus or sustainable livelihoods issues, as relevant?
3. Does the report discuss disaster risk reduction and climate change mitigation and adaptation issues where relevant?
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 being evaluated?
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 UNDAF?
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 overall quality?
16. Are all indicators in the logical framework assessed individually, with final achievements noted?
Crosscutting (Weight 15%)
1. Are human rights, disabilities, minorities and vulnerable group issues addressed where relevant?
2. Does the report discuss poverty/ environment nexus or sustainable livelihoods issues, as relevant?
3. Does the report discuss disaster risk reduction and climate change mitigation and adaptation issues where relevant?
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 being evaluated?
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 CO?

Annex 2. MIF Programme Results and Resource Framework

Output	Activity
<p>Output 1: LGs and other sub-sovereign⁴¹ entities have transformative capital investment plans, demonstrated debt-carrying capacity, and enabling conditions for financing</p> <p><i>Budget: \$14.8M</i></p>	<p><i>Adequate policy and legal framework for LG credit in place:</i></p> <ul style="list-style-type: none"> • 1.1 To complete assessments of frameworks in 4 target countries • 1.2 Identify impediments and programme reforms with government and partners in 4 target countries • 1.3 Deliver technical support activities on reforms in 4 target countries • 1.4 Develop and agree on plan to address market impediments in 4 target countries <p><i>Local government financial planning and reporting improved:</i></p> <ul style="list-style-type: none"> • 1.5 Supports and technical assistance to LGs in LDCs are provide in drafting of strategic vision on municipal finance and/or action plan, • 1.6 Assess LG financial reporting in 4 target countries <p><i>Local governments selected and assisted</i></p> <ul style="list-style-type: none"> • 1.7 Provide TA to improve planning and reporting standards and practices in 4 target countries • 1.8 Select target LGs in all 4 target countries • 1.9 To establish baselines on a timely basis in each target country • 1.10 Assess fiscal capacity and capital planning capacity in 12 target LGs • 1.11 Negotiate with governments and LGs in 4 target countries to agree on procedures for preparation of gender- sensitive capital investment plans • 1.12 Provide TA to 12 target LGs <p><i>Coordination with government and partners established:</i></p> <ul style="list-style-type: none"> • 1.13 Ensure that participatory multi-year strategic and capital investment plans are completed and approved and quality financial statements prepared by 12 target LGs • 1.14 Form intergovernmental working groups on LG finance in 4 target countries • 1.15 Identify partners working in LG sector and actively participate in coordination mechanisms in 4 target countries (national associations of LG, national municipal investment funds)
<p>Output 2: Local fiscal space increased with debt financing transactions closed and repayments initiated</p> <p><i>Committed: \$10.78M</i></p>	<p><i>Assess financing options:</i></p> <ul style="list-style-type: none"> • 2.1 Carry out assessments of public and private LG municipal financing options, market actors, demand for domestic investment opportunities, and market impediments in 4 target countries <p><i>Design financing mechanisms:</i></p> <ul style="list-style-type: none"> • 2.2 Develop action plan and responsibility matrix to establish MUNIF and/or other financing mechanism in 4 target countries • 2.4 To adopt the Technical Assistance Facility and/or other financing mechanisms such as Blue Peace in 4 target countries <p><i>Private sector engagement:</i></p> <ul style="list-style-type: none"> • 2.4 Engage private sector actors in development of municipal market in 4 target countries • 2.5 Facilitate the holding of public/private workshops and/or training sessions on municipal market development in 4 target countries <p><i>Standards and procedures for municipal finance:</i></p> <ul style="list-style-type: none"> • 2.6 With government and private market actors, develop standards and procedures for private transactions in 4 target countries • 2.7 Agree on and/or establish credit evaluation process in 4 target countries

⁴¹ Please note, that in this context the term “sub-sovereign entitled” also refers to “non-sovereign entities”, such as regional organizations

	<ul style="list-style-type: none"> • 2.8 Support completion of credit evaluations in 12 target LGs <p><i>Complete financial transactions</i></p> <ul style="list-style-type: none"> • 2.9 Improve financing transactions in each of the selected target countries • 2.10 Financing transactions in good standing in selected target countries • 2.11 EcoBond adopted in target LGs
<p>Output 3: Sustainable development of municipal financing mechanisms to contribute to the realization of SDG11</p> <p><i>Committed: \$8.32M</i></p>	<ul style="list-style-type: none"> • 3.1 To establish SDG 11 baselines on a timely basis • 3.2 To elaborate and implement SDG 11 monitoring system • 3.3 To report on lessons learned disseminated through events, web and publications • 3.4 To develop a financing strategy • 3.5 Collaborate with traditional and non- traditional donors to mobilize financial resources • 3.6 To formulate the Technical Assistance Facility operation manual • 3.7 To establish the Technical Assistance Facility • 3.8 Review and develop knowledge tools and experiences in municipal finance • 3.9 Organize study tours/knowledge exchanges with 4 target countries
<p>Output 4: The project effectively, efficiently and transparently implemented in line with UNCDF project management regulations</p> <p><i>Committed: \$0.16M</i></p>	<ul style="list-style-type: none"> • 4.1. Establish a monitoring and reporting system; • 4.2. Organize Project Board Meetings • 4.3. Prepare for evaluations and Audits • 4.4. Disseminate findings through events, web and publications; initiate staffing of MIF Secretariat

Annex 3. Implementation Status (as of September 2021) – will be updated during inception

Output	Intended Outputs	Output Target	Activity	Result	Expenditure (2015-2021)
<p>Output 1: LGs and other sub-sovereign⁴² entities have transformative capital investment plans, demonstrated debt-carrying capacity, and enabling conditions for financing</p> <p><i>Budget: \$14.8M</i></p>	<p><u>Baseline:</u></p> <p><u>Indicators:</u></p> <p>Adequate policy and legal framework for LG credit in place:</p> <p># of countries with plan to address market impediments agreed</p> <p># of reforms easing market impediments in each target country approved</p> <p># of strategic framework and plan for municipal finance capital investment developed</p> <p>Local government financial planning and reporting improved:</p> <p># of participatory gender-sensitive Multi-year strategic and capital</p>	<p>Adequate policy and legal framework for LG credit in place (1.1-1.5)</p> <ul style="list-style-type: none"> At least 2 reforms per each of the 4 target countries are approved easing market impediments <p>LG financial planning and reporting improved (1.6-1.7)</p> <ul style="list-style-type: none"> 12 participatory gender-sensitive multi-year strategic and capital investment plans are completed and approved LGs selected and assisted (1.8-1.13) Baselines data established in at least each of the target country Gender sensitive capital investment plans established in at least 80% of the target LGs 12 participatory multi-year strategic and capital investment plans are completed and approved 	<p>Adequate policy and legal framework for LG credit in place:</p> <ul style="list-style-type: none"> 1.1 To complete assessments of frameworks in 4 target countries 1.2 Identify impediments and program reforms with government and partners in 4 target countries 1.3 Deliver technical support activities on reforms in 4 target countries 1.4 Develop and agree on a plan to address market impediments in 4 target countries <p>Local government financial planning and reporting improved:</p> <ul style="list-style-type: none"> 1.5 Supports and technical assistance to LGs in LDCs are provide in the drafting of a strategic vision on municipal finance and/or action plan, 1.6 Assess LG financial reporting in 4 target countries 	<p><i>Adequate policy and legal framework for LG credit in place:</i></p> <p><i>Bangladesh</i></p> <ul style="list-style-type: none"> Chadpur city Jashore Studies through BIFFL to understand the bankability. Ten credit rating of municipalities. <p><i>Tanzania</i></p> <p><i>Regulatory and legal framework of Municipal bonds.</i></p> <p><i>PMU unit in Ministry of fiancé.</i></p> <p><i>ministry of local government process of non grant financing of projects.</i></p> <ul style="list-style-type: none"> Tanga Municipal Bond. Mwanza Municipal Bond <p><i>Nepal. TDF transformational work.</i></p> <p><i>Senegal</i></p>	<p>5,247,600</p>

⁴² Please note, that in this context the term “sub-sovereign entities” also refers to “non-sovereign entities”, such as regional organizations

	<p>investment plan completed</p> <p># of participatory gender-sensitive Multi-year strategic and capital investment plans approved LGS selected and assisted</p> <p># of baseline established % of LG formalizing procedures for gender-sensitive strategic and capital planning process</p> <p># of participatory gender-sensitive Multi-year strategic and capital investment plan completed.</p> <p># of participatory gender-sensitive Multi-year strategic and capital investment plans approved</p> <p>Coordination with government and partners established</p> <p># of intergovernmental working groups on LG finance established</p>	<p>Coordination with government and partners established (1.14-1.15)</p> <ul style="list-style-type: none"> • <i>At least 4 intergovernmental working groups on LG finance established</i> 	<p>Local governments selected and assisted</p> <ul style="list-style-type: none"> • 1.7 Provide TA to improve planning and reporting standards and practices in 4 target countries • 1.8 Select target LGs in all 4 target countries • 1.9 To establish baselines on a timely basis in each target country • 1.10 Assess fiscal capacity and capital planning capacity in 12 target LGs • 1.11 Negotiate with governments and LGs in 4 target countries to agree on procedures for the preparation of gender-sensitive capital investment plans • 1.12 Provide TA to 12 target LGs <p>Coordination with government and partners established:</p> <ul style="list-style-type: none"> • 1.13 Ensure that participatory multi-year strategic and capital investment plans are completed and approved and quality financial statements prepared by 12 target LGs • 1.14 Form intergovernmental working groups on LG finance in 4 target countries • 1.15 Identify partners working in LG sector and actively participate in 	<p><i>Kadegou, Fass, PPP projects at the ministry of Economy.</i></p>	
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			coordination mechanisms in 4 target countries (national associations of LG, national municipal investment funds)		
<p>Output 2: Local fiscal space increased with debt financing transactions closed and repayments initiated</p> <p><i>Committed: \$10.78M</i></p>	<p>Baseline:</p> <p>Indicators:</p> <p>Design financing mechanisms # of countries with plan to establish Municipal Investment Fund (MUNIF) and/or another financing mechanism to increase LG access to financing</p> <p>Private sector engagement # of public/private workshops on municipal financing and markets</p> <p>Standards and procedures for municipal finance Process # of LGs with completed credit ratings</p> <p>Complete financial transactions # of LG financing transactions completed</p>	<p><i>Financing options assessed</i> at least 1 full assessment of public and private LG municipal financing options, market actors, demand for domestic investment opportunities, and market impediments completed in each of the 4 target countries</p> <p>Financing mechanisms designed at least 4 countries establish MUNIF and/or other financing mechanism</p> <p>Private sector engagement increased</p> <ul style="list-style-type: none"> at least 3 public/private workshops and/or training sessions on municipal market development organized in each of the 4 target countries <p>Standards and procedures for municipal finance developed standards and procedures for private transactions established in each of the 4 target countries 12 credit evaluations completed in target LGs</p> <p>financial transactions completed At least one LG financing transaction was completed in each of the selected target countries</p>	<p>Assess financing options:</p> <ul style="list-style-type: none"> 2.1 Carry out assessments of public and private LG municipal financing options, market actors, demand for domestic investment opportunities, and market impediments in 4 target countries <p>Design financing mechanisms:</p> <ul style="list-style-type: none"> 2.2 Develop action plan and responsibility matrix to establish MUNIF and/or other financing mechanism in 4 target countries 2.4 To adopt the Technical Assistance Facility and/or other financing mechanisms such as Blue Peace in 4 target countries <p>Private sector engagement:</p> <ul style="list-style-type: none"> 2.4 Engage private sector actors in development of municipal market in 4 target countries 2.5 Facilitate the holding of public/private workshops and/or training sessions on municipal market development in 4 target countries <p>Standards and procedures for municipal finance:</p>	<p>Guinea</p> <ul style="list-style-type: none"> Boffa Market Mammou Market <p>Tanzania</p> <ul style="list-style-type: none"> Maswa Kibaha Bus Terminal Kibaha Market Terminal. 	<p>1,361,119</p>

			<ul style="list-style-type: none"> • 2.6 With government and private market actors, develop standards and procedures for private transactions in 4 target countries • 2.7 Agree on and/or establish credit evaluation process in 4 target countries • 2.8 Support completion of credit evaluations in 12 target LGs <p>Complete financial transactions</p> <ul style="list-style-type: none"> • 2.9 Improve financing transactions in each of the selected target countries • 2.10 Financing transactions in good standing in selected target countries • 2.11 EcoBond adopted in target LGs 		
<p>Output 3: Sustainable development of municipal financing mechanisms to contribute to the realization of SDG11</p> <p><i>Committed: \$8.32M</i></p>	<p><u>Baseline:</u> <u>Indicators:</u></p> <p># of baseline data available # of lessons learned disseminated # of new donors supporting the project # of projects funded through the TAF # of knowledge products, information for dissemination on municipal finance capital investment # of study tours/ knowledge exchanges</p>	<ul style="list-style-type: none"> • <i>SDG 11 Baselines established on a timely basis in each target country;</i> • <i>SDG 11 monitoring system is implemented, and specific country indicators and sources of verification are identified;</i> • <i>MIFP specific SDG 11 progress report formulated indicating progress of contribution from the MIF programme;</i> • <i>2 Study tours/ knowledge exchanges completed with delegations from 4 target countries.</i> 	<ul style="list-style-type: none"> • 3.1 To establish SDG 11 baselines on a timely basis • 3.2 To elaborate and implement SDG 11 monitoring system • 3.3 To report on lessons learned disseminated through events, web and publications • 3.4 To develop a financing strategy • 3.5 Collaborate with traditional and non-traditional donors to mobilize financial resources • 3.6 To formulate the Technical Assistance Facility operation manual 	<ul style="list-style-type: none"> - Freetown Blue Peace. - Tanzania Municipal Bond program. - Senegal Ministry of Economic Planning, PPP program. - Bangladesh ministry of local government, Innovative Finance approval. - Cambodia PPP support to ministry of local government. - ASEAN Project. - Establishment of IMIF and IMIF TAF. - Research with Cities Alliance in Uganda and Ghana. 	<p>1,897,751</p>

		<ul style="list-style-type: none"> • <i>Lessons learned and compiled into knowledge management products using evidence generated by MIF country level projects;</i> • <i>Develop strategy to mobilize external financing for MIF Programme for co-financing, guarantees, TAF or other purpose;</i> • <i>Collaborate with at least 3 traditional and non-traditional donors to mobilize financial resources;</i> • <i>TAF operations manual and internal rules of business formulated;</i> • <i>TAF Facility is established and funded</i> 	<ul style="list-style-type: none"> • 3.7 To establish the Technical Assistance Facility • 3.8 Review and develop knowledge tools and experiences in municipal finance • 3.9 Organize study tours/knowledge exchanges with 4 target countries 	<ul style="list-style-type: none"> - Research on Fiscal Space in five cities. - Supporting EU delegation in Tanzania, Togo and Cameroun. 	
<p>Output 4: The project is effectively, efficiently and transparently implemented in line with UNCDF project management regulations</p> <p><i>Committed: \$0.16M</i></p>	<p><u>Baseline:</u></p> <p><u>Indicators:</u> # of reports from Project Board Meetings # of evaluation and audits # of events organized to disseminate the findings of the evaluations # of new staff joining the MIF Secretariat.</p>	<ul style="list-style-type: none"> • <i>At least two Project Steering Committee Meetings a year organized</i> • <i>At least 2 Evaluations and 1 Audit organized</i> • <i>At least 2 events were organized to disseminate the findings of the evaluations</i> • <i>MIF Secretariat is fully staffed and implementing the project in accordance with the Project Management Implementation Guidelines.</i> 	<ul style="list-style-type: none"> • 4.1. Establish a monitoring and reporting system. • 4.2. Organize Project Board Meetings • 4.3. Prepare for evaluations and Audits • 4.4. Disseminate findings through events, web, and publications; initiate staffing of MIF Secretariat 	<p>MIF Secretariate fully staffed.</p> <p>Board met twice.</p> <p>Two events were held to present the findings of Uganda and Ghana Municipal financing and Fiscal Space.</p>	<ul style="list-style-type: none"> •