

Final, November 2012

YOUTHSTART: BUILDING YOUTH INCLUSIVE FINANCIAL SECTORS IN SUB-SAHARAN AFRICA (2010-2014)
Mid-Term Evaluation - Terms of Reference -

PROGRAMME DATA SHEET

Country:	Regional (Sub-Saharan Africa)
Programme Title (long)	Building youth inclusive Sectors in sub-Saharan Africa (2010-2014)
Programme Title (short)	YouthStart
Programme Atlas Code (by donor)	The MasterCard Foundation: Proj ID: 00075961; AWARD ID: 00060352 The MasterCard Foundation: Proj ID: 00077039; AWARD ID: 00060993

Financial Breakdown (by donor)

Commitments:	Currency	Amount
The MasterCard Foundation	USD	970,000 original commitment June 2010 <u>10,925,876</u> additional commitment December 2010 11,895,876 total

Delivery to date

	2010	2011	2012	2013	2014	Total delivery
	560,972	1,833,235	1,264,028			2010+2011
Total project delivery as of June 30, 2012 :	USD\$3,685,235					

Implementation Modality	DEX
Executing Agency	UNCDF
Implementing Agency	UNCDF
Approval Date of Project	25 June 2010 Original Commitment 12 December 2010 Additional Commitment
Project Duration	June 2010 – December 2014
Project Amendment	The MasterCard Foundation grant amendments: June 2011
Evaluation Date	September 2012- January 2013



Previous UNCDF projects (if relevant)	None
Previous evaluations (if relevant)	None
Dates of audits	None

Evaluation Date: October 2012 – January 2013

Composition of Evaluation Team:

International Team Leader: Roland Pearson

International Team Member: Caterina Giordano

National Team Members: Still to be confirmed

1. Purpose of the Mid-term Evaluation:

1.1 Objectives and audience:

The mid-term evaluation of the YouthStart programme is being conducted as agreed in the project document (partnership protocol with The MasterCard Foundation) and in accordance with UNCDF Evaluation Policy¹ and its Evaluation Plan 2012-2013.

The objectives of the mid-term evaluation are:

- ✓ To assist The MasterCard Foundation, future co-financing partners, grantee Financial Service Providers (FSPs) and their clients, and UNCDF to understand the efficiency, effectiveness, relevance, and likely sustainability of results;
- ✓ To assess the level of satisfaction of programme stakeholders and beneficiaries with the results;
- ✓ To assess whether UNCDF and its partners are effectively positioned to achieve results;
- ✓ To contribute to UNCDF and partners' learning from programme experience;
- ✓ To help programme stakeholders assess the value and opportunity for broader replication of the programme;
- ✓ To help programme stakeholders determine the need for follow-up on the intervention, and general direction for the future course;
- ✓ To ensure accountability for results to the programme's financial backers, stakeholders and beneficiaries;
- ✓ Comply with the requirement of the programme document/funding agreement and UNCDF Evaluation Policy.

The primary audience for this evaluation is The MasterCard Foundation and UNCDF. This evaluation - to be carried out by independent consultants under the direct supervision of the UNCDF Evaluation Unit - will help UNCDF meet its learning objectives at the corporate and programme level as well as allow the organization to fulfill its accountability for results mandate. It will also benefit broader Youth Start partners and stakeholders understand better the challenges and lessons being learned around the design and delivery of inclusive financial services for low-income youth in Africa.

1.2 Timing:

The YouthStart mid-term evaluation is scheduled to start in September 2012 until January 2013 with the proposed timing:

- Pre-mission phase: October - November 2012
- Mission phase: November – December 2012
- Post-mission phase: December 2012 to January 2013

¹The revised policy of UNDP for evaluation was approved in 2011. The purpose of the policy is to establish a common institutional basis for the UNDP evaluation function. The policy seeks to increase transparency, coherence and efficiency in generating and using evaluative knowledge for organizational learning and effective management for results, and to support accountability. The policy also applies to the associated funds and programmes of UNDP – the United Nations Capital Development Fund (UNCDF) and the United Nations Volunteers (UNV) programme. <http://web.undp.org/evaluation/policy.htm#vi>

1.3 Management roles and responsibilities:

To ensure independence and fulfilment of UN evaluation standards, the Evaluation Unit of UNCDF in New York will be responsible for managing the evaluation in close collaboration with The MasterCard Foundation which is the sole donor of the Youth Start programme, contributing a total of \$11.9 million to the programme. The Evaluation Unit of UNCDF reports directly to the Executive Secretary of UNCDF.

An Advisory Panel for the evaluation will be set up, composed of representatives of the Inclusive Finance Practice Area at Head Quarters and the MasterCard Foundation. The role of the Advisory Committee is to support the Evaluation Unit in managing the evaluation by participating in the following:

- Reviewing and approving the TOR
- Assisting in the selection of consultants
- Reviewing and commenting upon the draft report
- Being available for interviews with the evaluation team
- Participate in HQ debriefing session

In view of its interest in the results of this mid-term evaluation, the MasterCard Foundation – via its Evaluation Unit – will be invited to participate in any additional steps in the evaluation, including briefings by consultants at key moments in the evaluation process.

2. Programme summary:

UNCDF contributes to the achievement of the Millennium Development Goals through a variety of innovative approaches in the sectors of local development and inclusive finance. UNCDF Financial Inclusion Practice Area (FIPA) operates inclusive finance programmes in 25 least developed countries (LDCs) in sub-Saharan Africa and Asia/Pacific through a sector-based approach and, more recently, through thematic initiatives.

Although microfinance has been making great strides in terms of outreach and creation of sustainable organizations, the number of these organizations that consider youth as a potential new market that needs specific products is limited. And yet, youth between 12 and 24 years of age number 1.5 billion with that number growing by another one billion over the next decade. This potential market is a huge opportunity for institutions providing financial services, particularly in sub-Saharan Africa where the youth bulge will occur in the next 10-20 years². It represents their next wave of new clients. Yet, very few FSPs understand the nuances of serving this market and know even less about youth-serving organizations with whom they might partner in order to understand how to reach out to and design products for youth.

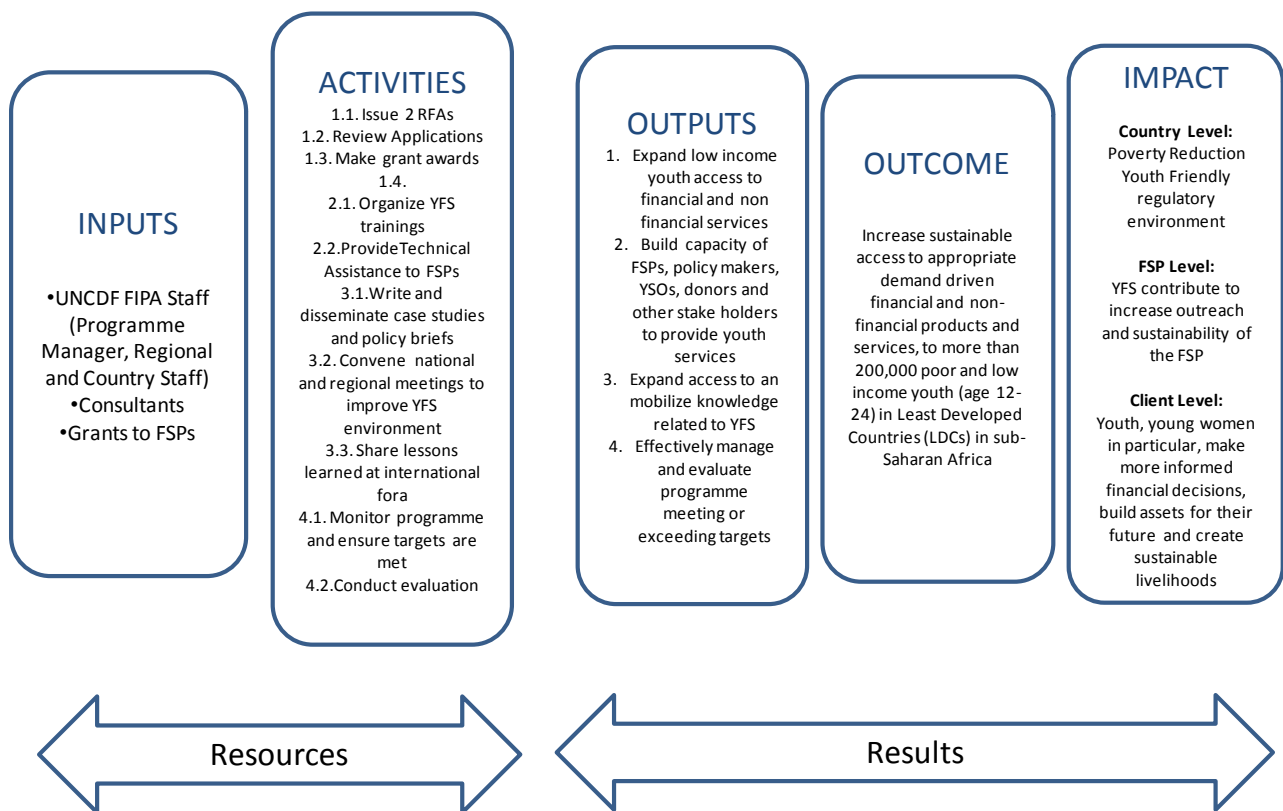
Based on the research conducted to date, many FSPs express an interest in serving youth but are not equipped to do so. Reasons for this include staff that is biased against youth as productive recipients of financial services, FSP assumptions that existing products and services are sufficient to attract youth, and

²See World Bank “World Development Report, 2007.”

client groups that exclude youth based on perceptions that youth cannot save or productively manage credit. In addition, many FSPs cite legal and regulatory constraints on serving youth (i.e., age restrictions).

Against this background, UNCDF launched in June 2010 YouthStart: a program that builds on UNCDF’s commitment to financial inclusion (i.e. expanding access to finance for all) and that aims to increase access to financial services, with a focus on savings, supporting for low-income youth (defined as ages 12 to 24) in Sub-Saharan Africa.

As set out in the Project Document, the YouthStart Results Chain is as follows:



More detailed information about the programme can be found in Annex 2 of this Terms of Reference: “Programme summary, expected results, actual implementation status”.

3. Evaluation Framework and methodology:

3.1 Evaluation Approach:

The methodology used for the YouthStart mid-term evaluation is based on UNCDF’s core evaluation approach which involves testing the intervention logic/development hypothesis underlying a programme against evidence on its implementation performance. The evaluation will assess the coherence of the

programme’s theory of change, its progress toward expected outcomes and lessons learnt to date on programme design and implementation.

Specifically, the following three hypotheses will be tested:

1. Introducing sustainable Youth Financial Services by one or two FSPs into a country results in (i) a more appropriate legal and regulatory environment that promotes youth financial inclusion, and(ii) other FSPs consider youth as a viable market and target/serve them with youth-centered products.
2. YFS contribute to increase outreach and sustainability of FSPs.
3. When accessing the right combination of financial and non-financial services, youth and young women in particular, are better equipped to make more informed financial decisions, build assets for their futures and create sustainable livelihoods.

3.2 Intervention Logic/Development hypothesis for the inclusive finance sector in UNCDF:

UNCDF takes a sector development approach to micro finance that supports governments and stakeholders in building a common vision for the development of the industry.³An early step is to conduct an assessment of the financial services’ sector and identify the impediments or gaps at various levels, including: legal, regulatory or policy (“macro” level), financial infrastructure and support services (“meso” level), the retail financial service providers (“micro” level), and the quality and nature of the need and demand for financial services (“client” level). At its core, UNCDF’s primary focus is to build the retail capacity in–country, in order to broaden and deepen financial service providers’ outreach. In this light, the concept for thematic initiatives, like YouthStart, was born. While supporting national FSPs via its inclusive finance sector programmes, UNCDF designed YouthStart to encourage FSPs to serve low-income youth. With their expertise, systems, policies, procedures, governance structures and management teams, UNCDF’s hypothesis is that young people represent the next generation of clients of FSPs. Including them as young as they turn 12 years into their clientele and offering them appropriate services, contributes to the long-term financial sustainability and outreach FSPs.

At the *micro level*, capacity building opportunities and grants are offered to FSPs based on performance - FSPs are required to meet clear targets and performance standards to maintain UNCDF support. This is the level of intervention of YouthStart. At the *meso level*, programmes seek to identify and, if possible, support financial sector infrastructure that assists in the strengthening of the microfinance sector. This can include sector associations, business development initiatives, credit bureaus, consumer finance education and protection agencies/initiatives etc. As noted above, YouthStart interventions are not specifically targeted to meso level outputs, but the hypothesis is that YouthStart interventions result in added value at the overall sector level. At the *macro level*, interventions include working with government and regulators to ensure that laws, regulations and policies are inclusive, or, at a minimum, do not reinforce exclusive financial practices and that they support and encourage the sector to expand into low income markets according to principles of transparency and fair/free market mechanisms. In the case of YFS, the most common barriers in the regulatory frameworks are age restrictions not only to open an account, but also to make deposits and withdrawals from those accounts.

³UNCDF (2009) Corporate Management Plan 2010-2013. Pp. 7-8.

If programme activities result in a number of *outputs*: these take the form of improvements to the health and economic potential of FSPs, and sector service organizations (SSOs) at the meso level. The *intermediate outcome* is stronger, more stable IF sector and related meso level sector support to an enabling inclusive finance policy and regulatory environment for sustainable provision of financial service to low income households. The pursuit of these goals contributes to the achievement of the MDGs and thus, to UNCDF's *global strategy* of localizing the MDGs.

A detailed explanation of the intervention logic for the Inclusive Finance Practice Area is described in Annex 3.

3.3 Evaluation methodology:

The Evaluation Unit has developed a standard Financial Inclusion Evaluation Matrix based on the standard intervention logic and the specific programme hypotheses described above. The Matrix is made up of seven general evaluation questions corresponding broadly to the well-known OECD/UN evaluation criteria of relevance, efficiency, effectiveness, likely impact and sustainability of results, and a series of further sub-questions. Taken together, these questions seek to establish whether the programme is on track to achieving the results it has set itself, as well as to provide an assessment of other relevant influencing factors such as unforeseen results, quality of programme management and monitoring, UNCDF comparative advantage in the area of inclusive finance, etc.

In addition to the questions, the evaluation matrix provides a clear framework for data collection, and includes a series of proposed indicators, data collection methods and sources of information for each question and sub-questions. The proposed data collection methods include: i) desk review techniques such as key document analysis; ii) structured interviews with key stakeholders, focus group discussions, community meetings, site visits, as well as iii) more quantitative approaches seeking to assess the change in financial and operational performance at the FSP level. **It will be the responsibility of the evaluation team to operationalize and test these data collection tools during the Inception Phase of the evaluation.**

This primary data will complement the secondary data that programme management will provide to the evaluation team on the basis of monitoring and reporting carried out to date (see **Annex 4** for more details as well as the Evaluation Matrix where key documents are hyperlinked).

It should be noted that the focus of the seven questions remains broadly the same for all inclusive finance evaluations in order to ensure comparability of results over a sample of different projects. At the same time, it is standard practice for the sub-questions to be adjusted by the UNCDF Evaluation Unit in coordination with key programme stakeholders so that it better fits the original expected results of the programme.

This preliminary work has already been done and is presented in the draft Evaluation Matrix below. In order to support the independence of this exercise, however, the evaluation team is requested during the Inception Phase to confirm the appropriateness of the Matrix to meet the broader objectives of the evaluation. In doing so, it is free to suggest alternative sub-questions, indicators and data collection methods on the basis of their review of the programme in the inception phase. These changes should be presented as part of the Inception Report and agreed by the Evaluation Manager before the start of the in-country phase.

The proposed Evaluation Matrix is presented in **Annex 1** and includes suggested sub-questions, Indicators, data collection methods, and Information sources for this evaluation. The seven proposed questions and its corresponding UN evaluation criteria are described below:

YouthStart Evaluation Questions	Corresponding UN Evaluation Criteria
Question 1: How relevant is the programme design to the needs of low-income youth in partner countries?	Relevance and Design
Question 2: How well is programme management delivering YouthStart’s expected results?	Efficiency of programme management
Question 3: To what extent is the programme on track to contributing to increased capacity of partner organizations in the area of youth inclusive finance?	Effectiveness (organizational change)
Question 4: To what extent is Youth Start on track to contributing to an improved legal and regulatory framework that promotes youth financial inclusion in countries where it operates?	Effectiveness (policy and strategy)
Question 5: To what extent is the programme contributing to improved access to financial products and services for low-income youth?	Likely Impact (increased access to services)
Question 6: To what extent is the programme on track to expanding access to and mobilizing knowledge related to youth financial inclusion?	Effectiveness (future scaling up and replication)
Question 7: To what extent are programme results likely to be sustainable?	Sustainability

3.4 Gender and Human Rights:

As with all evaluations conducted by the UN, the evaluation must include an assessment of the extent to which the design, implementation and results of the project have incorporated a gender equality perspective and rights-based approach (section 7 of the evaluation report). For more guidance on this the

consultants are requested to review *UNEG's Guidance in Integrating Human Rights and Gender Equality in Evaluation* during the inception phase⁴.

The methodology used, data collection and analysis methods should be human rights and gender sensitive to the greatest extent possible, with evaluation data and findings disaggregated by sex, ethnicity, age etc.

4. **Evaluation work plan:**

The proposed work plan includes a visit to 5 out of the 8 YouthStart countries, and a combination of desk review and phone interviews for the 3 countries that won't be visited. In addition, the first country will be subject to a joint mission by the international consultants, supported by a national consultant, with the objective of testing the methodology and agreeing in a common evaluation framework for the other 4 countries. The two international consultants will visit an additional 2 countries each in parallel with each other. National consultants will be hired as full members of the evaluation team to support work in each of the visited countries.

In order to ensure an impartial selection of the countries to be visited, UNCDF and the MasterCard Foundation have conducted an assessment of the following relevant criteria:

- *Country specific and programmatic criteria:* context (conflict, post conflict), geographic and language balance, security consideration, availability of data, progress of implementation (advanced, according to targets, slow), financial delivery.
- *FSPs characteristics:* type and size, capacity, type of youth product/services provided, age target, marketing and delivery channels, non-financial service delivery methods, status of FI, previous partnership with UNCDF.

As a result of this preliminary work, it is proposed that the five countries to be visited during this evaluation are: Ethiopia, Uganda, Senegal, DRC and Burkina. Programme performance in Malawi, Rwanda and Togo (FUCEC) should be assessed via desk review and selected interviews.

The distribution of number of days per team member and evaluation phase is as follows:

	Team Leader	International Team Member	5 National Team Members
Inception Phase (5 – 16 November)	10 Days	10 Days	2 days
In-country Phase	28 days (8 days per country with 2 FSPs and 6 days per country with 1 FSP and 4 days travel)	26 days (8 days per country with 2 FSPs and 6 days per country with 1 FSP and 4 days travel)	8 or 7 days each

⁴ http://www.uneval.org/papersandpubs/documentdetail.jsp?doc_id=980

Post-mission Phase Draft report due: 18 th January	10 days	10 days	2 days
Total number of days	48	46	10 or 12 depending on country visited

After the joint mission in Senegal, the Team Leader will travel to Uganda and Ethiopia, with two 2 FSPs each. Local transportation will need to be arranged in Ethiopia where consultants will need to go to Bahar Dar to visit ACSI. The total number of days needed in countries with two FSPs has been estimated to be 8 days.

After the joint mission in Senegal, the Team Member will travel to Burkina Faso and DRC, with only one FSP in each country. Local transportation will need to be arranged in Burkina Faso, where consultants may want to visit the rural branch where the programme is being piloted. The total number of days needed in countries with one FSPs has been estimated to be 7 days.

Proposed Itinerary:

TEAM LEADER:

Travel: 25 November
 Senegal (2 FSPs, 8 days): 26 November- 3 December
 Travel: 4 December
 Uganda (2 FSPs, 8 days): 5-12 December
 Travel: 13 December
 Ethiopia (2 FSPs, out of capital visit needed, 8 days): 14-21 December
 Travel Home: 22 December
 Total days: 28 days including travel + 10 Inception + 10 Post = 48 days

TEAM MEMBER:

Travel: 25 November
 Senegal (2 FSPs, 8 days): 26 November- 3 December
 Travel: 4 December
 Burkina (1 FSP, out of capital visit needed, 7 days): 5-11 December
 Travel: 12 December
 DRC (1 FSP, 7 days): 13-19 December
 Travel home: 20 December
 Total days: 26 days including travel + 10 Inception + 10 Post = 46 days

5. Evaluation Phases:

5.1 Inception Phase:

- Methodological briefing: to ensure clear understanding of the evaluation methodology, approach and main deliverables as per TOR. *Participants*: UNCDF Evaluation Unit HQ and the Evaluation Team.
- Individual briefings between the Evaluation Team and key programme stakeholders: The objectives of these meetings will be to familiarize the Evaluation Team with the programme and results to date and for programme stakeholders to raise any additional points that they would like the team to focus on in particular. *Participants*: Evaluation Team and key programme stakeholders, including the Programme Manager
- Developing and testing the evaluation tools: As part of the Inception Phase, the team is requested to conduct a preliminary assessment of programme performance in the three countries that will not be visited. This will be an opportunity to test the evaluation tools being developed during the Inception Phase and that are to be used during the in-country and post-mission phases of the evaluation (summarized in Section 3.3). The results of this preliminary assessment should be presented as an Annex to the Inception Report.
- Inception Report: the Team should produce a brief Inception Report (15 - 20 pages maximum) to reflect their understanding of the programme's intervention logic following UNCDF's standard template. In line with this, the Inception Report should also validate the proposed Evaluation Matrix or propose changes on the basis of the consultant's understanding of the programme expected results. Full guidance is provided in **Annex 6**.

The Inception Report will be reviewed by UNCDF Evaluation Unit and members of the Advisory Panel. The final report will be approved by UNCDF Evaluation Unit.

5.2 In-country phase:

This phase will start directly after the approval of the Inception Report. A list of key programme stakeholders will be circulated at the start of the Inception Phase and it will be the Team's job to take up contact with those on the list to arrange meetings and the necessary logistics.

As a guide, the Work Plan will typically involve the following stages:

Capital city of the 5 countries to be visited (and if required field visits to intervention zones):

- Finalization of work plan: the team will review the draft work plan proposed in the Inception Phase with the national consultants and make any necessary adjustments, taking into account practical and logistical considerations.
- Mission briefing: If appropriate, the Team will brief UNCDF/UNDP in-country staff on evaluation objectives and scope on the first day of the mission.
- Key informant interviews (capital city): to gather information and evidence with members of national governments and donors.
- Site visits and key informant interviews (field work outside the capital), including client level focus groups where possible.

- Debriefing to the Advisory Panel (if requested): the Team Leader and Team Member may be asked to debrief the Advisory Panel and Evaluation Unit at the end of the first or second country visits. This with a view to provide a sense of the evaluation team’s preliminary findings ahead of the draft reporting phase. Such debriefings during the in-country phases are intended to promote learning and building ownership around the evaluation’s key findings with programme counterparts.

5.3 Post-Mission Phase:

- Draft report, Executive Summary and completed Evaluation Matrix: Upon returning to their home bases, the Evaluation Team should proceed with writing a draft evaluation report according to the template provided in **Annex 7** to be submitted by the team leader on the agreed date. Upon initial approval of UNCDF HQ Evaluation Unit and The MasterCard Foundation, the draft report will be circulated to all key stakeholders for written comments.
- 4 – 6 page country reports for each country visited, summarizing the main findings and setting out key highlights and areas for improvement for the attention of Programme Steering Committee members (to be annexed to the main report).
- When submitting the revised report, the Team Leader should also submit a Summary Table setting out which comments have been addressed and where, and which comments have not been addressed and the reasons why they have not been addressed.
- Global Debriefing: Once the draft report has been prepared, the Team Leader will be asked to make an oral presentation by teleconference of the team’s main findings and recommendations to UNCDF HQ staff and members of the Advisory Committee, including The MasterCard Foundation. This debriefing will be chaired by the UNCDF Executive Secretary.
- The Final Evaluation Report should be submitted by the evaluation team leader to the Evaluation Unit of UNCDF in New York. The report must include an Annex for the Management Response using the prescribed template where the Team leader will include the main recommendations listed in order of priority.

NOTE: Depending on the quality of the first draft report submitted by the Team Leader several rounds of comments may be needed to meet the quality standards expected by the UNCDF Evaluation Unit. A quality standard for UN evaluation reports is attached in **Annex 7** “*UNEG Quality Checklist for Evaluation Reports*”.

The report will not be considered final until approved by the UNCDF HQ Evaluation Unit.

6 Schedule of main deliverables:

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

MAIN DELIVERABLES	<u>SUBMISSION DATE</u>
Inception report (max 20 pages). Must include a clear description of the data collection methods to be used/developed.	19 November 2012

<p>Draft Evaluation Report (max 35-40 pages excluding annexes) and Executive Summary (max 2-3 pages). The report should also include a fully completed Evaluation Matrix.</p>	<p>18 January 2013</p>
<p>A document summarising in bullet point form key points from all meetings conducted (half a page per meeting maximum) as well as the results of the assessment of FSP financial and operational performance.</p>	<p>Together with draft report</p>
<p>4 – 6 page Country Reports for the five countries visited with main findings and areas for improvement (to be annexed to the main report). This should include an assessment at the FSP level, incorporating the main elements from the evaluation matrix and include to the extent possible a comparison of FSP performance before the programme started, current changes in performance, and likely changes going forward. It should also assess the broader institutional environment in which they programme is operating and the likelihood for the programme to influence change at the policy and macro levels in each of the countries supported. This assessment should draw upon the different qualitative and quantitative tools developed and applied during the evaluation. Additional debriefings might be requested after the filed phase to present these preliminary findings.</p>	<p>Immediately after the completion of each country visit</p>
<p>Summary Table setting out which comments have been addressed and where (page number), and which comments have not been addressed and the reasons why they have not been addressed.</p>	<p>1 February 2013</p>
<p>Power Point Presentation for HQ debriefing (max 20 slides and 20 minutes presentation).</p>	<p>1 week before the scheduled HQ de-briefing</p>
<p>Final Evaluation Report, Executive Summary, completed Evaluation Matrix and Management Response with main recommendations listed in order of priority.</p>	<p>8 February 2013</p>

IMPORTANT: The Evaluation Team’s contractual obligations are complete only after UNCDF HQ Evaluation Unit’s approval of the Final Evaluation Report for quality and completeness as per the TOR.

7 Composition of Evaluation Team:

The YouthStart Evaluation will be conducted by a team of 2 international and 5 national consultants. The profiles and responsibilities outlined below:

Profile specifications for Evaluation Team Leader (International):

- Minimum of fifteen years accumulated experience in microfinance
- A minimum of eight years of microfinance management and/or consulting experience
- Demonstrated experience in leading evaluations in inclusive finance (micro, meso and macro levels) including experience using a range of qualitative and quantitative evaluation methodologies to assess programme results at individual, institutional, sector and policy level.
- Sound knowledge and awareness of issues related to youth programming, youth serving organizations and financial products and services for youth.
- Thorough understanding of key elements of results-based programme management;
- Extensive microfinance training and technical assistance experience
- Strong interpersonal and managerial skills, ability to work with people from different backgrounds to deliver quality products within short timeframe;
- Comprehensive knowledge of CGAP benchmarks and industry best practices
- Experience at the country wide sector level/understanding of building inclusive financial sectors, preferably in Africa
- Demonstrated capacity for strategic thinking and excellent analytical and written skills.
- Fluency in English and French required

Responsibilities (in addition to all other generic responsibilities and expected deliverables outlined in this TOR):

- Documentation review
- Developing and pre-testing the necessary data collection tools (to be presented in the Inception Report).
- Leading/managing the evaluation team in planning and conducting the evaluation
- Deciding on division of labour, roles and responsibilities within the evaluation team
- Ensuring the use of best practice evaluation methodologies
- Leading the presentation of the draft evaluation findings and recommendations for the 3 countries visited
- Leading the drafting and finalization of the evaluation report, integrating to the extent possible all comments received from different partners
- Present the main findings and recommendations in the debriefing for UNCDF HQ.
- Regularly updating UNCDF and The MasterCard Foundation on the progress of the evaluation
- Quality control for the evaluation report.
- Adherence to UNCDF templates and other requirements as specified in this TOR.

Profile specifications for Evaluation Team member (International):

- Minimum of ten years accumulated experience in microfinance
- A minimum of seven years of microfinance management and/or consulting experience

- Must have experience of undertaking/participating in evaluations in inclusive finance (micro, meso and macro levels) including experience using a range of qualitative and quantitative evaluation methodologies to assess programme results at individual, institutional, sector and policy level.
- Sound knowledge and awareness of issues related to youth programming, youth serving organizations and financial products and services for youth
- Thorough understanding of key elements of results based programme management.
- Extensive microfinance training and technical assistance experience
- Comprehensive knowledge of CGAP benchmarks and industry best practices
- Experience at the country wide sector level/understanding of building inclusive financial sectors, preferably in Africa
- Demonstrated capacity for strategic thinking and excellent analytical and written skills.
- Fluency in English and French required

Responsibilities International Team Member (in addition to all other generic responsibilities and expected deliverables outlined in this TOR):

- Documentation review
- Contributing to developing and pre-testing the necessary data collection tools (to be presented in the Inception Report).
- Ensuring the use of best practice evaluation methodologies
- Leading the presentation of the draft evaluation findings and recommendations for the 3 countries visited
- Contributing to the drafting and finalization of the evaluation report, integrating to the extent possible all comments received from different partners.
- Adherence to UNCDF templates and other requirements as specified in this TOR.

Profile specifications for Evaluation Team member (National):

- A minimum of five years of management and consulting experience in inclusive and micro finance;
- Knowledge of CGAP benchmarks and industry best practices;
- Familiarity with issues related to youth programming, youth serving organizations and financial products and services for youth.

Responsibilities National Team Member (in addition to all other generic responsibilities and expected deliverables outlined in this TOR):

- Documentation review
- Contributing to the development of the evaluation plan and methodology
- Conducting those elements of the evaluation determined by the Team Leader (or designated evaluation member)
- Contributing to presentation of the evaluation findings and recommendations at the debriefing
- Contributing to the drafting and finalization of the evaluation report.

ANNEXES TO THESE TERMS OF REFERENCE:

- Annex 1: Complete YouthStart Evaluation Matrix (separate word file)
- Annex 2: Programme expected results, actual implementation status
- Annex 3: Standard Intervention logic for the Inclusive Finance Practice Area
- Annex 4: Preliminary Documentation List (separate work file)
- Annex 5: Preliminary list of stakeholders to be interviewed (separate work file)
- Annex 6: Template for the Inception Report (separate word file)
- Annex 7: UNEG Quality Checklist for Evaluation Reports (separate pdf file)
- Annex 8: Template for in-country Work Plan
- Annex 9: Template for the Final Evaluation Report and Executive Summary

Annex 1: Proposed YouthStart Evaluation Matrix (separate word file)

Annex 2: Programme summary, expected results and actual implementation status

Programme summary:

YouthStart has been implemented in two Phases. In July 2010, 17 FSPs across 9 countries in Sub-Saharan were selected and invited to participate in Phase I of YouthStart, which consisted in conducting market research to design youth-centered financial and non-financial services. In addition to financial support, UNCDF sponsored the participation of the 17 FSPs in a youth-inclusive market research training, and provided on-going technical assistance throughout the second half of 2010. The table below shows the 17 FSPs that participated in Phase I:

Country	Name of FSP
Burkina Faso	FCPB
Democratic Republic of Congo	Finca-DRC and Mecrebu
Ethiopia	ACSI and PEACE
Mali	Nyesigiso
Malawi	OIBM
Rwanda	UCU
Senegal	UIMCEC, CMS and PAMECAS
Togo	FUCEC
Uganda	Kitgum SACCO, Post Bank Uganda, Stanbic Bank, Finance Trust and Finca Uganda

In January 2011 the Phase II of YouthStart was launched, and based on the market research findings, the 17 FSPs submitted to UNCDF a business plan to develop, test and scale up demand driven financial and non financial services for young people. Business plans were evaluated against the following criteria:

- Outreach and financial projections were realistic, in line with mission and institutional capacity
- Business Plan took into consideration a holistic approach to youth development,
- Products and services proposed reflect the youth market segmentation and propose innovations to reach great numbers of adolescent girls, rural youth and other vulnerable youth

UNCDF Investment Committee met in June 2011 and awarded 7.2 million to 10 of the 17 FSPs that submitted their Business Plans. The 10 YouthStart grantees are expected to reach 402,727 youth clients by the end of 2014 through a combination of financial and non-financial services. The table below provides a summary of the 10 FSPs that were selected to participate in Phase II:

FSP	Grant Amount	Youth Baseline	Financial Services (Net)			Youth participants in NFS (Net)	Grand Total (Net clients)	Young Women and girls	Youth in rural areas	Youth Above 18 years old	Youth below 18 years old
			Youth Clients	Youth Savers	Youth Borrowers						
ACSI	\$798 577	159 000	169 137	66 266	102 871	160 022	169 137	52%	55%	72%	28%
FINCA-Uganda	\$718 451	8 297	15 900	15 900	0	15 900	15900	63%	25%	11%	89%
OIBM	\$800 000	29 000	48 648	41 612	7 036	50 594	50 594	55%	50%	89%	12%
Fin Trust	\$750 000	10 997	26 198	25 098	1 100	26 198	26 198	70%	66%	21%	79%
FINCA-RDC	\$799 789	352	18 000	18 000	0	18 000	18 000	64%	0%	12%	88%
UCU	\$650 000	650	16 804	14 602	2 202	16 804	16 804	53%	81%	57%	43%
PAMECAS	\$600 000	6 957	20 000	18 400	4 000	10 000	20 000	50%	0%	70%	30%
PEACE	\$720 657	6 300	26 407	18260	8 147	32 600	32 600	80%	70%	71%	29%
FCPB	\$675 339	98 995	18 228	9 828	8 400	28 000	28 000	55%	50%	56%	44%
CMS	\$716 651	21 610	25 494	8 923	16 571	15 296	25 494	63%	68%	58%	42%
TOTAL	\$7 229 464	342 158	384 816	236 889	150 327	373 415	402 727	243 359	187 249	207 746	194 981
			96%	62%	39%	93%	100%	60%	46%	52%	48%

Programme expected results:

As set out in the results and resources framework of the original Programme Document, the expected results of the programme are as follows:

Intended Development outcome (as stated in the Strategic Results Framework): Contribute to the achievement of the Millennium Development Goals (MDGs) particularly the specific goal of poverty reduction by a half by 2015, by increasing the sustainable access to financial services by low income populations and for small and micro enterprises in SSA

Intended Outcome of the Programme: Increase sustainable access to appropriate demand driven financial and non-financial products and services, to more than 200,000 poor and low income youth (age 12-24) in Least Developed Countries (LDCs) in sub-Saharan Africa

Output 1: To expand low income youth access to financial and non financial services by supporting financial service providers (FSPs) and their partner Youth Serving Organizations (YSOs) to conduct youth inclusive market research, develop and deliver comprehensive services to youth.	Output 2: To build institutional capacity of FSPs, YSOs, policy makers, donors and other stakeholders (including UNCDF's internal capacity) to provide comprehensive youth services.	Output 3: To expand access to and mobilize knowledge related to youth financial services, by acting as a convener and facilitator among stakeholders	Output 4: Programme Management, monitoring and evaluation are conducted efficiently
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Programme implementation status:

Programme implementation has been proceeding according to the timeline in the grant agreement with The MasterCard Foundation. The following table depicts the main results of the YouthStartas of June 30, 2012 [date]:

Outputs	Output Targets	Summary of current project status
<p>Output 1: To expand low income youth access to financial and non financial services by supporting financial service providers (FSPs) and their partner Youth Serving Organizations (YSOs) to conduct youth inclusive market research, develop and deliver comprehensive services to youth.</p>	<p>1.1 Up to 20 FSPs have received matching grants to conduct market research on youth, receive market research training, and, if English-speaking attend youth enterprise conference. 1.2 8 to 12 FSPs have received grants to develop YFS, many⁵ in partnership with YSOs. 1.3 All FSPs have youth-specific products, which are marketed by staff specifically trained on how to reach youth.</p>	<p>1.1.1 Selected 20 Financial Service Providers (FSPs) to conduct market research 1.1.2. Disbursed 19 grants of an average of US\$ 20,000 (on average) to FSPs to conduct market research 1.2.1. Selected 11 FSPs to design, test and scale up financial and non financial services for youth 1.2.2. Disbursed US\$2.325,130 to 10 FSP partners 1.3.1 The 10 FSPs have launched their pilot tests and reached close to 10,000 youth of which 37% are women</p>
<p>Output 2: To build institutional capacity of FSPs, YSOs, policy makers, donors and other stakeholders (including UNCDF's internal capacity) to provide comprehensive youth services.</p>	<p>2.1 Up to 20 FSPs have improved capacity to conduct youth inclusive market research 2.2 8 to 12 FSPs have improved capacity to develop and adapt YFS 2.3 Youth microfinance established as core competency within UNCDF.</p>	<p>2.1.1 19 FSPs participated in youth market research training, and conducted youth market research. 2.1.2. 10 FSPs, submitted high quality market research plans and business plan proposals. 2.2.1. 10 FSPs participated in the 11-day YouthStart-Start up training on pilot testing financial services, developing youth centered programmes and integrating financial and non-financial services 2.2.2 10 FSPs received feedback on their pilot test plans and guidance on how to refine them and improved them 2.2.3. 6 FSPs out of 10 are implementing high quality pilot tests 2.2.4 10 FSPs participated in a 3-day training on Client protection principles for youth 2.2.5 10 FSPs self-assessed their</p>

⁵The number of YSOs partners will depend on the availability of these institutions in the target geographical areas of FSPs and on the business model (unified, linked or parallel) that the FSPs select to provide non-financial services. For more information on different business models, please refer to "Building Better Lives: Sustainable integration of Microfinance with Education", Dunford, Christopher. Chapter Two in Sam Daley-Harris, ed., Pathways Out of Poverty: Innovations in Microfinance for the Poorest Families, 75–131. (2002). Bloomfield, CT: Kumarian Press.

		<p>youth offerings against the client protection matrix and are adapting their products to reflect the principles</p> <p>2.3 1. 2 UNCDF staff members participated at Youth Market research training</p> <p>2.3.4 6 UNCDF staff participated at YouthStart start Up training</p>
<p>Output 3: To expand access to and mobilize knowledge related to youth financial services, by acting as a convener and facilitator among stakeholders</p>	<p>3.1 Relevant YFS knowledge is collected, documented, and disseminated</p>	<p>3.1.1 Market research paper published and disseminated at 5 different conferences</p> <p>3.1.2 Policy brief published and disseminated at 1 international conference, 1 regional conference and 1 national event</p> <p>3.1.3 10 FSPs participated in quarterly webinar to enhance lateral learning</p> <p>3.1.4. Team Works page developed to enhance lateral learning of grantees</p>

Annex 3: Standard Intervention logic for the Inclusive Finance Practice Area

UNCDF takes a sector development approach to micro finance that supports governments and stakeholders in building a common vision for the development of the industry.⁶ An early step is to conduct an assessment of the financial services’ sector and identify the impediments or gaps at various levels, including: legal, regulatory or policy (“macro” level), financial infrastructure and support services (“meso” level), the retail financial service providers (“micro” level), and the quality and nature of the need and demand for financial services (“client” level). In some cases, IF programmes work with government and other stakeholders to form a national policy or strategy for financial inclusion, so that it may guide stakeholders’ work, including UNCDF’s. At its core, UNCDF’s primary focus is to build the retail capacity in–country, in order to broaden and deepen financial service providers’ outreach. Its primary tool is catalytic investment (grants, loans or loan guarantees) to MFIs and other FSPs that serve low income households. UNCDF’s goals for all of its financial service partners is to mature, and become self–reliant while offering appropriate and affordable products to low income households. Relative to other donors, UNCDF puts a greater emphasis on institutions in the start-up and growth phase where it believes that its investments

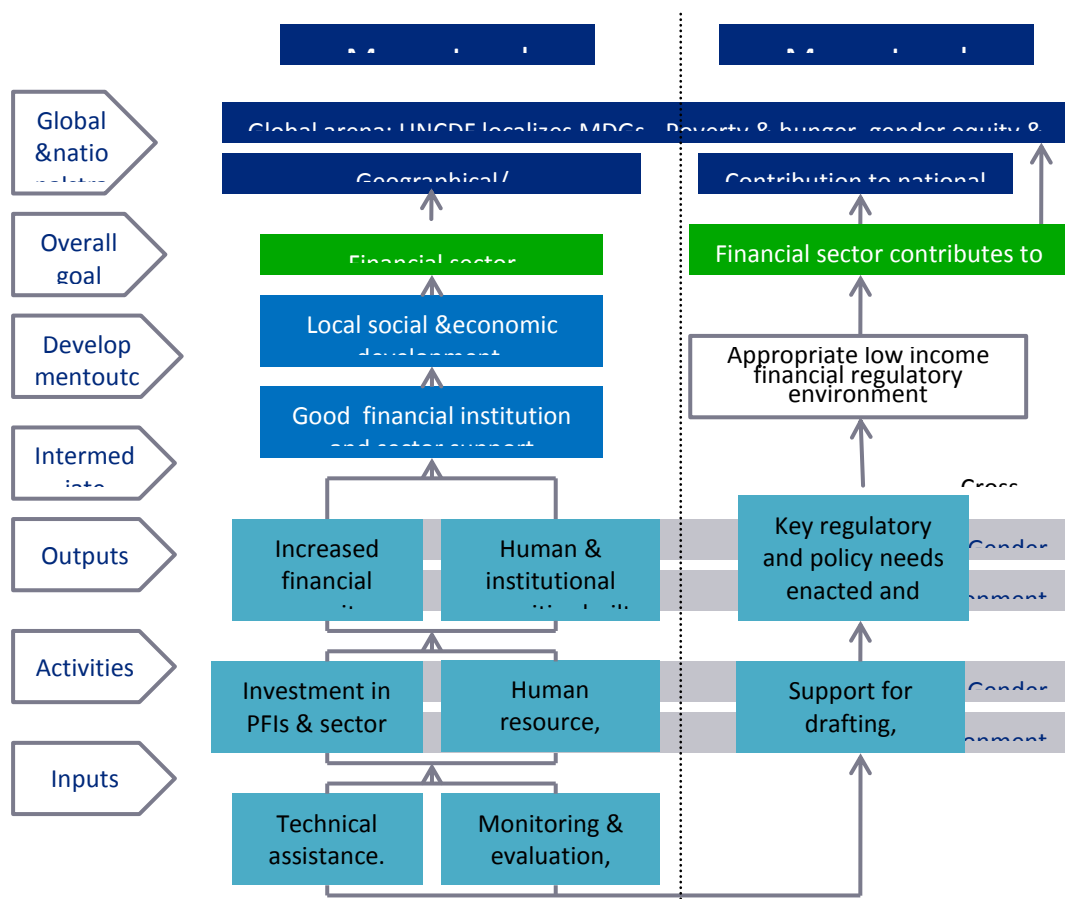
⁶ UNCDF (2009) Corporate Management Plan 2010-2013. Pp. 7-8.

can have a greater impact. The intention is that thereafter, the growth dynamic within the micro finance is consolidated and integrated into the mainstream financial sector.

The intervention logic/development hypothesis underlying UNCDF’s approach is that improvements in the enabling environment for inclusive finance, supported by catalytic investments in Financial Service Providers and supporting industry infrastructure, will strengthen the micro-finance sector to the point where it is self-reliant and able to attract deposits and loans that impel a sustainable growth process in the industry.

The intervention logic for the inclusive finance sector is illustrated in the figure below.

Figure 1: The IF intervention logic



Technical and financial inputs from UNCDF and other donors support programme activities. These programme activities include supporting the development of the microfinance (and to some extent microenterprise) sector at the micro, macro and meso levels, albeit to different degrees depending on projects.

At the micro level, capacity building and sometimes loan capital is offered to FSPs based on performance - FSPs are required to meet clear targets and performance standards to maintain UNCDF support. At the meso level, programmes seek to identify and, if possible, support financial sector infrastructure that assists in the strengthening of the microfinance sector. This can include sector associations, business development initiatives, credit bureaus, consumer finance education and protection agencies/initiatives etc. At the macro level, interventions include working with government and regulators to ensure that laws, regulations and policies are inclusive, or, at a minimum, do not reinforce exclusive financial practices and that they support and encourage the sector to expand into low income markets according to principles of transparency and fair/free market mechanisms (e.g., absence of interest rate caps, no undue taxation etc.).

IF programme activities result in a number of outputs: these take the form of improvements to the health and economic potential of FSPs, and sector service organizations (SSOs) at the meso level. The intermediate outcome flowing from these outputs is stronger, more stable IF sector and related meso level sector support organizations and enabling inclusive finance policy and regulatory environment supporting the sustainable provision of financial service to low income households. As with Local Development Programmes, the pursuit of these goals contributes to the achievement of the MDGs within a country and thus, to UNCDF's global strategy of localising the MDGs.

Annex 4: Indicative documentation list (separate word file)

Annex 5: Preliminary list of stakeholders to be interviewed (separate work file)

Annex 6: Template for the Inception Report (separate word file)

Annex 7: UNEG Quality Checklist for Evaluation Reports (separate pdf file)

Annex 8: Template for in-country Work Plan (to be completed by the Team Leader in coordination with the national consultants and attached to the Inception Report).

Number of days	ACTIVITIES
	Capital
	Arrival of consultants
	Meeting with UNCDF/UN Agencies
	Meetings with stakeholders : <i>Please indicate names /contact details / institution</i>
	Project intervention zone
	Travel to intervention zone
	Meetings with stakeholders : <i>Please indicate names /contact details / institution</i>
	Return to capital
	Debriefing in capital
	Departure
Total	8 days

Annex 9: Outline Final Evaluation Report

Basic geographic and demographic data.
 Programme Data Sheet.
 Acronyms and abbreviations.

Executive Summary

Evaluation Report (35– 40 pages maximum excluding annexes):

1. Scope and Objectives of the Evaluation
2. Evaluation Approach and Methodology
3. Programme Profile and Context:
 - 3.1 Programme description and background, including programme expected result
 - 3.2 Current programme implementation status
 - 3.3 Current programme financial status
4. Evaluation Findings per Evaluation Question (20 pages minimum)
5. Conclusions and Recommendations
 - 6.1 Overall Assessment
 - 6.2 Recommendations
6. Gender and Human Rights
7. Annexes to the evaluation report:
 - Annex 1: Terms of reference
 - Annex 2: Programme Results and Resources Framework
 - Annex 3: Completed Evaluation Matrix with a synthesis of main findings per evaluation sub-question.
 - Annex 4: List of persons interviewed and list of projects sites visited
 - Annex 5: Main findings from the various data collection tools used (bullet point summary from all telephone and in-person meetings with a maximum of half a page per meeting, results of the analysis of FSP performance etc)
 - Annex 6: Bibliography
 - Annex 7: Mission work plans
 - Annex 8: Management Response template completed with main recommendations from the evaluation in order of priority
9. List of Tables
10. List of Graphs
11. List of Figures