

TERMS OF REFERENCE

| | |
|---------------|--|
| Title: | Consultant for Microfinance Project Evaluation |
| Project: | Livelihoods and Food Security Trust Fund (LIFT) |
| Duty station: | Home based with mission travel to Myanmar |
| Post Level: | IICA-3 (International Individual Contractor Agreement) |
| Section/Unit: | LIFT |
| Duration: | 64 days (November 2017 to March 2018) |
| Supervisor: | Program Officer (Rural Finance and Value Chains) |

1. General Background of LIFT

The Livelihoods and Food Security Trust Fund (LIFT) is a multi-donor fund established in 2010 to address food insecurity and income poverty in Myanmar. LIFT has received funding from 14 donors – the United Kingdom, the European Union, Australia, Switzerland, Denmark, the United States, the Netherlands, Sweden, France, Luxembourg, Italy, New Zealand, Ireland and Mitsubishi Corporation. The United Nations Office for Project Services (UNOPS) is the Fund Manager to administer the funds and provide monitoring and oversight.

The overall goal of LIFT is to sustainably reduce the number of people living in poverty and hunger in Myanmar. LIFT's purpose is to strengthen the resilience and sustainable livelihoods of poor people in Myanmar. LIFT's purpose-level outcomes are increased income, decreased vulnerability, improved nutrition, and pro-poor policy developments.

LIFT works with implementing partners that include international and national non-government organisations, United Nations agencies, the Government of Myanmar, private sector organisations, academic and research institutions.

LIFT is active in the four main agro-ecological zones of Myanmar: the Ayeyarwady Delta, the Rakhine State, the central dry zone (including Mandalay, Magway and the southern Sagaing region), and the upland areas of Chin, Kachin, Kayah, Kayin and Shan States and Tanintharyi Region.

So far, LIFT has reached more than 7.2 million people, or roughly 20 per cent of Myanmar's population; and is active in almost half the country's townships. LIFT is funding projects through to June 2019. For more details visit www.lift-fund.org.

2. Background to the Consultancy – Final and Midterm Evaluations of 4 Projects

LIFT supports projects that are carried out by implementing partners (IPs) according to the grant agreement. LIFT supported projects are subject to a midterm review and a final evaluation managed by the LIFT Fund Management Office.

Microfinance interventions have been a key element of LIFT support to households for improving both agricultural and non-agricultural livelihoods. LIFT supports a number of projects and implementing partners in the Microfinance sector.

Until September 2017, 22 microfinance institutions (MFIs), including nine local MFIs, received technical and financial support through eight projects contracted by LIFT. They all reached 1.7 million households/clients (94% women) from more than 16,000 villages and wards and their loan outstanding amount is USD 256 million.

Under the direct supervision of the LIFT Rural Finance and Value Chains Program Officer and in close collaboration with Microfinance Officer, the consultant shall conduct final evaluation of 2 projects ending in 2017, and 2 midterm evaluations. Please refer to Annex 1 for the details of the projects. LIFT is therefore looking for a consultant to conduct these evaluations with expertise in the microfinance sector.

3. Purpose and Scope of the Evaluation

According to the project proposals, the four microfinance projects to be evaluated were contracted to providing responsible microfinance services to low income and economically vulnerable people. The MFIs also aim to continue providing microfinance services to the communities for the long term beyond the project timeframe.

The general purpose of the **final evaluation** is to assess the extent to which the MFIs implemented projects have continued providing financial services beyond the project timeframe, and to discern overall lessons and best practices. For **midterm evaluation**, the purpose is to assess whether microfinance activities are on track in ways that they are continued as per project proposals beyond contract period.

This is an external evaluation, from which the findings will not only help LIFT but also support LIFT partners in developing and implementing more effective responsible microfinance services.

4. Specific Objectives of the Evaluation

The objectives of the evaluation are to:

- **Lessons Learned, Good Practices, and Recommendations:** Identify the major lessons and best practices across all five projects in support of microfinance services, and provide relevant recommendations to microfinance partners and LIFT, particularly in the areas of supervision, monitoring, evaluation and learning.
- **Efficiency, Effectiveness and Sustainability:** Assess the institutional performance and quality of financial products to what extent they address the issues of sustainable and responsible financial services.
- **Relevance:** Appraise the extent to which the microfinance services are suited to LIFT priorities.

5. Key Evaluation Questions

The evaluation is to address key questions, such as:

- **Lessons Learned and Best Practices**
 - a) What is the status of people excluded by the microfinance product and service designs (market failure)?
 - b) What are the issues and problems or challenges in promoting inclusive financial services¹?
 - c) How should microfinance institutions promote inclusive financial services?
 - d) What are the relevant lessons learned for the microfinance market?
 - e) What are the most effective approaches for delivering microfinance (best practices)?
- **Efficiency, Effectiveness and Sustainability**
 - f) What are the types of microfinance services offered by the MFIs?
 - g) How did the projects deliver their microfinance services?
 - h) Were the microfinance services provided by the time the services are needed?
 - i) To what extent did the microfinance services, both in relevance and quality, satisfy the needs of the clients?

¹ Inclusive financial service: financial service accessible by people at different economic levels and of which terms and conditions are designed according to the demand from those people

- j) Do the microfinance approaches sufficiently address client protection principles² outlined by Financial Regulatory Department?
- k) Are the branches operationally sustainable?
- l) Are the branches financially sustainable?
- m) What are the challenges for institutional sustainability?
- n) What are the strategies for selection of microfinance clients?

- **Relevance**

- o) How did the microfinance activities meet LIFT's policies and objectives?
- p) To what extent are the microfinance services and delivery methods in line with LIFT Financial Inclusion Strategy?

- **Evaluation against the LIFT Financial Inclusion Monitoring and Evaluation Framework**

The evaluation will also assess how the organizations have performed against the LIFT's Financial Inclusion monitoring, evaluation, accountability and learning framework (MEAL Framework). The learning questions will be reviewed and expanded into interview questions during the document review stage, and in consultation with relevant LIFT FMO and MFI staff. The resulting questionnaire will be approved by the LIFT Evaluation Supervisor (see the annex 3 for learning questions and more details).

6. Evaluation Design and Methodology

The design of the evaluation will be primarily qualitative in nature, using qualitative data collection methods such as: (a) document review, (b) key informant interviews, and (c) focus group discussions.

- **Document Review:** Project documents to review include project proposals, work plans, logical frameworks (measurement plan), annual reports, and other internal reports. Financial statements, such as balance sheets and income statements reported to LIFT and maintained by the microfinance branch offices, also should be reviewed in order to analyze operational performance.
- **Key Informant Interviews (KII):** KIIs should be used to investigate management and implementation issues and problems. KIIs should be conducted with the management personnel of implementing partners such as project managers, branch managers, loan officers, etc.
- **Focus Group Discussions (FGD):** FGD is the primary method for collecting data from microfinance clients and other community members. The FGDs should be conducted with a minimum of eight and a maximum of 15 participants, usually with separate groups for men and women, and conducted at the village level.

A summary of the recommended research methods is as follows:

| Activity | Requirements | |
|--------------------------|---|----------------------------------|
| | IPs/MFIs/Clients | Summary |
| Key Informant Interviews | At least, 2 KIIs should be conducted for each MFI (1 with | MAFIN = 2 KIIs MARC = 10 KIIs |

² Appropriateness of product design, policies that prevent over-indebtedness, transparent transaction and information, responsible pricing, complaint mechanism, etc.

| | | |
|------------------------------|--|---|
| | Yangon level management and another 1 with branch level management including branch managers and loan officers). | Gret Dryzone = 2 KIs Gret Chin = 2 KIs Total KIs = 16 KIs |
| Focus Group Discussion (FGD) | FGD should be conducted at village level during field visits to villages of microfinance clients. | MAFIN = 3 FGDs MARC = 9 FGDs Gret Dryzone = 2 FGDs Gret Chin = 2 FGDs Total = 16 FGDs |

7. Deliverables and timelines

The selected consultant must submit the following deliverables. The research should be completed within **three and half months with a total of 64 days**. Please refer to Annex 2 for a draft work plan.

| Deliverables | Timeframe* | Remark |
|--------------------------------|---|---|
| Document reviews | Completed review of project related and MFI documents as follows. <ul style="list-style-type: none"> Review of documents for MAFIN, MARC and Gret in week 2. | Review works of Microlead will start after completion of first draft evaluation reports of MAFIN, MARC and Gret. See details in work plan. |
| Evaluation design | Completed evaluation design with questions for KII and FGDs in week 2. | Evaluation design will be same for all projects. However, there will be additional questions added for each project after consultation with implementing partners. |
| Draft evaluation reports | Completed draft evaluation reports as follows. <ul style="list-style-type: none"> Draft reports for MAFIN, MARC and Gret (in week 11) | |
| Briefing session | Conducted presentation of findings as follows. <ul style="list-style-type: none"> Briefing session for MAFIN, MARC and Gret (in week 13) | The first briefing session will be combined for MAFIN, MARC and Gret as experience sharing and learning among LIFT MFIs (similar to COP). |
| Submit Final evaluation report | Submitted final reports as follows. <ul style="list-style-type: none"> Final reports for MAFIN, MARC and Gret (in week 15) | Program Officer (Rural Finance and Value Chains) will approve the reports. Gret has secured one microfinance |

| | | |
|--|--|---|
| | | <p>license for both Dryzone and Chin. Therefore, report for Gret Dryzone and Chin will be combined into one report with separate analysis for Dryzone and Chin.</p> <p>There will be four reports in total.</p> |
|--|--|---|

* Numbers of weeks since the starting date

Reports:

The evaluation covers four projects, an individual evaluation report is required for MAFIN, MARC and MicroLead and Gret (**three** reports in total) answering the evaluation questions under paragraph 5. In addition, institutional performance report of each MFI must be included. The summary of reporting requirement is as follows.

- MAFIN: Final evaluation of PGMF's Dryzone Microfinance business in 6 branches
- MARC: Final evaluation of microfinance business implemented by 9 local MFIs
- Gret: Mid-term evaluation of microfinance business implemented by Gret in Dryzone and Chin

All written reports are to use standard and grammatically correct English.

8. Management Arrangement

The LIFT FMO will support the consultant by:

- Making sufficient time and resources available for the mission in Yangon and link the evaluation team with relevant LIFT partners in the field;
- Organizing the logistics and briefing session (including costs for venue and materials required, lunch / refreshments, and sending invitations);
- Providing relevant reports and materials produced by LIFT and LIFT partners;
- Translating during interviews and focus group discussions (to be translated by non-project-focal person from LIFT);
- Helping for work plan development and adjustment; and
- Organizing field visits.

9. Education/Experience and Language Requirement

Education

- A Master degree in business administration, accounting, finance, social science, development studies and management, or related field to the ToR is required.
- A Bachelor's degree in combination with additional two years of similar experience may be accepted in lieu of a Master's degree.

Experience

- Minimum 7 years of relevant working experience in evaluation of financial inclusion projects is required.
- Experience in microfinance evaluation is required, experience of working with the MF sector in Myanmar is most preferable.
- Proven understanding of the socio-economic and political situation in Myanmar is desirable.
- A sound understanding of livelihoods and food security issues in South-East Asia and/or Myanmar is an advantage.

- Demonstrated experience in monitoring and evaluating projects in developing countries is an asset.

Language

- Fluency in both written and spoken English is required.

10. UNOPS Core Values/Competencies

- **Strategic Perspective** - Develops and implements sustainable business strategies, thinks long term and externally in order to positively shape the organization. Anticipates and perceives the impact and implications of future decisions and activities on other parts of the organization.
- **Effective Communication** - Expresses ideas or facts in a clear, concise and open manner. Communication indicates a consideration for the feelings and needs of others. Actively listens and proactively shares knowledge. Handles conflict actually, by overcoming differences of opinion and finding common ground.
- **Integrity and Inclusion** - Treats all individuals with respect; responds sensitively to differences and encourages others to do the same; Upholds organizational and ethical norms; Maintains high standards of trustworthiness. Role model for diversity and inclusion.
- **Leading Self & Others** - Acts as a positive role model contributing to the team spirit. Collaborates and supports the development of others.
- **Partnering** - Demonstrates an understanding of the impact of own role on all partners and always puts the end beneficiary first. Builds and maintains strong external relationships and is a competent partner for others.
- **Result Orientation** - Efficiently establishes an appropriate course of action for self and others to accomplish a goal. Steps lead to total task accomplishment through concern for quality in all areas. Sees opportunities and takes the initiative to act on them. Understands that responsible use of resources maximizes our impact on our beneficiaries.
- **Agility** - Open to change and flexible in a fast paced environment. Adapts own approach to suit changing circumstances or requirements. Reflects on experiences and modifies own behavior. Performance is consistent, even under pressure. Always pursues continuous improvements.
- **Solution Focused** - Evaluates data and courses of action to reach logical, pragmatic decisions. Takes an unbiased, rational approach with calculated risks. Applies innovation and creativity to problem-solving.

Other considerations:

Applicants are requested to:

- Submit a letter of motivation and a CV specifying experience and skills.
- Include the names and contact details of three recent, professional references.
- Indicate your daily fee expectations in USD.
- Note that this is a home-based contract. Reimbursement of travel and payment of Daily Subsistence Allowance will be paid according to UN rules and regulations.

Annex 1:

Final evaluation

| Project | MFIs | Budget and Project Period | Total Clients | Township Coverage |
|--|-------------------------------|-----------------------------------|----------------------|---|
| Myanmar Access to Financial Inclusion (MAFIN) | Pact Global Microfinance Fund | Sep/2015 to Aug/2017 | 33,483 | Dryzone Pakokku, Yaesagyo, Taungtha, Natogyi, Myingyan and Mahlaing |
| Myanmar Access to Rural Credit (MARC) | 9 Local MFIs | USD 7.3 m Jul/2012 to Dec/2017 | 66,781 | Dryzone Kalay, Monywa, Wundwin, Leiway, Pyinmana, Shwegyin Delta Kyone Pyaw, Maubin Rakhine Sittway |

GRET, Midterm review

| Project | MFIs | Budget and Project Period | Total Clients | Township Coverage |
|---------------------------|------------------------|----------------------------------|----------------------|---|
| Gret Dryzone Microfinance | Gret (Thit Sar Oo Yin) | Dec/2013 to Jun/2019 | 10,147 | Dryzone Monywa, Yinmabin, Butalin |
| Gret Chin Microfinance | Gret (Thit Sar Oo Yin) | Dec/2015 to Dec/2018 | 9,378 | Upland Hakha, Thantlang, Tedim, Falam |