**TERMS OF REFERENCE**

**Designing Monitoring and Evaluation plan for the Policy Component of ‘Business Finance for the Poor Bangladesh’**

**1. Project Background**

Business Finance for the Poor in Bangladesh (BFP-B) is a £25 million facility funded by UK aid from the UK government. The Bangladesh Bank (BB), the central bank of Bangladesh and Microcredit Regulatory Authority (MRA), are the implementing agencies, and the Financial Institutions Division (FID) of the Ministry of Finance (MoF), Government of Bangladesh (GoB), is the executing agency. Nathan Associates London Ltd, in consortium with its partner, Oxford Policy Management, is appointed as the management agency for the programme. The programme aims to improve access to finance for micro and small enterprises (MSEs) and create economic opportunities for small businesses in Bangladesh through improvements in the policy and regulation of financial services, innovations in the nature and scope of financial services targeting the poor, and strengthening of information systems supporting micro-finance and bank lending. BFP-B has three components: a Challenge Fund, a CIB-Microfinance, and a Policy Component.

The Challenge Fund catalyse and support innovative financing products and delivery channels to foster financial inclusion at micro level ; the Micro Finance-Credit Information Bureau (MF-CIB) will improve knowledge of microfinance borrowers in terms of cash flow management and credit history to help the integration with commercial banks and NBFIs at meso level ; and the **Policy** component works to generate evidence to facilitate a collaborative approach to financial sector policy and regulatory reform to create an enabling regulatory environment for the MSE sector in Bangladesh and increasing financial inclusion for small business.

**2. Background of Policy Component**

The BFP-B aims to improve the policy and regulatory environment for financial institutions and incentivising them to increase lending to Micro and Small Enterprises (MSEs).

Policy component activities circulate around generating evidence and recommendations to build the case for regulatory change, improving sector coordination and building consensus between regulators and market actors to facilitate adoption of recommendations for policy change, and advising and assisting the Ministry of Finance and regulators to put into operation the changes.

The Policy Component of BFP-B Project has completed 5 studies and came forward with 51 recommendations. The rest of the 3 policy studies are on-going. Now BFP-B is prioritising some policy recommendations through consultation with the regulators and other stakeholders. The policy recommendations will be prioritised by considering the quick wins that could be achieved within the project period and which will have significant impact on access to finance of MSEs.

**3. Policy deliverables to date**

As per agreement between Government of Bangladesh and Government of UK on BFP-B project signed on 25th January 2015, the project will have to deliver its status of implementation targets. These include implementation of 6 policy recommendations within the project period at outcome level. At the output level the targets include completing 8 policy studies; making 24 policy recommendations and developing 8 partnerships with organisations for policy influence.

To date, policy component has completed 5 studies and 3 policy studies are expected to be completed within the given time frame. Of the completed studies, 51 recommendations were made. Also, 4 partnerships were developed with organisations such as Credit and Development Forum (CDF), INAFI, UNCDF and Bangladesh Institute of Bank Management (BIBM). Partnership developments in the pipeline include SME Foundation.

**4. Scope of the assignment**

**4.1 Objectives**

To measure how the inputs of the Policy Component transform to outputs, outcome and impact and determine the indicators to measure how to achieve outcomes for policy changes on the policy environment, financial service providers and MSEs.

**4.2 Specific Objectives**

The specific objects of the assignment are:

* Assess the progress of achieving policy component outputs and outcomes.
* Develop a pathway of change to transform outputs to outcomes and also develop a policy outcome matrix.
* Update the Policy Component results chain (in conjunction with BFP-B staff) by identifying the key indicators of measurement to achieve outcomes.
* The result chain (RC) should also include early indicators for tracking progress of the intervention impact.
* Identify and monitor the indicators for policy advocacy and influence that will assist to achieve outcomes.
* Capture and record the level of engagement of BFP-B at the institutional level through delivery of technical assistance; meetings/disseminations/seminars organised; BFP-B called on to discuss policy issues in depth; media visibility and publications disseminated.
* Develop framework to trigger policy changes. The framework should focus on the different ways to understand BFP-B advocacy tactics. The purpose is to understand, plan and communicate BFP-B advocacy and develop tools accordingly to track performance. It may involve BFP-B advocacy strategy comprising of a responsibility matrix indicating responsibilities or specific role from BFP-B to show progress or initiatives undertaken in achieving a policy change.
* Carry out mapping/stakeholder analysis in consultation with BFP-B team
  + Develop mapping tools/framework for analysis.
* Capture the possible impact of policy changes on stakeholders through qualitative data collection to understand stakeholder views of recommendations, challenges, intentions and any changes in awareness, beliefs and attitudes. This should feed into the overall contribution analysis by verifying the results chain.
  + Design key informant interview (KII) guides and/or focus group discussion (FGD) guides.
* Produce a final report on the link between the process and outputs for the policy component, incorporating findings from desk-based work and interviews with stakeholders.

The bidder should also include other strategies and deliverables they feel are required to support the evaluation of the policy element of BFP-B.

**5. Proposal submission**

Your Tender should be set out in 2 main parts (A & B) as outlined below. Both Parts must be submitted in English and in separate envelopes.

**Part A - Technical**

Your Technical response should submit a proposal, which must include the following:

* Outline a methodology in accordance with the scope of the assignment.
* A chronological work plan and resource needs/allocation.
* Summary profile of the resources and consultants to be engaged in conducting the scope of the assignment.
* Name(s) & CV(s) (showing previous experience) of proposed personnel and a table of Personnel Inputs (person days).
* Confirmed availability of key personnel (along with Names and CVs showing previous experience), timing of key deliverables, risk management and your Quality Assurance Mechanisms to ensure effective delivery of quality outputs on time.
* Consulting Firms located outside of Bangladesh must have a local consultant for onsite communication.
* Any other matters that may apply e.g. Joint Ventures, use of sub-contractors, Disclosures, Conflict of Interest. No publicity material is required.

**Part B – Commercial**

* All prices must be for the duration of the contract and priced in Pound Sterling. Please note that BFP-B places the burden of exchange rate fluctuations on the supplier, who will be expected to absorb the impact of these within and across their contracts.
* A summary note of your Financial Methodology that explains the rational of the Commercial Tender and how it offers best value, demonstrating that fees and expenses have been competitively priced.
* Detailed budget for each aspect of the assignment.
* Ideally payment Mechanisms should be structured to support performance. management and effective delivery.
* Please note that Tenderers are responsible for establishing the status of this Requirement for the purpose of any government tax in Bangladesh. Any applicable taxes must be shown in your commercial proposal.

Proposal submission: The full proposal needs to be submitted by 4th September, 2018 to **Redwan B Rokon**, Monitoring and Evaluation, and Challenge Fund Coordinator, BFP-B Project, 5th Floor, House 13, Road 34, Gulshan-2, Dhaka-1212, email: [rrokon@nathaninc.com](mailto:rrokon@nathaninc.com)

**5. Expected outputs/deliverables**

The contracted consulting firm will be expected to submit the following deliverables:

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| **Item** | Type | Estimated Submission Date\* |
| Detailed assessment report on the progress of achieving policy component outputs and outcomes and policy outcome matrix with pathways of change | Assessment Report | 30th September 2018 |
| Presentation on the monitoring and evaluation plan, including results chain and theory of change | Presentation and Discussion | 15th November, 2018 |
| Final Monitoring and evaluation plan for the policy component, including updated results chain (incorporating comments and feedback from BFP-B) | Report | 15th December, 2018 |
| Mapping of extent of engagement with institutions (Advocacy framework) | Report | 31st December, 2018 |
| Stakeholder mapping analysis presentation | Presentation | 31st January, 2019 |
| Stakeholder mapping analysis | Report | 14th February, 2019 |
| Presentation on the qualitative findings from stakeholders | Presentation | 10th June, 2019 |
| Qualitative report on findings from stakeholders | Report | 14th August, 2019 |
| Final report on the link between the process and outputs for the policy component | Report | 1st November, 2019 |

**\*Notes:** The estimated submission date will be determined later upon signing of the contract with the consulting firm

**6. Schedule of the assignment**

Estimated start date: 15th September 2018

Estimated end date: 1st November 2019

The schedule of assignment will be finalised upon signing of the contract by BFP-B Project/Nathan Associates London Ltd.

**7. Reporting**

The consulting firm shall report to the BFP-B Policy lead, M&E Coordinator for overall strategic and technical guidance. The BFP-B M&E Coordinator will be the primary contact for the consultant and will work closely with them to provide task coordination, meet regularly as the liaison between the consultant and various stakeholders, review the interview materials and reports, and disseminate the findings.