

Terms of Reference (ToR) for
End-of Project Evaluation in Liberia:
Diaconia MDI

1. BACKGROUND

Mission Alliance is a diaconal Norwegian non-governmental organization established in 1901. Mission Alliance work in 11 countries: Bolivia, Ecuador, Brazil, Liberia, Sierra Leone, Ethiopia, Nepal, Cambodia, Vietnam, China and the Philippines and the strategic focus is on community development, work and income and mobilizing for justice.

Mission Alliance funded its first development project in Liberia in 2009. In 2015 the organisation established a Country Office as well as a Microfinance institution in Monrovia. Diaconia Microfinance Deposit taking Institution (DMDI), was registered in Liberia in December 2012 as a limited liability company with a share capital of USD 1 million and received its license to operate from Central Bank of Liberia in August 2014. Due to the Ebola outbreak, the institution had to postpone the market start up until March 2015. Alliance Microfinance AS (AMAS), is a fully owned subsidiary of the Mission Alliance in Oslo, Norway and are fully responsible for the micro finance activities of Mission Alliance in Vietnam, Ecuador, Bolivia as well as Liberia.

The reason for being in Liberia is the high poverty level and the lack of access to financial credit for poor and unprivileged people. DMDI serves small entrepreneurs and their business needs. The majority of the clients are businesswomen who through their access to finances improve the opportunities for themselves and their families. DMDI is currently located in two physical locations in Liberia, - in Carey Street downtown Monrovia, the capital of Liberia and in Red Light, a busy business district in the outskirts of the capital.

The focus since the establishment of DMDI has been to leverage initial investments in DMDI by growing a healthy stable portfolio for the benefit of poor and underprivileged people in need of financial credit. External funding has been necessary to achieve this and DMDI has received funding from the Norwegian government through Norwegian Agency for Development Cooperation (Norad). Mission Alliance receive this funding from the umbrella organization Digni.

2. DESCRIPTION OF PROJECT

Diaconia MDI has received Digni/Norad funding in two consecutive project periods from 2015-2017 and 2018-2021+2022. The last period is extended with one year. Both periods are under review for this evaluation.

In this period Mission Alliance has transferred **2 629 567 USD** under these project agreements (including budget for 2021).

Long term goal

The long-term development goal of DMDI's financial services is to reduce poverty by creating opportunities to empower small-scale entrepreneurs to implement their business ideas, become profitable and improve their living standards.

Project period 2015-2017

The specific objectives for the first DMDI project period with Norad support include the following:

- a. Provide financial services including loan and savings services to over 5,000 Clients in 4 years;
- b. To assist in the economic transformation of Liberia by investing in private -owned micro, small and medium size businesses, social enterprises and social projects in various communities in Liberia;
- c. To contribute to employment in the informal sector by partnering with business development service organizations to provide small-business development, hands-on learning, and technical know-how that will generate self-employment and life skills development.
- d. To contribute to the development of a dynamic microfinance network involving the sharing of resources and ideas.

Goal hierarchy for 2015-2017 was as following¹:

Objectives	Indicators
To contribute to the reduction of poverty in Liberia by providing demand driven financial services for micro, small and medium-sized enterprises, thereby promoting economic growth and enterprise development.	<ul style="list-style-type: none"> • Improved range of financial services provided to enterprises and individuals, • Increase in outreach • Improved DMDI financial self – sufficiency • Increase asset base of clients
Outcomes	
1. Improved range of financial services provided to the enterprises, institutions, and individuals.	<ul style="list-style-type: none"> • # new credit products introduced • # new savings product introduced
2. Improved Institutional strengthening of DMDI	<ul style="list-style-type: none"> • All operational targets met • High Compliance with all Internal and external rules and regulations • DMDI adequately financed • Low incidence of corruption
3. Improved DMDI Social Compliance to International best practice	<ul style="list-style-type: none"> • Increase in the Progress Out of Poverty Index (PPI) • Compliance with Client protection principles
4. Improved DMDI financial self-sufficiency	<ul style="list-style-type: none"> • Financial self-sufficient ratio at or above 100% • Operational efficiency of between 13%-30%

¹ More detailed LFA is to be found in the Project Document

Goal Hierarchy for Project period 2018-2021²:

Objectives	Indicators
<i>To improve the livelihood of the poor by delivering inclusive financial services for micro, small and medium-sized enterprises in order to transform lives, build communities and expand opportunities.</i>	DMDIs contribution to poverty reduction and improved livelihood is difficult to isolate from the effects of other interventions in the country. The monitoring and reporting of DMDIs internal KPI's and social indicators will form the basis for determining the success of the DMDI contribution.
Outcomes	
1. Improved DMDI financial self-sufficiency	<ul style="list-style-type: none"> • Financial self-sufficiency ratio • Operational efficiency ratio
2. Increased range and varieties of financial services developed from the current standard credit and deposit taking products	<ul style="list-style-type: none"> • # of active financial products meeting market needs for poor people
3. Increased client outreach	<ul style="list-style-type: none"> • # of clients being served by the bank (excluded collateral savings)
4. Improved lives for clients, their employees and their families	<ul style="list-style-type: none"> • Increase in different social indicators

3. SCOPE OF THE EVALUATION

The purpose of the end-of term evaluation is to evaluate the two project periods (2015-2017) and (2018-2021) where DMDI has received funding support from NORAD through the umbrella organization Digni.

The evaluation must provide findings, analysis, and conclusions that:

- Evaluate the impact and relevance of the services provided by Diaconia MDI to its clients.
- Evaluate the institutional strength of DMDI based on the first years of building organisational capacity.
- Evaluate the strategic positioning and comparative advantage of Diaconia - MDI in its areas of intervention in the broader microfinance context in the country and in relation to other actors of microfinance

The evaluation should be done based on the Relevance, Coherence, Effectiveness, Efficiency, Impact and Sustainability of the project interventions in accordance with the OECD *Principles for Evaluation of Development Assistance* and the *Better Criteria for Better Evaluation, Revised Evaluation Criteria Definitions and Principles for Use* (10 December 2019).

In addition to the OECD Criteria and Principles specific attention should be given to the following:

² More detailed LFA is to be found in the Project Document

RELEVANCE: is the intervention doing the right things?

The extent to which the intervention objectives and design respond to beneficiaries', country-, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.

- To what extent is the financial services from DMDI relevant for their target group?
- Are current and former clients satisfied with the level of access to the type, quality, and service outcomes of micro credit provided by DMDI?
- To what extent did the intervention comply with and support the development policy and priorities of the recipient country or the national government?

COHERENCE: how well does the intervention fit?

The compatibility of the intervention with other interventions in a country, sector or institution.

- How is DMDI different from other microcredit institutions in Liberia serving the same customer segments with regards to:
 - The poverty level of its clients
 - The degree of attention to female customers
 - The degree of attention and access to marginalized clients (because of geography, poverty, cultural factors, etc.)
 - The respect for the culture of their clients
- Has the establishment of DMDI influenced the market for Microfinance in Liberia?
- Has the external Digni/Norad funding supporting DMDI contributed to distorting the market for microfinance?

EFFECTIVENESS: is the intervention achieving its objectives?

The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any differential results across groups.

- To what extent has DMDI achieved the objectives and outcomes in the project documents?
- To what extent has DMDI fulfilled its social and financial objectives to ensure poor and low-income women can access affordable MF services and improve their life's condition?
- Has DMDI built the necessary organisational capacity and monitoring systems to sustain its objectives?

EFFICIENCY: how well are resources being used?

The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.

- Are the DMDI operations run efficiently? Please explain how this is determined/calculated. Comparison with other microfinance banks can be one measure.
- Value for money - In comparison with market prices and other opportunities, has DMDI converted inputs into results in the most cost-efficient way while still providing high quality output?

IMPACT: what difference does the intervention make?

The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.

- How has DMDI contributed to improved income and livelihood for poor people in their target area.
- How is DMDI able to track their impact based on the KPI?
- Has there been any intended or unintended results/achievements from the establishment of DMDI?

SUSTAINABILITY: will the benefits last?

The extent to which the net benefits of the intervention continue or are likely to continue.

- To what extent is it likely that the increase in income will be increased or sustainable for the loan takers of DMDI?
- Has the right strategic measures been taken to sustain the future of DMDI as a financial viable microfinance bank for the future?
- – What are main lessons learnt for DMDI on achieving both social objectives and financial viability in the future?

4. METHODOLOGY

Applicants with relevant competence in microfinance should outline in detail the evaluation method and process they propose to use, including the potential risks and challenges for the evaluation and how these will be managed. Mission Alliance does not endorse a particular methodology for this evaluation, and therefore they are invited to propose approaches and methods which they believe will most effectively and efficiently meet the requirements of the evaluation with the resources and time available. They should include a section about how they expect data to be analyzed.

Sources that will be used in the evaluation would, at a minimum, include:

- Review of key documents.
- Interviews with staff, clients and key stakeholders including key local authorities if relevant.
- If surveys are used, these should be rigorously designed with appropriate sampling methods and expectation of acceptably high response rates. Alternative or complementary approaches such as focus groups could be considered.
- The applicant might also consider conducting interviews with other microfinance institutions in Liberia and gather information on best practice to provide benchmarks for evaluation and value for money, as deemed necessary and possible given the context.

Inception meeting

An inception meeting / workshop is required with the evaluation team prior to the start of field work. This workshop will take place at the main office of DMDI in Monrovia. Participants will include Diaconia management and staff. If necessary, this meeting will include time for a workshop on the Digni Empowerment Assessment Tool.

The evaluation team must adhere to the Digni ethical guidelines for the evaluation (Appendix 1.).

4.1. Document review

The evaluation team will be provided with the following documents:

- Project Document 2015 and 2018
- Annual Plans (ie, Yearly Applications) and Budgets (2017-2022)
- Annual Narrative Reports and Financial Reports (2015- 2020)
- DMDI Financial Policy
- Other relevant documents from DMDI.

4.2. Empowerment Assessment Tool (EAT)

Digni, the umbrella organization in which Mission Alliance is a member, has developed the Empowerment Assessment Tool (EAT) to be used in all external evaluations. The evaluators are requested to familiarize themselves with the tool and complete an Empowerment Assessment Table in the evaluation report (See appendix 2).

The purpose of the Empowerment Assessment Tool is to assess the degree to which target groups are empowered to live a life in dignity. The tool may be used to assess both the *degree* of empowerment (from output to impact) and the *level* of change (individual, community or society levels), according to a set scale.

In this project, the establishment of a sustainable financial institution such as DMDI, should also be part of the EAT assessment. Setting up a new organization such as DMDI implies structural change. Assessing how far this process has been accomplished on a EAT scale from 1-5 using DMDI as a “target group” should be included in the EAT analysis. It is important to and assessment of the question “to which extent has DMDI been “empowered/capacitated ” to carry out its mission in a sustainable manner?”.

A central principle is that assessments should be based on people’s/DMDIs own analysis, through interviews with representatives (individuals/focus groups) of the target groups.

5. DELIVERABLES

The evaluation team must produce a report that complies with this Terms of Reference and addresses the scope and meets the purpose and objectives of the evaluation.

The evaluation method and processes should be clearly documented in the report including comprehensive details of the following:

- documents reviewed
- interviews conducted
- consultations held with all stakeholders
- project sites visited
- techniques and approaches used for data gathering, verification and analysis

Deliverable	Format	Notes
Draft Evaluation plan and schedule.	Electronic	This will be agreed and finalized with Mission Alliance, AMAS and DMDI
Post field-work debriefing	In person meeting	In country
Final Draft evaluation	Electronic - editable Word format	for submission to MA
Final Evaluation report	Electronic - editable Word format	for submission to MA

The final evaluation report is required to be completed in **1Q of 2022 and as soon as possible**.

The reports and any data produced by the evaluation will be the property of Mission Alliance.

6. EVALUATION TEAM

Essential

The experts must have microfinance and impact evaluation expertise.

Experience from financial sector or microfinance is an asset.

Suitably qualified and have substantial experience in conducting evaluations for humanitarian and development projects and a proven record delivering professional results.

Fluent English.

Desirable

Experience in working in the development/financial sector in West Africa

An evaluation team that includes both male/s and female/s.

Budget

The budget for the evaluation is **35 000 USD**.

Application deadline

Applicants should submit an expression of interest to Mission Alliance,

tgc@misjonsalliansen.no, by 5.00 pm (Coordinated Universal Time) **on November 19th 2021**.

Expressions of interest should include the following information:

- **Outline of proposed methods and processes.**
- **A proposed schedule for the evaluation, including preparation, desk-top review, fieldwork and drafting, including an outline of what resources you will require for each.**
- Details of the applicant(s) relevant background and experience
- Proposed budget including daily rate for the proposed staff.
- Examples of previous work undertaken.

Mission Alliance reserves the right to amend terms of reference, either unilaterally prior to the appointment of a consultant, or by mutual agreement with the successful consultant after the consultant has been appointed.

7. APPENDIX

Digni Ethical standards
EAT methodology