

Terms of Reference

PROJECT EVALUATION STUDY OF IFAD-NCFM PROJECT ON CAPACITY BUILDING OF THE SAVINGS AND CREDIT ASSOCIATIONS

1. Name of the Contracting Authority: National Commission for the Financial Market (NCFM)
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2. Type and brief description of the Contracting Authority

The National Commission for the Financial Market (NCFM) is an autonomous public authority, accountable to the Parliament, which authorizes and regulates the activity of the participants in the non-banking financial market and supervises the compliance to the legislation by them. The National Commission for the Financial Market is independent in the exercise of its functions, carrying out its activity under Law 192/1998.

NCFM's authority extends on the professional non-bank financial market participants, which are represented by licensed or authorized capital market participants, professional insurance market participants, non-state pension funds, savings and loans associations, non-bank credit organizations, and the credit history bureau.

NCFM aims to ensure the stability, transparency, safety and efficiency of the non-banking financial sector, prevent systemic risks and manipulation in the non-banking financial market, protect the rights of non-bank financial market participants.

NCFM has organizational, functional, operational and financial independence in accordance with the legislation enforce, being entitled to cooperate with appropriate international specialized bodies.

3. Code CPV: 79300000-7

4. General Description

At the end of 2018, NCFM signed a Grant Agreement with IFAD (International Fund for Agricultural Development), to finance a project entitled *Capacity-Building of the Savings and Credit Associations* (Project). This project is financed with funds from the European Commission and aims to support the IFAD Rural Resilience Project in Moldova. The strategic objective of this project is to channel migrant workers' remittances to rural areas of Moldova through Savings and Credit Associations (SCAs) as a means to improve the channeling of remittance inflows through regulated financial service providers and to foster financial inclusion of rural remittance recipients.

The project strategic approach was two-fold:

- 1. Capacitating SCAs to become agents for remittance transfers and other payment services.*

Through this first component, the Project has focused on preparing and assisting SCAs to comply with existing regulations as remittance agents. The current legal framework allows SCAs to deliver money transfers as agents of a licensed payment society. This approach permitted a seamless and rapid connection to the international money transfer payment system while minimizing the related compliance costs for SCAs and educating their administrators on the remittance ecosystem.

II. Strengthening institutional capacity of SCAs to develop the required adaptations to the existing set of savings and loan products to remittance recipients.

Through this second component, the Project had focused on expanding financial inclusion through SCAs. The SCAs, acting as agents of MTOs, had occupied a unique positioning in rural areas besides banks – which provides remittances but propose ill-adapted products to low-income rural population, and the National Post Office (NPO) – which does not provide financial services beyond payments. This positioning allows SCAs to strengthen their mandate to deliver financial services to the rural population by improving their image of a trustworthy financial intermediary and enlarging the scope of quality services. To leverage remittances in favor of productive activities, the SCAs had been supported to adapt their existing products to cater to the needs of remittance recipients with a particular focus on youth (migrant returnees and first-degree relatives) who are the most likely to seek for complementary financing in order to launch productive activities as an alternative to migration. Commitment savings, set aside from remittances and oriented as loans towards rural micro-enterprises, had been promoted, a part of which being `subsidized` by the provision of matching grants. The aim of this financing arrangement was to create a strong incentive to entice youth to return back / stay at home and contribute to the development of the national economy.

Project's direct and indirect target groups:

The direct beneficiaries are the migrant workers and their family members from rural areas who became members of the SCAs and had therefore access to new regulated means to send remittances and related financial products. The loan activities benefiting from a grant financing had targeted youth migrants, Moldovan citizens, who at the time of application were between 18 and 35 years old inclusive, for men, and between 18 and 40 years old inclusive, for women.

5. Scope and Objectives of the Activities

In the context of the Project completion (end of 2021), NCFM should contract a registered entity or consultant (the “Provider”) to elaborate a final external evaluation of the project.

The objective of the evaluation is to prepare the report in order to determine the relevance, effectiveness, efficiency, impact, sustainability and scalability of the project in meeting its development objectives.

The evaluation will also examine/define in more detail:

- Whether the objectives, results and impact, as defined in the logical framework, were achieved.
- The viability of the business model for SCAs channeling remittances, and client satisfaction;
- The lessons learned and good practices and provide recommendations necessary to replicate the initiative to other SCAs, scale results and achieve sustainability;
- Advise on the role and performance of NCFM as the executing agency of the project.

In particular, the evaluation should answer the following specific questions (non-exhaustive list):

• Relevance:

- ✓ Were the objectives of the project relevant given the socio-economic, regulatory and financial inclusion context? The evaluator must present a brief summary of the initial environment of migration, remittances, financial inclusion and regulatory environment and assess whether the solutions provided by the project were relevant to achieved the main challenges marking this environment.
- ✓ How relevant was this project to ensure remittances reach more effectively to rural areas?
- ✓ Does the project responded to the needs of the target group? Assess how the new remittance product offered by SCA filled an existing need for remittance senders and recipients.
- ✓ Does the project responded to the needs of SCAs? Assess how the support offered to SCAs (new remittance product, new internal guidelines and procedures, new monitoring systems, income diversification and consolidation) responded to the needs to this type of

institutions.

- ✓ What internal and external factors have influenced the ability of NCFM and SCAs to achieve the projected objectives?
- **Effectiveness:** Assess the results in terms of outputs achieved.
 - ✓ Has the project been carried out as planned?
 - ✓ Has the project reached the expected number of beneficiaries? 4, 500 new remittance users (senders/receivers); 4, 300 new savings accounts opened by remittance users saving money through SCAs
 - ✓ Are remittance recipients using SCAs to receive remittances? Assess if recipients have repeated transactions through SCAs during the timeframe
 - ✓ Have remittances been effective to support beneficiaries in increasing the share of remittances saved in a formal account? The project initial target was that beneficiaries reach an annual increase in savings accounts balance by 10 per cent
 - ✓ Has the project met the targets related to additional financial services linked to remittances? Namely, 100 loan accounts opened by remittance recipients, 75 short-term loans to finance micro-entrepreneurs run by relatives of migrant workers and 25 long-term loans provided to migrant returnees or their direct relatives, including a matching grant
 - ✓ Provide a segmentation on the beneficiaries of this project (% of women, % of young people under 35 for men and 40 for women borrowers) and geographical distribution)
 - ✓ Are the beneficiaries satisfied with the quality and delivery of services? If not, how did the services not meet the expectations of the beneficiaries? Specifically, in which aspects were the beneficiaries not satisfied? Both senders (through calls from Moldova) and receivers' satisfaction will be assessed.
 - ✓ To what extent was the technical support effective to strengthen the SCAs capacities to comply with regulatory guidelines and AML/CFT requirements, update their information system and procedures, manage their liquidity, adapt their product features and improve customer relationship through marketing and financial education?
 - ✓ How effectively does project management monitor project performance and results?
- **Efficiency:** was the cost accurate (project)
 - ✓ Were all the planned outputs delivered on time?
 - ✓ Have resources (funds, human resources, time, expertise, etc.) been allocated in an optimal way to achieve outcomes?
 - ✓ What has been NCFM's performance in achieving projected results and agreed responsibilities?
 - ✓ What has been IFAD's CPIU performance in achieving projected results and agreed responsibilities?
 - ✓ Have resources been used efficiently? In general, do the results achieved justify the costs? Could the same results be attained with fewer resources? The evaluator should assess the need to rely on an IFAD grant to finance this initiative. In particular, specific reference to the cost-effectiveness of the matching grant activity will be required.
 - ✓ Identify the problems that NCFM faced and the measures that were taken to remedy them (be they administrative, regulatory, operational, financial, political, macroeconomic, sectoral barriers, etc.).
- **Impact** of the project:
 - ✓ Identify the observed positive and/or negative changes produced by the project, directly or indirectly, intended or unintended, to the target group (remittance-recipients and the migrants abroad sending remittances). Some of these changes may include:
 - Convenience of receiving funds directly into their trusted SCA account
 - Time saved from not having to travel to cash-out remittances in far away access points
 - Increased savings as a result of the project incentives to save a share of the remittance received

- Increased loans as a result of the project incentives
- ✓ Specifically, what has been the impact of the matching grant to remittance-recipients?
 - Identify the impact of investments that were made through the matching grant for remittance-recipients
- ✓ What has been the impact in terms of knowledge dissemination?
- **Sustainability:**
 - ✓ Do SCAs have the intention and/or the capacity to keep offering existing remittance-linked products in the future?
 - ✓ Will the parties involved in the project be able to continue the activities / service delivery after the IFAD funds have been spent?
 - ✓ How were capacities strengthened at the individual and organizational level (NCFM, SCAs, IFAD CPIU...)?
- **Scalability:**
 - ✓ Can the project approach or results be replicated and scaled up by other SCAs or other actors such as SCAs APEX organization? Is this likely to happen? What would support their replication and scaling-up?
 - ✓ Is the matching grant activity scalable within RRP IFAD Program or other IFAD Programs in Moldova? If so, what would be required to ensure the scalability of this intervention?
 - ✓ What would be the magnitude of investment to make scalability or replication possible?
 - ✓ Should there be a second phase of the project to consolidate any achievement?

NCFM will offer to the selected Provider all available necessary data and information related to the Evaluation.

A draft report will be shared with NCFM and IFAD *simultaneously* for review, prior to handling the final evaluation.

The final document should be approximately 20 pages long (without annexes) and should be submitted to NCFM in Romanian and English languages.

6. Methodology

NCFM will offer to the selected Provider all available necessary data and information related to the Evaluation. The evaluator should reach out to all parties involved in the project (IFAD, NCFM, IFAD CPIU Moldova, Promo Terra, SCAs), as well as to some of the customers of the SCAs that benefited from this project (at least 30 customers, both male and female).

7. Minimum Bidder eligibility requirements:

- The bidder has to be a registered entity
- Experience over the past 3 years in the field of evaluation/impact analysis: Inclusive finance, microfinance, insurance, remittances and/or digital sector.
- Experience on developing and carrying out project evaluations/impact analysis for similar international donor partners
- The key expert will have higher education in at least one of the social, legal, economic or other relevant areas
- Quality and relevance of project evaluation studies conducted.

8. Terms of performing the Activity

21 days

9. Documents required for submission in the tender:

Nr.	Document
1	Copy of the Certificate issued by the state registration body, confirmed by the signature and stamp of the bidder
2	The technical offer summarizing: <ul style="list-style-type: none"> - description of the proposed methodology and procedures, working steps - experience over the past three years, including related project evaluation studies/ impact analysis at local and international level - CVs for the proposed experts - copies of diplomas - at least 1 example of previously conducted project evaluation study/impact analysis relevant links
3	The financial offer in original, indicated in Moldovan Lei. All administrative and support costs are to be included in the final price. *Note: The financial offer, will be exempt from VAT, by the Decision of the Government of the Republic of Moldova No. 246 of 08.04.2010.
4	Declaration on the confirmation of the identity of the beneficial owners and their non-compliance with the conviction for participating in the activities of a criminal organization or group, for corruption, fraud and / or money laundering.
Important: all document must be digitally signed!	

Further information at no. tel: +373 22 859466.