* Think Impact Toolkit

Terms of Reference –Endline: Development impact of guarantee instrument

Social Finance

Enterprises Department

May 2024

* General guidance

The following **Terms of Reference** are part of the [ILO’s Think Impact Toolkit](https://www.ilo.org/resource/other/ilos-think-impact-toolkit-guarantee-instruments) for guarantee instruments. The toolkit supports organizations (guarantors) which provide portfolio guarantees to financial institutions to embed impact considerations throughout their guarantee process. These Terms of Reference, alongside the Terms of Reference for Baseline Assessment, shall be used during the Portfolio Management and Exit phases of the guarantee process as described below:



Through the application of the Theory of Change and Indicators Tool, a set of impact indicators was selected to support the Theory of Change of the guarantee. Some of the selected indicators will be reported by the guarantee partner, while others will likely require additional effort to be obtained.

These Terms of Reference are designed to be used when the guarantee is approaching its end. They guide the work of an expert (likely a consultant) with the goals of:

1. Gathering data related to the selected indicators i) from the guarantee partner, and ii) from its clients receiving guaranteed loans.
2. Analysing data collected, including by comparing with established targets and relevant benchmarks.
3. Identifying challenges faced by the partner in utilizing the guarantee, and potential technical assistance needs to address such challenges.
4. In conjunction with a respective baseline study, establishing changes that occurred at different levels (partner / borrowers / employees) according to the project’s Theory of Change.

Although the Terms of Reference are a standalone document, the scope and activities can also be included in other monitoring and evaluation processes being undertaken by the guarantee provider.

Note: the following pages contain the actual Terms of Reference (ToR) – text marked in yellow therein must be adjusted or removed by the users of this tool to align with their specific requirements.

Examples of how these Terms of Reference were used can be found here: [Developing an impact monitoring system for Sida’s guarantee instrument | International Labour Organization (ilo.org)](https://www.ilo.org/publications/developing-impact-monitoring-system-sidas-guarantee-instrument)

* Endline study: Development impact of guarantee instrument

1. Background

[Brief description of the guarantee partner and the guarantee, including how the guarantee is expected to contribute to specific development impact, 2-3 paragraphs

Example:

[The Swedish International Development Cooperation Agency (Sida) offers financial guarantees to share the risk in financing to public and private entities, in order to mobilize additional capital for development.

The goal of the guarantee instrument is to facilitate investments with the aim of creating more opportunities for developing new businesses, MSME growth and employment creation and thus fully aligned with the objective of inclusive economic development. Guarantees, being risk sharing mechanisms, allow financial intermediaries reduce the (real or perceived) risk of lending to underserved entrepreneurs and MSMEs]

[add theory of change of the guarantee]

[add reference to a baseline study – if one was conducted – as well as to other impact reporting processes which took place during the existence of the guarantee]

1. Objective

The overall objective of this assignment is to conduct an endline study of the development impact of the guarantee instrument to [guarantee partner]. The specific objectives include:

Collect data related to the indicators as defined by the guarantee provider and as measured in the baseline study, both from the guarantee partner and with a sample of clients who have benefited from the guarantee instrument.

Analyze the collected data with the aim of establishing changes in the indicators.

Identify and develop lessons learned from the process of measuring the impact of the guarantee instrument.

Develop recommendations for future interventions. These include recommendations on the indicators measured and the commitment and capacity of the guarantee partner to provide timely and quality data.

1. Scope of activities to be performed

To achieve the objectives of the assignment, the consultant will carry out the following activities:

1. Review existing information related to the guarantee instrument, mainly: (i) the documents prepared by the guarantor at the appraisal of the guarantee, including the theory of change, (ii) the baseline study, and (iii) periodic monitoring reports submitted by the guarantee partner. [information sources from co-guarantors to be added if applicable]
2. Based on the indicators selected by the guarantee provider and measured in the baseline as well as the evolution and the current status of the use of the guarantee, review and update the research instruments used to collect information from the guarantee partner and its clients at baseline or prepare additional / new instruments.
3. [It is recommended that the sample design use the following parameters: to be added as applicable].
4. Collect data from the guarantee partner, including by conducting interviews and applying the research instruments with staff who have been involved in the implementation of the guarantee.
5. In coordination with the guarantee partner, collect data from clients (borrowers).
6. Ensure quality of data collected (both qualitative and quantitative) including cleaning and revision where needed/appropriate, and verification.
7. Submit final clean data set.
8. Analyze data and interpret results (including gender aspects). Change in indicators should be analyzed taking into account appropriate benchmarks or targets set at the beginning of the guarantee agreement. The consultant should also consider the feasibility of using control groups for determining to which extent the changes observed can be attributed to the guarantee instrument.
9. Evaluate the implementation of recommendations made during the baseline study (if applicable).
10. Evaluate how likely the guarantee partner is to continue serving the target group(s) in the future.
11. Draw conclusions and make recommendations on the future use of the guarantee instrument by the guarantor based on results of this study.
12. Draft an endline report integrating the results of the previous activities and highlight the changes that occurred in the indicators measured.
13. Develop and present a final endline report that has incorporated the comments from the guarantor. The final report should contain a maximum of 20 pages, plus annexes, and include an executive summary (maximum 3 pages)
14. Deliverables

The deliverables to be submitted by the consultant are:

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| Deliverable | Deadline |
| 1. Inception report, including work plan | 10 days after start of contract |
| 1. Instruments for data collection and study sample | 10 days after deliverable 1 |
| 1. Data collected from [guarantor] / [guarantee partner] and clients. | 40 days after deliverable 2 |
| 1. Draft final report | 20 days after deliverable 3 |
| 1. Final report | 20 days after deliverable 4 |

1. Technical and Financial Proposal

The consultant must submit a technical and financial proposal for the study. The minimum content should contain but not be limited to: [to be adapted as per organization’s procurement procedures]

1. A brief discussion of the nature of the study, objectives and the terms of reference in general, which will allow an appreciation of the degree of understanding of the work required.
2. A description of how the work will be approached, each of the activities set forth in the terms of reference and those which in the opinion of the consultant are necessary for the achievement of the objectives.
3. A work programme based on the activities to be carried out considering the timeline for the required deliverables.
4. A financial proposal that includes an itemized budget of the expenses to be incurred, including the consultant fees per day, work days, travel expenses, as well as any other cost (e.g. enumerators).

The proposal should be sent to the following e-mail addresses: [xxxxxx@xxxxx]

1. Qualifications of the consultant

* Proven track record and expertise in impact assessment of financial instruments (desired: specifically for guarantees)
* Expertise in inclusive economic development, as well as financial inclusion, gender
* Familiarity and knowledge of data collection techniques and methods (e.g. interviews, survey, focus groups);
* Experience in developing and managing data collection;
* Experience in analysing quantitative and qualitative data sets;
* Advanced degree(s) or equivalent in economics, development studies, finance, or related field; PhD is an advantage;
* Full proficiency in local language(s) and English, with solid writing and presentation/facilitation skills.

1. Implementation

The consultant will receive guidelines and his/her work will be reviewed and approved by the person designated by [guarantor]. [The guarantor] will introduce the consultant to the guarantee partner and the consultant will report to [task owner].

1. Confidentiality

All data and information contained in documents and received from the guarantor, guarantee partners or clients for the purpose of this assignment are to be treated confidentially and are only to be used in connection with the execution of these Terms of Reference. All intellectual property rights arising from the execution of these Terms of Reference are assigned to [the guarantor]. The contents of written materials obtained and used in this assignment may not be disclosed to any third parties without [the guarantor’s] expressed advance written authorization.

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