

Terms of Reference (TOR)

For

Baseline study of “Empowering Women Farmers with Digital Finance—EWFDF”

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1. BACKGROUND

Practical Action is a global change-making group that consists of a UK registered charity with community projects in Africa, Asia and Latin America, an independent publishing company and a technical consulting service. It combines these specialisms to multiply its impact and help shape a world that works better for everyone. In Nepal, Practical Action is focused on putting ingenious ideas into work to contribute to poverty reduction and sustainable wellbeing through working in three expertise change areas: Farming That Works; Energy That Transforms and Resilience That Protects.

Under change ambition Farming That Works, Empowering Women Farmers with Digital Finance—EWFDF, a project led by Practical Action, brings Nepal’s most experienced and influential players together to make digital financial services inclusive and accessible to poor and marginalized women farmers. Project partners includes Development Project Service Center Nepal, DEPROSC—an NGO specializing in rural financial inclusion; Prabhu Management, an innovative digital finance service provider; the Agriculture Development Bank Ltd, Nepal’s leading agriculture bank; and Ncell Axiata Limited, Nepal’s leading mobile network service provider.

The project’s intervention targets eight remote municipalities in Lumbini Province, where a Practical Action UKAM/FCDO-funded project Building Climate Adaptive Farming Opportunities and Improved Livelihoods for Women and Marginalized Groups in Nepal—SAMUNNATI has been working to improve farmers’ income by moving from subsistence to market-based agriculture using climate-adaptive farming. The eight rural municipalities of three adjacent districts in Lumbini Province where EWFDF is implemented are:

District	Municipalities/Rural Municipalities
Dang	Dangisaran, Shantinagar
Rolpa	Runtigadi, Thawang, Pariwartan, Triveni
Rukum (East)	Bhume, Putha Uttarganga

2. EXPECTED RESULT:

Under the intervention logic set forth, the overall impact of the project is to contribute to Nepal Government's SDG 1 target of reducing extreme poverty to less than five per cent by 2030 in Province 5 whereas the overall objective of the project is to increase the access of 5,500 smallholder farmers (80% women) to a range of affordable and appropriate digital financial products (savings, payment, remittance, agri-insurance, credit) to support their agriculture value chain and enterprise development activities. The project works directly with 55,00 smallholder farmers. Of the 55,00 direct beneficiaries, the project aims to work with 80% women (4,400), 20% men (1,100) and 3% people with disability. Along with these beneficiaries, project works with farmers’ groups, cooperatives, CSOs, women networks, business service providers, insurance companies, microfinance institutions, banks and financial institutions, development partners and local governments.

The project is expected to achieve following broad expected results to achieve objective of the project within its duration of 40 months.

- Increased awareness and knowledge on access to affordable financial services.

- Increased quality demand and utilize financial services in confidence.
- Increased awareness and knowledge on digital financial services and products including uptake of digital finance services (DFS).
- Increased women empowerment through clear understanding of gender barriers in households.
- Increased agricultural productivity, household income, entrepreneurial skills and capacity.
- Developed DFS ecosystem through increased ICT infrastructure, conducive enabling environment, and regulatory frameworks.

To achieve the expected results of the project, the EWFDF Project has been launched recently to cope up the issue facilitating affordable access to financial services and process digitization of relevant stakeholders in coordination with FCDO-funded project SAMUNNATI. Working together with SAMUNNATI, this project addresses the needs of the same farmers and co-operatives by supporting the digitization of selected agricultural and dairy value chain transactions and increasing access to finance.

In this context, the project has planned to conduct baseline study in the project areas. The purpose of the study is to guide project implementation and establish baseline values and set a benchmark against log frame indicators for monitoring and evaluating project outputs, outcomes and impact in future.

3. OVERALL OBJECTIVES OF THE BASELINE STUDY:

The overall objective of this baseline study is to establish baseline values of outcome and output of the project and set benchmark against the approved logical framework indicators of the project using a suitable approach/method in line with the outputs, results, and impacts of the project. This proposed baseline study will collect information from the targeted communities at the appropriate level of analysis, i.e., at household and community level (women's groups, producer organizations, cooperatives, BFIs, etc.) collecting both quantitative and qualitative information. The basic information to be collected for this baseline study includes, but not limited to, information on access to affordable and reliable financial services; gap/barriers on women's access to finance targeting subsidized loans, Tentative percentage of families with available smartphones, and DFS delivery and uptake of digital financial services; status of school children aware of financial education and digital financial services; gender barriers at household level; availability and product fit testing regarding deployment of digital financial services for the proposed location; agricultural production, sampling if they are using smartphones for accessing production technology & market information, and other information relevant to the logical framework of the project specifying outputs, results and impact indicators relevant to the project's theory of change.

Review the previously conducted baseline study of SAMUNNATI project, the assessment of WEAI, persons with disability indexing and fit the relevant findings into this baseline study whilst identifying the gaps, potential opportunities and strategies and suggest correlation on SAMUNNATI's outcome to reduce drudgery and increase women empowerment for project targeted beneficiaries. Particularly, the baseline data on women's empowerment, disability, agricultural productivity, income and access to finance—to the extent possible—needs to be

extrapolated from baseline study report of SAMUNNATI.

Specific objectives of this study are:

1. Measure baseline value for expected results (outcome and output) of the project with disaggregation such as ethnicity, caste and disability data, and recommend for any adjustments to the milestones in the log frame that include (but are not limited to) household annual income, means of sales, quality demand for financial services, household barriers DFS uptake and access to finance, familiarity with technology, family dynamics, demographics, poverty, agricultural productivity, and women's empowerment at household level.
2. Assess the current situation and establish baseline value on prevalent financial marketing practices, ICT infrastructures for digital financial services at provincial, district, and local level.
3. Identify cooperatives, financial institutions (A, B, C, & D Class BFIs), insurance companies, remittance service providers, money transfer outlets, their present status in terms of size and capacity as well as readiness to adopt/implement digital technologies in the project targeted area.
4. Assess present context and situation of subsidized agriculture credit facility uptake, market access of agriculture commodity, agri/livestock insurance uptake, digital finance service uptake disaggregated as per the agriculture commodity promoted by the project and suggest possible solutions and interventions to achieve the expected outcome of the project.

4. SCOPE OF WORK:

The scope of work under this ToR includes collection of data for the baseline study (at the appropriate level of analysis—individual, household, community, local, provincial, and federal level). Baseline values estimated should be consistent with the project's theory of change. Based on the specific objective of the project, following are the major scope of work under this study. However, the detailed scope of study will be discussed and finalized during an inception period of study.

- i. The consultant needs to review project document, log-frame, and other relevant documents to have clear understanding of project's objective and expected results.
- ii. The consultant will elaborate study methodology adopted to conduct this study along with sample size estimation, the proposed sample frame and the household questionnaire sample. In particular, the consultant will devise context-specific questions that should reflect the prevalent context given the project intervention logic and provide context-specific input in the development of study tools.
- iii. The consultant will prepare sampling units (primary and secondary) for project areas that will be identified in the sampling framework. Specifically, consultant should prepare separate household and community enumeration plan in line with the study methodology developed.
- iv. The consultant will train supervisors and enumerators on the survey methodology and the

survey questionnaire. Testing of the set questionnaire beforehand in the non-project areas will be appreciated.

- v. The consultant should translate the documents (English/Nepali) for quality controls specifically targeting individual interviews, KII, and FGD questionnaire.
- vi. The consultant shall provide partial datasets on a regular basis to project, or as and when required, according to the agreed quality standards adhered to the agreed format.

5. STUDY AREA:

The study will be carried out in eight rural/municipalities of three districts; Dang (Dangisaran & Shantinagar municipalities), Rolpa (Runtigadi, Triveni, Thawang & Pariwartan) and Rukum East (Bhume & Puthauttarganga) of Lumbini Province in Nepal.

6. METHODOLOGY:

Based on objective and scope of baseline study, appropriate approach and methodology have to be proposed. The sample size should adequately represent the population of the study in project areas. Mainly household study, FGD and KII for both qualitative and quantitative methods, including data processing and analysis, triangulation of data/information have to be clearly mentioned. The proposed methodology/tools will be finalized together with Practical Action project team. The following steps would guide the process however the external consultant and team can propose methods within this broad framework.

A. Inception Phase:

- After the formal agreement, the assignment will start with an inception phase;
- This phase will undertake a desk review of project document, log-frame, and other relevant documents to have a clear understanding of objective and outcomes as well as expected result of the project;
- Review of the Baseline Report of SAMUNNATI project and possible fitting of the findings from it into the current baseline study finding report.
- Collect and analyse project related secondary data information;
- Develop checklist for data collection through proposed methods (HHs interview, FGD and KII) and ensure the Washington Group Short Set tool for identifying the disability in the communities.
- Develop a plan for each indicator using the Indicator Measurement Plan Template in the PQD of Practical Action. This will be done together with project team.
- The consultant will also refine how s/he is going to undertake the assessment, analysis, and what sources of information they are going to use for the study.
- Based on the review and assessment, prepare an inception report including a clearcut methodology, timeline, schedule and steps to be followed to undertake the study.

- The inception phase will end with submission of the inception report and finalize it after incorporating comments from Practical Action team.

B. Interim Phase:

- After inception phase, the assessment will then progress into the interim phase which includes field work and collection of field information based on checklist.
- The team will utilize different data collection tools such as; household study, field observation, expert interviews, key informant interviews, Focus Group Discussion (FGDs), interaction meeting/workshop with communities, financial institutions, cooperatives, lead agriculture commodity traders/aggregators, cooperatives, local and provincial governments and other stakeholders as well as validating information with community and relevant stakeholders;
- The consultants will present the brief progress reports/presentation after the data collection is completed with information on the tasks accomplished and need to revisit tools and methodologies, content of the report proposed if deemed so.

C. Reporting phase:

- After completing the field work, the consultant should submit the draft report of baseline study which will be reviewed by the technical team of Practical Action Nepal for feedback/suggestions;
- The consultant will incorporate input and submit the revised version;
- The full draft of the report will be reviewed by Practical Action team;
- Finally, the consultant will submit the final report by incorporating all comments from reviewers.

7. DELIVERABLES:

The followings are the expected deliverables from this assignment;

- **Inception report:** An inception report incorporating findings of desk review, conceptual framework of the assessment, details of applicable tools and methodologies together with details of work plan, checklists, time schedules as well as tentative table of content for the final baseline report.
- **Draft and final reports:** Detail draft report meeting the objectives of the ToR and with the methodologies in line with the table of content developed and agreed in Inception Report. Final baseline study report will be the end product after incorporation of all the comments from reviewers.
- **Raw generated data/datasets:** The consultant's needs to submit the data generated in the process of this study in Excel as well as other field related photos during field observation in a well-organized format (revised, reformatted, if required) that can be easily decipherable to the Practical Action Team.

8. EXPERTISE AND MANAGEMENT:

The consulting firm should have good experience in qualitative and quantitative research; clear understanding of similar studies (Baseline, midterm, and end-line). Prior working experience in Province-5, and project working areas as well as baseline study of project related to financial inclusion, digital financial service, access to finance, agriculture, market, and climate resilience. Consultant team should have strong data analysis skill on SPSS, STATA. The consultant shall comprise of three team members as below, however the consulting firm can propose as per need and scope of the assignment. The respective team members should have following qualification and expertise:

Team Leader:

The Team Leader will manage the overall assignment. S/he will ensure that the various elements of the baseline study are efficiently planned and undertake with an appropriate manner that provides clear conclusion. The Team Leader will also be responsible for effective liaison with key stakeholders while conducting the assignment and should have following qualification and expertise:

- Team Leader should have at least Master's Degree (PhD Preferred) in Business, Finance, Statistics, Economics, Computer Science, Agriculture and a proven track record of at least seven years of extensive work experiences in the field of monitoring, evaluation and learning. Experience in the field of development finance, banking, microfinance, cooperatives, and digital finance would be an asset.
- S/he should have proven track record of at least five years of conducting similar studies related to development finance, digital finance, financial inclusion, agriculture as well as economic and social resilience from market-led agriculture perspective
- Have experience of conducting similar studies (Baseline, midterm, end-line) and research studies in related field;
- Experience on access to finance, digital finance, agriculture finance, value chain financing, women empowerment, food security, market system development, climate change impact and fragility risk and possible adaptation measures for economic and social resilience from market-oriented agriculture and off-farm employment opportunities;
- Have strong and clear understanding on research methodology and experience on using SPSS or similar statistical software for data entry and analysis;
- Prior experience and understanding of conducting Assessment of Women Empowerment for Agriculture Index (WEAI) will be an asset;
- Proven analytical and report writing skills is a must;
- Prior experience of managing teams of similar consulting assignments;
- Strong organizational, written and oral presentation skills;
- Demonstrate ability to work under deadlines, handle multiple tasks, and take initiative

Digital Finance Expert:

- S/he should have Master's or equivalent degree in technology, engineering, business, economics, statistics, development studies or related field.
- S/he should have at least 5 years of experience working in a responsible position within Bank and Financial Institutions or Fintech Company or Digital Payment Service Provider or IT Company with at least 3 years of experience particularly working for digital financial ecosystem development and digital financial services delivery
- Prior working knowledge of implementation and/or development of projects particularly related with any of access to finance, rural finance, financial inclusion, digital finance, agent banking, payment service provider
- Experience in digital finance product development, digital finance service delivery within Bank and Financial Institutions, Cooperatives, digitalization, and partnership development
- Strong understanding of prevalent regulatory provisions particularly related with digital financial services, KYC, AML-CFT regulations, guidelines and procedures related with digital financial service delivery, etc.
- Hands-on experience conducting and/or managing studies or research in the area related with human-centric financial product design, project management
- Exposure with cooperatives, small holder groups/farmers, rural/marginalized/low income communities financial services for financial access development would be an advantage;

Gender and Social Inclusion (GESI) Expert:

- The Gender expert should have at least Master's Degree in Humanities and Social Science/Social Work/Gender Studies and a proven track record of at least three years of work experience in similar field (socio-economic study, gender studies, etc.)
- Experience in the area of gender-integration and women's empowerment, preferably on projects in the agricultural sector. The expert should have experience in working on gender technical assignments, including gender analyses, assessments, and study research methodologies in particular for access to finance/financial inclusion project in rural agricultural sector
- Have experience of conducting similar studies (Baseline, midterm, end-line) and research studies in GESI perspective.
- Good understanding of household approaches, gender-centric financial products design, agency building, women drudgery, empowerment strategy and analysis skill in GESI perspectives

- Strong expertise in gender analysis on financial service delivery systems, agriculture and climate resilience related projects/programs
- Strong experience on gender audit, gender budgeting, inclusive financial service delivery, and possible adaptation measures from GESI perspective under financial services delivery, digital finance, women-centric financial product design, economic and social resilience from market-oriented agriculture and off-farm employment opportunities.
- Prior experience of conducting Assessment of Women Empowerment for Agriculture Index (WEAI) should be an asset.

9. BUDGET:

The maximum available budget is **NPR 750,000.00** (In words: Seven Hundred and Fifty Thousand Nepalese Rupees only) **inclusive of applicable taxes**. This includes consultant's fee (including team members and enumerators), lodging/accommodation, air fare/travel and stationaries including all other cost associated with this study. All applicable taxes will be deducted at source.

The payment will be done in three instalments: 40% of total agreed amount shall be disbursed upon submission of inception report, 30% will be disbursed upon submission of draft report, and remaining 30% will be paid after submission of final report and all other deliverables mentioned in section 7 of ToR.

Apart from the above, submission of the following will be taken into account during the selection process:

- a. A full technical and financial proposal along with the budget breakdown;
- b. A copy of Company Registration;
- c. A copy of VAT certificate (obligatory);
- d. A copy of tax clearance for last fiscal year from Inland Revenue Office; and
- e. All proposed professionals must sign the copy of clearly mentioning their proposed position in this assignment.

10. TIMELINE:

The consultant is expected to start the assignment by second week of November 2022 and complete the task by 14th January 2023. A draft schedule is given below, which can be refined after consultation with consultant:

SN	Activities	Time Period
1.	Contract sign	By 15 th November 2022
2.	Preparatory work (consisting of framework of study, sample design, checklist, methodology, timeline, schedule etc.)	By 25 th November 2022
3.	Inception Report and Orientation to enumerators and questionnaire testing	By 30 th November 2022
4.	Field work, data collection from field (eight municipalities in three districts) – Maximum 20 days	By 20 th December 2022
5.	First draft reports submission	By 27 th December 2022

6.	The consultant will incorporate input/comments and submit the revised version	By 5 th January 2023
7.	Final report submission after incorporating all comments from reviewers	By 14 th January 2023

11. EVALUATION CRITERIA:

All received proposal shall be reviewed following different indicators. These will be but not limited to sound understanding of the assignment, competent methodology, consistency, coherence and compliance, experience of the team leader, composition of the team and efficient budget planning.

12. INVITATION FOR THE LETTER OF INTEREST:

Practical Action Nepal Office requests consulting firms (registered in VAT) to submit (i) an application highlighting the letter of interest (LoI) (ii) brief technical proposal along with your proposed methodology (not more than 7 pages) (iii) recently updated CV, and (iv) a financial proposal with detail cost breakdown to conduct the proposed work in a non-editable PDF version through an email mentioned below on or before 17:00 hrs., 31st October 2022 with the subject line “**Baseline study of Empowering Women Farmers with Digital Finance - EWDF**”.

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Practical Action believes in and follows through a fair and competitive process to recruit the consultant in all of its assignment to ensure quality assurance.

