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**Credit Enhancement Programme for MSME Project**

**Loan Contract No. 4115/0C-JA**

**Final Project Evaluation**

**Terms of Reference**

**Background**

The Inter-American Development Bank (IDB) approved a loan of US$20 million to the Government of Jamaica (GoJ) for the Credit Enhancement Programme for Micro, Small and Medium Enterprises (MSME) Project in May 2017. The Development Bank of Jamaica (DBJ) as the executing agency for the project used the loan proceeds to complement the capital of the Credit Enhancement Facility (CEF), an existing guarantee mechanism administered by the DBJ over a 5year period starting September 2017.

In addition to the loan, a Technical Cooperation (TC) grant was approved in June 2017 with the objective to strengthen the institutional capacity of the DBJ, relating to the internal controls and reporting function to support the design and implementation of its institutional initiatives to ensure an effective delivery of services for the CEF.

The use of the CEF will contribute to an increase in the productivity of MSMEs in Jamaica by facilitating access to medium- and long-term credit for investment projects. Under the CEF, partial credit guarantees are issued to eligible Approved Financial Institutions (AFI) to cover individual investment loans to be undertaken by eligible MSMEs. AFI’s are typically Banks, Credit Unions and Microfinance institutions.

As the IDB loan is expected to scale-up the volume of transactions handled by the CEF, the DBJ will greatly benefit from an automated workflow, database management and reporting system to maximize efficiency and safeguard internal controls.

In addition to the support from the IDB the CEF received support through the World Bank’s Access to Finance Project which complemented the CEF through the provision of, US$5 million in additional capital, Business Plan and Financial Model. These were instrumental in the facility moving from an Individual Based Scheme to a Portfolio Based Guarantee Scheme administered via the MIS platform provided under the IDB TC.

1. **Project Details and Project Status**

The project components are as follows:

* CEF Capitalization - Capital Injection into the CEF to increase the capital base of the fund
* Administrative, Auditing, Monitoring and Evaluation Costs
* Technical Corporation Grant,

The CEF has undergone several changes since its start in 2009, the program which was originally an Individual guarantee scheme is now a Portfolio Based scheme, it has also moved from manual processing to automated processing and administration.

As at November 2022, 1059 guarantees have been issued to support loans to MSME’s valuing J$13 billion dollars. MSME’s operating in various sectors in Jamaica have benefited from the CEF guarantee to include but are not limited to MSME’s operating in Manufacturing, Tourism, Services and Agriculture among others.

Approximately 99.7% of the loan funds have been disbursed by the IDB to DBJ to facilitate funding most of the activities under the project. The project was extended, originally expected to close in September 2022 will now close in September 2023.

1. **Objectives and activities of the consultancy**

The objective of this consultancy is to prepare a Final Evaluation Report of the Credit Enhancement Programme for MSMEs Project.

The project’s Final Evaluation main goals are to:

1. Determine whether the objectives, outcomes and impact as stated in the logical framework and Results Matrix have been achieved and identify the reasons for any variances and shortfalls in the execution of the project.
2. Identify lessons learned to date and provide recommendations for similar operations in the future; and sustainability of the Credit Enhancement Fund.
3. Assess DBJ’s role and performance as the executing agency.

The Final Evaluation will be conducted based upon the completion of project activities to date. The report should consider the project’s, effectiveness, efficiency, sustainability and lessons learned. Specifically, the Final Evaluation Report should determine the following:

* Determine the projects adherence to criteria established within the projects Loan Contract No.4115/OC-JA and Project Operation Regulations (JA-L1075).
* Assessthe extent to which the project contributed the various of sectors, market, beneficiary groups? How could the project’s impact have been improved?
* Evaluatewhat has been the executing agency’s performance with respect to their projected performance indicator and agreed responsibilities relative to program implementation? Did the project achieve the targeted number of training projects, seminars, dissemination workshops, etc.? Provide a cost/benefit analysis on the services provided by the project and the efficiency with which executing agency provided them. Provide information on the difficulties faced by the executing agency and actions taken to overcome them (administrative, operational, financial, political or macroeconomic, etc.).
* Determine the sustainability of the activities funded and executed under the project.
* Determine what lessons learned could be derived from the project.The consultant should provide information on the economic/political/financial conditions that should exist, qualifications of the executing agency, required stakeholder participation, and other factors that should be in place for the purpose of informing the design of future operations.
1. **Scope of Work/** **Deliverables:**

The consultant/facilitator will carry out the following activities among others in the conduct of the consultancy:

* Review background material and project documentation.
* Interview the DBJ, participating AFIs’ officials involved in execution of the project and a sample of beneficiaries to date.

The consultant is responsible for preparing and submitting the following deliverables:

1. Work-plan submitted electronically to the Project Coordinator two (2) weeks after contract signature.
2. Draft Final Evaluation Report and Final Evaluation summary submitted six (6) weeks after submission of work-plan: The consultant is responsible for consolidating the report and take into consideration the comments received at the evaluation wrap-up meeting, to produce a coherent draft evaluation report and evaluation summary, according to the format to be agreed on. The draft report and summary are to be submitted electronically to the Project Coordinator and IDB Project Team Leader.
3. Final evaluation report and final evaluation summary submitted three (3) weeks after submission of draft report: Based on comments received on the draft evaluation report, the consultant will finalize the evaluation and summary and submit the final evaluation report and summary to the Project Coordinator and IDB Project Team Leader.

The consultant’s contractual obligations are complete once the Project Coordinator and IDB Project Team Leader has reviewed and approved the final version of the evaluation report for quality and completeness as per the TOR.

1. **Resources**

The consultant will have access to all necessary files and project reports deemed necessary to undertake this assessment.

1. **Experience & Qualifications**
* Academic degree/level & years of professional work experience: Master’s degree in Business Management, Economics or project evaluation-related field or equivalent and a minimum of 10 years of relevant professional experience, or the equivalent in programs to support SMEs development in the Caribbean region.
* Experience in conducting project evaluations, having participated in a minimum of three such evaluations as lead. Specific experience related to the evaluation of IDB projects is preferred.
* Experienced in consultative research and producing high quality analyses.
* Thorough understanding of the key elements of results-based project management
* Excellent communication skills in English
1. **Activities**

Activities to be undertaken during the execution of this consultancy include but are not limited to:

* Review of loan contract, Semestral reports, Audited financials and other relevant documents to ensure compliance.
* Examine the overall progress made during project execution and showcase to what extent performance indicators listed in the Results Matrix have been meet.
* Interview stakeholders (DBJ, IDB etc) to clarify issues (if any) regarding execution of loan agreement.
* Review all activities under taken within the program to ascertain the impact these activities had on the program.
1. **Expected Results**

The consultant will provide a written Final Evaluation Report to meet the stated objectives; to include:

* Measurement of the achievements made under the program as against what was originally planned and whether any variations had an impact on the project. Include a comparison of the original Results Matrix with achievements made as at the end of the project, along with justifications for adjustments made.
* The sustainability of activities and adjustments made to the CEF under the project.
* The degree to which DBJ’s institution capacity was strengthened with the Technical Corporation Grant.
* Measurement of how operational and automation changes made to CEF has impacted overall performance.
* Overall CEF Project Performance
1. **Reporting and Approval Procedures**
2. The contract duration will be for four (4) months over the period March to June 2023 and may be extended upon the agreement with the Consultant without increase of the contract price.
3. The consultant will report to the Project Coordinator for the PEU.
4. **Payment Schedule for consultancy:**

 The total price of the contract will be negotiated and agreed upon by both parties. Payments will be made based on the deliverables outlined below:

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| **Deliverables** | **Dates** | **Payment** |
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| **Deliverable 1**. Contract signature and Mobilization Fee | 1 Weeks after contract signature | 10% |
| **Deliverable 2.****Upon submission and acceptance of Work Plan**  | 2 Weeks after contract signature | 10% |
| **Deliverable 3**. Upon submission of the first draft of the Final Evaluation Report | 8 Weeks after submission of Work Plan | 40% |
| **Deliverable 4**:Upon submission and acceptance of the Final Evaluation Report | 3 Weeks after submission of draft report | 40% |