

Section 4, Annex A

Call-down Contract

Terms of Reference

Terms of Reference

Provision of Monitoring and Evaluation Services

For the

Northern Uganda: Transforming the Economy through Climate smart agribusiness (NU-TEC) project

Introduction

1. The UK Department for International Development (DFID) leads the UK Government's effort to promote international development. DFID's overall aim is to reduce poverty in poorer countries, in particular through achieving the Millennium Development Goals (MDGs).

2. DFID Uganda is providing £48 million over 7.5 years (2014/15-2021/22) for "Northern Uganda: Transforming the Economy through Climate Smart Agribusiness (NU-TEC)". This project is fully funded by the International Climate Fund (ICF). It provide technical and financial support to agribusinesses operating pro-poor business models in Northern Uganda, with the intention to support small holder farmers in that region. The intended impact of the NU-TEC project is the increased income and resilience to climate change of poor smallholders and agricultural labourers in Northern Uganda.

3. The NU-TEC project comprises three main components, as well as an M and E component. The three main components are:

- i. Market systems development: Delivery of market systems development services, and technical assistance services, to private agribusiness (though a consultancy company)
- ii. Medium term credit fund: Delivery of medium term credit to agribusiness through a Ugandan financial institution
- iii. Long Term Investment and Capacity Building: Delivery of long term equity and credit to agribusiness through AgDevCo, a not-for-project investment vehicle, currently operating across 6 countries in Africa

4. These Terms of Reference apply to the delivery of Independent Monitoring and Independent Evaluation services. DFID is looking for Economies of Scale which will be reflected in work-plans and reports.

5. These ToRs are divided into five parts, covering three separate services to be delivered by the same contractor, and two further sections containing additional information on 'overall contract issues' and 'definition of key terms'. The three separate services are:

- i. M and E design and set
- ii. Annual Reviews, and other reviews
- iii. Evaluation services

6. The overall objectives of this contract are to:

- A. *Establish effective M and E systems*
- B. *Undertake Annual, Mid-term and Project Completion reviews;*
- C. *Maintain oversight and testing of key project assumptions and risks;*
- D. *Design and undertake an **impact evaluation** of the project;*
- E. *Maximise the evidence and learning concerning the successes, unintended consequences and failures of the NU-TEC project.*

Part I: M and E design and set up

7. The purpose of the M and E design and set up services is to:

- i. Review and refine key elements of NU-TEC M and E documentation and systems.
- ii. Support the establishment of project information systems that enable effective and coherent monitoring of project progress;

8. Timing and background: Part I of this contract should run for 7 months, from September 2015¹ to March 15th 2016. The contractor will start the contract during the early stages of the overall project, which was approved in September 2014. The three main components of the overall project will start at different times, as shown in the table below:

Component	Start date
1. Market systems development	Contract due to start May 4 2015
2. Medium term credit fund	Contract likely to start January 2016
3. Long Term Investment and Capacity Building	Already started in December 2014.

9. Scope: The services to be delivered within the seven month time frame include:

- i. A review and refinement of the draft project logframe, theory of change and indicators. In partnership with the three main service providers, the contractor will review the quality and relevance of the draft project documents, and revise them ensuring the feasibility, cost-effectiveness and cross-project coherence of the monitoring system they imply, and securing the agreement of key stakeholders. This will include at least one workshop for all project partners to agree final versions of the logframe and other key documentation.
- ii. Provision of technical assistance to service providers, to ensure that their monitoring systems are adequate, planned in detail, and coherent across the project. This will include the production of a NU-TEC M and E handbook, covering key definitions and monitoring standards, and monitoring/data plans, and Value for Money metrics.

10. Outputs include:

- i. **(Within 1 month of contract start)** A brief (5 page) inception proposal outlining updates or changes proposed to M and E design and set up period.
- ii. **(Within 5 months of contract start)** Logframe and monitoring system workshop, encompassing representation of all service providers and other key stakeholders
- iii. **(Within 6 months of contract start)** Finalised logframe, theory of change, and NU-TEC monitoring handbook, containing definitions, standards and data

¹ All dates assume the start of this contract will be September 14th 2015

collection methodologies. The technical content of the outputs should be agreed by all stakeholders

- iv. **(Within 6 months of contract start)** M and E system design report, highlighting progress and challenges across the different service providers, and recommendations for future maintenance of effective M and E.

11. Outputs iii and iv will be appended to the overall contract inception report due within 6 months of the contract start.

12.The recipients of this work are the three main service providers, project stakeholders and DFID Uganda.

13. Standards: The systems designed should meet the DCED standard for results measurement, or equivalent².

14.The Contractor must ensure issues of gender and vulnerable groups (including disabled, youth and very poor) **are addressed** through the monitoring and data systems. The NU-TEC project has set the target of 50% of benefits of the project accruing to women. This is complicated by the fact that the unit of analysis at impact level is the *household*, rather than the *individual*. This implies that an investigation into the typical disaggregated effects within the household will be required in order to measure and understand the project's progress in this regard.

15.Skills and expertise include extensive expertise in the design and operation of monitoring systems of projects related to market development, agriculture and climate resilience. The contractor should be able to draw upon Donor Committee for Enterprise Development' 'DCED qualified' personnel, or their equivalent, and an appropriate mix of international and local consultants.

16.Personnel recruited specifically for Part I of the contract (excluding managers, administrators etc) should not be allowed to work on Part II.

17.The three main service providers will be required to cooperate with the contractor in openly discussing monitoring arrangements, and participating in related workshops, and commenting on/reviewing documents. Indicator definitions at outcome and impact level should be standardised and agreed between the implementing partners delivering the three main project components. Significant work will be required in order to establish agreed definitions, standards and data collection processes in relation to gendered targets³, what is 'climate smart' and 'climate resilient', amongst other issues (see also background section below)

18.The separate component service providers will each lead on the development and implementation of monitoring frameworks, including data collection, relating to specific investments or innovations. The M and E service provider will provide support to ensure quality of monitoring frameworks and coherence across the project during component set

² <http://www.enterprise-development.org/page/measuring-and-reporting-results>

³ The logframe targets imply an innovative approach to measurement of gendered targets. The target unit is the 'household', not individual people, as this best reflects the flow of benefits expected from the project to the beneficiaries. Superficially, therefore, we might expect as many women to benefit as men. Realistically, however, we are aware that a gender blind project would lead to disproportionate benefits to men, and may even further entrench their privileged position within the household. Monitoring and evaluation of impact on women, therefore, will require considerable effort to understand and then track how benefits disaggregate at the household level.

up/inception phases. Following these set-up phases, the M and E provider will withdraw direct support, and will be limited to undertaking assessments of Monitoring frameworks and providing recommendations during the Annual Review process.

Part II: Annual Review and Other Reviews

19.The purpose of the independent annual review and other reviews (Mid-Term Review and Project Completion Report) is to provide evidence based and independent periodic assessments of project progress to implementers, DFID and other relevant stakeholders, to support effective decision making during the course of the project.

20.Timing and Background: Part II of this contract will start immediately on or around September 14th 2015. All DFID projects require their first Annual Review to occur within 12 months of project establishment on the DFID Aries management system, which took place on 3rd November 2014, and then every 12 months thereafter. It is envisaged that undertaking the Annual Review will take approximately 3 core months per year, including two to three weeks field work for each report. The draft Annual Review should be submitted to DFID Uganda by the 5th September each year, and a final version submitted by 5th October each year. In the case of 2015, a light touch Annual Review only is required. A draft will be required by 15th October, and a final version a week later.

21.The first annual review will be unusual in that there are few logframe achievements to measure, and the service providers will have been in operation only for between 3-4 months (Market Systems Development) and 11 months (AgDevCo)

22.), or not at all (the Medium Term Credit Facility will not have started) and much of the early work focuses on inception, scoping and planning. The first review is therefore likely to be less resource and time intensive than later reviews.

23.Scope: the services encompass five Annual Reviews, one Mid-Term Review and one Project Completion Report. These will be completed for the project following the standard DFID templates and requirements, including output scoring and Value for Money assessments. The contractor will be required to draft terms of reference, agreed by the DFID lead adviser, and recruit appropriate independent experts to undertake field visits, and to complete the reports.

24. The recipients of this work are the three main service providers, project stakeholders and DFID Uganda.

25. Outputs include:

- i. **Five annual reviews**
- ii. **One mid-term review**
- iii. **One project completion report.**

26.A section on the set up of Annual Review systems should be included in the **overall contract Inception report**, due **within 6 months** of the project start

27.Skills and experience required within each Review team include extensive experience of reviews in related fields, with technical expertise covered in the areas of market system development, agriculture and climate resilience.

28.Front line Annual Review team members (that is, excluding managers, administrators etc) will not be involved in the delivery of Parts I and III of this contract. The contractor should be able to draw upon 'DCED qualified' personnel, or their equivalent, and an appropriate mix of international and local consultants.

29.It is envisaged that the best combination of project knowledge and a fresh perspective will be ensured through a typical two-person team for each review, where one reviewer is maintained throughout the course of the project, and the second team member is changed each year. Additional review team members may be drawn from DFID project staff external to DFID Uganda, on a case by case basis. Costs of additional team members will not need to be covered by the Contractor.

30.The three main service providers will be required to provide timely data to the Annual Review team, and to collaborate with Annual Review field visits. AgDevCo will undergo global Annual Reviews in April, which will include activities in Uganda, independently of this contract, and systems should be agreed to minimise their double burden of reporting. The existing agreement between DFID Uganda and AgDevCo stipulates the provision of results updates in time for the NU-TEC Annual Reviews, and lower intensity of review engagement.

Part III: Evaluation Services

31. The purposes of the independent evaluation are twofold:

- i. To provide accountability for project funding to DFID and UK taxpayers
- ii. To generate lessons about the development impact and value for money of the proposed project approach, and about the utility of, and approach to, evaluations in the proposed project context.

32. The core objective of the evaluation activities is to **collect, analyse and report on qualitative and quantitative data that provides answers to the following evaluation questions.**

- i. **Are the three programme components and the activities within each of the three components relevant** to the attainment of the programme's overarching objectives and the intended impacts?
- ii. **To what extent have the objectives of the programme been achieved**, (including whether agribusinesses in receipt of services from each of the three project components increase their level of climate smart investments⁴ relative to those that do not)?
- iii. **What have been the impacts on people engaged in farming activity** (positive, negative and unintended) as a result of the increase in agribusiness activity caused by the project (and which farmers, how many, and to what extent do they benefit in relation to the counter-factual)? How are the impacts felt differently by vulnerable groups such as women, the very poor, youth and the disabled?
- iv. **Does the project represent good value for money?** Considering issues such as whether the activities were cost efficient achieved on time and achieved in the most cost-efficient way compared to alternatives.
- v. **To what extent have the benefits from the project up to year 5 continued up to year 7?** Are these likely to continue after the funding has ceased?

33. Subsidiary or supporting objectives include:

- i. **To ensure issues of gender and vulnerable groups** (including disabled, youth and very poor) **are addressed** through the evaluation (see para 14 above for issues around household and individual measurement).
- ii. **To develop and strengthen evaluation practice** in the field of agribusiness development and market system development.
- iii. **To communicate findings of the evaluation, including methodological findings**, to relevant bodies of practice.

34. This evaluation will not be a full experimental form of evaluation, but will utilise the data available to generate the most useful evaluation possible. This is likely to be quasi-experimental in form, supported by other qualitative methods. This is discussed in more detail under data availability and methodological issues below.

⁴ Or other **related indicators of business level performance**

THEORY OF CHANGE TO BE TESTED:

35.The **theory of change** to be evaluated is presented as a diagram in Annex 1, with an accompanying table of assumptions. The core problem is underinvestment in the agricultural economy of Northern Uganda, creating poverty and vulnerability to climate change. This is due to numerous, complex and massive market failures⁵. The project presents agri-business as the most plausible **agent of change**, and the most likely to overcome the market failures. **Project outputs** are the research, new partnerships, and finance that companies need to invest in new business models. **The outcome** is climate smart investments. Revisions to the theory of change may be made by the contractor following the proposed inception period activities.

36. The theory of change makes numerous assumptions, described with an assessment of their significance and likely project response in Annex 1. The two that are most key (and reflected in the evaluation questions in para 6 above) are:

- i. That there are sufficient private sector agribusinesses with both need of, and potential to utilise, technical assistance and finance in the Northern agro-economy, and will therefore grow as a result of the project.
- ii. That the growth of the targeted investments by these businesses will have a measurable impact on poor smallholders.

37.While the main agent of change at the outcome level is the agribusiness, the **impact level** focuses on poor smallholders: as agribusinesses grow they provide stronger markets for small holder produce, and distribute better, cheaper farm inputs to them. An intermediate impact level therefore focuses on the yield, productivity, diversity and volumes of agricultural activity engaged in by the poor. These are then translated into the final impacts of income increases for small-holders, and reductions in their vulnerability to climate change. 50% of the benefits of the project should accrue to women.

Recipients and target audiences:

38.The recipients of this contract are DFID Uganda, and the global community of development practitioners, in particular those in the fields of market system development, agricultural development, and evaluation.

39.The **target audiences** for the evaluation are: DFID Uganda and the general public, including beneficiaries and project partners. The target audiences for the evaluation include, in addition, the community of practitioners of Making Markets work for the Poor ('M4P'), of evaluation, and of agricultural development projects. The evaluation will be used to inform future project design of related agribusiness projects, and the design of future evaluations, especially in the field of market systems development.

Scope:

40. Table 2 in the Background section sets out of the key indicators and likely means of verification for the project which provide one key view of the scope.

41. The scope covers the evaluation of the three components that make up the project. These are:

- i. **Market Systems Development Component.** Based on the Making Markets Work for the Poor (M4P) approach, the component service providers will analyse market failures in agricultural market systems, and identify potential investments that would help overcome them. They will then form partnerships with private sector operators, based on the provision of technical assistance, in order to encourage them to make the necessary investments. Key outputs include credible business models developed and agreed with business partners; the outcome is the level of investment made.
- ii. **Medium Term Credit Component.** This component will be delivered by a bank in the form of a medium term credit product currently unavailable in the market. Agribusinesses will borrow, invest and grow their business. The output is the financial product launched on the market, the outcome is the resulting business growth.
- iii. **Long Term Investment and Capacity Building Component.** This component will be delivered by AgDevCo, who will identify investees for their packages of equity, credit and technical assistance. The output is the operationalization of the services, and the outcome is the resulting business growth.

42. All three components will contribute to the impacts, measured as increased climate resilience, and increased income, of small holder farmers.

43. The scope covers distinct phases of the evaluation:

- i. Phase 1: **Evaluation design.** This will include a reassessment of the evaluability and the potential and limitations of the data available.
- ii. Phase 2: **Baseline and ongoing data collection.** This may include commissioning data collection by third parties, drawing on the data of the three main project service providers, as well as trouble shooting design, logistical and any other issues as they arise
- iii. Phase 3: **mid-term and final evaluations,** based on the data and design established, and providing recommendations and learning for development practitioners.

Data Availability and Methodology

44. The evaluation of NU-TEC will be innovative and challenging. A range of challenges is presented by the NU-TEC M4P methodology. These include difficulties of attribution, establishing comparison groups, accounting for displacement effects, identifying shallow but widespread impact, indicator definitions, and the deliberately 'light touch' of the project approach, amongst others. These are discussed in a 2013 DFID Working Paper 'Review of M4P evaluation methods and approaches'⁶ and in various conference proceedings. A standard for M and E of such projects has been developed by the 'Donor Committee for Enterprise Development' (DCED), to which the Service Provider for Component 1 of NU-TEC is likely to adhere, at least in part. The contractor will be expected to present their methodologies informed by these debates and literature, as well as the following paragraphs.

45. Data available for use in the evaluation includes the data produced from the M and E systems of the three project components. Interventions under the market system development component will each have their own mini monitoring and evaluation

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255977/Evaluation-making-markets-work-poor-wp41.pdf

framework, developed in parallel with the interventions themselves. These will provide, where possible, baselines amongst likely direct beneficiaries and comparison groups generating information around changing practises and income, while focus group discussions and other qualitative methods will attempt to link changes to project related activity. These data will be collected by the Service Provider of the Market System Development component 1. Most of this data will be subject to the limitations and challenges summarised in para 42 above.

46. At the outcome level, firms partnering with the project will have their turnover and other indicators of economic activity assessed pre and post intervention. Matching such firms to comparison firms may be feasible. Again, this data will be collected by Service providers delivering the three main project components, although the Contractor delivering these terms of reference will assist in advising and quality assuring the design of these systems (Under Part I of the contract above).

47. New data collection technologies also offer some opportunities for low cost 'economy wide' data collection and mitigate several of the challenges associated with evaluating projects of this type. Most importantly, they may enable the project to mitigate to some extent the key geographic uncertainty about where investments will be generated and where, and on whom, the impacts will fall. Two potential data sources are discussed below, however significantly more work is required to understand fully the potential and limitations of these and other data collecting systems operating in Uganda.

47: The Grameen Foundation, for example, collects information on both changes in agricultural practices, and changes in poverty indicators in Uganda. The dataset is based on periodic field surveys of smallholders undertaken by enumerators, each of whom interviews around 200 smallholders clustered around them at regular periods. In relation to future NU-TEC investments, the positioning of the enumerators and their respondents is random, but they may be sufficiently densely distributed through the project area, to ensure that at least some enumerators and respondents will be within the impact area of a given intervention (while others could conceivably act as a form of control). Additional enumerators and questions can be added to support a given evaluation question.

48: A package of information from The Grameen Foundation Uganda (GFU) has been made available to the contractor. The contractor will be expected to consider GFU as a data source, or as a benchmark in consideration of an equivalent supplier.

An initial 'evaluability assessment' of the NU-TEC project was undertaken in June 2013 , but was limited in its scope, and further work will be required during the inception phase to establish the best approaches.

49. The majority of the data for monitoring and evaluation drawn from the project records of the service providers should be high quality, appropriately disaggregated and reliable, and will be assessed by the Contractor initially in Part 1 of this contract, and periodically through Part 2 of this contract. The quality and applicability of external datasets (such as that of Grameen Foundation) will have to be further examined by the Contractor. A full data plan will be developed during inception phase, including identification of essential and potential interviewees and target groups, and appropriate disaggregations. The Contractor will undertake a thorough analysis of all data options, and set the level of ambition of the evaluation, and design it, accordingly.

48. Given the difficulty and complexity of designing an evaluation in the project context, it is expected that the **evaluation methodology** will not be fully developed until the project inception period. A fully experimental approach is not considered possible since the intervention and non-intervention sites are not selected randomly. A quasi-experimental approach using individual based methods may be feasible, and should be explored by the Contractor. Geographical comparisons based on treatment and non-treatment districts/areas are not considered possible or worthwhile. Whatever approach is proposed, it is expected that it must be supported by a range of qualitative methodologies.

49. Special attention will be required to ensure **Value for Money (VFM)** metrics are established and reported on for each component throughout the project and as part of the mid-term and final evaluations. Value for Money metrics will include:

- i. Economy: Input cost comparisons, linked to relevant benchmarks from similar projects and the DFID Uganda portfolio
- ii. Efficiency: output cost assessments, linked to relevant benchmarks of cost and quality from other relevant project
- iii. Effectiveness: cost benefit analysis of the project overall, linked to benchmarked similar projects, and other original project economic appraisal

The contractor will build their VFM approach through inception, consider and present how this ties into their overall framework, and what methods and data they would use for VFM determination. VFM plans will be covered in the inception report.

50. Resources available to the Contractor may include access to minimal office space within offices of the Market System Development service provider. All travel and logistical costs will be covered through this contract.

51. Managing and benefitting from stakeholders: Stakeholders include implementing partners, DFID and other donors active in a similar field, and local and national government, including the Ministry of Agriculture and the Uganda Bureau of Statistics. They also include agribusinesses (represented by various groups and ‘platforms’), farmers and small holders operating in the north of Uganda, and finally, practitioners of agricultural development projects, market system development projects and evaluations. The Contractor should develop an appropriate stakeholder engagement plan as part of their inception report, which will include detail of roles and responsibilities agreed with other key project service providers. There is unlikely to be potential for joint or partnership based evaluations, but this can be assessed and reported on during the inception phase. The exception is an ongoing evaluation of AgDevCo global work.

Evaluation Framework and Criteria

52. The contractor will work with other project contractors to prepare an evaluation framework, refine key questions and evaluation criteria. The framework is expected to draw from the logframe, the Theory of Change, (which in themselves are expected to be refined through the inception process) and from established evaluation criteria such as the *DAC Criteria for Evaluation Development Assistance*⁷. The contractor will be required to explain how this framework would be used to develop indicators and questions for the evaluation, and structure and frame the analysis and reporting, and show how the framework is consistent with the logframe and DAC criteria.

⁷ <http://www.oecd.org/development/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

Evaluation of Cross Cutting Issues

53. Evaluation of cross cutting issues is also important. *Poverty, gender and environment* (specifically, the climate resilience of the target population and target economy) are contained within the main evaluation questions, and will be central to understanding the development impact of the project. The contractor should also be prepared to examine *anti-corruption impacts* and *power relations*, in particular in relation to the project methodology which avoids direct implementing relationship with government institutions, and seeks to makes markets more competitive. A political economy study of agribusiness will be made available to the contractor at the start of the contract.

Governance and Independence

54. The evaluation will be overseen by an independent reference group to oversee the relevance, quality and utility of the evaluation work and to help disseminate findings. The reference group will include 3-4 individuals, international and national, not connected to the project, but with combined high level experience in rigorous evaluation, private sector development and agriculture.

55. The contractor is expected to set out as part of their inception report how they will minimise conflict of interest risks related to delivering M and E set up services, Annual Reviews and an Evaluation. Complete eradication of the conflict is not expected, and some risk is accepted as part of the trade off with the lower costs, and technical and management benefits of combining the services. After the end of the set-up phase, (during which the contractor will be involved in advising on and designing aspects of the M and E system) further involvement of the Contractor will be limited to data collection and the management/production of Annual Reviews and the Evaluation. See also paragraph 60 regarding M and E roles and responsibilities across the project.

Outputs and Timing

56. Timing is designed to allow for evaluation design, and support to build the M and E systems of other service providers, during the inception phases of other service providers. Final evaluation takes place two years after most investments have taken place, allowing the evaluation the benefit of tracking results for longer period. The following table sets out the key outputs that make up the scope of work for Part III of this contract.

Output	Description/comment including main audience	Timelines
1. Mobilisation plan	A brief (max 5 pages) outline of proposed activities, staffing and budget for the 6 month inception period. <i>Target audience: DFID Uganda</i>	Within 2 weeks of contract start
2. Evaluation Inception report	This will include: <ul style="list-style-type: none">Detailed work-plan for the reminder of the contract period, and outline work-plan for remaining project periodDetailed Evaluation plan, including indicator definitions, collection methodology, data acquisition plans, and roles and responsibilities vis a vis other NU-TEC service providers. It will include explicit consideration of methodology to measure the disaggregated impacts on men and women, poor and non-poor.	Within 6 months of contract start

	<ul style="list-style-type: none"> • Description of evaluation procedures to include: <ul style="list-style-type: none"> ▪ Ethics ▪ Evaluation code of conduct ▪ Proposed governance arrangements (ie the role of Management, membership of Reference Groups) ▪ Fieldwork ▪ Inception, work-planning and review meetings ▪ Consultation and commenting timelines for study outputs (including timescales) ▪ Quality assurance of study outputs (including timescales) ▪ Any proposed partnerships • Stakeholder engagement plan including: <ol style="list-style-type: none"> I. Agreements/MoU with other service providers regarding roles and responsibilities for data collection and analysis II. Details of evaluation reference group membership III. Details of other relevant projects and evaluations, their importance to NU-TEC evaluation, and details of any proposed collaboration. This will include ongoing work on a multi-country evaluation of one delivery partner, AgDevCo IV. Any further roles to be determined for other stakeholders V. Dissemination plan <ul style="list-style-type: none"> • Detailed Budget and staffing plan • Proposed Performance Milestones and KPIs • Revised logframe, reflecting logframe workshop. <p><i>Target audience: DFID Uganda and implementing partners</i></p>	
3. Baseline data report	<p>Baseline data for the impact evaluation completed and presented in a report</p> <p><i>Target audience: DFID Uganda and implementing partners</i></p>	Due in September 2016
4. Mid Term Evaluation	<p>Report documenting progress towards impact targets from baseline, and in relation to comparison groups. Will include recommendations for project strategic direction</p> <p><i>Target audience: DFID Uganda and implementing partners, and external bodies of practice</i></p>	Within 3 years of contract start
5. Final Impact Evaluation	<p>Final report, including key lessons learned.</p> <p><i>Target audience: DFID Uganda and implementing partners, and external bodies of practice, UK and Uganda public</i></p>	By May 2022
6. Dissemination	<p>Periodic activities to disseminate findings from the project to key local and international communities of</p>	Ongoing throughout

activities	practice. Likely to include publication of articles in relevant journals, presentations at workshop etc <i>Target audience: external bodies of practice, and UK and Uganda public</i>	the project.
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Skills and experience required

57.The evaluation team should utilize world class expertise in:

1. Evaluation of climate resilience, Market System Development, rural livelihoods and private sector development interventions
2. Use of technology based management information systems, especially in the fields of a) big data, c) data collected by mobile phone, and c) land use tracking.
3. Agriculture and agribusiness
4. Evaluation of the mainstreaming of gender and social development through economic development programs

58. Those working on the evaluation should have the academic and statistical knowledge, and background in related evaluations, that will support the completion of the evaluation products. The team will also require strong communications skills to support effective dissemination.

Overall Contract Issues

Roles and Responsibilities

59. The Contractor will need to form two teams: Set Up and Design and Evaluation Team and the Review Team. To maximise independence of the evaluation, key technical members of the Review Team (that is, excluding administrators and managers) should not be members of the Set Up and Design and Evaluation Teams. However, a single contract team leader will oversee both teams.

60. The following table summarises key M and E roles and responsibilities across the NU-TEC project. It is noted that responsibility for monitoring lies with Component Service Providers.

Key responsibilities	Who takes the lead?
M and E set up	Component Service Providers will be responsible for designing their own frameworks, but with coordination, QA and advisory services from the Contractor's Set Up and Design team and Evaluation , who will also lead a logframe revision workshop and produce a project M and E handbook.
Evaluation design	Contractor's Set Up and Design and Evaluation team , with oversight from Evaluation Reference group
Evaluation baseline data collection	Contractor's Evaluation team , with the collaboration of Component Service Providers where necessary.
Intervention and investment monitoring	Component Service Providers
Intervention and investment mini-evaluations	Component Service Providers ⁸ may design and undertake mini-evaluations of specific time-bound interventions, contributing the information and lessons to the Contractor.
Annual Reviews, Mid Term Review and Project Completion Report	Contractor's Review team , with information provided by Component Service Providers according to relevant indicators.
Evaluation implementation (mid line and end line data collection, analysis and reporting)	Contractor's Set Up and Design and Evaluation team , with oversight from Evaluation Reference group.

61. Geography: The majority of project operations, and all impact level results, will be in the north of Uganda, although it is likely that many of the business partners will operate from Head Offices in Kampala or overseas.

Oversight and accountability

62. The M and E service provider will report to DFID Uganda Private Sector Development Adviser (PSDA), who will approve key project outputs and reports; and to the Growth and Resilience Team Deputy Programme Manager (DPM), who will approve invoices, payments

⁸ This will be required of the service provider delivering Component 1, Market Systems development, but will not be required of the other two main service providers.

and other financial arrangements and reports. The PSDA will be the team day-to-day point of contact. The contract will be subject to annual review process as part of the NU-TEC annual review, although the part focusing on this contract will be done separately by DFID staff.

63. As discussed in Part III, an evaluation reference group will be established.

64. Financial reports and plans required include:

- a. Annual work plans and budgets (disaggregated monthly) including annual procurement plan detailing the technical assistance, equipment and other requirements for goods and services.
- b. Annual financial forecasts to be updated monthly.
- c. Six monthly comparison of budget with expenditure.
- d. Statements of expenditure are to be submitted by output and sub output

65. It is the intention of DFID to establish a form of Payment by Results (PbR), to create incentives for the timely, strong and results focused performance of the supplier, and which drives value for money. The contract should maximise the advantages of PbR, whilst avoiding perverse incentives, and transactions costs.

66. DFID will agree Key Performance Indicators (KPIs) with the service provider and are likely to include: quality and delivery; management, financial; personnel; and innovation indicators. The contractor will propose a suite of KPIs for the inception period as part of the contract. The KPIs for the implementation period will be agreed by the end of inception. KPI's will be linked to a percentage of the fees payable under this contract. The percentage will be agreed by the end of the inception and is expected to be a minimum of 5%.

67. All outputs related to the impact evaluation will be quality assured by DFID Evaluation Department, through its Specialist Evaluation and Quality Assurance (SEQAS) service.

68. DFID will have unlimited access to the material produced by the contractor (as expressed in DFID's general conditions of contract).

69. It is expected that the final evaluation report will be peer reviewed by a suitable academic institution, or published through an appropriate academic journal.

70. NU-TEC project is expected to run for 7.5 years from November 2014 to March 2022. It is envisaged this contract will run for 7 years commencing in September 2015 until May 2022. Contract breakpoints will be after the completion of part 1 of the contract, and after the completion of the second annual review.

Additional Skills and experience required

71. In addition to the specific skills set out in Part 1, 2 and 3, it is proposed there should be an overall team leader. The TL should have seniority demonstrated by strong leadership ability, excellent technical skills in monitoring and impact evaluation, and at least 10 years of management experience of similar projects; a proven track record in the capacity to oversee the measurement and communication of robust results and impact.

72. The contractor should also provide the requisite financial, administrative and logistical expertise in an efficient manner across the scope of each of the three parts of this contract.

Definition of key terms

Table 3: Key indicators, means of verification and key issues

Indicator	Data sources and means of verification	Key issues
# of smallholder farmer household in Northern Uganda with 15% (above inflation) increase in agricultural income (disaggregated by youth/non-youth, gender (50% female) and disability (target tba), and poverty (above and below 5ha land)).	Intervention specific baselines will determine size of income impact and provide a basis for the various dis-aggregations. Existing data systems ⁹ could be exploited to determine the numbers eventually impacted, estimates of displacement and will establish a broad baseline	The measurement will involve high degree of estimation and complexity which will need to be transparent. A special requirement is that Implementing Partners ensure comparable standards, definitions and methods.
Number of farmers who use two of: commercial seeds, fertilizer, mechanization, Climate Smart Agricultural skills, dryer, storage	Existing data systems could be used to establish a baseline, to be updated for MTR and end of project. DFID will cover the costs of additional data collection required. Intervention specific studies will include this indicator in baseline and follow up surveys.	Definitions of quantities, quality, regularity of usage etc will be required to be defined through survey question wording.
Value of climate smart investments facilitated by NU-TEC (excluding loans)	Relatively straightforward record of investments available from project private sector partners.	This will need to be updated beyond the initial investment as firms invest related funding over the course of the project period.
Additional turnover of agri-businesses supported by NU-TEC	Each private sector company engaged by Component 1 service provider, AgDevCo or the specialised credit fund will be required to provide turnover estimates pre and post engagement, verified by company accounts where possible.	Confidentiality, poor book keeping, and lack of interest/willingness will reduce data quality and completeness.
Value of private sector investment commitments	From project records	Obviously caveated that 'commitments' may not be real – service providers will

⁹ One or more of the various data products and services that have developed in Uganda in recent years.

		be required to make a judgement. Conversion rate into investments will enable a better assessment
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Definition of Key Terms

73. 'Agribusiness' is defined as a commercial business engaged in agricultural production, supply of agricultural services (including financial services, logistics and consultancy, for example) or supply of inputs, or businesses which directly affect demand for agricultural products such as refiners, traders and processors. Subsistence farming is excluded from the definition of agribusiness, (although subsistence farmers fall within the scope of beneficiaries and consultation processes), while commercial farms are included. Farmer cooperatives are included, but only those with a genuine and proven business orientation, and preferably with no dependence on existing donor interventions. Formality is not a criterion.

74. The definition is designed to focus attention away from small holder farmers and farmer groups *as agents of change*, despite their ultimate position as project beneficiaries, and their crucial consultative role in guiding the project to the right types of investment. As the Business Case sets out, it is likely that agribusinesses are far more likely to affect the necessary changes within markets than farmers, given their greater capacities.

75. Sub-markets within the scope of the project include anything from which a direct line can be plausibly traced from agribusiness investment to northern Ugandan farmer/smallholders benefit. Thus, markets for micro-insurance, market information, transport, distribution, private extension systems etc are all included. DFID is prevented from partnering tobacco companies, and permission from the Secretary of State is required before working with breweries and distillers. Pesticides must be avoided, unless agreed by the DFID Uganda Climate and Environment Adviser¹⁰.

76. 'Northern' is widely defined. It not only includes businesses operating in the provinces of West Nile, Acholi, Lango and Karamoja, but businesses supplying into those areas, and businesses creating demand for agricultural produce from those areas. A geographically diverse portfolio of interventions could balance economic potential and dynamism (eg Lira district of Lango province) and poverty targeting (Acholi, West Nile). Karamoja is included, but DFID accepts that it would be difficult to achieve results cost effectively and at scale, using this project methodology in this region (though DFID would welcome being corrected).

77. 'Climate smart' is defined more widely than it sometimes is. It is the strong hypothesis of the project that Northern Uganda is highly vulnerable to climate change because of a) its reliance on rain fed agriculture; b) the lack of access to climate resilient inputs such as drought resistant seeds or storage; c) a generalised and severe lack of access to markets (both input and output) which limits the adaptability of farmers and the choices they can make in response to changes in their environment; d) the prevalence of subsistence farming and low cash incomes; as well as e) the prevalence of environmentally degrading practices such as land clearance and deep tillage.

¹⁰ The UK is a signatory to the Stockholm Convention that seeks to eliminate 12 persistent organic pollutants: aldrin, chlordane, DDT, dieldrin, endrin, heptachlor, hexachlorobenzene, mirex, toxaphene, PCBs, dioxins and furans

78.As a result, a ‘climate smart investment’ is one which addresses climate vulnerability, as defined in the paragraph above; that is, one which reduces the dependence on the climate. Generally, a more modern and developed agro-economy is far more climate resilient than a subsistence economy. Interventions to increase the usage of appropriate fertilizers, quality seeds, and storage, or that produce increases in yields, sales and crop value, are all legitimate ‘climate smart investments’, as well as those under a more narrow definition, such as investments in drought resistant seeds, or irrigation¹¹. ‘Climate resilience/vulnerability’ can be thought of at an individual, community, business or economy-wide level.

79.Some investments will increase both emissions and resilience. (Consider a new processing plant, providing cash incomes to outgrowers, for example). It is likely that resilience benefits would outweigh related emissions increases, given that emissions overall will inevitably increase in Uganda as it develops, and that emissions resulting from this project will be relatively small. Overall, this project expects to have far more influence over resilience than emissions, and this is reflected in the logframe targets.

80.However, emissions must be considered in three cases, when defining whether an investment is ‘climate smart’. First, intervention criteria should support lower emission investments, where there is a choice, and especially where added analysis from the project can be brought to bear on project partners to encourage them. Low emission options for powering new plant, reduced land clearance, usage of low tillage methodologies, or energy saving investments should always be exploited where feasible. Second, when the trade-off between higher emissions and resilience is not clearly beneficial (a project with high levels of virgin land clearance for a plantation with a high risk of failure, for example), safeguards should ensure good climate analysis creates a clear justification or rejection of the proposal. Third, a programme targeting the spread of lower emission technology or practice in the northern agro-economy, would be a legitimate inclusion in the project (though measured only at outcome level), even where resilience benefits (at impact level) were not clear.

¹¹ The arguments for such a wide definition of climate resilience would be much weaker in a more developed agro-economy, even others in Sub-Saharan Africa. It is because of the startling scale of subsistence and lack of access to almost any inputs and markets in Northern Uganda, which make this generalised definition of vulnerability (and thus ‘climate smart’) compelling.

List of Annexes

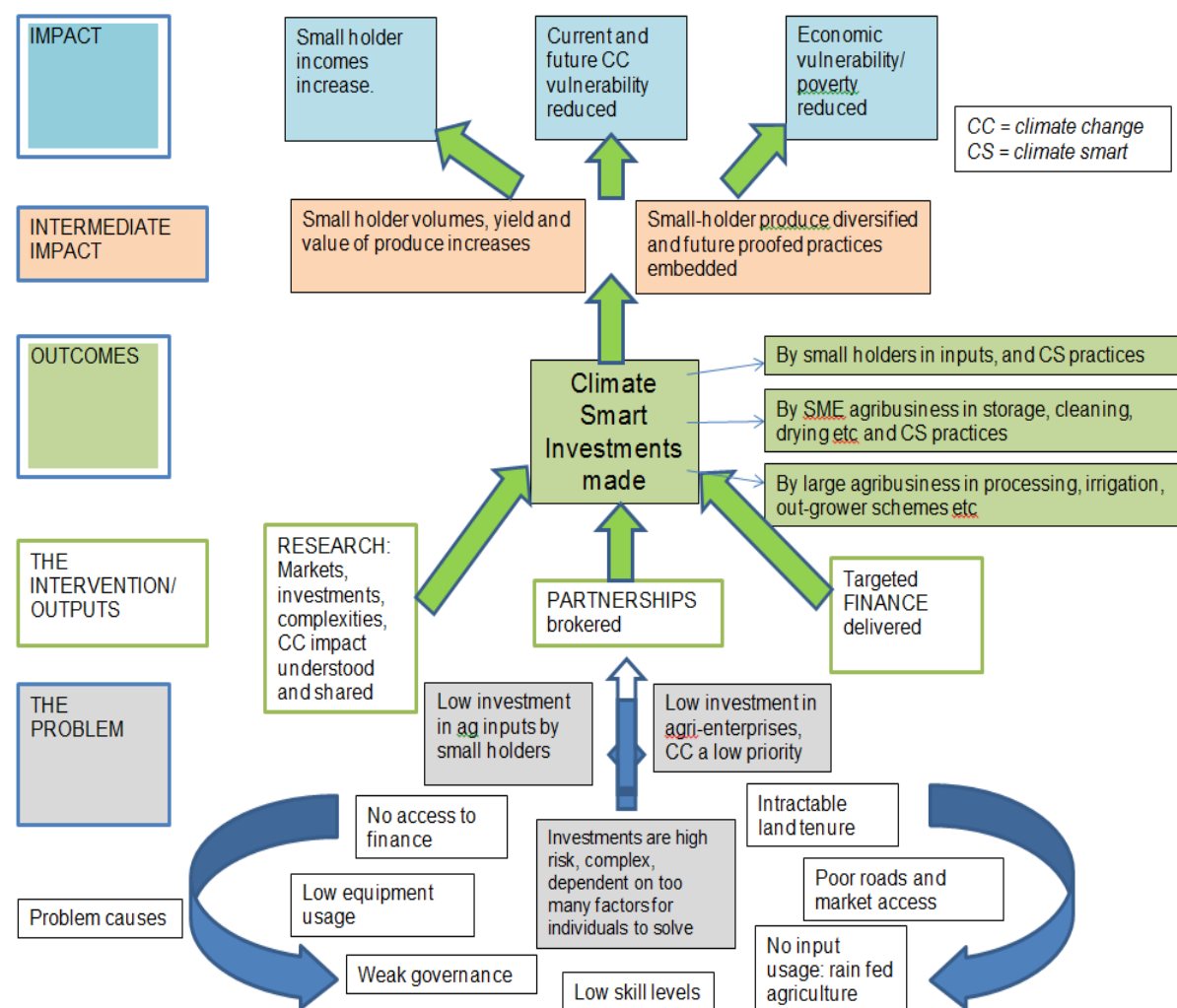
Annex 1: Theory of change and related assumptions

Annex 2: Duty of care information

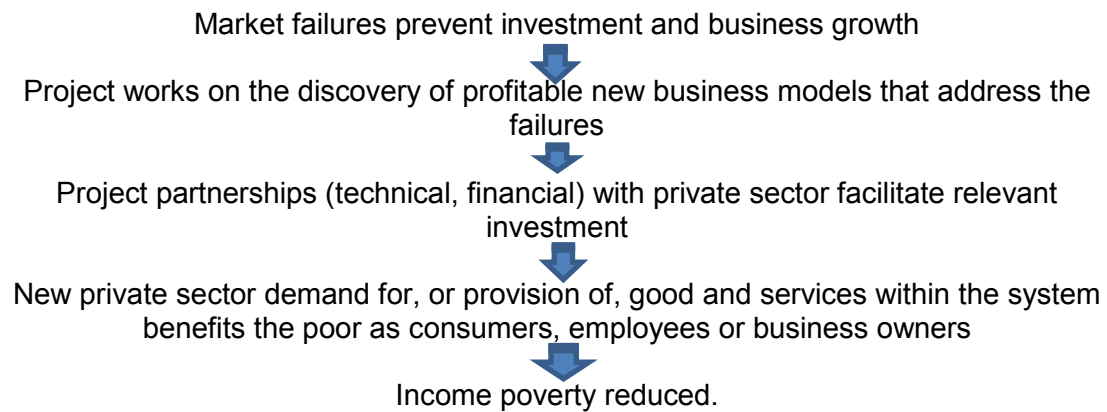
Annex 1: Theory of change and related assumptions

The core problem is underinvestment in the agricultural economy of Northern Uganda, creating poverty and vulnerability to climate change. This is due to the numerous, complex and massive market failures, described in the Strategic Appraisal. The project presents agri-business as the most plausible agent of change, given the weak position of farmers, and the political economy challenges to a regulatory approach. It sets out intervention will deliver new business models (through research and brokering partnerships) and finance. The outcome is climate smart investments. Investments include purchase of inputs by smallholders, post-harvest infrastructure built by traders, or large scale and long term investments in processing plant, irrigation schemes, or new distribution models. While the main agent of change at the outcome level is the agribusiness (even smallholder investments are driven by agribusiness improving their services to them), the impact level focuses on poor smallholders. An intermediate impact level focuses on the yield, productivity, diversity and volumes of agricultural activity engaged in by the poor. These are then translated into the final impacts of income increases, and reductions in vulnerability.

NU-TEC Theory of Change diagram



The central element is related to climate change: high vulnerability at the problem level, climate smart interventions and investment, and sustained reductions in vulnerability at the impact level. At the same time, the market development logic underpinning the ToC is familiar from many market system projects:



KEY ASSUMPTIONS

ToC stage	Key Assumptions	Confidence and importance	Project response/ Monitoring
Problem analysis	Problems have been correctly analysed	Confidence is high with regard to the nature and number of market failures. The relative importance of each is less clear	Deeper analysis will be undertaken as part of Component 1 Inception period.
Achieving outputs – credible business plans and investment/ credit products operational	Businesses are persuaded by the commercial case for climate smart investments	Almost all investments will have positive implications for resilience, but only larger businesses will see the benefits of the longer term investment horizons required to maximise climate resilience. Other M4P projects have successfully revealed business models and facilitated investments	The project is designed to maximise the discovery of commercially attractive, climate smart investments through its technical assistance and research.
	There are sufficient firms that can absorb and attract additional finance, and this is also perceived to be true by financial institutions	Confidence is only medium, and this is an assumption with major implications but...	...project includes firms supplying into, or buying from, the North. The high level of Technical Assistance is linked to managing this assumption, as is the flexibility of Component 2 in allocating TA vs capital funds, and in the Year 3 allocation of funds to the most successful areas.
Output to outcome - investments and businesses grow	New knowledge, partnerships and finance are sufficient to result in new investment	New opportunities should be identified, but ability to add real value to the knowledge of business will be key. Experience from other M4P projects suggests that this is a feasible assumption	Knowledge product quality, and number and credibility of partnerships, will be closely monitored
	The business environment is good enough to encourage positive investment decisions	Existing growth in the region indicates sufficient reason to hold the assumption, but this remains a significant risk	Monitoring of the issue can be done by IPs recording reasons for investment reluctance.
	Firms have sufficient capacity to manage more and larger investments	Confidence is only medium.	High levels of TA is a direct response to this assumption
Outcomes to intermediate impacts	Agri- investments will have a direct impact on smallholder livelihoods	Confidence is high because the viable business models rely on smallholders to succeed.	Component 1 will ensure business models are explored from a pro-poor perspective.
	There is enough demand for the products and services introduced to ensure their viability.	Studies on the 'potential' of markets for the North, provide some confidence. However, global price volatility means that full confidence is not possible.	Project will ensure global demand issues are monitored. Additional studies under Component 1 will help the project identify and respond to demand changes.
	Poor smallholders have the capacity and willingness to purchase and utilise agro-inputs, and respond to increased demand from processors and traders.	Ability and willingness of smallholders to adopt new practices is difficult to assume, although it is easier in the presence of increased demand for produce.	The project design focuses on the agri-business as the agent of change, and by building on existing markets, rather than trying to identify the 'killer' technology.
	Attractive investments supporting gender equality can be found.	Assumption will not hold without dedicated attention and effort from the project.	Detailed gender analyses and strong incentives in project ToRs and contracts.
Intermediate impacts to final impacts	Yield and productivity improvements, and greater demand, will result in income increases amongst poor smallholders	A highly plausible assumption but dependent on a) sufficient market demand for new or improved products, and b) non-exploitative forms of commercial arrangements which ensure any benefits are adequately shared by smallholders	Project will monitor flow of benefits through to smallholders through its farmer database systems. The relative income level of smallholders who benefit will also need to be monitored to ensure benefits do not only flow to the wealthiest farmers.
	Vulnerability to climate change will be reduced.	This is highly likely, but care is required to ensure the investments targeted do have the intended effects	Climate change vulnerability indicators will be included in the monitoring and evaluation framework.

Annex 2: Duty of Care for NU-TEC tender

1. The Supplier is responsible for the safety and well-being of their Personnel and Third Parties affected by their activities under this Contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.
2. DFID will share available information with the Supplier on security status and developments in-country where appropriate. DFID will provide the following:
 - All Supplier Personnel will be offered a security briefing by the British High Commission on arrival. All such Personnel must register with their respective Embassies to ensure that they are included in emergency procedures.
 - A copy of the DFID visitor notes (and a further copy each time these are updated), which the Supplier may use to brief their Personnel on arrival.
3. The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this Contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Supplier must ensure they (and their Personnel) are up to date with the latest position.
4. Tenderers must develop their Tender on the basis of being fully responsible for Duty of Care in line with the details provided above and the initial risk assessment matrix developed by DFID (Annex 2). They must confirm in their Tender that:
 - They fully accept responsibility for Security and Duty of Care.
 - They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
 - They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.
5. Acceptance of responsibility must be supported with evidence of capability (no more than [2] A4 pages) and DFID reserves the right to clarify any aspect of this evidence. In providing evidence Tenderers should consider the following questions:
 - a) Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding, and are you satisfied that you understand the risk management implications (not solely relying on information provided by DFID)?

- b) Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?
- c) Have you ensured or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed and will you ensure that on-going training is provided where necessary?
- d) Have you an appropriate mechanism in place to monitor risk on a live / on-going basis (or will you put one in place if you are awarded the contract)?
- e) Have you ensured or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an on-going basis?
- f) Have you appropriate systems in place to manage an emergency / incident if one arises?