

## Section 3

### TERMS OF REFERENCE

#### **Promoting Financial Services for Poverty Reduction in Bangladesh (PROSPER) Coordination Unit (PCU)**

##### **1. Background**

**1.1** Over 8 years, the PROSPER programme aims to generate *‘Pro-poor economic growth for increasing income & employment for the poor, especially for women’*; this will be accomplished by promoting a *‘Sustainable micro-finance sector in Bangladesh that offers greater access to, & usage of, diversified financial services for the poor’*. Improvements in the microfinance sector will come from this three-pronged programme that:

- a) offers an appropriate microfinance product to a large section of extreme poor people who have been previously excluded from formal financial services,
- b) establishes and equips the regulatory authority, and
- c) through InM’s research and training activities, strengthens the knowledge and skill level of the sector.

**1.2** PROSPER currently have three identified outputs:

- Output 1: PROSPER financed organisations & PROSPER replicators effectively deliver innovative & sustainable financial services, especially for i) the extreme poor, ii) micro, small enterprises & farmers;
- Output 2: Facilitation of an effective Microcredit Regulatory Authority;
- Output 3: Supply, demand & outcomes of training, consultancy, research, & development services is significantly improved (quantitatively & qualitatively).

**1.3** UK is providing £44.98 million to implement the programme over 8.5 years. Main implementation partners for the second half of this programme are: 1. Palli Karma Sahayak Foundation (PKSF); 2. Micro-credit Regulatory Authority (MRA); and 3. Institute of Microfinance (InM). The strategic oversight of the overall programme is with the PROSPER Steering Committee (PSC) chaired by the Governor of Bangladesh Bank. The PROSPER Coordination Committee (PCC), chaired by PKSF Managing Director, is responsible for monitoring implementation progress and co-ordinating amongst implementing partners and DFID.

**1.4** An external team of 3 conducted the mid-term review of the PROSPER programme in October 2011. This review generated a set of recommendations that were discussed extensively and agreed, in principle, for all 3 outputs. Following this in-depth exercise, implementation for the remaining duration of PROSPER is expected to be relatively straightforward across components; however, DFID’s requirements on periodic results measurement, financial forecasting, fraud management and risk monitoring become tighter. These factors have led to the need to re-evaluate the PCU’s role – to ensure that the PCU

can optimally support DFID and the project partners address upcoming challenges, especially during the upcoming Project Completion Review (PCR).

## 2. Objective

The objective of establishing a PROSPER Coordination Unit is to:

- a) ensure **excellent co-ordination** between DFID and the implementation partners, PKSf and InM, in terms of results, finances, and other DFID requirements,
- b) **hold** a Project Steering Committee (PSC) and a Project Coordination Committee (PCC) meeting in the period July – December 2015, and
- c) **effectively support** Private Sector Team of DFID Bangladesh to complete the Project Completion Review (PCR).

## 3. Recipient

Government of Bangladesh and DFID will be the recipient of the services. However, PCU will be contractually obligated to DFID for its services.

## 4. Scope of work

**4.1** The PROSPER Coordination Unit's (PCU) primary mandate is to support (a) the successful completion of the overall PROSPER programme and (b) DFID in taking forward day-to-day operational activities related to the programme. In specific areas outlined by DFID and agreed with partners, PCU will have oversight roles on behalf of DFID.

**4.2** PCU will ensure that a high degree of accountability is exercised with respect to fund flow and utilisation. The PCU will pro-actively coordinate fund requests from implementing partners, accounting, audit and monitoring requirements, so that the administrative transaction costs for donors and programme implementers are manageable.

**4.3** The PCU will undertake the following tasks:

### A) Support to DFID:

- On behalf of DFID, lead on the preparation of an action plan to take forward the **Programme Completion Review** with component leaders; monitor progress and provide periodic feedback to DFID.
- Proactively **identify risks and both technical and management issues/challenges** affecting successful programme delivery.
- Support DFID in maintaining the existing **financial reporting system** for implementation partners. As part of the system, PCU will analyse annual budgets, recommend modification, and ensure timely submission of quarterly fund request and forecasts along with expenditure reports.
- Collate **results** from partners against the logframe indicators and submit to DFID. PCU will quality assure the results and results tracking process before reporting the collated results to DFID.
- Provide **secretarial support to both PSC and PCC**. This will include but is not limited to arranging logistics of the meeting, drafting, finalising and

circulating minutes of the meeting. PCU will also be responsible for drafting minutes of meetings that will take place between DFID and implementing partners.

B) Coordination / Knowledge Management related activities:

- Arrange for and support **2 committee meetings** (one PSC and one PCC).
- As the PROSPER Programme is moving to its end, new tasks may emerge and PCU will take forward those tasks as agreed between DFID and PCU. Any changes in PCU role should be approved by DFID.

## **5. Team Composition**

The PCU shall be staffed by a Team Leader/Adviser and appropriate local staff. The PCU will have its own office and maintain reasonable office hours adjusted according to the demands of the programme.

## **6. Reporting**

6.1 The PCU will meet with DFID on demand basis to update on progress of implementation and discuss pertinent issues. The key reporting relationship in DFID is the Private Sector Development Adviser, responsible for this project, and the Programme Manager of Private Sector team in DFID.

6.2 The PCU Team Leader will submit a clear work plan until the end of the contract. PCU will submit a progress reports as well as a handover report at the end of the contract. In addition to the agreed meetings, DFID holds the right to call for more frequent meetings and additional reports.

## **7. Timeframe**

The PCU is expected to be in place from **01 July 2015 to 31 December 2015**

## **9. Duty of Care**

A Summary of Risk Assessment Matrix and Duty of Care to Suppliers Policy Information Note are attached for your information. At present the risk level is low with no major concerns or threats envisaged. However, we should like to remind you that responsibility for the well-being of the supplier's Personnel rests solely with the Service Provider. The Service Provider will be responsible for the provision of suitable security arrangements for them and any business property/equipment that will be used during the course of this assignment. DFID shall forwards any updates to the guidance or notify the consultant of any changes to the security situation, as and when these are received during the course of the work.