



## **CALLDOWN CONTRACT**

**Framework Agreement with:** Oxford Policy Management, Level 3, 52 Cornmarket Street,  
Oxford – OX1 3HJ

**Framework Agreement for:** Global Evaluation Framework Agreement GEFA

**Framework Agreement Purchase Order Number:** 5859

**Call-down Contract For:** Impact Evaluation of the Samarth-Nepal Market Development  
Programme

**Contract Purchase Order Number:** 7457

I refer to the following:

1. The above mentioned Framework Agreement dated;
2. Your proposal of **July 2016**

and I confirm that DFID requires you to provide the Services (Annex A), under the Terms and Conditions of the Framework Agreement which shall apply to this Call-down Contract as if expressly incorporated herein.

### **1. Commencement and Duration of the Services**

- 1.1 The Supplier shall start the Services no later than 01 February 2017 ("the Start Date") and the Services shall be completed by 31 March 2019 ("the End Date") unless the Call-down Contract is terminated earlier in accordance with the Terms and Conditions of the Framework Agreement.

### **2. Recipient**

- 2.1 DFID requires the Supplier to provide the Services to DFID Nepal. ("the Recipient");

### **3. Financial Limit**

- 3.1 Payments under this Call-down Contract shall not exceed **£996,650 (GBP Nine Hundred Ninety Six Thousand, Six Hundred & Fifty)** "the Financial Limit") and is exclusive of any government tax, if applicable as detailed in Annex B.

### **28. Milestone Payment Basis**

- 28.1 Where the applicable payment mechanism is "Milestone Payment", invoice(s) shall

be submitted for the amount(s) indicated in Annex B and payments will be made on satisfactory performance of the services, at the payment points defined as per schedule of payments. At each payment point set criteria will be defined as part of the payments. Payment will be made if the criteria are met to the satisfaction of DFID.

When the relevant milestone is achieved in its final form by the Supplier or following completion of the Services, as the case may be, indicating both the amount or amounts due at the time and cumulatively. Payments pursuant to clause 28.1 are subject to the satisfaction of the Project Officer in relation to the performance by the Supplier of its obligations under the Call-down Contract and to verification by the Project Officer that all prior payments made to the Supplier under this Call-down Contract were properly due.

#### **4. DFID Officials**

4.1 The Project Officer is:

4.2 The Contract Officer is:

#### **5. Key Personnel**

The following of the Supplier's Personnel cannot be substituted by the Supplier without DFID's prior written consent:

#### **6. Reports**

6.1 The Supplier shall submit project reports in accordance with the Terms of Reference/Scope of Work at Annex A.

#### **7. Duty of Care**

All Supplier Personnel (as defined in Section 2 of the Agreement) engaged under this Call-down Contract will come under the duty of care of the Supplier:

- I. The Supplier will be responsible for all security arrangements and Her Majesty's Government accepts no responsibility for the health, safety and security of individuals or property whilst travelling.
- II. The Supplier will be responsible for taking out insurance in respect of death or personal injury, damage to or loss of property, and will indemnify and keep indemnified DFID in respect of:
  - II.1. Any loss, damage or claim, howsoever arising out of, or relating to negligence by the Supplier, the Supplier's Personnel, or by any person

employed or otherwise engaged by the Supplier, in connection with the performance of the Call-down Contract;

- II.2. Any claim, howsoever arising, by the Supplier's Personnel or any person employed or otherwise engaged by the Supplier, in connection with their performance under this Call-down Contract.
- III. The Supplier will ensure that such insurance arrangements as are made in respect of the Supplier's Personnel, or any person employed or otherwise engaged by the Supplier are reasonable and prudent in all circumstances, including in respect of death, injury or disablement, and emergency medical expenses.
- IV. The costs of any insurance specifically taken out by the Supplier to support the performance of this Call-down Contract in relation to Duty of Care may be included as part of the management costs of the project, and must be separately identified in all financial reporting relating to the project.
- V. Where DFID is providing any specific security arrangements for Suppliers in relation to the Call-down Contract, these will be detailed in the Terms of Reference.

## **8. Call-down Contract Signature**

- 8.1 If the original Form of Call-down Contract is not returned to the Contract Officer (as identified at clause 4 above) duly completed, signed and dated on behalf of the Supplier within 5 working days of the date of signature on behalf of DFID, DFID will be entitled, at its sole discretion, to declare this Call-down Contract void.

For and on behalf of  
The Secretary of State for  
International Development

Name:

Position: Contract Officer

Signature:

Date: 23.08.2016

For and on behalf of  
OPM

Name:

Position:

Signature:

Date:

## **Annex – A**

### **1. Introduction**

The Department for International Development (DFID) ensures that its interventions are effective and efficient; relevant to the development needs and have sustained benefits to the beneficiaries. For this purpose, DFID carries out regular monitoring and annual reviews. The annual review assesses the progress against the objectives as per the log frame indicators.

The Project Completion Review (PCR) done at the end of a project assesses the progress and evaluate the success of the project to achieve its outputs while the impact evaluation looks for sustainability of the results from the projected outcomes to ensure Value for Money (VFM) and to enrich evidence for learning.

The UK is providing financial support of £18.54 million through DFID to implement the Samarth-Nepal Market Development Programme (NMDP) for five years (April 2012–March 2017); initially approved amount was £14.54M and it increased by £4.00M in January 2015. The programme is implemented by Adam Smith International in partnership with Springfield Centre and Swisscontact. Samarth- NMDP is an agriculture and tourism-based market development programme which intends to increase the incomes of small holder farmers through development of local market systems, for which it adopted the ‘making markets work for the poor’ (M4P) approach.

It focuses on a range of agricultural and livestock (e.g. ginger, dairy, fish, vegetables, and pigs) and tourism (which has a significant impact on rural livelihoods) and intervenes on cross-sectoral issues such as mechanisation, input markets, value chain augmentation,

business enabling environment, crop protection insurance and media. The programme is operational in 48 out of 75 districts of Nepal.

Nepal was hit hard by the devastating earthquake on 25<sup>th</sup> April 2015. NMDP implemented an agriculture recovery programme to address Nepal government's mid-term recovery initiatives which included construction of livestock sheds and community storage house for storing grains and seeds. This was implemented in a non-M4P modality: the non-government organizations were given grants to facilitate construction in cost sharing basis with the local communities.

## **2. The Objectives**

The main purpose of the evaluation is to enrich the global knowledge base of the effectiveness of market systems programmes, as the overall evidence of "M4P" is limited and there is a demand to build global evidence. Further, this is the first initiative in Nepal to evaluate a programme on M4P approach. The findings will be shared in Nepal and to external audiences; it will be published in the DFID-funded Beam Exchange-<http://beamexchange.org/en>. It will also serve a secondary accountability function For DFID Nepal as it will assess the performance, delivered results and the value for money of the programme.

The annual review of 2014 noted the concerns on the slow growth 'trend' of achieving impact indicators and low financial delivery (under spending of yearly budget), which was justified due to the time lag theory of the M4P approach. Hence the AR 2014 recommended to follow up the programme results for 2 years past March 2017 and document it's impact.

The objective of the evaluation is to:

- Assess the outcome and impact level results and inform on the effectiveness of the programme in addressing its stated aims.
- Contribute to the evidence base on what works in Nepal; assessing the programme with the global knowledge base on market systems programme evaluations (eg Katalyst programme in Bangladesh); and whether NMDP benefitted from the learning from Katalyst, if at all.
- Inform DFID globally, the Government of Nepal and other stakeholders on the value of M4P approach, on its merits over non-M4P commercialization approach if the evaluation finds that it has superior impact.

DFID will appoint a supplier to undertake the independent evaluation. The evaluation will start from February 2017; the first 3 months will be the inception phase and depending on the findings of the inception phase, it will proceed for 2 years and be completed in March 2019.

## **3. Recipient**

The recipients of the services are DFID Nepal's Economic Development Team.

## **4. Scope of work**

NMDP's M4P approach is a unique approach as it mobilizes market players, actors and business service providers who are then expected to facilitate farmers ([www.Samarth-Nepal.com](http://www.Samarth-Nepal.com)). Thus, the programme has limited interface with farmers and it discourages incentives such as subsidy, free service, and immediate benefits such as farmers are giving out cash for participating in the programme. This is in contrast to the approach of development programmes that are operational in Nepal which use a direct delivery approach and programme delivery is incentivized through subsidized inputs and services or provided free of cost. Incentives schemes are built into the programme either in the form of monetary benefits or through capacity building opportunities of the farmers.

In contrast the M4P approach thrives on the clarity on farmers having to pay upfront to get services. Thus, there is a reservation from farmers and service providers to adopt this approach. This poses a risk to the programme's aims to achieve systemic change in market and in peoples' behaviour of doing business, hence the programme has made some adaptations to motivate and manage this risk, such as in *feed industry where private business companies are supported with some initial costs on a cost sharing basis- as a catalyst to establish the intervention*.

This fundamental variation in programme delivery approach poses a challenge for a one to one comparison of NMDP with other programmes in Nepal. However, the 'Katalyst' programme in Bangladesh or 'PropCom' in Nigeria can be references to compare and contrast for lessons learning.

The evaluation is expected provide a quantitative estimate of the number of beneficiaries and their change in income attributable to the programme. It is evident that the accurate evaluation and attribution of impact is a challenge as the approach aims to catalyse change, inducing spill-over effects to indirectly scale up change. Further, the success of the M4P approach relies on flexibility to change strategy, discard or adopt a new one, which might make change tracking more difficult and create challenges when working for risk averse beneficiaries and farmers.

Similarly, there are further challenges with the attribution as external factors influence the scale and the nature of change in the results chain and there may be limited scope to consider these factors in this study requiring innovative methodologies (such as control group simulation).

Hence, the evaluation is looking to the proposals for the best ideas for addressing these challenges, recognizing they cannot be completely overcome. The cost of the evaluation will vary considerably depending on how much primary data is required to unpack the attributable change in income.

Given the challenges inherent in the core task of this TOR DFID Nepal is deprioritizing an assessment of internal efficiency and economy of the programme for this evaluation. Similarly, DFID Nepal will not accept an approach or a methodology to estimating the impact of NMDP which does not yield triangulated information.

The evaluation will be using a number of datasets for the analysis such as beneficiary data, income of farmers, revenues generated/earned by business firms, qualitative information, case stories (success and failure), disaggregated data by gender and caste and categorized into disadvantaged and the data of population negatively affected who lose out with the process of M4P approach.

Samarth-NMDP uses the results measurement framework from the Donor Committee for Enterprise Development (DCED) to measure its results of which DFID is one of the leading members. The DCED standard for results measurement comprises sets of control points and compliance criteria in eight areas to ensure the quality of how results chains are constructed, how indicators are established, how attribution can be assessed, how results information is used, and set minimum standards for the operation of a results measurement system (detail on this can be found in Results Measurement System- User Manual – v2.0.pdf).

The DCED system at Samarth-NMDP was audited for compliance audit<sup>1</sup> ‘in place’ in 2013 and it was credited as a ‘good’ system in place, another audit for ‘the system in use’ is planned to be done by June 2016 (detail of the audit report can be seen in the Audit Report for the 2013- <http://www.enterprise-development.org>)

NMDP carries out impact assessment of each intervention on target beneficiaries. The baseline for each intervention in each sector is taken only when members of the target group start to access new/improved services and become beneficiaries and therefore part of the ‘treatment’ group.

Similarly, in most cases, beneficiaries are identified through the market players. It employs a panel (surveying the same set of beneficiaries over again) rather than a trend (surveying a different set of beneficiaries for baseline and end-line) approach to impact assessment to increase rigour and reduce the need for large sample sizes. Thus multiple baselines are required up the results chains; and that more innovative rolling baselines (where the baseline is updated each year/at intervals) can help to provide a more accurate ‘before’ picture. Samarth-NMDP has developed a small pool of external (non-core team and non-implementing partner) ‘accredited’ research partners who support enterprise-level impact assessments.

After the baseline, impact level measurements are made at intervals during programme’s lifetime up to 2 years or two business cycles following the completion of an intervention. In case of Net Attributable Income Change (NAIC), the results are valid for 3 years including the year when initial impact assessment is conducted.

The evaluation was not envisioned in the design of the Samarth-NMDP programme.

Thus, there is a risk that the current database established, although meeting the much vaunted “DCED Standard” may not be adequate to answer the evaluation questions and thus create a major challenge to establish the baseline and counterfactual. Thus, the inception phase will need to scrutinize data availability; quality and comprehensiveness of the NMDP’s database system to guide the design and viable scope for the evaluation and to establish the counterfactual. This is expected to increase the extent to which the evaluation can rely on internally generated monitoring data and will facilitate the supplier in identifying areas where other primary data and work are required.

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<sup>1</sup> For a programme to be formally compliant with DCED, it must pass an external audit undertaken by an auditor certified by the DCED.

Further, it is expected that the evaluation will devise methods which have some degree of rigor to address the issues of difficulty in creating comparison groups since with the change in the market system, it is difficult to separate beneficiaries of the programme from non-beneficiaries within a given sector; one way of handling this dilemma could be creating comparison groups using geographic location for eg. Promotion of Ginger in NMDP districts and in non-NMDP districts which are promoted by other donor funded programmes. (as alternatives possibly using time or intensity of engagement characteristics). Further, the evaluation will revisit the economic analysis and validate the rationale and the relevancy of the sectors, it will also assess if the economic analysis still remains valid in the changed socio-political context of Nepal and the programme will achieve the impacts by 2019.

There are genuine concerns among development agencies on whether or not the M4P approach is suitable for Nepal. Hence, the evaluation will adopt a consultative, transparent and inclusive approach with the engagement of potential partners such as USAID, GIZ, HELVETAS, besides the Nepal government for example, joint field visits with the government partners could be carried out as a part of assessment of NMDP's contribution to policy reform. Their major concerns include whether M4P programmes are cost effective and whether they deliver net benefits to the poor and disadvantaged. Thus, the evaluation needs to be robust enough to respond to these concerns and needs to have specific messages on lessons learnt and good practices that the Nepal government can internalise and pursue.

Further, there is a possibility of a partnership evaluation of the MDFN members, including other key programmes like USAID funded KISAN Programme and DANIDA funded UNNATI programme who could be consulted for feedbacks for their roles in functioning of the MDFN, particularly to learn their views on how to institutionalize the M4P approach.

The evaluation findings will be shared for public view; as described above the users of this study will be DFID management and DFID programme management team, partners, policy makers, M4P practitioners/promoters, scholars/academicians, beneficiaries and wider public. For this, prospective suppliers will submit a dissemination strategy as a part of their proposal.

## **Methodology:**

### **Theory driven-approach**

Because of the nature of the programme – which aims to play a catalytic role by engaging in a number of interventions – DFID Nepal would favour a conceptual framework which follows a **theory-driven approach**. We anticipate the evaluation will be guided by the following five principles:

- Diagnosing the strategic framework and the programme's theory of change through a review of the logframe's vertical logic (including results chains of the various selected markets);
- Understanding the context through a thorough review of documents and discussions with different stakeholders;



- Anticipating heterogeneity through a differentiated analysis of the outcomes across places and markets in Nepal;
- Rigorously analysing the facts (through understanding who actually benefits from the programme, how, why and to what extent); and
- Using a mixed methods approach (through integrating the methods and tools used for collecting and analysing quantitative and qualitative data).

Theory-driven evaluations do not imply any specific methodological approach, and DFID Nepal would like to commission an evaluation which can tell us about the impact of the programme as robustly as possible. This means choosing from a menu of methodological options, according to the evaluation questions and the feasibility of collecting different types of data in the context of this programme. However, it also means thinking as robustly as possible about causality and attribution. A theory-driven evaluation that aims to unpack the causal mechanisms is inherently concerned with questions of causality – since it involves thinking about alternative explanations for the outcomes observed. These questions are important when considering a programme that aims to achieve its impacts in a catalytic fashion.

### **Mixed methods approach**

Under these circumstances, quasi-experimental approaches may be most suitable to evaluate the impact of individual components of an M4P programme within an overall mixed methods design using both qualitative and quantitative data gathering and analysis techniques will be appropriate for this evaluation.

Quantitative data may be derived from a range of sources including NMDP's database and information system and other primary and secondary data sources.

Qualitative data may be derived from sources such as interviews and focus groups. The supplier will take primary responsibility for collating additional data gathering if required. The framework used to analyse both quantitative and qualitative data should be rigorous and sufficiently robust in order to attribute the impact or contribution to impact of the programme.

### **Evaluation Questions**

The evaluation will answer why and how the project worked. The key questions for the evaluation to assess are; to what extent the programme is successful in bringing significant and visible change in the market systems and in the livelihoods of farmers and is 'five years' of investment in M4P approach is adequate to expect systemic changes and sustainability of the results.

It will also assess the theory and assumptions behind the intervention and, thus identify unintended effects. In March 2009, DFID developed a new evaluation policy with evaluation criteria that build upon the Development Assistance Committee (DAC) criteria for evaluation. The evaluation questions have been grouped by these criteria- relevance, efficiency, effectiveness, impact and sustainability. In addition to these, the evaluation will also look at inclusion, coverage, coherence and coordination.

Given the importance of climate change resilience in many of the geographical areas where the programme works, the evaluation should also assess the impact the programme has had on environmental sustainability and climate change resilience.

The evaluation is expected to assess: a) whether or not the programme achieved the outcome and impact level results as intended by the programme, b) appropriateness of the programme approach (M4P) to generate results that demonstrate value for money and c) if the hypothesis and assumptions of theory of change hold true and the evidence/s confirms them. Following are the key questions under each criteria for this evaluation:

### **Impact**

1. Did the programme achieve systemic change in the markets in which it intervened? (I)
2. Did the programme deliver a large-scale impact that extends beyond the programme's sphere of direct influence? (I)

### **Effectiveness**

3. How effective was the programme as a whole in delivering the promised outcome? (I)
4. How effective were individual interventions in achieving the intended outcome? If some interventions were more successful than others, why? Were these the right combination of interventions? (I)
5. How effective are aspects of the market system analysis approach such as its facilitative, adaptive nature and its rigorous up front market analysis for achieving improved incomes and poverty reduction when compared to direct delivery approaches? (P)
6. How effective was the programme at delivering increased environmental resilience/adaptability in the areas in which it worked? (I)

### **Sustainability**

7. To what extent are the outcomes and impacts sustainable? What are the prospects for the outcomes and impacts achieved to outlast the programme and how do these prospects vary? (I)
8. How successful is the programme in institutionalizing NMDP's best practices in Nepalese government policy and programmes?

### **Relevance**

9. To what extent are the intervention outputs and components based on analysis of the underlying causes of market failure? How appropriate were the results chains developed? (P)
10. How, to what extent and why do beneficiaries and stakeholders value the interventions developed through the programme? What do they recommend to improve the interventions and why? (P)
11. To what extent the M4P approach and traditional approaches to development

differ in practice and considering each approach's merits, which approach is more suitable to Nepal ? How could the M4P approach be adapted to better fit Nepal's context?

### **Efficiency**

12. To what extent do the programme and its interventions deliver value for money? How could value for money be improved in the programme and costs contained without affecting delivery? (I)
13. How successful was the targeting of the programme and why?

### **Inclusivity and coverage**

14. How effective was the programme at targeting women. Was there any difference with regard to the number of men/women reached and why? (P) To what extent has the programme been responsive to address different needs of men and women farmers or the needs of farmers from different caste and ethnicity?

15. To what extent has the programme been inclusive in terms of considering different level of support to men and women and whether there were any differential impact on men and women as a result of the programme?

### **Coherence and Coordination:**

16. To what extent has the programme been successful in harmonizing the M4P approach with other programmes in a coordinated way.

DCED audit guidelines which will help answer the process evaluation questions can be found at <http://enterprise-development.org/page/audits>

The final list of evaluation questions will be agreed and prioritised as an outcome of the inception phase of the supplier's assignment. The following are a few potential areas for deeper assessment:

- a. Test and verify the logic of M4P approach, which is that there is time and demand lag and the benefits of programme's interventions only occur up to two years after the interventions take place. This mainly because, the iterative and cumulative nature of impacts from systemic change – addressing constraints through interventions does usually not result in instantaneous and large-scale change but, as information and knowledge spreads, in accelerating pick up. The pace of change is therefore quicker at the end of the programme than at the beginning (and change should continue on an upward path after the programme finishes). This is to be analysed in the context of the latest Annual Review of 2015 which show that only 26% of phase target beneficiaries have received an increased average annual income which is by £26 against the phase target of £80.
- b. It will assess how effectively and efficiently NMDP has addressed the root cause of issues to enhance the pro-poor performance of agriculture, this information is intended to shed light on how M4P approach could contribute in bringing systemic change for wealth creation among farmers. In this regard, the evaluation will explore for evidences which show that farmers have graduated or demonstrate indicative results to graduate from their base poverty level.
- c. It will assess to what extent the programme has been inclusive; particularly looking at the policies, working modality and the procedure that market players and business providers have followed. The evaluation will particularly focus on the quality of engagement, access and control over resources and benefit sharing mechanism in beneficiaries irrespective of gender, caste and ethnicity.
- d. The evaluation will look for the evidence of systemic change which should be manifested in improved knowledge and attitudes of the actors as well as in improved performance of the sector. In this regard, the evaluation will look for evidence to demonstrate systemic change on the basis of Adopt, Adapt, Expend and Respond (AAER) framework.
- e. Further, the evaluation will look for evidence of knowledge transfer, adoption and institutionalization of M4P approach among private sectors, implementing partners- Non-Government Organizations (NGOs) and line agencies (Ministry of Agricultural Development and Ministry of Industry) and document the views of these partners particularly, Nepalese government partners (ministries, departments)
- f. Look for evidence to corroborate sustained and multiplier benefits of the programme by assessing if the result of 2015, which showed that the trend of a return for every £1 of DFID investment of around £5 in return remains valid even after 2 years' of project closure or to what extent this is demonstrated by the programme.

In the wake of the earthquake in 25 April 2015 that massively affected Nepal, NMDP adjusted its programme and budget to address the mid-term recovery of agriculture sector. The recovery programme included construction of livestock sheds and storage houses for grain and seeds, which is not implemented in the M4P approach considering the urgency of

the need to deliver on the ground. Thus, the evaluation needs to take considerations of this context in its analysis.

In order to address the evaluation questions outlined above, the bidders must clearly state the specific evaluation methodology and approach that they intend to use. This approach will be refined during the inception phase but the proposal must state the proposed data gathering activities that will be undertaken and the analytical frameworks that will be used to analyse the data gathered. The evaluation methodology must be of sufficient rigour to contribute to the evidence base and academic debate on the effectiveness of the M4P approach as a delivery model.

### **Inception phase:**

The inception phase will be 3 months during which the supplier will conduct an initial diagnostic review and develop an evaluation design for the programme. This will also assess the 'evaluability' of the programme's outcomes and results chain. For this, the programme's DCED based results management system and its DCED audit will be assessed as the starting point. The inception phase is intended to inform the gaps on NMDP's DCED based result management system and feedback on the changes required for the evaluation. The supplier is expected to coordinate very closely with the NMDP and liaise with the programme's DCED contact point.

Thus, the inception phase will produce the evaluation design, evaluation questions, methodologies, process for data collection and delivery of evaluation reports. The NMDP programme will provide the data and information available while additional requirements of data for the evaluation will have to be planned for collection by the supplier if feasible.

As described in the methodology, the counterfactuals need to be established during the inception phase. Hence, the evaluation commences before the programme ends to assess the quality of monitoring and help data collection and continues 2 years beyond life-cycle to measure the extended impacts.

The supplier will design and communicate the results of a baseline survey that focuses on outcomes, outputs and their respective assumptions by the end of the inception period. Further, the supplier will need to deliver a dissemination strategy during the inception phase. The evaluation approach will be agreed with DFID managers at the end of the inception period.

## 5. Timeframe

This evaluation contract will be for the period of up to three years and it will capture results of the period from 2013- 2019. Tentative time-frame of the contract is February 2017(or earlier) to March 2019 of which the first 3 months is the inception phase. The inception phase findings-inception report is due at the end of the inception period and it will shape the way forward for the evaluation. An overlapping of at least 6 months between the evaluation team and the NMDP programme is planned.

## 6. Outputs and Reporting

The following key outputs are expected to be delivered under the Evaluation contract. All reports should contain actionable recommendations where appropriate. The final evaluation report should include an executive summary, detailed methodology, key findings, recommendations and conclusions and be presented in a publishable format to be agreed with DFID.

The key documents produced in the inception related reports and the final report will be published. The primary audience of the inception report including rapid programme review, an evaluation framework and baseline survey is EDT/DFID Nepal team.

| Output  | Delivery date        |
|---|----------------------|
| <p><i>Inception report, Rapid programme review, Evaluation Framework and baseline surveys-</i></p> <p>The inception report should include the proposed structure of the process and evaluation, as well as a dissemination strategy of findings. Consideration should be given to risks of implementing the evaluation and how these will be mitigated.</p> <p>The evaluation framework should include the evaluation questions , data sources, analytical approaches and methodologies to be employed, relevant theories of change and ways of working with other key stakeholders, a communications and knowledge management plan and dissemination strategy.</p> <p>The baseline report should present baseline findings on the evaluation questions agreed in the evaluation plan, as well as recommendations for refining evaluation questions and future rounds of data collection.</p> <p>The report should also include a rapid assessment of current programme progress.</p> |                      |
| <p><i>Progress reports –</i></p> <p>6 monthly progress reports should reflect progress, barriers to implementation and a review of the risks associated with the evaluation.</p>  | Twice a year         |
| <p><i>Final report</i></p> <p>A summary of the Final Evaluation and dissemination plan (to be</p>   | February end<br>2019 |

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|---|--|
| <p>signed off by DFID) to ensure the information gleaned reaches the intended audiences.</p> <p>The final evaluation report should answer the evaluation questions and address, but not be limited to, the following: (i) what are the short-term and long-term effects of the programme; (ii) the conclusions e.g. about its sustainability, effectiveness etc. (iii) Lessons learned. The report should contain an executive summary and recommendations. Finding should be disaggregated by men/women and different income groups.</p> <p>An accessible communication tool to inform policy makers:</p> <ul style="list-style-type: none"> <li>• Presentation workshops for government partners, civil society and other donors).</li> <li>• Summary of the report (4 page)</li> </ul> |  |
|---|--|

The EvD will provide a defined quality control function and will be responsible for providing feedback on the main outputs of the evaluation as well as providing advice on its direction and implementation. Final responsibility for signing off on the main outputs will be the responsibility of DFID Nepal. Final reports will require sign-off by DFID which will then put for public viewing.

The first draft will be reviewed by a number of people (Private Sector Development Adviser/Economist, Programme Officer, Statistics Adviser and Results Head) at the DFID Nepal office; the consolidated feedback will be returned to the evaluator by the focal person at DFID Nepal office.

The report needs to be clear and concise explaining the evaluation design, methods used, constraints and limitations, measures adopted to overcome them, recommendations based on the findings and management response on how recommendations will be addressed. The list of reference, documents, and people interviewed and the ToR need to be included in the report.

## **7. Skills and qualifications of evaluation team**

The evaluation team must demonstrate strong capacity to conduct an evaluation of this type. It is expected that at least one member of the team must be able to demonstrate strong credentials in private sector development with solid experience in developing economies. It is desirable that the team possesses technical knowledge of the programme approach (M4P) with reference to developing countries. It is expected that the team put forward will comprise a small core team of international and national evaluators with plans for a survey team and support researchers (and we will welcome bids that include local staff in their proposals together with indication of how the capacity of these staff will be built).

There may be a need of a separate team of tourism experts to look at the tourism component of NMDP.

There should be a designated team leader. The team leader will be expected to fulfil the following duties:

- Co-ordinating and monitoring the performance of the various activities of the evaluation, taking action to strengthen any weak elements of the programme and reinforce strong ones;
- Liaising between different components of the project, particularly about strategic and directional issues, and trouble-shooting when required;
- Reporting to DFID;
- Providing intellectual leadership to enhance the quality and direction of evaluation
- Engaging users and policy-makers with the evaluation; representing the Programme in public debate and other media.

#### **8. Duty of Care**

The Supplier is responsible for the safety and well-being of their personnel involved in the evaluation and ensures that they adhere to the travel advice available on the FCO website. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.

The Supplier is responsible for ensuring appropriate safety and security briefings for all of their short-term personnel delivering work as defined in these ToR and ensuring, where appropriate that their long-term personal register and receive briefing as outlined above. Travel advice is also available on the FCO website and the supplier must ensure they and their personal are up to date with the latest position.

#### **9. DFID Co-ordination**

The evaluation will be administered and managed by a team of DFID Nepal (SRO- the focal point and Programme officer – contact for logistical support). The overall coordination of the programme will lie on the DFID Nepal Livelihoods Adviser The Programme Manager in DFID Nepal- will be responsible for financial and administrative issues. The Gender Focal Person in the DFID Nepal, the Senior Livelihoods Adviser from RED/DFID HQ and Private Sector Development Adviser/DFID HQ will provide guidance. DFID Nepal will ensure that the supplier receives relevant documents of the programme.

#### **10. Overview of the programme**

Samarth-NMDP is a five-year DFID-funded rural market development programme that aims to reduce poverty in Nepal. The programme aims to improve underlying pro-poor performance of rural sectors, leading to opportunities for better access and improved growth for poor and disadvantaged people. It is operational in 48 districts of Nepal out of 75



districts of which it work directly in 22 districts: Jhapa, Morang, Sunsari, Bhojpur, Okhaldunga, Saptari, Siraha, Dhanusa, Mahottari, Sarlahi, Rautahat, Bara, Makwanpur, Nawalparasi, Gorkha, Tanahu, Dhading, Chitwan, Kapilbastu, Rupandehi, Palpa and Gulmi and remaining 26 have market players- the partners leading the programme, map available on the website: <http://www.samarth-nepal.com/portfolio-map>

It focuses on a range of agricultural and livestock (e.g. ginger, dairy, fish, vegetables, and pigs) and other rural sub-sectors (e.g. tourism) and on cross-sectoral issues such as mechanisation, business enabling environment, crop protection and media. Among these, the pigs and vegetables are popular sectors among women, poor and discriminated groups of people. The implementing partners –include government, non-government and private companies (Refer to Annex 1). In the second year of the programme, the delivery model changed from Implementation Partner (IP) model to NMDP Core Team led implementation, except in two subsectors - Pig subsector and Fish subsector, in which two non-government organizations namely- CEAPRED (for pig subsector) and DEVTEC (for fish subsector) were continued through the IP model. The lessons learnt on changed modality show that this gave the programme team flexibility, space for innovativeness and adaptive management.

In Nepal, 70% of population are engaged in agriculture and agriculture accounts for 37% of GDP. However, a number of constraints such as lack of agriculture infrastructure, inadequate technology advancement and technology transfer, inadequate regulation of the policy, etc. have affected the productivity and the benefits is just sufficient to help farmers to hang in. Agriculture commercialization is happening but its economic scale is not sufficient to bring transformation.

Similarly, tourism is a potential source of economy for Nepal. However, it has numbers of challenges- there is an inadequate exploration of tourism potential; Nepal is poorly equipped with technologies and tools in case of emergency handling, there is a lack of reliable system and capacity to generate science based knowledge and communicate information. Further, the socio-political environment of Nepal and that of the regional countries such as India and China also affect the tourists flow in Nepal.

Further, the devastating earthquake on 25 April 2015 highly affected the tourism industry- infrastructure in the tourists destination was damaged, people who are involved in catering to tourists in High Mountain areas have moved to safe area, due to travel insecurities and uncertainties the tourist flow is massively reduced.

In such scenario, the relevancy of NMDP has increased. It has adopted the strategy of a phase wise work for recovery, re- development and re-positioning in the tourism while in agriculture sector, NMDP is contributing to the Nepal government's mid-term strategy to revive agriculture sector.

Additionally, NMDP has prioritized two strategies - having the systems in place and building local capacity so that its interventions are sustainable; efficient and effective. Additionally,

NMDP has adopted special strategies to target the tourists from India and China; promotion of religious tourism for both Hinduism and Buddhism is one them.

NMDP was initially proposed for three years (June 2013-July 2016) and in 2015 it was extended till April 2017 to consolidate its tangible results. The tourism component was scaled up by £2.15 million in 2015 to build up on achievements made through DFID Nepal's past engagement in tourism sector through projects like Tourism for Rural Poverty Alleviation Programme (TRPAP) and Great Himalayan Trail (GHT); TRPAP focused on community managed tourism promotion (*eco-tourism*) while GHT and current tourism programme has stepped up to achieve global outreach through marketing and promotional activities. The tourism is projected to contribute 15% to total outreach of the NMDP.

At impact level, the programme aims that in 5 years' time the incomes of 300,000 farmers and small-scale entrepreneurs who are active in rural markets is increased by an average of £80 per year- which is the Net Attributable Income Change (NAIC), and the 50% those who experience positive changes in annual real incomes are women. In tourism sector, the projected impact target outreach is 47,000 and net attributable income change is GBP 117, which is the revised target after the earthquake as there has been huge loss to infrastructure and settlements during the earthquake.

The programme aims at stimulating pro-poor change through promotion of permanent change to market system. Hence, it has focused on initiating permanent change in market system by working with market players who with a set of acquired skills, changes in behaviour and business practices facilitate for providing benefits to small-scale farmers and entrepreneurs.

The sectors which are popular and traditionally practiced by the poor and disadvantaged-women and *dalits* (untouchables) are selected. However, for impact results reporting, only those beneficiaries who are classified as poor are reported. The 'poor' for NMDP are beneficiaries as living on less than US\$2.50 per day (as per Progress out of Poverty Estimated), hence the impact is defined as positive and negative changes in annual real incomes of these 'poor' (see the reports: Results Measurement system- User Manual and Annual Results Report, May 2014-April 2015, available in the webpage of Samarth-NMDP).

At outcome level, the programme aims to improve the performance and position of poor and disadvantaged people within agriculture and other rural markets.

The outcome level target indicators are:

- 330,000 farmers and small-scale entrepreneurs improving their productivity or competitiveness in market systems
- 360,000 farmers and small-scale entrepreneurs showing significant changes in their business practices<sup>2</sup>

These outcomes are tracked through two outputs:

**Output 1:** The underlying pro-poor performance of rural sectors– particularly agriculture is improved.

**Output 2:** The capacity for effective pro-poor market development among key stakeholders – including government, NGOs, donors and research organisations- throughout Nepal is enhanced, leading to positive and sustained practice change. Change here will ultimately be manifested in improved knowledge, attitudes and performance from stakeholders with regards to their pro-poor market development (M4P)-orientated strategy, policy, and funding and investment decisions.

NMDP is implemented under the leadership of Nepal government - the Ministry of Agriculture and the Ministry of the Industries, they together with their respective departments are responsible for steering the programme and ensuring that the programme approach and results are of national priorities and the best practices are scaled up through policy reflection. Similarly the market players and service providers such as Non-government organizations (national and district based), private service providers- Agrovets, agriculture technicians and business/service providers are engaged as means to reach to farmers. The tourism component is implemented in collaboration with the Ministry of Culture, Tourism and Aviation (MoCTA), stakeholders like private service providers and local communities.

The ministry led steering at the country level and coordination by the NMDP at the implementation level minimizes the duplication and brings synergy. Further, NMDP initiated a forum called the Market Development Forum Nepal (MDFN) which is participated by M4P practitioners and think-tanks to promote cross learning and to generate ownership to the M4P approach.

Following are some indicative results of NMDP (as of March 2015):

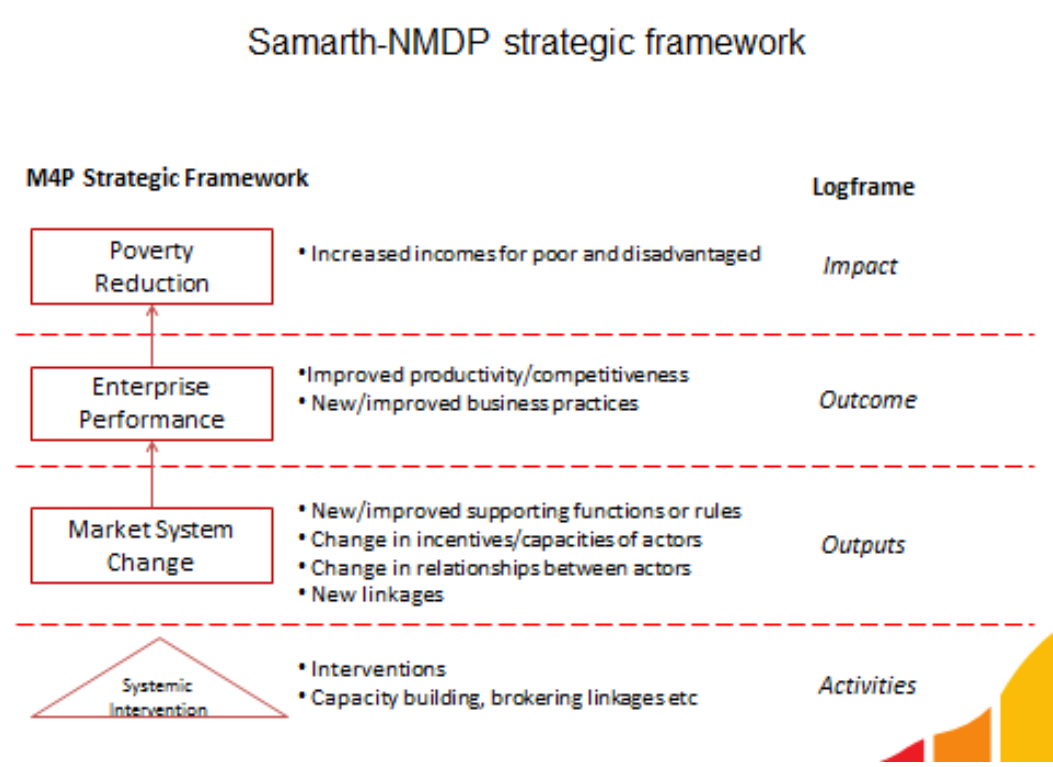
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<sup>2</sup> Significant change in business practice is defined at the start of each intervention and relates to a specific box in each intervention results chain. For example: number of farmers purchasing and correctly using an effective ginger disease management solution; number of dairy farmers feeding improved quality forage to their cattle; number of farmers selling their vegetables through collection centers.

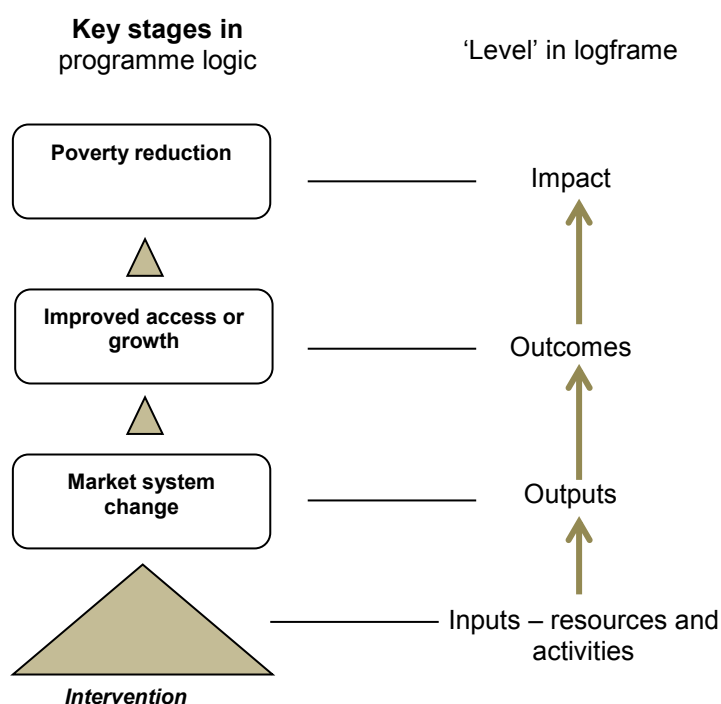
- 26% (77,025) of total target beneficiaries have average increase in income of £26 per year (target- £80 per year)
- 7 sectors with evidence of systemic change- AAER (adopt, adapt, expand, response)
- 2 sectors with evidence of replication (Pigs and Ginger)
- 27% increase in awareness and understanding of market development amongst key stakeholders (*Perception Survey Report, June 2015*)

NMDP uses following M4P strategic framework to achieve the results as envisioned in the Theory of change:

Figure 1: Strategic Framework of Samarth-NMDP



**Figure 2: The programme theory of change**



Interventions or the activities and inputs from the programme lead to systemic change in markets which results in changes in information, services, rules, linkages etc., this leads to enhanced growth and access, especially for the poor, which in turn leads to poverty reduction – the overall goal of the programme.

#### Results:

The programme currently operates in 9 sectors with one additional sector in planning. There are 28 on-going interventions, 10 completed and 8 new interventions are in design. As shown in the table below, the programme has set sector wise targets for impact indicators - outreach and non-attributable income change (NAIC).

The results as per the data on April 2015 show:

| SN | Logframe indicators | Y3 Actuals | Y3 Targets | Projection to March 2017 | March 2017 |
|----|---------------------|------------|------------|--------------------------|------------|
|    |                     |            |            |                          |            |

|   |           |  |        |        |         |         |
|---|-----------|--|--------|--------|---------|---------|
| 1 | Impact 1  | Net beneficiaries with improved incomes          | 72,000 | 75,000 | 300,000 | 300,000 |
| 2 | Impact 2  | Income change/beneficiary/year                   | £25    | £80    | £58     | £80     |
| 3 | Impact 3  | %women with positive changes in income           | 50%    | 50%    | 50%     | 50%     |
| 4 | Outcome 1 | Net beneficiaries with improved productivity     | 95,000 | 82,500 | 314,000 | 330,000 |
| 5 | Outcome 2 | Net beneficiaries with changed business practice | 95,000 | 90,000 | 454,000 | 360,000 |

The data reported above are from beneficiary level changes derived from verifiable field assessments through programme follows a rigorous process to collect data and

Following table describes the impact projection of different subsectors under two impact level indicators –as per the data on September 2015.

| Sector                | Actual |        | Forecast |        |
|-----------------------|--------|--------|----------|--------|
|                       | Mar-14 | Mar-15 | Mar-16   | Mar-17 |
| <b>Ginger</b>         |        |        |          |        |
| Outreach <sup>3</sup> | 1,400  | 9,900  | 14,700   | 37,400 |
| NAIC <sup>4</sup>     | 38     | 38     | 51       | 48     |
| <b>Vegetable</b>      |        |        |          |        |
| Outreach              | -      | 28,600 | 35,200   | 43,500 |
| NAIC                  | -      | 26     | 36       | 43     |
| <b>Mechanization</b>  |        |        |          |        |

<sup>3</sup> Rounded to the nearest 100

<sup>4</sup> Conversion rate of GBP 1 = NPR 115

|                              |       |        |        |         |
|------------------------------|-------|--------|--------|---------|
| Outreach                     | -     | -      | 3,000  | 6,100   |
| NAIC                         | -     | -      | 60     | 55      |
| <b>Crop Protection Input</b> |       |        |        |         |
| Outreach                     | -     | -      | -      | 9,100   |
| NAIC                         | -     | -      | -      | 32      |
| <b>Crops Subtotal</b>        |       |        |        |         |
| Outreach                     | 1,400 | 38,600 | 53,000 | 96,000  |
| NAIC                         | 38    | 29     | 41     | 45      |
| <b>Feed</b>                  |       |        |        |         |
| Outreach                     | -     | -      | 100    | 3,700   |
| NAIC                         | -     | -      | 160    | 160     |
| <b>Fish</b>                  |       |        |        |         |
| Outreach                     | -     | 5,000  | 6,200  | 9,800   |
| NAIC                         | -     | 85     | 82     | 84      |
| <b>Pig</b>                   |       |        |        |         |
| Outreach                     | -     | 10,700 | 22,600 | 44,700  |
| NAIC                         | -     | 46     | 47     | 54      |
| <b>Dairy</b>                 |       |        |        |         |
| Outreach                     | -     | 12,800 | 45,800 | 62,200  |
| NAIC                         | -     | 35     | 39     | 37      |
| <b>Livestock Subtotal</b>    |       |        |        |         |
| Outreach                     | -     | 28,500 | 74,700 | 120,400 |
| NAIC                         | -     | 48     | 45     | 51      |
| <b>Media</b>                 |       |        |        |         |
| Outreach                     | -     | 10,100 | 17,300 | 31,700  |
| NAIC                         | -     | 20     | 22     | 23      |
| <b>Tourism</b>               |       |        |        |         |



|                     |              |               |                |                |
|---------------------|--------------|---------------|----------------|----------------|
| Outreach            | -            | -             | 5,354          | 34,227         |
| NAIC                | -            | -             | 174            | 169            |
| <b>Samarth-NMDP</b> |              |               |                |                |
| Outreach            | <b>1,400</b> | <b>77,100</b> | <b>150,300</b> | <b>282,400</b> |
| NAIC                | <b>38</b>    | <b>35</b>     | <b>46</b>      | <b>60</b>      |

