

DAM Foundation for Economic Development (DFED) Evaluation Study on DFED Operations and Impact

Term of Reference

1.0. Background and Introduction

DAM Foundation for Economic Development (DFED) was established by Dhaka Ahsania Mission (DAM) in October 2013 as a specialized economic development institution to offer financial services and other development programmes towards enhancing, raising income and increasing their asset and financial resources. With a view to improvement of standard of living of poverty-stricken people across the country and women's empowerment, DAM started implementation of Microfinance Programme in 1993. With the passage of time, DAM's Microfinance Programme now stands as a sustainable institution. To give microfinance programme an institutional shape, DAM has established "DAM Foundation for Economic Development (DFED)" as a Social Enterprise of DAM in 2013.

DFED visions a society where people, particularly the disadvantaged segment, free from poverty, undergo a transformation process in an atmosphere of improved socio-economic living condition. It pursues a mission to create conditions for increased access of targeted people and communities to public and private services and enhance their capacities to maximally utilize the services particularly in the fields of socio-economic development.

Towards achieving the founding mission, DFED works,

- (a) To address the needs of disadvantage households through financial and technical services so that they may become self-reliant and contribute as the active citizens of Bangladesh.
- (b) To plan, organize, manage and implement programmes and projects in the fields of agriculture diversification, rural enterprise development, forestry, fishery, livestock and other innovative technology aided higher value-added products and services.
- (c) To provide support and training as may be necessary for the social and economic development of the Members for self-reliance contributing to sustainable development.
- (d) To provide aid and assistance to the people affected by natural calamities, disasters and extreme poverty.
- (e) To inform the DFED's programme participants about facilities and services available and provided by government, non-government organizations and private agencies and assist them in accessing these.
- (f) To operate financial services of DFED based on Islamic Shariah and on terms and conditions as required under the law of the country.

More details of DFED activities are available in the website www.dfed.org.bd and Annual reports of the Foundation.

To assess the efficiency of DFED operation management and effectiveness of its services to the people, specifically to the Members of DFED clientele Groups and families, DFED Management commissioned this evaluation study. The findings from this study will be used for further planning of programmes and strategy (re)setting of the Foundation and DAM as its mother organization.

2.0. Objectives of the Study:

Specific objectives of the study are as follows:

- (a) To measure the institutional efficiency of DFED in launching and operating the financial service programmes as per rules and guidelines of the Micro-credit regulatory Authority

(MRA)

- (b) To assess effectiveness of the financial and social services to bring positive changes in the socio-economic development of the clientele group members and their families.
- (c) To analyze application of Shariah compliance measures introduced in DFED financing process and suggest measures for wider application of Shariah-based financing across DFED.

3.0. Scope of Study:

Within the broad frame of the objectives of the evaluation following (but not limited to) effectiveness and efficiency aspects are expected to be addressed in the study.

a) Effectiveness:

- Effect on economic self-reliance and social empowerment of the clients (DFED members) and their families.
- Changes in the group (samity) management and bonding for social causes
- Client satisfaction on DFED investment, savings and other financial services
- Contribution to the values, mission and vision of the organization

b) Efficiency of DFED operation in terms of

- Financial management
- Internal control
- Human resource management
- Administration and Logistics support
- Productivity and cost-effectiveness
- Regulatory compliance

c) Capacity strengthening and sustainability analysis

d) Shariah compliance exertions

4.0. Methodology

The study methodology will be a combination of secondary documents review and empirical evidence build-up through primary data collection. Proposed study works would entail at least following activities.

- Literature review
- Study of reports
- Visit to field offices and DFED branches
- Observation of group activities
- Visit to invested project sites
- Key Informants Interview (KII) of relevant experts, banks and PKSf management
- Focus Group Discussion (FGD) with DFED staff and clients
- Stakeholder Consultation/ workshop

The Consultant/Firm will propose detailed study methodology along with the sampling process.

5.0. Expected Output/ Deliverables

Evaluation study report would be written in English and expected to be limited to 30 Page (A4 size paper, 12 font size Times New Roman single spaced) excluding the Executive Summary and annexure. The report would contain the introduction, objective and methodology, scope and limitation, major findings, major impacts, lessons learnt along with recommendations and future options. The Executive Summary should be limited to 2 pages.

The Consultant/Firm should submit a draft report for review and feedback from DFED end and the final report should be prepared based on the feedback on the draft report.

6.0. Study Location and Sampling

The locations of the study will be both in Dhaka and field based branch/offices of DFED. To understand the grassroots reality and the business opportunities selection of field study locations will have to be from both rural and urban settings, covering geographical diversity in various divisions where DFED works-Barishal (Barguna, Patuakhali), Chattogram, Dhaka, Khulna, Mymensingh, Rajshahi, Rangpur (Panchagar) divisions.

7.0. Study Period

Expected study period will be 4 months; tentative time period is September to December 2022. Depending on the practical situation and methodology the study time period may be adjusted through discussion.

8.0. Remuneration and Mode of payment

Negotiable; to be proposed by the Consultant/Firm

9.0. Consultant requirements

- This invitation is intended solely for the appointment of the consultant for the evaluation study to whom has the experience of Microfinance study.
- The study team with full competent members who have the vast experience on Microfinance Program and Extensive and proven knowledge of Islamic banking and Shariah Compliance System.
- Experience of assessing the financial and social performances of Microfinance institution's in Bangladesh.
- In-depth understanding of monitoring, evaluating and managing risk in Microfinance institutions.
- Good understanding of safeguarding including conducting safeguarding audits, developing action plans and identifying safeguarding risks in Microfinance institutions.

10.0. Accountability and Support

The Consultant/Firm will submit report to the Secretary General of DFED. The operational contact point of DFED for this study will be CEO, DFED. The management teams at both head office and field levels of DFED will provide required supports and collaborate with the consultant/firm for undertaking the study.

11.0. Other Significant Conditions

- The consultant will at all times maintain the confidentiality of DFED's policies and will not disclose any documents, files and information to anyone not related to the study without written authorization from the management.
- The consultant will be responsible for the travel, food and accommodation along with other cost associated with the study.
- The copyright of the final raw data and output would belong to DFED.