# Terms of Reference for

# Study of Operational Viability and Sustainability of Gram Panchayat Level GPLFs (GPLF) promoted by TRIPTI, Government of Odisha

1. **Background**

There has been phenomenal growth in number of Self Help Groups over the last two decades or so. The SHG Federations have been in existence for more than 20 years. The need for and roles of SHG federations, and financial federations in particular, have been a matter of debate for more than a decade. While the norms for SHGs for formation, membership, governance, financial dealings, financial linkages and costs of promotion have been well evolved and widely accepted as standards by policy-makers, financiers and funders, the same level of clarity for federation of SHGs has not evolved. This has been primarily due to the lack of consensus on how the federations should evolve, balance between size and ownership/closeness to members, financial versus non-financial intermediation, roles of federations and consequently the costs of promotion of a sustainable federation. There is a growing movement towards transforming federations into community based sustainable institutions that provide financial and non-financial services to SHGs.

Government of Odisha under the auspices of World Bank has been implementing “TRIPTI” Project in 10 coastal districts of Odisha. In the context of TRIPTI Project it is the Gram Panchayat Level Federations (GPLF) promoted by it. A total of 1020 GPLFs have been promoted and being strengthened over time. These GPLF have received Community Investment Fund (CIF) from the project as a grant. The GPLF is using this CIF to give it to the SHGs as loan on the basis of Micro Investment Plan and it further goes to the SHG members as a loan. Similarly, members repay to SHGs and further to GPLF level with interest. Hence, CIF act as a Resource in perpetuity. It is expected that out of the interest earned, the GPLF will be able to meet out all its operational, financial and capacity building needs. The proposed study shall look at the opportunities and challenges faced by these GPLFs and their level of operational viability and financial sustainability.

1. **Methodology**

A total of 50 sample GPLFs from 10 TRIPTI Districts will be selected for proposed detailed study. The study shall be based on information obtained from a primary sample survey, data and records at the GPLF level.

The study needs to be carried out by professionally experienced Financial Analyst. One expert will be identified to carry out the proposed study. The experts would conduct the study in some 5 GPLFs. They would impart trainings to about 30 master trainers amongst TRIPTI / OLM staffs. These trainers, in a batch of 2 would thereafter carry out the study in the remaining 45 GPLFs. The data information collected from all 50 GPLFs (5 collected by the experts and 45 collected by the Master trainers) would be compiled and consolidated for analysis by the experts and presented as a report.

1. **Objectives of the Study**

The overall objective of the study is to:

1. To impart training to a batch of 30 Master Trainers on the process of conducting financial assessment and GPLF functional efficiency.
2. To assess the operational viability and financial sustainability of 50 GPLFs promoted by TRIPTI Project in Odisha and to recommend strategies to strengthen them.
3. To plan and provide handholding support to these trained staff in conducting assessment and financial sustainability of GPLF.
4. **Key Tasks:**
5. Draw out the plan and financial ratios by which viability and financial sustainability of 50 GPLF can be assessed.
6. Conduct the assessment of 5 GPLF on financial sustainability and self-reliance of GPLF out the 50 GPLFs as a demonstration to the 30 Master Trainers.
7. To understand the financial efficiency by which these 50 GPLF is functioning.
8. To identify the services provided by the GPLF and analyze their benefits to SHGs.
9. To assess the level of autonomy available to CLFs and their participation in the decision making.
10. To identify the constraints / challenges faced by GPLFs and recommend measures to address these.
11. To assess the mode of TRIPTI/OLM support to GPLFs and the kind of activities that can be handed over to GPLFs.
12. Train a batch of 30 master trainers on understanding balance sheet of GPLF, develop understanding on key ratios to assess the financial sustainability and efficiency by which GPLF function.
13. Formation of team of 2 members each i.e 15 teams and plan for conducting assessment of 45 GPLF on similar lines.
14. Provide hand holding support in the field while conducting the assessment.
15. Submit a detail report of assessment of 50 (5+45) GPLF.
16. **Geographical Area for the Study**

The total universe for the study would be 38 Blocks of 10 Districts of Odisha where TRIPTI Project is operational.

1. **General Conditions**
2. Reporting

The Consultant will work under the guidance of the Addl. CEO (Operation), OLM, to deliver on the purpose and outputs of this TOR. Addl. CEO (operation) will review and provide advice and guidance to the Consultant as and when required.

1. Key Outputs and Reporting Schedule

The Consultant while delivering on all of the specific tasks to meet the purpose of the TOR will document clearly all processes followed and provide short description of each of the tasks accomplished and follow up required if any.

The consultant will submit DRAFT Study Report and other outputs mentioned below seeking comments and advice from Addl. CEO (Operation). The final reports/ outputs should be submitted within 45 days of signing the contract. The specific deliverables are as below:

* Training imparted to 30 Master Trainers and facilitation in conducting the study of the 50 GPLFs.
* Note on the operational and financial self sufficiency of the GPLFs
* Highlight of the strengths, weaknesses, issues and concerns of the GPLFs
* Recommendations on important elements of the TRIPTI design to promote new GPLFs and strengthen the existing ones

The study deliverables to include:

* Inception Report
* Training Report
* Draft Final Report
* Final Report

Soft Copy of the DRAFT Final Report and soft copy and one hard copy FINAL Report need to be submitted.

1. **Consultant Qualifications:**

Minimum Educational Qualification: Master Degree in any discipline of social science or any other degree in Financial Management.MBA in Financial Management from a premier institute will be preferred.

The consultant should have minimum of 7 years of experience in: -

* Working with Micro Finance Institutions or NGOs involved in conducting Micro Finance functions.
* Must have experience in conducting the Financial Analysis of MFI on operations and its sustainability.
* Must have experience on imparting training and designing the key ratios to understand the financial sustainability and efficiency of MFI or Community Based MFI.
1. **Duration and Timeframe:**

The duration of this consultancy for the Scope of Work outlined above will be of 45 days from signing the agreement.

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| **#** | **Activities** | **No. of Person Days**  |
| 1. | Preliminary Discussion, understanding the context, Tools Development and Field Testing,  | 1 Week |
| 2. | Impart training to a batch of 30 master Trainers | 1 week |
| 3. | Field Survey, Data Collection, Discussion/interview | 2 Weeks |
| 3. | Data Analysis & Draft Interim Report Preparation | 1 Weeks |
| 4. | DRAFT Final Report | 1 Week |
| 5 | Debriefing & Finalization of Report | 1 Week |
| **TOTAL** | **7 Weeks ( Maximum 45 Days)** |

**Timeframe:** It is estimated that the assignment will be of 45 working days for the date of commencement of the service.

**Payment and Support System:**

* The Consultant will work closely with Dy.CEO ( CM,IB & CB) and PE-FM at SMMU, OLM, for implementation of the work plan and submission of final report.
* If consultant will be hired from outside Odisha , Air Fare ( Economy class ) from point of residence of the consultant to Bhubaneswar and Back maximum three times during the study period will be borne by OLM subject to production of actual bills .