A. Strategy:

* 1. The following tools comprise the evaluation strategy: (a) Baseline and monitoring system; (b) Mid-term evaluation; and, (c) Final evaluation.
  2. **Baseline and monitoring system**: The project includes diagnostic activities regarding both customers and the institution. The information gathered will be used as the baseline for the project. A specialized consulting firm will be contracted to collect this information once the preliminary data from the demand validation studies are available. Information will be gathered on the financial performance of ICB and the participating credit unions, but will focus on the socioeconomic conditions of clients, specifically with regard to risk management and income levels. The firm will also design a survey to monitor the baseline throughout the pilot project execution period, to measure client satisfaction and the management of credit related and reconstruction expenditures vis à vis the possible benefits or effects of microinsurance use. The monitoring surveys will also be used to cross-examine the financial performance of ICB as a result of the product launched, analyze the competition, and, insofar as possible, generate information based on the key performance indicators developed by Microinsurance Network.
  3. **Midterm evaluation**: Eighteen months into project implementation, or when 50% of the MIF resources have been disbursed, whichever occurs first, an individual consultant will be hired to evaluate the project execution process. The evaluation at this phase of the intervention will cover: (i) the degree to which the milestones and objectives of the logical framework have been met and project has addressed to the problems originally identified; (ii) whether significant changes have occurred in the execution of activities, that is, the progress made in introducing the new insurance product; (iii) the efficiency and effectiveness of the centers and networks associated with the project; and (iv) alternatives and strategies to help improve execution and thus increase the likelihood of achieving expected project outcomes. The evaluator will perform an in-depth review of the execution process, the contracting of services, the efficiency of the executing agency and its associates, and the fulfillment of output indicators and expected outcomes. If deemed appropriate, the evaluation may include recommendations for satisfactory project completion.
  4. **Final evaluation**: The project’s final evaluation will be conducted when 90% of the contribution has been disbursed and will include analysis of the outcomes with respect to the baseline and the objectives in the logical framework. Its focus will be on measuring the outcomes of implementing the microinsurance at two levels: institutional and client. At the institutional level, the evaluation will examine: the implemented product’s financial performance (renewal rates, return, financial costs, claim rate, etc.); operational outcomes (training of staff at ICB, the credit unions, and other distribution channels; efficiency of the system, costs associated with product administration, processes, etc.); and organizational outcomes (changes in the institutional culture stemming from having accessed new markets and new clients, changes in operational structure, etc.). At the client level, the evaluation will provide information on the degree of user satisfaction, using quantitative and qualitative methodologies for data analysis and collection (surveys, focus groups, in-depth interviews, etc.). It will examine: (i) the degree to which the project’s specific objective was attained; (ii) the quantity, volume, and type of beneficiaries; and (iii) from the beneficiaries’ perspective, the quality of the products and/or services offered, based on a survey of participating beneficiaries that will be used to draw conclusions on the project’s final impact. The evaluation report will also include information on lessons learned and best practices, as well as recommendations to ensure the sustainability of actions promoted by the project once the MIF contribution has ended.