UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)

REQUEST FOR APPLICATIONS (RFA): Scoping study on consumer protection in Sierra Leone

EXTENDED DEADLINE for submission: 24 September 2019

1. SUMMARY OF THIS REQUEST FOR APPLICATIONS (RFA)

Deadline: EXTENDED DEADLINE submission: 24 September 2019

Outcome: A preliminary report with data addressing the following research question: What is the quality of information and support provided by financial services providers (including commercial banks, microfinance institutions, and mobile money service providers) to low-income customers (including rural, women and youth) in Sierra Leone when choosing retail payments, savings and credit products?

Purpose: To collect primary data to provide baseline information on the current practices of financial service providers in relation to consumer protection (including disclosure and transparency and dispute resolution mechanisms) to inform the Bank of Sierra Leone of any current or emerging risk areas. The study will serve as input for a consumer protection code of conduct/framework for retail financial services providers in Sierra Leone.

Timeline:

- Publication date: 3nd September 2019
- EXTENDED deadline for applications: 24 September 2019 8pm Eastern Standard Time (GMT -5)
- Project implementation (proposed): 10 October 2019 to 31 March 2020

Applications should be submitted to UNCDF by email at digital.info@uncdf.org no later than 17 September 2019. Applications must follow the submission format as outlined in Annex 1 of this RFA.

2. ORGANIZATION CONTEXT AND BACKGROUND INFORMATION

UNCDF is the UN's capital investment agency for the 47 world's least developed countries. It creates new opportunities for poor people and their communities by increasing access to microfinance and investment capital. UNCDF focuses on Africa and the poorest countries of Asia and the Pacific, with a special commitment to countries emerging from conflict or crisis. It provides seed capital – grants and loans – and technical support to help microfinance institutions reach more poor households and small businesses, and local governments finance the capital investments – water systems, feeder roads, schools, irrigation schemes – that will improve poor peoples' lives.

Recently, UNCDF has formulated its strategy '**Leaving no one behind in the digital era**' based on over a decade of experience in digital finance in Africa, Asia and the Pacific. UNCDF recognizes that reaching the full potential of digital financial inclusion in support of the Sustainable Development Goals aligns with the vision of promoting digital economies that leave no one behind. The vision of UNCDF is to empower millions of people by 2024 to use services daily that leverage innovation and technology and contribute to the Sustainable Development Goals. UNCDF will apply a market development approach and continuously seek to address underlying market dysfunctions.

3. PURPOSE AND SCOPE OF THE STUDY

Financial services regulators have a responsibility to create and enforce codes of conduct in the delivery of financial services, a process which is plagued by information asymmetry between providers and clients. Retail financial service providers (FSPs) will always have more information about their products, terms, and conditions than buyers, and it is difficult for consumers to make decisions about which products are of best quality or best suited for their needs and capabilities. As new and innovative financial products emerge on the market, for example digital financial services, consumers may be even less equipped to understand these products and how they work. At the same time, FSPs are incentivized to keep information from clients, and even the most sophisticated financial consumers may not know what they don't know about products or services in order to make optimal decisions. In this context, financial education and other financial inclusion policy initiatives have little hope of success if authorities do not establish and enforce a consumer protection code of conduct.

In 2017, the Bank of Sierra Leone (BSL) took steps to set up a Consumer Protection Desk within the Banking Supervision Department. In the absence of a regulatory framework for consumer protection, BSL has not set any requirements or issued any guidance for FSPs (other than mobile money service providers) on consumer protection measures such as transparency and disclosure, complaints handling and recourse, fair treatment, service delivery standards and data protection.

UNCDF, in partnership with BSL, invites eligible organizations to apply to conduct a scoping study on consumer protection in Sierra Leone.

The purpose of the study is to collect primary data to provide baseline information on the current practices of financial service providers in relation to consumer protection (including disclosure and transparency and dispute resolution mechanisms) to inform the Bank of Sierra Leone of any current or emerging risk areas. The study will serve as input for future policy change and implementation such as a new consumer protection code of conduct/framework for retail financial services providers in Sierra Leone.

The final deliverable is a preliminary report with data addressing the following research question: What is the quality of information and support provided by financial services providers (including commercial banks, microfinance institutions, and mobile money service providers) to low-income customers (including rural, women and youth) in Sierra Leone when choosing retail payments, savings and credit products?

Methodologies

Eligible organizations are invited to propose the most appropriate quantitative and/or qualitative research methodologies for this study. Potential methodologies could include:

- **Mystery shopping:** Collect data on current practices related to disclosure and transparency and complaints handling.
- **Document review:** Analyse publicly available information from financial service providers on credit, savings and payments products. This could include advertising materials, key facts statements and information available online which contain information on product prices and features, terms and conditions, data privacy policies, dispute resolution mechanisms, etc.

- **Press and social media review:** Review popular media archives and social media postings (Facebook and Twitter) to scrape data which may identify any trends in consumer complaints in recent years.
- **Consumer surveys:** Carry out simple surveys that can be deployed rapidly to a targeted groups at a low cost to measure incidences of fraud and/or other indicators of risk or consumer outcomes.
- **Other data sources:** Work with UNCDF and BSL to identify any other potential sources of data on product pricing and complaints, for example by requesting records from financial services providers in BSL's role as a supervisory agency.

Workplan and deliverables

The research project will take place over a period of 6 months (120 days). Please refer to the proposed timeline below:

Phase	Activity	Deliverables
Month 1-2	Finetune proposed methodology and write inception report	Inception report, including a detailed research methodology and work plan (10%)
Month 3-4	Data collection and analysis	Complete datasets - raw and clean (15%) Progress report with preliminary findings (15%)
Month 5-6	Final draft of deliverables and dissemination of findings including but not limited to recommendations, typologies, trends, or other specific findings that would shape UNCDF work and help BSL. Please note, the report should be made to BSL.	Final report (45%) Presentation deck with key findings (15%)

4. AGREEMENT PARAMETERS

Outputs and deliverables

The written outputs and deliverables of the work are considered a public good. Thus, all the outputs and deliverables will be placed in the public domain with the intent that they can and should be freely and widely used by other parties.

Duration

The partner is expected to sign a **Performance Based Financing (Grant) Agreement** with UNCDF. Applicants not familiar with UNCDF agreements are encouraged to request a sample from digital.info@uncdf.org prior to submission of application.

Language

The deliverables, as well as any and all related correspondence exchanged by the organization and UNCDF, shall be written in English.

Budget

The budget for the study is estimated at USD 100,000 depending on the proposed methodologies. Please note that the financial proposal is part of the evaluation criteria in determining value for money.

5. APPLICATION REQUIREMENTS

Minimum qualification criteria

- Any type of research organization (commercial for-profit firms, educational institutions, non-profit organizations, universities) is eligible to apply
- Successfully conducted similar assignments at a country or regional level with proven excellent results
- Demonstrated experience and capability of proposed staff members in designing and conducting impact studies in the field of financial inclusion using qualitative and/or quantitative methods
- Strong and rigorous research skills, leading to analysis which can be understood by nonexperts – as evidenced by previous work
- Experience in developing relevant policy recommendations from research insights
- Work experience in Africa, preferably Sierra Leone
- Ability to work in English
- Commitment and ability to provide in-country, on-site resources (e.g. staff, consultants), as needed

Structure of the application

- Please see Annex 1: Submission Format for a **suggested template** for submissions
- Additional documents or links to documents may be included at the applicant's discretion

Technical proposal

- Research methodologies to achieve the objective of the study
- Detailed work plan with timeline of major activities
- Overview of past examples of research (quantitative and/or qualitative methods) related to consumer protection, including references
- Overview of past examples of research (quantitative and/or qualitative methods) related to financial inclusion and/or digital financial services, including references
- Proposed team (with CVs)

Financial proposal

- Budget quotation for the entire project, with detailed line items
- Planning and foreseen timings
- Detailed price breakdown, including separate figures for each functional grouping or category

Submission of the application

Applications and any questions about this RFA should be submitted via email at digital.info@uncdf.org.

The subject line of the email should be: **RFA: Scoping study of consumer protection in Sierra Leone**.

6. EVALUATION CRITERIA

The evaluation will follow the combined scoring method:

Rating the Technical Proposal (TP):

TP Rating = (Total Score Obtained by the Offer / Max. Obtainable Score for TP) × 100

Rating the Financial Proposal (FP):

FP Rating = (Lowest Priced Offer / Price of the Offer Being Reviewed) × 100

Total Combined Score:

Final Rating = (TP Rating) x (Weight of TP, e.g. 70%) + (FP Rating) x (Weight of FP, e.g. 30%)

Technical proposal: 300 points

Criteria (based on the requirements set out in Section 5)	**Points obtainable**
Appropriateness of proposed research methodologies	100
Expertise in designing and conducting research in the fields of consumer protection and digital financial inclusion.	100
Qualifications and experience of the proposed team	100

Financial proposal: 100 points
To be computed as a ratio of the proposal's offer to the lowest price among the proposals received by UNCDF.

Total proposal: 400 points