

**UNITED NATIONS CAPITAL DEVELOPMENT FUND (UNCDF)
Mobile Money for the Poor (MM4P)**

**REQUEST FOR APPLICATIONS (RFA): Study and final report on market
development approach in Senegal, Benin and Zambia**

Deadline for submission: **June 10, 2019**

1. SUMMARY OF THIS REQUEST FOR APPLICATION (RFA)

Purpose of the RFA: To support UNCDF’s MM4P programme by conducting an in-depth study of its activities in Digital Financial Services (DFS) in Benin, Senegal and Zambia. The study will contribute to the understanding of how the adoption and usage of these services can change the lives of people. The written outputs and deliverables of the work will be considered as public goods, with the intent to be freely and widely used by other parties. Specifically, the study will be done to evaluate the activities undertaken by UNCDF’s MM4P programme with the support of the Master Card Foundation grant.

Timing: The overall duration of the work is expected to take up to 4 months.

Applications & RFA Calendar:

- Publication date: May 27th, 2019
- Deadline for questions in writing: June 3, 2019
- Publication of Questions and Answers Document Q&A: June 4, 2019
- Final deadline for applications: June 10, 2019

You may send questions to mm4p@uncdf.org. A FAQ document will be generated based on enquiries received on or before June 3, 2019. The FAQs will be posted on the UNCDF website shortly thereafter.

Applications should be returned to the UNCDF by email at mm4p@uncdf.org no later than midnight on June 10, 2019 Greenwich Mean Time (GMT). Applications must follow the submission format in Annex I.

2. ORGANIZATION CONTEXT AND BACKGROUND INFORMATION

Organizational Context: UNCDF is the UN’s capital investment agency for the world’s 48 Least Developed Countries. UNCDF uses its capital mandate to support LDCs pursue inclusive growth. UNCDF promotes financial inclusion, also through digital financial services (DFS), as a key enabler of poverty reduction and inclusive growth; and it demonstrates how localizing finance outside the capital cities can accelerate growth in local economies, promote sustainable and climate-resilient infrastructure development, and empower local communities. Using capital grants, loans and credit enhancements, UNCDF tests financial models in inclusive finance and local development finance; ‘de-risks’ the local investment space; and

provides proofs of concept, paving the way for larger and more risk-averse investors.

With its capital mandate and instruments, UNCDF offers “last mile” financing models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local development. UNCDF targets low-income and underserved populations and areas in the LDCs where resources for development are the scarcest; where market failures are most pronounced; and where increased national economic prosperity does not reach a large part of the population. UNCDF focusses on local development finance and inclusive finance, using its capital mandate paired with strong technical and policy support to help communities and individuals save, borrow and invest.

UNCDF’s objective is to develop inclusive financial systems in which a range of financial products is available to all segments of society, at a reasonable cost, and on a sustainable basis. UNCDF supports a wide range of providers (e.g. microfinance institutions, banks, cooperatives, money transfer companies) and a variety of financial products and services (e.g. savings, credit, insurance, payments, and remittances).

Mobile Money for the Poor (MM4P)

UNCDF manages several initiatives related to digital financial services (DFS), of which the lead programme is Mobile Money for the Poor (MM4P). MM4P addresses the opportunities and challenges of implementing DFS in LDCs in Africa and Asia¹ in order to build an inclusive digital financial ecosystem that offers a wide range of DFS provided responsibly, and at reasonable cost, by sustainable institutions in a well-regulated environment. Specifically, MM4P provides a mix of policy, technical financial support to a range of government and private sector actors in each country, as well as investing in research and other public goods that benefit all market actors.

By supporting the development of DFS in these countries, MM4P works to increase the financial security of low income and rural households through access to appropriate, affordable and secure means to receive, manage and save money.

MM4P is currently active in nine countries (Benin, Laos, Nepal, Malawi, Malaysia, Senegal, Sierra Leone, Uganda and Zambia). In each of these countries MM4P implements projects that aim to push the needle on financial inclusion through digital financial services. The focus of this assignment is Benin, Senegal and Zambia.

For more information on the UNCDF MM4P program, see <http://mm4p.uncdf.org/>

UNCDF digital strategy

The UNCDF strategy ‘Leaving no one behind in the digital era’ is 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

¹ DFS refers to a range of formal financial services accessible via digital channels such as mobile money and agency banking, as opposed to traditional financial services accessed through physically visited at a bank branch.



Development Goals. UNCDF will apply a market development approach and continuously seek to address underlying market dysfunctions.

Inclusion is at the heart of the UNCDF's strategy to promote digital economies that leave no one behind. This can only be achieved if digital economies are widely developed at national level and if there is a key focus to make these digital economies inclusive without any new form of exclusion.

UNCDF gives particular importance to youth, women, migrants, refugees and MSMEs in general which are marginalized from adopting digital innovation and technology due to social norms, status in society, limited revenue and capacity. UNCDF places these customer segments at the center of the development of innovative services in various sectors, to increase their empowerment.

Our approach focuses on accelerating the development of digital economies at country level with government, private sector and academia while paying attention in developing the right services to reduce the digital divide and empower key customer segments. To achieve this objective, UNCDF will focus on understanding the intersection of six categories of digital services (finance, agriculture, energy, education, health and transport) across five categories of users (women, youth, refugees, migrants, MSMEs).

Underpinning all services will be an understanding that digital financial services are foundational, in that they enable new local entrants to innovate in markets, provide sustainability to new services, and create marketplaces for a wide range of products and services, both digital and non-digital. We have seen, for instance, the centrality of mobile money in enabling new energy markets via products such as MKopa Solar, and how transport companies such as Bolt and Go-Jek are forging new ride and delivery infrastructures built on mobile money.

To implement the strategy UNCDF will continue to apply a market development approach at country level. The objective of such an approach is to continuously seek to understand and intervene in select market systems to address underlying market dysfunctions that lead to improved efficiencies, effectiveness and sustainability. The approach will seek to (1) leverage the roles and behaviours of current players in the marketplace, support them to continue doing what they do better or to change their behaviour, and (2) strengthen the systems and relationships among the various market and sector actors (3) work with current players to de-risk new business models to make digital solutions more inclusive for key segments and reduce the digital divide.

3. PURPOSE, SCOPE AND OBJECTIVES OF THE STUDY

MM4P's core strategy focuses on supporting shifts between DFS market development stages, categorized into inception, start-up, expansion and consolidation phases. MM4P has characterized each stage using eight indicators and set milestones, allowing for the measurement and monitoring of progress as DFS markets evolve. MM4P activities aim to contribute to shifts between market development phases through work in the following areas: providers of DFS; distribution (agents); users (customers and high-volume users); and policy and regulation. At the core of MM4P's work lies ecosystem development, which comprises of a range of activities that further address underlying market constraints and aim to build a

sustainable sector that reaches the poor, through information provision, consensus building, awareness raising, partnership building, and capacity building.

In 2018 MM4P contracted Genesis Analytics to conduct an independent evaluation to assess the relevance and performance of the MM4P programme.² Key findings from the evaluation include:

Relevance:

- MM4P has played a unique role in the markets where it operates by bringing to bear strong technical knowledge and local DFS experience, accentuated with international experience.
- The use of TA in combination with small grants has been relevant to the needs of both partners and the programme. In-country technical teams have been critical to the success of TA by managing external relationships or delivering the TA directly.
- The programme has collaborated well with other UNCDF programmes, with the broader UN system and with other development stakeholders.

Efficiency:

- The DFS working group has been an important contributor to DFS development in programme countries and established MM4P as a go-to DFS Expert in most of its markets.
- MM4P has made a positive contribution and improved the level of stakeholders' understanding, interest, willingness and ability to develop, improve or expand DFS.

Effectiveness:

- Partners attribute changes in organizational processes and strategies as well as increased managerial buy-in and investment in DFS to the TA provided by the MM4P team.
- MM4P has contributed to positive changes in regulatory environments through its relationships with regulators.

Impact:

- The DFS systems in all MM4P countries have developed and the availability and usage of DF products increase, which has largely been a result of the following: industry data and information provided by MM4P, the convening and facilitation role of MM4P, and the formal and informal support and capacity-building provided to regulators.

Sustainability:

- The type of support and the nature of engagement provided by MM4P is better for the continuation of partner outcomes compared to other types of donor support, such as large grants that subsidize providers' operation costs.

While the evaluation provides relevant insights and learnings, MM4P seeks a more detailed contribution analysis of programme activities to overall market development, and to share this analysis with third parties, as a public good. **The objective of this study is to complement the evaluation with a detailed analysis of programme contribution to the development of the DFS market in Benin, Senegal and**

² <https://erc.undp.org/evaluation/evaluations/detail/10018>

Zambia, and to capture relevant learnings for further programming, specifically regarding the implementation of a market development approach. The study will entail a detailed contribution tracing of all MM4P engagements in the market, including MM4P projects, Technical Assistance provided directly by the MM4P team, and all ecosystem activities. The mapping of individual stakeholder journeys to MM4P engagements is expected to provide insights on the aggregated contribution of the programme to the development of the market.

In addition, MM4P seeks to better understand whether and how DFS contribute to changes in people's lives (positive and negative), to what extent MM4P activities contributed to increased access to and usage of DFS and to the empowerment of specific segments (e.g. women, youth, farmers) as well as capture lessons learnt on the potential role of DFS in addressing segment-specific challenges.

The study results will MM4P programme, UNCDF and all the interested parties (development community, donors, implementors, other stakeholders) with relevant insights on DFS market development in the selected countries and the implementation of a market development approach in DFS. The study findings will be shared publicly.

Publication outline:

1. DFS market development overview in Benin, Senegal and Zambia 2014 -2019
2. What market constraints have been addressed and what barriers to further market development remain?
3. How has UNCDF contributed to the development of the DFS market based on some market development stories?
4. How have digital financial services contributed to changes in people's lives (livelihood) with a specific focus on Youth and women based on some market development stories?
5. Lessons learnt from implementing a market development approach and link with new UNCDF strategy "Leaving no one behind in the digital era"

Methodology:

UNCDF invites eligible institutions to propose a research methodology for the study. The firm will have access to all relevant programmatic data and documentation, including but not limited to the evaluation report, all project-level documents, programme results measurement framework and the MM4P Annual Provider Survey data and analysis. The institution selected will work closely with the UNCDF team in Benin, Senegal and Zambia to collect information. Thru interviews, the UNCDF team in countries and select partners will share learnings from the last 4 years. The UNCDF team in countries will also support in drafting some specific section of the report based on the agreed templates. Out of a portfolio of approx. 30 key projects/ activities, the UNCDF team will select the sample for the market development stories.

The desk review is expected to be complemented by stakeholder interviews and customer data collection. The proposal should specify the information that will be captured during the stakeholder interviews and how this information contributes to the insights sought.

Note that MM4P recognizes that the study timeline does not allow for rigorous customer impact analysis. Firms are invited to propose a quantitative or qualitative methodology that will provide relevant insights (e.g. lean method, Most Significant Change, FGDs, etc.)

Note that the study will be conducted in close collaboration with the MM4P team in Brussels, Senegal, Benin and Zambia.

Workplan and deliverables

The research project will take place over a period of 4 months. Please refer to the proposed timeline:

Phase	Activity	Deliverables
Month 1	Desk review of programme documents Identify stakeholders and projects for study (in close collaboration with MM4P) Inception report including finetuned methodology, survey – interview questions, and workplan, and draft research tools	<ul style="list-style-type: none"> • Inception report • Detailed workplan • Draft research tools • Structure of final report • Structure of final presentation and • Videos scripts
Month 2	Data collection (on-site and remotely)	<ul style="list-style-type: none"> • Final research tools and datasets, including field notes and transcribed interviews. Interview of customers shooting
Month 3	First draft of final report, presentation and video interviews of projects and customers	<ul style="list-style-type: none"> • Draft report
Month 4	Final deliverables	<ul style="list-style-type: none"> • Final report designed in line with UNCDF MM4P branding guidelines (in English) • PowerPoint presentation in line with UNCDF branding guidelines (in French and English) • Approx. 5 videos/stories edited in line with Branding Guideline (in English & French) • Research brief/summary deck

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. The designed reports and the video all need to be branded according to

UNCDF branding guidelines for the MM4P programme. The technical partner will be acknowledged in the relevant sections of the deliverables.

Agreement

The technical 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 mm4p@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 (Brussels) or French (Senegal). Ability to work in both languages is required.

Budget

The budget for the study is estimated at USD 125.000, depending on the proposed methodology. 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 organization (commercial for-profit firms, educational institutions, and non-profit organizations, Universities) is eligible to compete
- 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
- Experience in developing relevant program recommendations from research insights
- Work experience in Africa, preferably Zambia, Senegal and Benin
- Ability to work in the language of the countries proposed (i.e. English, French)
- Evidence of high quality of documentation, packaging, and disseminating technical knowledge to a wide range of audiences
- Strong and rigorous research skills, leading to analysis which can be understood by non-experts—as evidenced by previous work
- Commitment and ability to provide in-country, on-site resources (e.g. staff, consultants), as needed

Structure of the Application

- The application includes a suggested template for submissions in Annex 1: *Submission Format*. Section 1 must be followed as in the Annex. Applications may choose a format for sections 2, 3 and 4 provided all the necessary information is included.
- Additional documents or links to documents may be included at the applicant's discretion.

Technical proposal:

- Research methodology and approach to achieve the objectives of the study, including clearly defined hypotheses
- Detailed work plan with timeline of major activities

- Overview of past examples of research (quantitative and/or qualitative methods) related to impact, 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) (Note: research team must be French speaking)

Financial proposal:

- Budget quotation for the entire project, with detailed line items
- Planning and foreseen timings
- The Financial proposal must provide a detailed price breakdown. Please provide separate figures for each functional grouping or category.

Submission of the Application

- Applications and any consultation about this RFA should be submitted via email at mm4p@uncdf.org
- The subject line of the email should be: RFA: Research on Pathways to Adoption, Usage, and Impact of Digital Financial Services

6. EVALUATION CRITERIA

The evaluation will follow the combined scoring method:

<p><u>Rating the Technical Proposal (TP):</u></p> <p>TP Rating = (Total Score Obtained by the Offer / Max. Obtainable Score for TP) x 100</p> <p><u>Rating the Financial Proposal (FP):</u></p> <p>FP Rating = (Lowest Priced Offer / Price of the Offer Being Reviewed) x 100</p> <p><u>Total Combined Score:</u></p> $\frac{(TP \text{ Rating}) \times (\text{Weight of TP, e.g. 70\%}) + (FP \text{ Rating}) \times (\text{Weight of FP, e.g., 30\%})}{\text{Total Combined and Final Rating of the Proposal}}$
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Technical proposal (including CVs of team): 700 Points

Expertise of the firm		Points Obtainable
	Expertise in designing and conducting research in the field of digital financial inclusion	100
	Overall reputation of the firm for their work in this field	25
	Quality assurance procedures and mechanism, guarantee provided by the firm	15
	Size, financial capability and soundness of the firm	10
Total Part 1		150

Methodology, approach and understanding of the mandate		Points Obtainable
	Does the proposal address the research questions outlined in the TOR?	100
	Is the design of the proposed methodology well-substantiated, structured, and appropriate for the programme?	75
	Does the proposed methodology build on existing research and data?	30
	Has the bidder proposed efficient and cost effective measures to the aspects of providing advice?	20
Total Part 2		225

Personnel		Points Obtainable
	Experience of the proposed team in designing and conducting research in the field of digital financial inclusion	150
	General qualifications team (academic)	25
	Knowledge of digital financial services, preferably in the context of Benin, Senegal and Zambia	50
	Experience in developing relevant program recommendations from research insights	25
	Work experience in West and Southern Africa	25
	Proficiency in French and English	50
Total Part 3		325

Financial Proposal (300 points)

To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNCDF.

Total 1,000 points.

