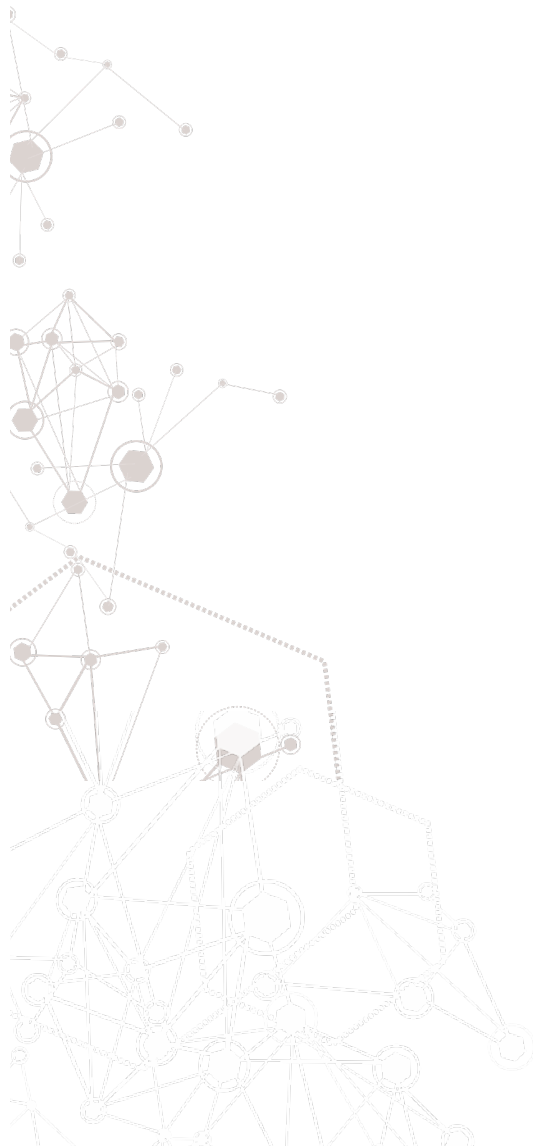
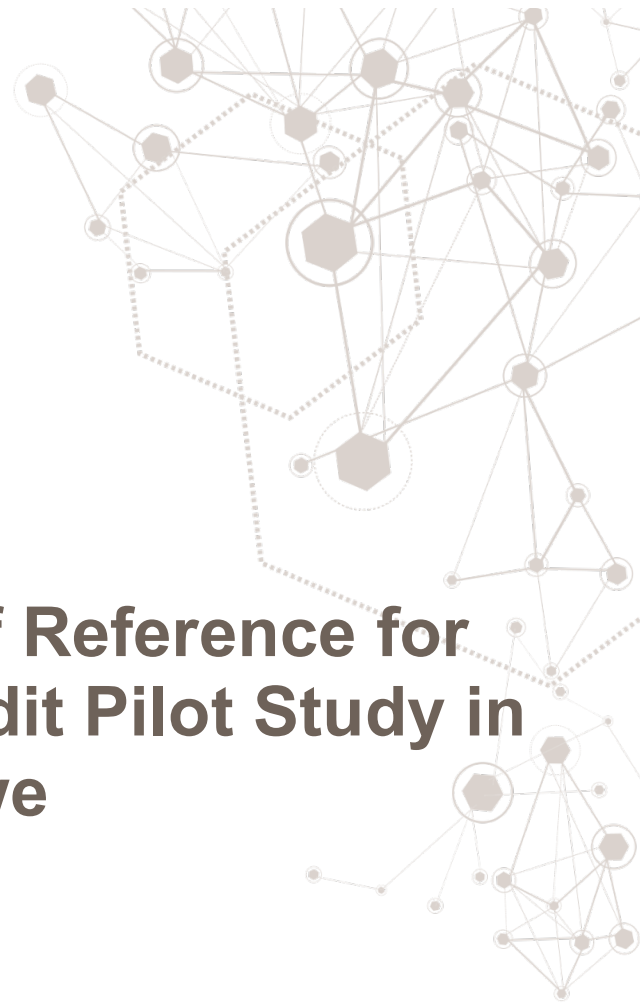


# Terms of Reference for i2i – Credit Pilot Study in Zimbabwe

June 2017





## About i2i

Insights2Impact (i2i | [www.i2ifacility.org](http://www.i2ifacility.org)) is a resource centre aimed at catalysing the use of data to improve financial inclusion. The i2i facility is jointly hosted by Cenfri and FinMark Trust in South Africa and is funded by the Bill & Melinda Gates Foundation in partnership with The MasterCard Foundation.

The aim of i2i is to enable evidence-based, data-driven policies and regulatory approaches, as well as client-centric product design in the pursuit of increased levels of sustainable financial inclusion. Since individuals choose financial services based on their financial needs and since usage, rather than simply uptake, of financial services leads to development outcomes for the poor, the measurement team at i2i has developed measurement frameworks that encapsulate this approach. The team now seeks to test and apply this framework in partnership with financial sector regulators and policymakers in the assessment of the state of financial inclusion at country level.

## i2i's approach to measuring financial inclusion

As financial inclusion is an enabler of economic development, standard measures of access to and uptake of formal financial services insufficiently assess the state of financial inclusion to be able to derive policy and regulatory interventions to enhance positive outcomes of financial inclusion. Up to now, most governments and organisations that seek to measure aspects of financial inclusion have either focused on access and/or uptake of *formal* financial services by the poor. While these measures are important, they do little to explain what financial needs people have and how they use both formal and informal financial services to meet these needs. Moreover, measures of access and uptake have at times created incentives that have led to undesirable outcomes, such as the uptake of basic accounts that are not used and simply become dormant.

The i2i's measurement team has developed measurement frameworks that gauge the financial needs of the users of financial services and the nature, patterns and outcomes of formal and informal financial service usage by individuals to meet these needs.

Four universal financial needs are used in the i2i measurement framework context, namely transfer of value, liquidity, resilience and meeting goals. These are measured by considering uptake of different financial devices towards use cases linked to each need. Analysing different devices used to meet each need enables the determination of the service offerings that are used and the extent of that usage to meet an underlying need. Thus, the objective of the financial needs measurement framework is to understand how the market for retail financial services in low-income communities operate to enable sustainable and effective provision of financial services.

Measuring the usage of financial devices is done via four metrics, namely recency, frequency, duration and monetary value. By using these variables, indicators can then be developed that measure usage patterns and provide a measure of the state or level of usage across a population. Linking usage indicators to financial needs of individuals, as well as other factors such as demographics and behaviour, will result in a clear picture to policymakers, regulators and financial service providers, depicting why, how and to what extent their users engage financial services to meet their needs.



## Objective

i2i is in the process of developing new measurement frameworks aimed at measuring the use of financial services beyond the uptake indicators that are currently reported as headline indicators by the financial inclusion community. This will directly inform policymakers and financial service providers as to the issues in the financial inclusion market.

As an essential part in this development, i2i is partnering with a credit bureau in Zimbabwe to conduct a study aimed at testing the new needs-based approach to measurement and to determine the drivers of specific usage dimensions in Zimbabwe. Focusing on the use of credit, the research will seek to further develop and refine the approaches to measuring credit uptake and use by adults in Zimbabwe. In this context, the work also seeks to determine the key drivers of uptake and usage of credit, as well as the determinants of the different repayment behaviour, using both bureau and survey data to be collected on the credit market in Zimbabwe.

The study should be able to provide insights into the following:

### All use cases for the three needs dimensions (except for payments)

- Resilience
- Meeting goals
- Liquidity

### The above should then yield the following:

- % of adults that use financial devices to meet a liquidity need
- % of adults that use financial devices to meet a liquidity need (by provider)
- % of adults that use financial devices to meet a liquidity need (by formal/informal)
- % of adults that use financial devices to meet a liquidity need (by device)
- % of adults that use credit devices to meet a liquidity need
- % of adults who did nothing to deal with a liquidity need
- % of adults who unsuccessfully and successfully addressed a liquidity need through some financial device
- % of adults that use financial devices to meet a resilience need
- % of adults that use financial devices to meet a resilience need (by provider)
- % of adults that use financial devices to meet a resilience need (by formal/informal)
- % of adults that use financial devices to meet a resilience need (by device)
- % of adults that use credit devices to meet a resilience need
- % of adults who did nothing to deal with a resilience need
- % of adults who unsuccessfully and successfully addressed a resilience need through some financial device
- % of adults that use financial devices to deal with a meeting goal need
- % of adults that use financial devices to deal with a meeting goal need (by provider)
- % of adults that use financial devices to deal with a meeting goal need (by formal/informal)
- % of adults that use financial devices to deal with a meeting goal need (by device)
- % of adults that use credit devices to deal with a meeting goal need
- % of adults who did nothing to deal with a meeting goal need
- % of adults who unsuccessfully and successfully dealt with a meeting goal need through some financial device



## Usage dimensions ONLY for credit services

### Demographics and potential drivers of usage of credit

#### Potential uptake/usage drivers

- Demographics (age, gender, marital status, dependants and education level)
- Socio-economic (employment status, source of income, rural, urban, assets ownership/SES)
- Social (social value, preferences, HH decision making, religion, collective functioning)
- Functional costs (fees, charges, travel cost/distance/time, opportunity cost, eligibility requirements)
- Financial literacy/capability and awareness
- Financial identity (provider, dependant or supporter)
- Behavioural/attitudinal (behavioural preferences, attitudes, heuristics and biases)
- Trust
- Ability to meet functional need (liquidity, resilience, meeting goals)

## Scope of work

### a. Sample

The target sample of the survey is 1,180 respondents who are adults 18 years and over but under the age of 79, with a coverage of the 10 provinces in Zimbabwe. The credit bureau will provide 500 respondents, while the remaining respondents will be drawn from across the 10 provinces. Each province will be broken down into enumeration areas or stratification. The following details will be used for the survey.

The sample will cover the 10 provinces in Zimbabwe. A convenience sampling methodology will be employed to capture the non-credit bureau sample within the enumeration areas identified as the location of the confirmed respondents from the credit bureau sample. Table 1 shows the sample frame option to be considered when costing for this study. The service provider is also expected to make recommendations on appropriate sample frames.

Table 1: Sample frame

	Formal borrowers from XDS Database			Random sample for formal, non-formal and non-borrowers		
	Urban	Rural	Total	Urban	Rural	Total
Bulawayo	38	0	38	35	0	35
Manicaland	35	52	87	18	72	90
Mashonaland Central	3	30	33	2	82	83
Mashonaland East	10	38	48	8	74	83
Mashonaland West	18	26	44	13	51	64
Matebeleland North	6	5	10	6	22	28
Matebeleland South	7	17	24	4	38	43
Midlands	11	26	37	29	53	81



Masvingo	11	44	55	8	72	80
Harare	125	0	124	84	9	93
	263	238	500	206	474	680

### Credit bureau database sampling requirements (for the sample recruitment house)

The confirmed sample from the credit bureau data will be provided to the service provider. The sample domain from the credit bureau will be at a city/town level. The service provider should make suggestions on sampling frames at lower domains of geographical locations, if possible.

### Non-credit bureau database sampling requirements

A multi-staged sampling methodology will be employed. The first level of sampling will occur at the town level (FinScope to advise on the most appropriate level) or at the level suggested by the service provider. The second level of sampling will take place at the household level, while a randomised respondent-generating mechanism will be used to select a respondent.

### Substitutes/replacements

The research house should make suggestions on how to recruit substitute households and respondents given the relevant eventuality. Substitutes will be provided for the credit bureau sample.

## b. Data collection mode

A survey will be conducted on the 10 provinces of Zimbabwe. A computer-assisted personal interview (CAPI) methodology will be used to administer the structured questionnaire on a face-to-face basis. The CAPI should have the functionality to randomly generate households in a defined area after listing has been conducted and to subsequently randomly generate respondents, similar to a KISH grid.

## c. Questionnaire design

The questionnaire will be administered in English, Shona and Ndebele. It is estimated to take between 60 and 75 minutes. The research house is expected to review the questionnaire and suggest appropriate information that captures the in-country context. The 60-minute interviews will terminate at some point where questions will not be applicable to those who have not borrowed in the past 12 months, while those who have borrowed in the past 12 months will complete the entire questionnaire (thus 75 minutes).

### CAPI script functionality requirements

- i. **Needs module randomised position:** Each of the three Needs modules (Liquidity, Resilience and Meeting goals) can be randomised and asked in different orders in the questionnaire.
- ii. **Use cases randomised position:** Within each Needs module, Needs are explored through specific use cases. As for the overall Needs module position, the order of asking each use case can also be randomised.
- iii. **Question duration:** We are interested to know the duration that each question of interest takes, so as to better understand the simplicity of different iterations of asking the same question content.



- iv. **Attrition rate.** We will be interested in capturing information that covers all potential respondents approached to complete the questionnaire.
- v. **Respondent recording:** The script should have the functionality that allows for recording relevant sections of interest to us, in 10% of the interviews, and then having a native language researcher listen and record their findings for the quality control attributes of interest to us. These attributes include confusion, asking for explanation, disinterest, understanding, interview flow, reasons for and kinds of refusals.

We want information captured for the point of the interview at which the interview was terminated (i.e. which fields had already been completed), as well as main reason for termination. This information will be used to make overall assessments as to relative favourability of different questionnaires.

#### d. Key tasks and responsibilities

	Activity	Responsibility	Issues to be addressed in proposal
1	Confirmation of credit bureau sample	Credit bureau/Measurement (i2i)	
2	Final sample frame	FinScope team (FinMark Trust)	Suggestions on the most appropriate sampling methodology
3	Questionnaire design (including translating and back-translating)	D4FI/Measurement/FinScope	
4	Scripting of questionnaire	Selected research house	Description of necessary fieldwork preparation with timeline; Scripting functionality requirements
5	Recruitment and training of enumerators	Selected research house	Details of what training will be covered and the mode of training
6	Fieldwork	Selected research house	Fieldwork approach and travel plans
7	Finalise data in SPSS and STATA	Selected research house	Data format
8	Submit metadata requirements	Selected research house	
	Technical report in MS Word summarising how field activities were conducted,	Selected research house	Highlights of items to be discussed in the technical report



	issues experienced, and how they were managed		
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Note: Kindly include all quality control measures across all activities

### e. Deliverables

s/n	Activity	Deadline
1	Finalisation of script	16 July 2017
2	Pre-test	14 July 2017
3	Recruitment and training	21 July 2017
4	Pilot and provide pilot results	23 July 2017
5	Fieldwork	08 August 2017
6	Final dataset in SPSS and STATA	15 August 2017
7	Submission of technical report and metadata requirements	22 August 2017

### f. Proposal content

- Organisations should submit a detailed technical and financial proposal. The technical proposal is expected to be clear and concise and should be a maximum of 10 pages. It should include:
  - Methodology: the organisation's approach to implementing the assessment as described under the Scope of Work section and possible suggestions given the local context
  - Timeline: a detailed timeline for executing all project activities
  - Risk management: a comprehensive list of anticipated project risks and contingency plans
  - Skills and qualifications: evidence of technical capacity of the firm to undertake this study, and particularly a good understanding of the i2i measurement approach
  - Sample of measurement instrument(s): outline of the structure of the instrument(s) for data gathering, which should identify key issues that the instrument(s) will address
  - Outline and structure of the technical report
  - Financial proposal: detailed costing for each activity, broken down by professional fees and expenses

### g. Process

The proposal should be submitted electronically to Obert Maposa at [obertm@finmark.org.za](mailto:obertm@finmark.org.za) or to Dr Kingstone Mutsonziwa at [kingstonem@finmark.org.za](mailto:kingstonem@finmark.org.za) no later than 22 June 2017. **However, kindly send quotations based on the different methodological specifications relating to sampling and length of questionnaire as described in the Scope of Work sections (a) and (c).**



## h. Evaluation criteria

Applications will be evaluated based on the weighting criteria below. Applicants who are able to showcase/demonstrate previous work of this magnitude and within the sector could potentially receive higher scores.

S/N	Criteria	Weighting
1	<b>Technical quality of the proposal:</b> Research approach, proposed mechanisms for quality assurance, innovative approaches for research methodology and to improving data quality, logistics, assessment of risks and contingency planning	40%
2	<b>Competence and experience of the firm:</b> Legal status, experience/reputation of firm and demonstrated past performance	10%
3	<b>Capability:</b>	10%
	<ul style="list-style-type: none"><li>• Demonstrated insight and understanding of financial inclusion issues in Zimbabwe. Ability to conduct social surveys in Zimbabwe within the timeframe</li></ul>	
4	<b>Budget:</b> Comprehensive breakdown of costs for all activities, with justifications	20%
5	<b>Project resources and proposed team member CVs:</b>	10%
	<ul style="list-style-type: none"><li>• Demonstrated competence of field team</li></ul>	
	<ul style="list-style-type: none"><li>• Demonstrated competence in quality control</li></ul>	
	<b>Maximum score</b>	100%





## Appendix 1: Metadata requirements

Kindly provide the following metadata:

- **Expert interpretation of respondent recordings:** This will be recording the relevant sections of interest to us, in 10% of the interviews, and then having a native language researcher listen, record their findings and capture into a report summarising all recorded interviews. This will be on the quality control attributes of interest to us. These attributes include respondent confusion, asking for explanation, disinterest, understanding, interview flow, reasons for and kinds of refusals. The service provider should provide a separate budget for this.
- **Aggregated reporting on a structured questionnaire administered to respondents:** A percentage of respondents will also be asked for their feedback on the usage metric sections/questions of interest to us, as far as the relevant attributes (e.g. understanding of questions) are concerned. This will be collated into aggregate feedback.
- **Qualitative feedback from survey personnel:** Interviewers will also be asked for feedback based on their impressions of the questions of interest to us. This feedback will cover aspects such as question and section flow, whether questions make sense, routing, their own sense of the usefulness of information, repetitiveness, boredom, clarity and sense of enjoyment of respondents. This will be collated into aggregate feedback.
- **Don't know and refused.** The survey responses "don't know" and "refused" should be provided for per module and at a question level.
- **Missing data for respondent to that entire variable.** There are two options here, which we require different coding to show: i) where the data is missing because the respondent has been routed around the question; and ii) where the respondent should have answered but the data is missing.
- **Consistent coding of key response options**
  - a) Missing data due to routing
  - b) Missing data that should have been captured
  - c) Don't-know responses
  - d) Refused responses

# How to find us

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