

Call for Partners:

Microfinance Digitization Pilots in Automation of Repeat Loans and Performance Measurement



Photo by Temilade Adelaja via Communication for Development Ltd.

Frequently Asked Questions

Note: We are basing our initial FAQs from questions received in similar processes in the past. We may update this list as we receive questions that could be relevant for other applicants.

- **What kind of support is CGAP going to provide?**

CGAP will provide its own expertise as well as hire and pay for additional technical support required for implementation of the Measurement and Automation workstreams. The scope and scale of the CGAP support will be adjusted to the needs of individual MFIs selected.

In case of the Measurement workstream, the support will largely concentrate on developing and implementing a set of dashboards appropriate to the tracking and measurement of the selected digital solution(s) and their uptake by / impact on customers. We will help the partner MFI develop a data extraction, warehousing and analytics practice to define the baseline and track changes in customer behavior resulting from the digitization efforts.

In case of the Automation workstream, the support will concern development of the credit underwriting model based on data points recorded for the existing clients and the automation of the entire repeat loans process.

CGAP aims to be as responsive as possible to the specific needs of partners; however, there are certain types of support that we do not envision providing, such as capital or infrastructure related.

- **What does project governance look like?**

CGAP will select partner MFIs that are able to create and resource a sandbox project structure that isolates the initiative from the MFI's daily core business practice. Specifically, this means that the project team will have time and mandate to focus on the project. And that the team will be able to test and develop product features and operational procedures that are new to the MFI.

- **What type of projects has CGAP supported in the past?**

Past CGAP engagements of this type have included support to partner organizations to achieve a range of strategic goals, such as developing APIs to facilitate interconnection with partners, designing credit algorithms, designing products to reach new segments, launching or piloting new products, measuring impact of services, and designing gender-smart products, among

others. This support has taken the form of technical assistance, strategic advice, expert support, or project management support, any of which has come from CGAP staff or from external specialists procured directly by CGAP and selected jointly with the partner organization(s).

▪ **Can multiple parties submit a joint expression of interest (for example, an MFI with a technical provider or multiple MFIs operating under the same network)?**

Yes, please provide information on the implementing partners (if any) and their roles in the project execution. Applications that are not directly from the MFI must demonstrate their commitment to the partnership; willingness to share data, iterate and invest their own resources; and why the success of the specific product/partnership is a priority for the MFI.

▪ **What countries/contexts are best suited for this work/project/etc.?**

We are open to working in suitable emerging markets and developing economies (EMDE) where: (1) infrastructure is in place to enable digitization in microfinance, and (2) useful lessons can be drawn to benefit the industry globally.

▪ **Is there a cap on the costs of support to be financed by CGAP?**

Yes. This will be determined on a case-by-case basis, and we will consider the number of partners selected, their needs, the potential of the project, and availability of resources from the CGAP team. The level of CGAP support is not intended to be standard across projects but will rather be finalized as the needs of each partner become clearer during discussions with short-listed applicants.

▪ **How many projects does CGAP plan on supporting?**

CGAP plans on selecting 3-5 MFIs for each workstream covered under this call for expressions of interest.

▪ **What happens after CGAP receives an application?**

An expert panel will shortlist applicant submissions based on the criteria outlined in the RFP as seen below. CGAP will discuss the proposed partnership and type of support with shortlisted candidates and may request additional information to finalize the selection process. Final partner selection is expected to be made by **end of November 2021**.

Following selection, CGAP will work with the selected applicants to decide what activities would benefit from support and develop a general project definition, goals, model for collaboration and terms of reference. CGAP will then procure the external support needed to implement the project as agreed. External support may be provided by individual experts or firms.

▪ **What are CGAP's selection criteria?**

As outlined in the EOI, the key factors CGAP will consider are:

• **Management**

- Explicit commitment of the top management (C-suite) to the partnership with CGAP and the timelines and outputs agreed
- Ability to manage the project within a sandbox structure with adequate isolation from core business practice. This includes dedication of sufficient resources to support implementation of the partnership project.

• **Human Resources**

- Appointment of a product lead and team responsible for the project
 - Willingness and ability of staff to lead and execute the project, and support monitoring and evaluation during the project implementation
 - **Technology capabilities**
 - Extraction and warehousing in cloud-based data mart
 - Data analysis tools (e.g., tableau, Power BI, Python)
 - **Customer segment**
 - Operation in a low- and/or middle-income country
 - Serving micro and small enterprises (MSEs) as a key customer segment
 - **Other**
 - Consent granted to CGAP to publish insights and lessons learned during the project implementation on an anonymized basis (unless agreed otherwise)
 - Participation in CGAP community of practice (CoP) to engage in peer-learning and information exchange. The engagement in the CoP will approximately involve weekly online check-in meetings with the rest of the cohort during the active pilot stage and irregular online sessions for 3-6 months after the CoP is joined by a larger group of MFIs (~10-20) to learn from (and potentially replicate) the pilots. The pilot participants will be expected to engage and share learnings with the larger group. The level of effort at that stage is estimated at 1-2 days/month
 - Consent to participate in the final M&E to measure the impact of pilots
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- **What is the expected duration of the CGAP project support?**

CGAP expects the timeline from project selection to conclusion for the Measurement workstream to be approximately four months and for the Automation workstream to be approximately 12 months, including any internal prep time required by partner organizations, the discovery/planning phase, and implementation. However, each applicant/case/partner will be different, and the timeline will reflect the specific needs of each one.
 - **What type of resources will partners be expected to contribute to the project?**

Selected applicants are not required to contribute financially to the technical services sourced externally for the project, although a significant contribution would be expected in the form of organizational staff time and resources required for the successful implementation. This will include establishing a PMO and dedicating at least 50% of the lead's time to the execution of the project, with sufficient senior staff support/buy-in to ensure that the applicant organization is the main driver of the project. They will also be expected to take responsibility for the success of the product in the market, learning, and enhancing the product post-launch (Automation workstream).

Deadline for submission is November 15, 2021.

- The [announcement of the call for EOIs](#) contains links to the EOI form and other documents for this project.
- Please submit any questions and/or your completed expression of interest to Ivo Jenik at ijenic@worldbank.org.