



## Terms of Reference

<b>Vendor:</b>	Busara Behavioral Research Lab
<b>Strategic Priority Area(s):</b>	CGAP Protecting Consumers Initiative
<b>Project Title:</b>	CGAP Digital Credit Market Monitoring in Tanzania
<b>Start Date:</b>	06/01/2017
<b>End Date:</b>	12/31/2017
<b>Task team leader:</b>	Juan Carlos Izaguirre, CGAP Senior Financial Sector Specialist

### About CGAP

CGAP (Consultative Group to Assist the Poor) is a global partnership of 34 leading organizations that seek to advance financial inclusion. The poor are by necessity active managers of their financial lives, but typically remain excluded from formal financial services. As a result, they are forced to rely on the informal mechanisms available to them that can often be unreliable and very expensive. Against this backdrop, CGAP shares the powerful and broad vision for financial inclusion that has emerged among global and national policy makers, practitioners, and the development community: our vision is a world where everyone can access and effectively use the financial services they need to improve their lives.

Our mission is to improve the lives of poor people by spurring innovations and advancing knowledge and solutions that promote responsible and inclusive financial markets. CGAP's role is to advance and accelerate development of these financial markets by working on frontier issues, which when unlocked, have the greatest potential to deliver high-quality financial services that benefit a growing number of those who are currently unserved or underserved. Housed at the World Bank, CGAP combines a pragmatic approach to responsible market development with an evidence-based advocacy platform to increase access to the financial services the poor need to improve their lives.

CGAP's strategy has five priority areas:

- Understanding demand to effectively deliver for the poor
- Financial innovation for smallholder families
- Developing robust provider ecosystems
- Building an enabling and protective policy environment globally
- Promoting effective and responsible funding for financial inclusion

### About the Project

CGAP is partnering with Bank of Tanzania, FSD Africa and FSD Tanzania to support the digitally-delivered credit component of a credit market diagnostic in the United Republic of Tanzania. CGAP will lead the analysis of account-level data from two of the leading digitally-delivered credit providers in Tanzania. This Terms of Reference describes activities related to this data analysis.

## Scope of Work

Activities to be realized under this contract include:

- Consolidation of collected digital credit data. The vendor will consolidate all the relevant data collected for diagnosis of the digital credit market in Tanzania.
- Core Question and Hypothesis Mapping. The vendor will identify core research questions and prior hypotheses for each question to inform data analysis. This set of questions and hypotheses will be informed by inputs from CGAP, Bank of Tanzania, FSD Africa and FSD Tanzania.
- Data Preparation. The vendor will clean and merge different data sources into a cohesive and suitable form for answering the identified core questions.
- Summary Statistics. The vendor will prepare summary tables of digital credit activity at the transaction level, the product level, and the national level. This analysis will include a breakdown of the consumer demographic variables and activity across different times of the day and the year within the digital credit accounts and products.
- Literature Review and Secondary Data Research. The vendor will identify scientific literature related to loan repayments that are aligned with core questions and summary tables prepared thus far. Compile data from leading credit markets in Africa and relevant emerging markets.
- Market Segmentation Analysis. The vendor will conduct segmentation analysis to identify clusters of borrowers based on digital credit behavior.

## Deliverables

- Deliverable 1: Inventory of digitally-delivered credit data sets provided by CGAP and project partners.
- Deliverable 2: Presentation of guiding questions report that sets out the plan for analysis of the data.
- Deliverable 3: Cleaned datasets and report of summary statistics from data analysis broken down by products, demographics, time of year and key financial metrics.
- Deliverable 4: Literature review on scientific literature related to loan repayments and comparative data in African and emerging markets.
- Deliverable 5: Project review workshop to present findings and analysis to CGAP and all project partners.
- Deliverable 6: Final report and analysis based on feedback from CGAP and all project partners on Deliverable 5.

## Necessary Skills and Experience

- Experience in behavioral design and behavioral research;
- Experience in experimental design;
- Ability to collate, clean and analyze complex data sets, including strong econometric skills;
- Experience working on digital financial services, including analysis of large transactional datasets for digital credit products;
- Experience working in Tanzania on digital financial services;



- Experience conducting research and data analysis with financial sector regulators in emerging markets.

### **Ownership/Control of Work Product/Publication**

All materials produced or acquired during the appointment - written, graphic, film, digital audio/video or otherwise - shall remain the property of CGAP unless and to the extent such rights are explicitly relinquished (in whole or in part) by CGAP, in writing. CGAP furthermore retains the exclusive right to publish or disseminate in all languages reports arising from such materials. In the event of early termination of the appointment or non-renewal upon its expiration, the Vendor shall, if requested by CGAP, deliver to it copies of all materials and data developed with CGAP funds. Any material developed by the Vendor under these TORs may not be used without written prior approval by CGAP's Task Manager.

### **Authorship and Acknowledgement**

CGAP staff will generally be listed as the authors of any publication or other communication that is produced as a result of the research conducted during the appointment. The Vendor's contribution in conducting this research may be acknowledged in any such publication. If, in the reasonable view of the Task Manager, the Vendor contributes significantly to the conceptualization and drafting of any documents created, the Vendor will be listed as co-author, along with the relevant CGAP staff.

### **Task Manager(s)/Reporting**

The Task Manager is Juan Carlos Izaguirre, CGAP Senior Financial Sector Specialist. CGAP may designate another qualified task manager. The Task Manager has final sign off on deliverables and invoices. The Vendor will report to the Task Manager.

### **Schedule**

All work will be completed between the signing of this contract and 12/31/2017, unless the appointment is extended or a new appointment is made.

### **Budget and Payment**

The budget ceiling for the work under these TORs is a lump sum fee including expenses of thirty six thousand six hundred and seventeen U.S. dollars (US\$36,617). Payment will be made as follows:

- 10% upon receipt of signed Purchase Order.
- 40% upon completion of deliverables 1 and 2.
- 50% upon completion of deliverables 3, 4, 5 and 6.