

Terms of Reference

Support to scope, design, prototype, develop, test and roll-out mobile savings product(s)

Brief Description:

FINCA Uganda, a member of the FINCA Impact Finance global network, is a leading Microfinance Deposit Taking Institution (MDI) regulated by the Central Bank. FINCA Uganda provides responsible financial services to low income men and women who form the backbone of the Ugandan economy. FINCA Uganda, along with 20 other subsidiaries in the FINCA global network, is leveraging the power of technology to put financial resources into the hands of our customers, no matter where they live and work. FINCA Uganda is undergoing a digital transformation and is using Fintech to expand financial inclusion across the country.

In June 2019, FINCA Uganda partnered with the World Savings and Retail Banking Institute (WSBI)'s "Scale2Save Programme", with the following overarching objectives:

- *Use new technology* – agency banking, mobile financial service and digital field automation—to bring banking closer to the people;
- *Develop more appropriate savings products* including a mobile target savings product, with a focus on youth population and considering various incentive types to ensure savings activity;
- *Promote better financial health and literacy* among FINCA Uganda's savers, by delivering financial education through a digital platform easily accessible on tablets or mobile phones;
- *Generate learnings on low-balance savings mobilization and FINCA Uganda's transition to a new business model.* Research activities evidencing reasons for savings accounts dormancy and how to mobilize low-balance savings accounts among the target markets, convert account holders into active users and promote the financial health of clients, especially youth.

With this project, FINCA Uganda will leverage new technologies to build a new business model geared towards sustainable savings mobilization. Digital innovations such as the development of relevant and responsible mobile-based products delivered via a smartphone, agent or basic handset (i.e. USSD option), as well as digital field automation and data analytics form the backbone of this model. The innovations also encompass more appropriate savings products accessible on mobile and digitally-enabled financial literacy modules deployed over the devices.

These innovations are expected to provide customers with the means to save regularly and affordably by: (1) improving *access* to savings for 52,000 excluded customers, (2) customizing products to customers' needs to drive *usage*, and (3) enabling customers' *capacity* to use them in the best suited way to their situation.

Scope of work:

Designing, Developing, Testing and Rolling-out Appropriate Mobile Savings Products.

Within the scope of this partnership, FINCA Uganda seeks the support of a **renowned consultancy firm, with proven track-record** in using human centered design (HCD) approach to build a new business model geared towards sustainable small balance savings mobilization and lower account dormancy, in the context of transformational digital initiatives.

The digitization of its channels will enable FINCA Uganda to better use its data to test and customize new savings products aimed at driving regular deposit mobilization.

The influence of a set of variables – duration of savings period, type of in-kind rewards, type of customer engagement, financial education etc. – shall be considered to better understand the customers’ savings behavior and key characteristics for successfully mobilizing deposits.

Description of Duties:

The following activities and deliverables are expected to be covered under these TOR:

Phase	Proposed Activities	Expected Deliverables	Duration
Desk Research & Capacity Assessment	<ul style="list-style-type: none"> • Review of political, environmental, regulatory factors and market competitiveness • Assessment of internal capacities to deliver on the scope of the project, gaps mapping and mitigations 	<ul style="list-style-type: none"> • Inception Report (incl. external and internal assessment) 	2 weeks
Market Strategy	<ul style="list-style-type: none"> • Detailed scoping of primary markets and highlights of secondary markets • Profiling and Segmentation of the key viable markets for mobile savings products 	<ul style="list-style-type: none"> • Market Strategy report, detailing and quantifying the proposed market approach 	2 weeks
Human Centric Design	<ul style="list-style-type: none"> • Human-centric Immersions within the retained market segments • Identification of key Value proposition elements for each stakeholder involved • Iterative Ideation sessions with all stakeholders’ representatives to identify key product variables and characteristics aimed to shape sustainable savings behavior 	<ul style="list-style-type: none"> • HCD report, detailing the product features vs their expected impact on adoption 	1 month
Product Development & Testing	<ul style="list-style-type: none"> • Detailed Business requirements & Draft Product Policy • Go2Market strategy & Monitoring framework to measure quality and track product performance and progress • Testing Iterations & Draft Product Policy • Developing a detailed work plan with capacity building activities based on the Training Needs Assessment (clients and FINCA staff) 	<ul style="list-style-type: none"> • Go2Market Strategy • Business Requirements • Product Policy & Manual • KPIs & targets • Customized training packages- Staff and clients 	1 month
Pilot & Roll-out support	<ul style="list-style-type: none"> • Go2Market approach & Commercial Pilot support • Support in the planning and execution 	<ul style="list-style-type: none"> • Pilot reports • Evaluation & roll-out recommendations 	3-6 months

	of marketing campaigns for mobile savings products designed for FINCA Clients by segments.(Youth, Women, adults and rural vs urban) <ul style="list-style-type: none"> • Roll-out recommendations & Handover 	<ul style="list-style-type: none"> • Lessons learned documentation 	
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The overall goal of this assignment is to proactively identify, design, develop and bring to market innovative mobile savings products delivered through flawless customer experience, in line with the organization’s strategic plans. After piloting the products & customer engagements, these shall be delivered to the Savings Product Manager, for scale-up and “business as usual”. FINCA Impact’s Research Team will be involved alongside the Consultants throughout the project, to ensure alignment and continuity between the product design and the Randomized Control Trial to be implemented by FINCA Impact within the scope of the WSBI partnership.

Qualifications of the Consultants:

- At least 10 years of experience relevant to the ToR (ie, Digital services, Savings products)
- At least 5 years’ experience in applying Human Centered Design to develop and deliver new products, preferably within the digital space
- Deep knowledge in rolling out digital products through multi-channels approach, hands-on and operational experience in DFS transformation with a specific focus on MFIs
- Demonstrated experience in working with rural or low-income communities
- Must be able to bring strategic thought leadership and ensure transfer of knowledge while working with the FINCA Uganda team in implementing the products
- Experience in deploying other Digital Financial Services is highly preferred
- Previous work in the Ugandan Market and with any FINCA subsidiary is an added advantage

Procurement Procedure:

All intending and qualifying consultants can obtain the bid document from the website www.finca.ug
Or emailing to joram.byamatungo@fincaug.org
Or joel.odokola@fincaug.org
Or pick hard copies of the same from FINCA Uganda Head office not later than **22nd August 2019** by 12:00hrs, and submit their proposal for the same in a sealed envelope Marked as **“PROPOSAL FOR MOBILE SAVINGS PRODUCTS”** at the address below not later than **23rd August, 2019** by 17:00hrs.

To: **Chairperson Procurement Committee**
FINCA Uganda
Plot 11B Acacia Avenue, Kololo,
Kampala
P.O. BOX 24450, Kampala.

For further inquiries please contact: +256776650021

OR joram.byamatungo@fincaug.org

OR joel.odokola@fincaug.org

The Technical proposal shall not exceed 10 pages (without annexes) and shall contain the following sections (at a minimum):

- Understanding of and comments on the Terms of Reference
- Qualifications and project references proving the capacity to deliver on the scope of work
- Methodology, key deliverables and timelines to achieve the intended results
- Proposed team and workplan highlighting the level of effort required by activity
- Detailed Project References and CVs of proposed team shall be presented in annex

The Financial proposal shall be provided in a password protected .pdf¹, detailing the following:

- Rates (in USD) and number of consulting days for each of the proposed team members
- Detailed expenditures expected to complete the scope of work, by category (i.e., airfares, visas – if applicable, per diems & accommodation, local traveling, others – detailed, etc.)
- Proposed payment conditions, in line with the deliverables/ milestones to be achieved

Proposal Scoring:

Qualification of the Bidder will be evaluated against the Minimum Qualification requirements specified above. Any proposal not qualifying with these requirements will be discarded.

Rating the Technical Proposal (TP):

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

Only Technical proposals obtaining at least 70% TP Rating will be proceeded to the financial evaluation.

The following grid will be used to score the Technical Proposals:

Rating Criteria	Max Score
Understanding of and comments on the Terms of Reference	10
Qualifications & references proving the capacity to deliver on the scope of work	20
Methodology, key deliverables and timelines to achieve the intended results	30
Proposed team and workplan highlighting the level of effort required by activity	20
Detailed Project References & CVs of proposed team shall be presented in annex	20

Rating the Financial Proposal (FP):

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

Total Combined Score:

¹ The password for the Financial Proposal will be formally requested to the bidding firm(s) if their Technical proposal qualifies – see Proposal Scoring section; any bid including this password, either within the Technical proposal or via email exchanges prior to formally being requested to do so by FINCA Uganda, will be disqualified.

Combined Score = (TP Rating) x (70% Weight of TP) + (FP Rating) x (30% Weight of FP)

FINCA Uganda reserves the right to award the bid to a bidder of its choice and is not obliged to contract any bidder under this arrangement and management may choose to discontinue the procurement process at any stage without recourse to any bidder.