

Request for Proposals

Survey on Demand for Financial Services in Ghana

I. Background

The Government of Ghana has received an IDA Credit to fund its Economic Management Capacity Building Project (EMCB), consisting of Public Sector Reform (PSR) and Financial Sector Reform (FSR) Projects. A subcomponent of the FSR is to improve the reach and depth of financial service delivery in Ghana. The Department for International Development, DFID-Ghana is providing targeted assistance to the Government of Ghana as part of IDA funding support for this subcomponent and other areas relating to deepening access to finance in the Financial Sector Reform Programme.

As part of implementation arrangements for this subcomponent of the Project, the Ministry of Finance and Economic Planning, (Financial Sector Division) (MoFEP/FSD), is requesting proposals from market research firm (s) to conduct a nationwide survey on the use of and demand for financial services under technical assistance from Finmark Trust Ltd using its custom designed Finscope Research Tool. As a tool, the FinScope™ survey design, instrument, sampling procedures, data structure and analysis have thus far been conducted in six Southern African countries – Botswana, Lesotho, Namibia, South Africa, and Zambia - and will be adapted to the specific Ghanaian context. (Further information on Finmark Trust Ltd and the Finscope Tool can be found at www.finscope.co.za.)

I 2. Ghana Survey Objectives

The primary objective of this survey is to document, benchmark, and profile levels of access to financial services by Ghanaians - rich and poor, rural and urban – for usage by key stakeholders incorporating policy-makers, regulators, financial intermediaries, consumers of financial services and the real sector. It is also expected that the survey data generated during the course of this study will significantly improve understanding of the use of and demand for financial services in Ghana

3. Methodology

The Finscope Survey Tool is extensive and looks at consumer use of and need for financial services. It documents:

- uptake of financial services across transactions, savings, credit and insurance from both formal and informal providers;
- household economic, financial and risk management;
- financial discipline and knowledge;
- attitudes and perceptions to, as well as preference for financial service providers;
- usage of and attitude to technology;
- psychographics and lifestyles;
- rural and agriculture needs and usage of financial services;

- remittances needs and channels used;
- asset accumulation patterns (including livestock); and
- other relevant themes still to be defined at country level.

The survey will also need to look at ways to segment demand for financial services in Ghana. While the FinScope™ Financial Services Measure (FSM) is one way to do this, the selected research firm will need to determine if this is an appropriate model for the Ghanaian market and probe alternative ways to segment the market.

4. Scope of Work

There are a number of critical steps that need to be followed in the execution of this survey. The work to be carried out by the selected research firm is as follows:

- **Design of the survey tool**

The market research firm will be required to revise the FinScope™ questionnaire to meet the requirements of FSD and its partners. This will involve:

- a. developing questions around themes agreed with FSD;
- b. incorporating core questions to ensure cross-comparability of data with other countries. Ensuring comparability of data is critical, particularly given government efforts on financial market integration, and to support the regional business development strategies of financial sector service providers;
- c. incorporating questions required for segmentation, whether this is the FSM or another model; and
- d. translating the questionnaire into appropriate Ghanaian languages.

The final questionnaire for Ghana will be subject to MOFEP/FSD and FinMark Trust agreement and sign-off.

- **Segmentation Model**

The market research firm will need to give an opinion on the FSM application and possible alternative segmentation models as well as produce a segmentation of the market, whether this is the FSM or alternative model. For more details on this model please visit www.finscope.co.za.

- **Sample**

The firm will be required to work with the Ghana Statistical Service (GSS) to produce a robust nationally representative sample and interview selection procedure. The sampling will be based on the census enumerator areas (EAs), and maps for each area to be sampled will have to be secured from GSS. EA selection, household selection and respondent selection instructions will have to be detailed by the research company for ratification by GSS. Sample design must allow for integration into a national GIS dataset to incorporate both demand side and supply side information. The geo-locating of the data will be performed as a separate project.

The selected firm is responsible for providing a description of the sampling methodology, the expected non-response rate, replacement strategy, the sampling weights, the adjusted sampling weights at the end of the field work, and the sample structure. Those materials are to be provided to the working group members.

- **Field Work**

The market research firm will conduct all aspects of the field work including pilot testing, enumerator recruitment and training, supervision, back checking, quality control etc.

Careful attention is to be placed on the fieldwork to ensure reliable and high quality data is produced.

A minimum of 20% back-checking of the interviews is required in terms of generally accepted code rules as well as checks on the interviewers to determine whether they have been in the correct areas.

FSD, DFID Ghana and Finmark Trust place strong emphasis on quality control and your proposal should be very clear in defining your quality standards and how you would ensure that these standards are adhered to. A minimum set of quality standards is presented in Appendix 1

- **Data capture**

The firm will be responsible for all aspects of data capture and verification. It will also need to determine in what software the data should be captured so that it is accessible to the variety of users in Ghana.

The research firm will train data entry operators, as well as develop a customized data-entry form using any of the available data entry software commercially available such as SPSS, MS Access, etc. Such form must include controls for legal values, out of range values, logical checks, and cross consistencies, as well as be able to produce reports on missing data, and should be adequately tested.

The firm will enter all survey data into the database concurrent with data collection. Copies of the data along with the documentation necessary to access the data will be provided to the Project Manager in weekly instalments in a computerized format. The Project Manager will examine the accuracy and quality of the data received and will accept and/or reject the questionnaires not considered completed. A complete cleaned data set will be provided at the end of the survey. Data sets should include all variable definitions and labels

- **Analysis**

MoFEP/FSD and FinMark Trust reserves the right to contract the selected research firm (s) up till data capture, excluding analysis, except selected research firm (s) demonstrates excellent competences in data analysis. MOFEP/FSD will therefore decide whether the selected market research firm (s) should conduct the desired analysis on the data or whether it would be more appropriate to contract it out separately. Bidding firms who are finally short listed would therefore be required to show a full cost

breakdown for each stage of the research work to enable the exclusion of data analysis if needs be.

Should MOFEP/FSD contract the selected firm for data analysis as well, the selected firm will need to conduct analysis on the data set under the guidance of FSD and FinMark Trust. This analysis will include reporting back on responses, but also more in-depth analysis using a variety of statistical analysis methods. Additionally the analysis would include the segmentation, whether FSM or other. Technical support will be provided by FinMark Trust for the FSM analysis if it is decided to test the FSM segmentation model in Ghana. However, the selected firm will still need to conduct the required analysis to determine whether other segmentation methods are more appropriate for Ghana.

- **Reporting**

The firm will be required to produce a power point presentation containing the analysis in graphic format. A report containing the following will also be required:

- sampling methods;
- survey procedures;
- questionnaire;
- explanation of statistical tools used; and
- explanation and report on the segmentation model applied.

- **Timing**

The following provides a guideline on the timing of the exercise.

Kick-off and discussion on research objectives, plan, and survey tool	November 2006
Finalise Questionnaire design	December 2006
Field work	January 2007
Data capture and first level analysis	Feb/March 2007
Finalise analysis and report	April 2007

5. Technical and Financial Proposals

Firms are invited to submit technical and financial proposals that address the issues outlined below. While there is no upper page limit for the proposal, a firm's ability to express technical ideas clearly and concisely will be taken into account.

- **Questionnaire Design**

How they would go about developing the questionnaire and what value addition it would provide to the FinScope™ design. The proposal needs to demonstrate an understanding of Ghanaian financial sector issues and how a FinScope™ questionnaire would be adapted to the specific Ghanaian context. It should define its approach with respect to the different languages in Ghana.

It is critical that your proposal contains your best estimate for the time it will take to administer the questionnaire. This will then help to confirm how much latitude there is for additional questions to be incorporated.

Driving the final development of the questionnaire is a key responsibility of the research firm and your proposal should state clearly how you would do this. Use of focus groups, stakeholder workshops and pilot testing of aspects of the questionnaire and the questionnaire as a whole will be expected with support from the Project Coordinator.

- **Segmentation Model**

Clearly indicate how the firm proposes to tackle the problem of segmenting demand for financial services and what techniques it would use to do this.

- **Sample**

Make specific recommendations with regard to the sample size and procedures the firm would use to design and construct a robust nationally representative sample including:

- selection of EAs and sample size per EA
- selection of sample points – PSUs and USUs
- treatment of no-go areas
- verification of achieving proposed EA's and sample points

- **Fieldwork**

Elaborate on how the field work will be conducted including process of enumerator training and selection, questionnaire piloting testing, back checking, supervision etc.

- **Data capture**

Elaborate on how the firm will conduct the data capture and what quality control measures it will apply. The software in which the dataset would be produced must be defined and reasons given for this selection.

- **Analysis**

Show how it would conduct the analysis, what techniques would be applied, and what human resources it would bring to bear to the analysis.

- **Reporting**

Describe the kind of report it would produce out of the data and analysis.

- **Timeline**

Provide a timeline for executing the above activities within the guidelines provided here and include perceived project risks and contingency plans.

6. Financial Proposals

The financial proposals should provide detailed costing as per scope of work described above, and broken down by professional fees, and expenses. If the proposal requires international travel of experts, these costs need to be clearly identified. Your proposal should clearly cost out the different phases of the exercise (pre-implementation, field work and data capture, analysis and dissemination)

7. Required skills and qualifications

Applications from interested firms must give evidence of the technical capacity of the firm to undertake this exercise. This includes capacity to deliver the results in the timeframe provided, as well as some indication of prior experience in conducting a survey of this magnitude.

The application must identify the core management and technical team, their technical expertise in sample design, segmentation analysis, statistical analysis, field work, questionnaire design, and overall project management. Core team member CV's must be included as well as further resources that would be drawn upon identified. The companies client portfolio, and past experience with financial industry research in Africa and in Ghana is to be included.

8. Selection Criteria

Points will be given to bids with a strong Ghanaian-based delivery strategy. International firms are encouraged to work with Ghanaian teams.

Contract selection criteria and award will be made on the bases of the following scoring mechanism:

Strong understanding of the financial market in Ghana	25%
Competence of the firm(s) - demonstrated expertise in data and statistical analysis; and in segmentation and statistical modelling	25%
Technical soundness of the proposal	20%
Extent to which proposed approach uses Ghanaian-based resources	20%
Budget	10%

9. Submissions

Expressions of interest must be received latest by 5pm, 14 days from the date of publication of this request for EOI at the Financial Services Division of the Ministry of Finance and Economic Planning.

Contact persons are: Mr. Eddie Safo Kwakye, Coordinator Financial Sector/FSD or Mr Emmanuel Owusu-Sekyere, Tel 021 667482/0244 313 392/0244 615 219

A short list of research houses will be compiled from those submitting expressions of interest. Those on the short list will be required to make a 30 minute presentation on their envisaged proposal between 27th August and 30th September 2006 at the MOFEP/FSD offices. It is the applicant's responsibility to secure a meeting time with FSD/MoFEP. At this meeting, members of the FinMark Trust team will be available to respond to any queries. Following these presentations, written proposals are to be finalised and submitted by 5pm, 04th October, 2006. The proposals will be adjudicated by a panel comprising representatives of FSD/MoFEP, an Advisory Committee, donors, and FinMark Trust.

The successful applicant will be notified of selection by the 30th October, 2006.

The selected firm and its key project personnel must be prepared to meet with FSD and the FinMark Trust to discuss the first draft of the questionnaire and debate key issues. The chosen research house will be expected to have prepared sufficiently in terms of background to be able to give input to the questionnaire, sampling methodology and commit to concrete timelines for the balance of the project. It would also have to conduct focus group discussions with various subsectors of the financial sector to solicit for input into the questionnaire. This is a non-negotiable requirement of the request for proposals. Failing to be available on those dates will mean that the contract offer will be retracted.

10. Contracts

The Contract for the selected research firm (s) will be issued by MoFEP by end October 2006.

11. Queries

Any queries relating to the preparation of the proposal may be referred to:

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