



TERMS OF REFERENCE (ToR)
For a Research Partner to Support Monitoring, Evaluation, Research, and Learning (MERL) for Digital Data Trails for Credit (DDT4C) Initiative

1. Background

Uganda's financial inclusion rate has reached approximately 81%, driven largely by mobile money platforms and informal financial services such as Savings Groups (SGs) and Village Savings and Loan Associations (VSLAs)¹. Despite these gains, there remains a significant gap in formal financial inclusion, men and urban populations have greater access to formal services, while women and rural communities often rely on informal mechanisms. Key constraints to formal inclusion include limited proximity to financial service providers, affordability challenges, limited product relevance, restrictive social norms, and low awareness of available offerings.

At policy level, in 2017, the Bank of Uganda launched the National Financial Inclusion Strategy (NFIS 2017–2022) with a vision to ensure access to and utilization of quality, affordable financial services to promote financial security for all Ugandans. The strategy aimed to tackle financial exclusion and barriers to access, develop credit infrastructure, enhance digital efficiency, and empower users to make informed financial decisions, contributing to individual and national economic growth. Despite these concerted efforts and innovations within the financial sector, Uganda's economic growth remains sluggish. Poverty levels persist, and income inequalities remain high. While the Nation's GDP growth was reported at 6.5% in 2018/2019², subsequent statistics showed a real GDP growth rate of 7.5% in 2019 but an alarming decline to an estimated -0.5% in 2020. This highlights a disconnect between financial inclusion efforts and broader economic improvements, raising critical concerns about their effectiveness in addressing underlying structural challenges.

Digital financial services, including mobile-based platforms, present significant potential to increase both reach and quality of formal financial products for underserved communities. The use of digital financial services is crucial in advancing inclusive finance, particularly for women entrepreneurs. These services provide access to affordable financial tools, enabling women to enhance their livelihoods more efficiently and effectively. In turn, this contributes to the economic growth and development of their communities. There is no doubt that strengthening linkages between the informal sector and formal financial institutions can further expand access. A recent study in rural Uganda found that digital literacy enhances the impact of FinTech solutions, such as biometrics and mobile money, on digital financial inclusion. Both biometrics and mobile money independently promote financial inclusion, while their combined use, moderated by digital literacy, explains 29% of the variation in inclusion among unbanked poor women, youth, and persons with disabilities³. However, the uptake of digital savings services remains low, and a persistent gender gap exists in the use of digital transfer services. Moreover, access to formal credit is limited, pushing many to rely on informal sources, including VSLAs, family, friends, and of growing concern informal moneylenders.

¹ <https://fsduganda.or.ug/finscope-uganda-2023-survey/>

² MoFPED. (2019). National Budget Framework Paper FY2020/2021-FY 2024/2025. MoFPED

³ [Recalibrating the scope of financial inclusion through financial technologies in the digital age: the role of digital literacy as a moderator in rural Uganda | Emerald Insight](#)

About DDT4C: The Digital Data Trails for Credit (DDT4C) initiative is a two-year program funded by The Bill and Melinda Gates Foundation and led by CARE (prime) in partnership with Ensibuuko and gnuGrid. The initiative seeks to leverage digital platforms, data analytics, and credit scoring methodologies to help women in VSLA graduate from informal collective borrowing to larger, formal individual loans. Through this work, we aim to create robust digital credit profiles and credit scoring systems for both individual members and entire VSLA groups, ultimately enabling more inclusive and productive access to formal credit.

The DDT4C will:

- a) Develop and implement a collective credit score for 200 VSLA groups.
- b) Pilot a new credit product for 375 women who aim to transition from group-based loans to formal, individual borrowing.
- c) Identify cost-effective models for scaling the digitization of VSLA records, enabling sustainable expansion of credit scoring and reporting services.
- d) Undertake a comprehensive **causal evaluation** to measure the impact and efficacy of these interventions.

This investment will allow stakeholders to:

- a) Test and build data trails that support individual women entrepreneurs to transition from VSLA group to individual borrowing from formal financial institutions.
- b) Collaborate with financial ecosystem actors to take to scale the use of digital data for underwriting productive credit, especially for women entrepreneurs.
- c) Equip women with the knowledge and skills to leverage their group-based financial data to access formal financial products and ultimately larger credit amounts.
- d) Understand pathways to scaling group digitization and women's financial inclusion in Uganda and beyond.

2. Purpose and Objectives of the Assignment

The research partner will support CARE, Ensibuuko, and gnuGrid in designing and implementing the Monitoring, Evaluation, Research, and Learning (MERL) plan throughout the duration of the project. The MERL framework is intended to test the efficacy, delivery mechanisms, and outcomes of the new loan products and credit scoring methodologies developed under the DDT4C initiative.

Specific Objectives:

- i. Provide technical leadership in defining and refining research questions, methodologies and data collection tools.
- ii. Oversee the collection, cleaning, and analysis of quantitative and qualitative data related to the project's core evaluation questions.
- iii. Conduct rigorous data analysis to evaluate the uptake, utilization, and management of loan products through various delivery channels.
- iv. Assess how repeated access to credit influences women's financial behavior, business growth trajectories,
- v. Evaluate the utility of VSLA-based credit scoring in facilitating access to additional financing.
- vi. Examine the influence of socio-demographic factors on women's access to, utilization of, and repayment of loans.
- vii. Produce actionable insights and recommendations to inform program improvements, scale-up strategies, and policy-level engagement.

3. Scope of Work

The research partner will closely collaborate with CARE, Ensibuuko, and gnuGrid to deliver the following:

a. Inception Phase:

- i. **MERL Framework Finalization:** Co-develop a robust MERL framework that includes clear objectives, indicators, and learning questions aligned with the Theory of Change and project outcomes.
- ii. **Research Design and Sampling:** Finalize the causal evaluation design and confirm sampling strategies that ensure representativeness.
- iii. **Tool Refinement:** Develop, validate and pilot test data collection tools (questionnaires, qualitative guides, digital platform metrics).

b. Data Collection and Management

- i. **Quantitative Surveys:** Conduct baseline, semi-annual follow-ups, and an endline survey for up to 5,000 participants, ensuring panel retention and data quality through well-trained enumerators and digital data collection methods.
- ii. **Qualitative Research:** Organize in-depth interviews and focus groups with participants to understand user experiences, perceptions of digital credit, and barriers/facilitators of loan uptake.
- iii. **Digital Analytics:** Collaborate with Ensibuuko and gnuGrid to access and analyze metrics for capturing loan application process/rates, approval times, repayment histories, user satisfaction scores, and customer feedback to inform the initiative research and learning agenda.
- iv. **Data Quality Assurance:** Implement robust data validation, cleaning, and management protocols. Ensure compliance with ethical standards, informed consent practices, and data protection regulations.

c. Data Analysis and Reporting

The research partner will employ a rigorous and systematic analytical framework to ensure that all findings are closely aligned with the project's learning objectives and research questions. The framework will utilize a mixed-method approach, combining quantitative and qualitative techniques.

- a) **Quantitative Analysis:** This component will focus on examining loan uptake patterns, repayment performance, and changes in financial behavior. Additionally, it will assess the robustness of the credit scoring predictions and the moderating role of digitalization/financial literacy.
- b) **Qualitative Analysis:** The qualitative methods will employ content analysis techniques to uncover underlying motivations, perceptions, and constraints that may not be fully captured by quantitative indicators. Furthermore, the qualitative approach will include contribution analysis and counterfactual assessment.

The analytical framework will integrate, compare and triangulate findings from both quantitative and qualitative data to validate results, explore divergences, and enrich the overall interpretation. This analysis will provide a more complete understanding of complex issues such as women's financial decision-making, the influence of socio-demographic factors, and the effectiveness of various credit delivery mechanisms. The results will be synthesized into a coherent narrative that presents key insights, patterns, and lessons learned. This synthesis will highlight how different pieces of evidence support or challenge the underlying theory of change, thereby informing adaptive management and strategy refinements.

d. Dissemination of findings

The research partner will take appropriate steps to disseminate the study's findings, ensuring they are accessible and useful to a wide range of stakeholders, including industry professionals. This dissemination strategy may involve the creation of policy briefs, infographics, and audience-specific presentations. In addition, the research partner will organize and participate in learning workshops, webinars, and stakeholder engagement events to share insights, foster dialogue, and encourage collaborative problem-solving. To further contribute to the academic community and advance knowledge in the field, the research partner will also publish the results in peer-reviewed journals and present them at relevant conferences.

4. Methodology and Data Sources

Primary Data Sources:

- i. **Quantitative Panel Survey:** Baseline and endline surveys administered to a representative sample of SG members (5,000 individuals), with semi-annual follow-ups.
- ii. **Qualitative Studies:** In-depth interviews and focus group discussions with a sub-sample of survey respondents and key stakeholders.
- iii. **Digital Platform Analytics:** Usage metrics from Ensibuuko's platform to assess loan uptake, repayment patterns, and customer satisfaction with digital features.
- iv. **Stakeholder Interviews:** Conversations with financial service providers, e.g Uganda Development Bank representatives, Uganda Bankers Association (UBA), and other relevant ecosystem actors.

Key Research Questions:

1. How do different delivery channels (digital platform, in-person, hybrid) and onboarding mechanisms influence loan uptake, utilization, and management?
2. How does repeated access to loans influence women's financial behavior, business growth trajectories, and eventual graduation from group to individual borrowing?
3. How effective is the SG credit score approach in enabling SG members to secure additional financing from formal institutions?
4. How do socio-demographic factors (age, education, family responsibilities) affect women's access to, utilization of, and repayment of loans?

5. Deliverables and Timeline

Proposed Timeline:

Months 1-2: Inception Phase –

- i. Finalize project design, tools, and methodology.
- ii. Conduct tool refinement and validation.
- iii. Train enumerators on data collection methods and ethical protocols.

Months 2-4: Baseline Data Collection & Initial Analysis

- i. data collection for baseline survey and qualitative interviews.
- ii. Conduct preliminary analysis of baseline data to identify trends and inform subsequent cycles.

Months 6, 12, 18: Semi-Annual Data Collection & Analysis

- i. Execute semi-annual data collection cycles.
- ii. Analyze data from each cycle and compare trends over time, incorporating adjustments as needed.

Month 24: Endline Data Collection,

- i. Final Analyses & Report Completion
- ii. Complete endline data collection.
- iii. Finalize comprehensive analysis comparing baseline, semi-annual, and endline results.
- iv. Deliver final evaluation report, knowledge products (two publications, one policy brief, and an extended abstract), and disseminate findings

Deliverables

- i. ***Inception Report*** outlining the study objectives, methodology, data collection tools, and the research framework.
- i. ***Refined Data Collection Tools*** for baseline, semi-annual, and endline data gathering, including survey instruments and interview guides.
- ii. ***Enumerators' Training Materials*** and records of training sessions for data collection teams.
- iii. ***Baseline Report*** with initial analysis and insights, identifying key trends and variables.
- iv. ***Bi-annual Reports*** documenting data collection, analysis, and insights every 6 months.
- v. ***Endline Data Report*** with final analysis, comprehensive findings, and comparison with baseline data.
- vi. ***Final Evaluation Report*** summarizing the research process, results, and recommendations for stakeholders.
 - **Knowledge Products including** at least two publications meeting the Uganda Bankers Association publication criteria, one Policy brief and extended abstract of the research finding.

6. Qualifications and Experience

The Research Partner should have:

a) Academic Qualifications:

- i. **The lead Research Must have at least an advanced degree, a PhD is plus** in a relevant field such as Economics, Social Sciences, Development Studies, or Information Technology with a focus on digital financial inclusion or financial services.
- ii. **Specialized training** in digital financial systems, data analysis, and financial inclusion research methodologies by any member of the research team will be a plus.

b) Experience and Expertise:

- i. **Proven track record** in conducting research on digital literacy, financial inclusion, or related areas in sub-Saharan Africa, with specific experience in Uganda or similar East African contexts.
- ii. **Experience in mixed-methods research** in the fields of financial inclusion, mobile money, or digital services, especially in rural settings or underserved populations.
- iii. **Previous work** on projects related to mobile money, mobile banking, biometric identification systems, and the role of digital literacy in enhancing financial inclusion outcomes.
- iv. **Familiarity with local stakeholders**, such as financial institutions, mobile money operators, microfinance institutions, NGOs, fintechs and government agencies in Uganda.
- v. **Knowledge of the challenges and opportunities** of implementing digital financial solutions in rural and marginalized communities, including understanding the socio-economic barriers to digital literacy and financial inclusion.

c) Technical Skills:

- i. **Advanced quantitative analysis skills**, including proficiency in statistical software (e.g., STATA, SPSS, R) for handling large datasets and conducting complex statistical tests.
- ii. **Strong qualitative research skills**, including experience with qualitative data collection methods (e.g., interviews, focus group discussions) and tools for data analysis (e.g., NVivo).
- iii. **Experience in survey design and development of digital financial literacy assessment tools** that capture relevant socio-economic and digital engagement factors.

d) Language and Communication:

- i. **Fluent in English**, with a demonstrated ability to produce high-quality research reports, publications, and presentations.
 - ii. **Knowledge of local languages (e.g., Langi, Acholi, Runyankore, or Rutooro)** would be an asset for effective communication with study participants, particularly in rural areas.
- e) **Reputation and References:**
- i. **Established reputation** for producing high-quality, peer-reviewed publications or evaluations in digital financial inclusion, financial services, or similar fields.
 - ii. **References** from reputable organizations (e.g., international development agencies, financial institutions, research institutions) validating the researcher's ability to manage complex, multi-stakeholder projects and produce rigorous, evidence-based evaluations.
- f) **Ethical and Operational Capacity:**
- i. **Strong ethical standards**, particularly in working with vulnerable populations (e.g., women, youth, persons with disabilities) and ensuring data privacy and confidentiality.
 - ii. **Proven ability to manage fieldwork** logistics, coordinate local research teams, and oversee data collection processes, ensuring quality control and adherence to timelines and ethical guideline

7. Application Process

- i. Interested organizations or consortia are invited to submit the following **STRICTLY** by email to UGA.Logistics@careuganda.zohodesk.com with the subject "**Research Partner for DDT4C**".
 - a. **Expression of Interest:** A brief statement explaining why you are interested in this assignment and how it aligns with your organization's focus and areas of expertise.
 - b. **Technical Proposal (no more than 4 pages)** including the proposed approach and description of how you intend to implement and manage the proposed activities.
 - c. **Organizational Profile and Team Composition:**
 - CVs of key team members who will be involved in the assignment.
 - Relevant samples of previous work or projects that demonstrate the organization's experience and expertise.
- ii. Applications shall be accepted later than 10th January 2025 Close of Business. Please note that applications will be reviewed on a rolling basis. Submission Deadline: January 10, 2025.
- iii. ANY FORM OF CANVASSING OR LOBBYING FOR THIS EXPRESSION OF INTEREST SHALL LEAD TO AUTOMATIC DISQUALIFICATION.
- iv. CARE IS AN EQUAL OPPORTUNITIES, GENDER SENSITIVE & CORRUPTION & SEXUAL EXPLOITATION AND ABUSE INTOLERANT EMPLOYER
- v. **Please Note that CARE International in Uganda does not ask any applicant payment for any procurement process**

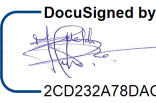
Develop by
Charles Owuor,
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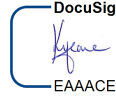
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Annexes: Additional Information about DDT4C Project

1. Theory of Change of the DDT4C

