

Understanding the Gender Intentionality Dynamics in Implementing Instant and Inclusive Payment Systems in Africa

Terms of Reference

July 2023

1. Background

According to the 2021 World Bank Global Findex report¹, financial inclusion for both women and men has significantly increased in Sub-Saharan Africa over the past decade. Most of the population in this region has accounts with banks or non-banks at 55% in 2021, compared to 23% in 2011, stemming from the rapid development of digital financial services (DFS) e.g., mobile money. However, the growth in account ownership has not been rapid for both men and women in Sub-Saharan Africa. While the gender gap in account ownership across developing economies has dropped to 6% from 9% points, where it stagnated for many years, in Sub-Saharan Africa the gender gap has increased by 7% points since 2011 reaching 12% in 2021. This warrants a call for stakeholders in Africa to further drive efforts to reach more excluded women, especially in low-income segments, those in rural areas, the least educated, those without digital connectivity, and with limited to no access to a mobile phone.²

We acknowledge that account ownership on its own will not result in gender equity. African women stand a chance of socioeconomic development through improved access and usage of the full range of financial services that address their needs - payments, savings, credit, and insurance, among others, bundled with financial education. Digital financial services present an enormous opportunity to bring more women into the formal financial system by bridging the gaps associated with accessing and using financial services.

Several pieces of research have unveiled key inhibitors¹ to digital financial inclusion among women in Africa, including policy and regulatory barriers, supply-side barriers like inappropriate product offerings and distribution channels, as well as demand-side and behavioral barriers e.g. limited bargaining power within the household, lack of assets for collateral, reduced mobility due to time constraints and social norms, lower rates of mobile phone ownership among women, among others.

Research has also highlighted significant differences in the way women and men interact with digital financial services in Sub-Saharan Africa.³ This difference is showcased in the types of products men and women interact with, where men are more likely to use DFS than women. Women are also more likely to use informal services, suggesting that informal alternatives continue to provide more value that is unavailable in formal solutions. The data above shows that mobile money is used more frequently by men than women in sending money as well as in making airtime purchases. On the other hand, women use mobile money more to receive money and store value than men. Recommendations from this report suggest that regulators, financial service providers (FSPs), and other stakeholders need to invest in a gender-lens focus to further determine the variation in the financial inclusion indicators, covering the three dimensions; access to financial services, usage, and quality of the products and services delivered.

Several ongoing interventions are already exploring gender intentionality in the implementation of digital financial services, ranging from gender intentionality in policymaking⁴ and market insights to interventions targeting innovation for improved financial inclusion⁵. In the scope of digital payment systems, recent research⁶ by a collaboration between the [DFS Lab](#), [Caribou Digital](#), and [Caribou Data](#) sought to determine whether better digital payment system design creates the conditions for more women to use digital financial tools. This research explored this proposition in the context of the Level One Project (L1P) Principles⁷ for payment system design intending to examine the principles for their

¹ [The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19](#)

² [Global Findex 2021: Women's World Banking Response](#)

³ [Women and Digital Financial Services in Sub-Saharan Africa: Understanding the Challenges and Harnessing the Opportunities](#)

⁴ [Gender Intentional Policy-Making initiative under the Policy Accelerator of the UNCDF](#)

⁵ [FinEquity Knowledge Guide: Incorporating Gender-intelligent Design in Financial Services](#)

⁶ [Payment system design and the financial inclusion gender gap. Will implementing the Level One Project Principles benefit women?](#)

⁷ [Level 1 Project Guide 2019](#)

potential impact on the financial inclusion gender gap. The research insights predict that adopting an L1P-aligned digital payment system has positive benefits for women compared to the typical digital payment system. It focuses on a few of the key areas where L1P alignment would be an improvement on typical digital payment systems to reduce the gender gap including, but not limited to:

- **Interoperability** - especially beneficial for women because it will lead to more convenience as well as new kinds of more specialized DFS products that meet women’s specific needs.
- **Low cost and pricing transparency** - the research suggested that women appeared to be more price sensitive.
- **Tiered KYC** - insights showed that women are much more likely to have limited forms of ID and thus will benefit significantly from the availability of accounts with lower KYC requirements.

Building from this research [AfricaNenda](#) and [UNECA](#) are collaborating in further investigating how gender intentionality in instant and inclusive payment system design can address the unique needs of women and influence increased adoption of digital payments by women in general.

2. Objectives

The two partners seek a consulting firm to conduct extensive research to explore the application of the L1P principles in instant and inclusive payment systems (IIPS)⁸, to establish the means and extent to which the principles can be implemented to address the unique needs of women, in the perspective of the use cases, instruments and channels. The partners also seek to understand the potential impact following the implementation of the principles in the adoption of digital financial services by women.

3. Scope of Work

A detailed assessment through mixed research methods including a literature review, qualitative and quantitative data collection and analysis. Details of the scope of work include:

- i. A proposed robust research methodology that considers perspectives from different stakeholders and involves the use of different tools for data collection based on the firm's experience
- ii. An assessment of policy, supply-side, and demand-side barriers in women accessing and using digital financial services
- iii. An assessment of the differences between men and women in interacting with formal and informal financial services, as well as the digital inclusion divide
- iv. Macro factors that influence the implementation of the L1P principles i.e., environment (market) and policy influences
- v. Micro factors that impact the implementation of the L1P principles i.e., infrastructure considerations
- vi. The means of application of the following L1P principles, and the extent to which they can address the unique needs of women, thus influencing the uptake of digital financial services:

Principle	Interpretation for assessment
Open and interoperable	Principles that support the requirement for an open loop system to enable effective interoperability.
Push (credit transfer) payments	Rules/principles governing requirements for push payments.
Real-time payments	Systemic structures or environment to support real-time payments among various payment systems providers.
Irrevocability	Existence and acceptance of systemic principles or legal framework to enforce the irrevocability of payments.

⁸ AfricaNenda SIIPS 2022 definition: Instant and inclusive payment systems (IIPS) process retail transactions digitally in near real-time and are available for use 24 hours a day, 365 days a year, or as close to that as possible. They enable low-value, low-cost push transactions that are irrevocable and based on open-loop and multilateral interoperability arrangements. Licensed payment providers have fair access to the scheme, and participants have equal input opportunities into the scheme. The central bank has a role in scheme governance. End-users have access to a full range of use cases and channels, as well as transparent and fit-for-purpose recourse mechanisms.

Same-day settlement	Environment for easy adoption of "at most" same-day settlement.
Low-cost	An environment to support a level playing field by having shared system(s) running on a cost recovery or not-for-loss basis while maintaining profitability for each participant.
Price transparency	Effective consumer protection framework and regulatory environment to enforce transparency in pricing.
Tiered KYC	Legal and regulatory framework supporting tiered KYC based on customer/system user tiers. e.g., jurisdiction allowing a low level of identification requirements for limited-use transactional accounts
Payment addressing	The capability that enables aliases for payment addressing, e.g., using an alternative name/email or code instead of an account number for transactions.
Fraud utility	Data protection, sharing, and regulatory environment to support shared fraud monitoring and reporting services.

- vii. Key recommendations and a call to action on the above to the core components of IIPS i.e., oversight/governance, the payment schemes, switches, and settlement units.

4. Project Outputs

The consulting firm will prepare all the reports and deliverables to the highest standard as required, stating all actions taken during the project. The outputs of the project will be as follows:

- a. **Inception report that provides details of the project approach, methodology and clear project timelines.**
- b. **Detailed research plan that shall be presented to the AfricaNenda and UNECA representatives before the commencement of the research.**
- c. **Provide a first draft report for inputs and comments of the two partners AfricaNenda and UNECA**
- d. **A comprehensive final project report (detailed word report and summary in Microsoft PPT presentation deck) - Understanding the Gender Intentionality Dynamics in Implementing Instant and Inclusive Payment Systems in Africa, covering the key findings and recommendations from the above-described scope of work. The original report will be in English and translated into French.**
- e. **Small case studies (if any) of about 3 pages**

5. Project Timelines

The project is expected to run for **90 days**, commencing on **Monday, August 21st, 2023**.

6. Project Expertise Required

- Having successfully conducted at least 3 similar research assignments at country and/or regional levels, such as on digital payments diagnostics, and digital financial services.
- Demonstration of a full understanding of the L1P principles
- Having successfully conducted assessments on financial inclusion for women, with a detailed understanding of the financial inclusion gender gap issues.
- Evidence of high-quality documentation and dissemination of technical knowledge to a wide range of audiences.
- Knowledge and understanding of the digital financial services ecosystem in Africa.
- The consulting firm demonstrates a significant commitment to quality assurance procedures and risk mitigation measures for the project.
- The project team should have rich experience in instant and inclusive payments in Africa.

The required qualifications and competencies are highlighted below:

Core and Technical Competencies:

- Significant regulatory and industry experience related to payments systems, interoperability, and with a specific focus on inclusive digital payments.
- Expertise in the issues surrounding inclusive digital payments from an ecosystem perspective. Demonstrated understanding of the components of payment systems in Africa, including experience in analyzing such systems.
- Demonstrated understanding of financial inclusion for women issues, gender-intentionality policymaking and interventions, trends, and recommended practices for different digital financial services stakeholders
- Experience in facilitating a research process across the financial sector that includes both managing and coordinating the senior-level interface with a range of stakeholders.
- Experience planning and executing national and/or regional level research on payments.
- Strong and rigorous research skills, leading to reports, manuals, or handbooks which can be understood by non-experts, as evidenced by previous publications.
- Excellence in technical writing for report dissemination
- Proven ability to translate technical terms into actionable language and clear recommendations.

7. Project Reporting

The consulting firm will work under the direct supervision of the AfricaNenda team, to conduct this research. The consulting firm will be expected to gather and incorporate input from the UNECA team.

8. Proposal Content

Consulting firms should submit technical and financial proposals that address the objectives outlined above. While there is no minimum page limit for the proposal, the maximum page limit is 15 pages (including the CVs of the project team members) for the proposal which is expected to be clear, concise, and with no font smaller than size 11. The proposal should detail the firm's proposed approach to delivering the project, as outlined above. It must also focus on demonstrating how the consulting firm will ensure that high levels of quality will be maintained at all stages of the project.

9. Risk Management

The technical proposal should contain a comprehensive list of expected project risks and possible mitigation measures.

10. Process

Submissions

Proposals should be submitted electronically by **Friday, July 28, 2023**, to info@africanenda.org. The technical proposal and the financial proposal shall be provided in separate documents. Proposals received after the deadline will not be considered.

Budget

The financial proposals should be submitted with a maximum budget of USD 50,000 for this assignment.

Queries

Queries relating to the preparation of the proposal should be submitted to AfricaNenda, by email, to the above-provided email by **Monday, July 17, 2023**.

Notification And Contracting

All bidders will be notified of the outcome of their proposals by **Friday, August 4th, 2023**. AfricaNenda will issue a contract once the selection process has been completed.

11. Evaluation Criteria

All proposals will be evaluated based on the criteria listed in the table below. The technical bids will be reviewed by a panel of AfricaNenda and UNECA teams and scored according to the criteria below. Upon completion of the scoring of technical proposals, the financial proposals shall be opened. With an overall score calculated.

Technical Proposal Criteria	Weighting
Quality of proposal: Technical understanding of TOR, mechanisms for quality assurance, innovative approaches to data collection, assessment of risks, and contingency planning	40%
Competence and experience of the firm(s): Experience/reputation of the consulting firm and existing client portfolio for consultant	10%
Project resources and proposed team member CVs: Demonstration of expertise for all key roles required for the project	20%
Capability: Demonstrated industry experience related to payment systems and the ability to conduct large-scale assessments in Africa. Demonstrated understanding of the financial inclusion gender gap and issues in access to finance by women.	30%
Maximum Score	100%

Overall Criteria	Weighting
Preference: Will be made to African-led consulting firms with a gender-balanced project team	5%
Technical Proposal: Well-articulated project approach and deliverables	70%
Financial Proposal: Comprehensive breakdown with justifications	25%
Maximum Score	100%