

TERMS OF REFERENCE

For a Research House to conduct a COVID-19 Impact Tracking Survey on Micro, Small and Medium Enterprises in Botswana

FinMark Trust

Sanofi House, 2 Bond Street,
Grand Central, Midrand, 1685
P.O. Box 61674, Marshalltown, 2107, South Africa

www.finmark.org.za
T +27 (0) 11 315 9197
F +27 (0) 86 518 3579

Trustees

C Coovadia (Chairman), EG Matenge-Sebesho,
I Mkhabela, L Mondli, V Tsopotsa, B Pearce (CEO)
VAT no. 4710213044, ITrust 4167/02

FinMark Trust invites proposals from research houses/ companies with relevant research experience and expertise to conduct the Micro, Small and Medium Enterprise Survey to understand the impact of COVID-19 crisis on their businesses. The scope of work is provided in the following terms of reference.

1. Introduction and background

FinMark Trust (FMT) is an independent trust established in 2002 with the objective of making markets work for the poor. Initial core funding was provided by UKaid from the Department for International Development (DFID) through its Southern Africa office. Additional funders have come on board including the UNCDF, the Bill & Melinda Gates Foundation, the MasterCard Foundation as well as private and public institutions at country level. Thus, FMT has a catalytic role, driven by its purpose to start processes of change that ultimately lead to the development of inclusive financial systems that can benefit all consumers.

In order to fulfil its objectives, FMT developed the FinScope Survey. It is a nationally representative survey of how individuals/business owners' source or generate their income/revenue, and how they manage their financial lives. It also provides insight into attitudes and perceptions regarding financial products and services. To date, FinScope Surveys have been conducted in 35 countries. Further details on these surveys are available from www.finmark.org.za or on request.

The past few months of 2020 have seen the conversation and response of the COVID-19 pandemic broadening from a global health crisis to a social and economic crisis which will potentially reinforce and exacerbate gender and income inequalities in many countries. Past pandemics and crises have common trends of disproportionately affecting vulnerable and marginalised populations across communities and sectors.

Botswana's regional ties especially to South Africa can affect MSMEs directly and adversely. The unprecedented trends of nation-wide lockdowns in an effort to curb the spread of the pandemic in some countries especially those in the developing world imply loss of income and jobs, limited mobility and limited access to markets, which will further negatively impact vulnerable MSMEs.

In light of the background above, FMT is embarking on a Medium Small and Micro Enterprises (MSME) Mobile Tracker survey with a strong focus on women-led enterprises and the sectors they occupy to assess the impact of the COVID-19 pandemic (NB - for this study, women-led MSMEs are enterprises owned and run by women aged 18 years and older). This survey is based on a national sample size of 1,000 MSMEs covering the whole country. The survey will have three waves – 1,000 MSMEs for the first (main) wave and two subsequent (tracker) waves of 500 and 250 MSMEs respectively.

2. Survey objectives

The key objective of this survey is to understand the impact of the COVID-19 crisis on MSMEs. This information will be available for use by key stakeholders such as policy-makers, regulators, and financial service providers to design group specific interventions or relief packages that address specific challenges faced by MSMEs e.g. women entrepreneurs and hard-hit sectors. The additional tracker waves will serve as a dipstick on whether their situation is improving and assist monitor the progress of these MSMEs.

The information provided by this survey will help extend the reach of financial services in Botswana to MSMEs as it provides an understanding in terms of:

- The scope of their enterprise (employment, formality, main activity or sector, normal production or trade levels, etc.)
- Their financial access, needs and/or demands – there is need to understand the access and usage of financial products and status e.g. increase in credit demand, default rate,
- To explore the impact of COVID-19 crisis on their business(es) both within the business and externally including the disruptions within the value chains they operate in local and/or foreign markets (i.e. ability to restock, get inputs, issues with transport, storage, access to markets, decrease in demand, curfews, etc.)
- To understand how MSME's have been responding to COVID-19 (e.g. adjusting of business strategies to become more resilient to supply-chain disruptions and changes in customer demands).
- To explore the relief options available to businesses as well as the current mitigation strategies or relief interventions being used (formal and informal)
- To determine which way(s) will be preferable to offer relief and/or how businesses intend to recover given support from public and other stakeholders
- To stimulate evidence-based dialogue and policy generation that will assist in relieving the impact of COVID-19 crisis on affected MSMEs in addition to the general trends in access to finance for MSMEs.

3. Scope of work

Table 1: Sample options (to be quoted by the Research suppliers)

	Main			Trackers					
	Wave 1			Wave 2			Wave 3		
	Formal	Informal	Total	Formal	Informal	Total	Formal	Informal	Total
Urban	300	200	500	150	100	250	75	50	125
Rural	300	200	500	150	100	250	75	50	125
Total	600	400	1000	300	200	500	150	100	250

For the implementation of this tracker, the Research House will be required to:

- Participate in a one-day FinScope **briefing session** conducted by FinMark Trust (virtually)
- Input into the design of the **sample** for the survey in close cooperation with FMT. The methodology assumes three waves starting with a total sample of 1,000 MSME owners as summarised in Table 1 above. The first wave sample (as baseline) once completed will form the sample frame for the second and third waves (as trackers) i.e. from the 1,000 respondents in wave one, 500 respondents will be selected for the second wave and 250 for the third wave to track their situation. The sampling will use the following approach:
 - Database cleaning and recruitment exercise:** Using available databases availed to FMT which contain a list on businesses and other demographic variables therein, a cleaning and recruitment exercise will be performed. The research supplier is required to clean the database to verify contact lists and recruit business owners from the databases following an appropriate sample design to ensure a robust sample frame with adequate subsamples of women-led enterprises is achieved. The idea is to ensure the different quotas are populated. We envisage that within the wholesale,

manufacturing and agriculture sectors, representative samples should be drawn primarily for women business owners. Business owners aged 18 years and older are eligible for interviews. This exercise will form the sample frame. A sample document outlining the specific quotas to be reached within each sample cluster e.g. number of MSME owners to be sampled in manufacturing showing the proportion of women to men led enterprises. These quotas need to be monitored closely during data collection to ensure a representative sample across the identified areas.

2. **Sampling** of the respondents should follow the distribution in Table 1 as per urban/rural and formal/informal classifications. The study is aimed to capture a holistic view of the MSME performance during the pandemic. As mentioned above, emphasis should be made to women-led enterprises and their dominant sectors following the distribution of the FinScope MSME survey 2017 survey to allow for statistically viable inferences to be made on this gender. A random sampling technique should be applied to sampling within each strata i.e. location, formality, sector, etc.
 - For wave two and three samples, please note that the same respondents from wave one will form the sample frame for the tracking waves. Pending the analysis of the data from wave one, 500 respondents will be identified for wave two and then interviewed for waves two and subsequently from these 500 a further 250 will be identified and interviewed in the third wave. These sample will form the tracker.
 3. **Survey:**
 - It is required that the survey is implemented through computer assisted telephonic interviewing (CATI).
 - Using the recruited list and sampled business owners, the administration of the survey will be conducted as scheduled during the recruitment exercise. If a selected business owner is unavailable at the scheduled time, then up to three recalls at different times of the day and days of the week are made to maintain the integrity of the sample.
 - If a person is repeatedly unavailable or refuses participation, then very strict substitution rules are applied for substitution to allow matching criteria of a substitute from the sample frame.
- c) **Instrument design:** A draft questionnaire will be supplied to the research supplier for further customisation and aligning to ensure the instrument is fit for purpose. This will be the main questionnaire for the first wave. Questionnaire administration will take about **25 minutes** for wave one with the tracking questionnaires for waves two and three likely to take about **10 minutes**. The tracking questionnaires will focus on understanding relief sought by the business owner and the performance of the enterprise. The draft questionnaire for wave two will be given to the research supplier and will be administered 6 weeks post the completion of the first wave. Subsequently, the draft questionnaire for wave three will be given to the research supplier and administered 6 weeks from the completion of wave two.
 - d) **Pre-test** the translated version of the main questionnaire in Tswana by conducting a number of telephonic interviews and adapt the translation where necessary
 - e) Recruit an adequate number of supervisors with appropriate skills and enumerators to ensure that **data collection for wave one is completed** within a period of **four weeks**
 - f) Customise and/or update previous enumerator **training materials** and **field manuals** (in English and Tswana)
 - g) Conduct supervisor and enumerator **training** with assistance from FinMark Trust, allowing for **2 days** of training which will include a **pilot** survey to test enumerators' readiness to go to field in terms of having mastered the questionnaire as well as the sampling approach
 - h) Conduct a pilot survey at the end of the enumerator training to test the ability of the enumerators to conduct the fieldwork in terms of:

- Implementation of survey methodology
 - Administration of the questionnaire
- i) Conduct the **data collection** for the survey on the following basis:
- Data collection for wave one is likely to be from end July to end August 2020
 - Conducting **about 1,000 telephonic interviews using CATI methodology** with each of the selected respondents (duration of the interviews is about 25 minutes). All calls should be recorded.
 - Data collection for wave two is likely to be 40 to 50 days from the completion of wave one. Wave three data collection is likely to be 40 to 50 days from the completion of wave two.
 - Conducting **a total of 750 telephonic interviews using CATI methodology** with each of the selected respondents from wave one (duration of the interviews is about 10 minutes).
 - Implementing necessary **quality control** measures to ensure the validity and accuracy of the data collected by:
 - Having adequate supervision teams and processes in place
 - Ensuring that adequate back-check procedures as well as questionnaire checking processes are in place
- j) **Capturing script for the survey data** and produce **three clean datasets**. Quality control measures should include:
- a. Data capture training - ensuring inter alia a thorough understanding of the questionnaire
 - b. Data checking procedures and data validation programmes
- k) Produce three **final clean datasets in SPSS** for the purpose of analysis
- l) Produce a **technical report** in English addressing the sampling approach, the data collection and quality control process as well as data capture and cleaning processes

= Final deliverables: clean and structured datasets in SPSS (in English) as well as technical report

No analysis or report writing is required. A separate line cost can be included in the budget for consideration purposes only. The timelines for this exercise will also be required should the bidder wish to quote for analysis and report writing.

No qualitative study is required to complement the above. However, a separate line cost can be included in the budget for consideration purposes only. This should assume a maximum sample size of $n=30$ and the approach for this should be clearly specified in the technical proposal and how the research supplier perceives it to be of benefit to the study. Timelines should be included if the research supplier chooses to propose a qualitative component.

4. Technical and financial proposals

Research houses are invited to submit technical and financial proposals clearly indicating the budget for the scope of work outlined above within the suggested timeframe.

5. Timeline

The anticipated timing of the project is **five months** from the time of selection of the Research house. The Research house should provide a detailed timeline for executing the project activities as outlined above including perceived project risks and contingency plans. Questionnaire and sample design phases are estimated to be completed within 4 weeks running concurrently. The data collection phase needs to be completed within 4 weeks for wave one, and within 1 week for waves two and three.

6. Budget

The financial proposal should provide a detailed costing for the scope of work and deliverables described above. Costs should be broken down into professional fees and expenses and quoted in **South African Rand (ZAR) or Botswana Pula (BWP)**.

7. Required skills and qualifications

Proposals from interested research houses must provide evidence of the technical capacity of the Research house 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 design within the financial services and MSME sector.

The application must identify the core management and technical team, their technical expertise in sample design, statistical analysis, field work, questionnaire review, and overall project management. Core team members' CVs must be included, as well as a description of any further resources that may be required. The company's client portfolio and past experience in the financial services industry must be included.

8. Selection criteria

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

	Criteria	Weighting
1	Technical soundness of the proposal and general approach	35%
2	Competence and previous experience of the research house	30%
3	Involvement of local (Botswana) capacity	10%
4	Financial proposal	25%
	Maximum score	100%

9. Submission and Communication of bids

Proposals should be addressed to Obert Maposa, FinMark Trust, Sanofi House 2nd Floor, Grand Central, 2 Bond Street, Midrand **via email**. The deadline is **17 November 2020**. Research houses should provide electronic versions of all documentation.

Shortlisted research houses will be invited to make a presentation of their proposal on a date to be announced. The selected research house and its key project personnel must be prepared to meet with FinMark Trust on a date to be announced, for a virtual briefing.

Once the selection process has been completed, FinMark Trust will issue a contract confirming the appointment of the research house. If no communication has been received from FinMark Trust after 1 month of your submission, please consider yourself as unsuccessful.

Any queries relating to the preparation of the proposal should be referred to Obert Maposa by email: obertm@finmark.org.za.

Guidance notes to bidders

FinMark Trust reserves the absolute right to use its discretion in the interpretation of these award criteria. The following notes are intended to provide broad guidance only on how proposals will be evaluated. Bidders may be required to clarify their proposals by way of a telephone call or presentation.

"Relevant, demonstrated competence of firm(s) in this area" - you should aim to demonstrate how the firm's collective past experience can be applied (or adapted) to address the specific brief set out in the terms of reference. You are welcome to describe the firm's general experience of financial sector development issues (e.g. in other geographies or topical areas) but the evaluation will focus particularly on the application of that experience for the specific task at hand.

"Demonstrated expertise of key individuals to be involved in this project" – the evaluation places considerable emphasis on the role and demonstrated expertise (i.e. track record) of the key individuals to be involved on the project rather than on the expertise of the firm itself.

"Use of local professional capacity (consulting, analysis, coordination etc.)" – FinMark Trust wishes to ensure that local capacity is used and developed. International firms are therefore encouraged to partner with local organisations.

"Content, quality and originality of proposal" – proposals should address the brief set out in the terms of reference in a comprehensive manner. Bidders should aim for innovation as well as professional presentation. Whilst similar, relevant experience in other markets will be an advantage for a bidder, each market is different and so proposals need to reflect the particular characteristics of that market, as well as the challenge set by the terms of reference.

"Fee basis" – value for money, as well as absolute cost, will be taken into account.