



Terms of Reference

Firm: TBD Research Firm
Thematic Areas: Financial Inclusion, Climate Change, Gender, Livelihoods, Customer-Centricity
Project Title: CGAP Strengthening Climate Resilience and Adaptation through Financial Services
From: June 2022
To: May 2023

About CGAP

The Consultative Group to Assist the Poor (CGAP) is a global multi-donor partnership dedicated to advancing financial inclusion for the poor. CGAP plays a unique role as a donor-coordination mechanism for funders working to improve the lives of poor people through the power of financial inclusion, providing a valuable platform for information, dialogue and reflection to advance progress towards a collective vision. Using action-oriented research, CGAP tests, learns and disseminates knowledge intended to help build inclusive and responsible financial systems that move people out of poverty, protect their assets and advance broader global development goals. CGAP leverages its relationships with businesses, governments and the non-profit sector to share insights, mitigate risks and protect customers, and help others bring solutions to scale. CGAP serves as a global advocate for the financial inclusion community by collaborating with strategic institutions that influence policy and market development and providing evidence-based research and practical lessons that guide their work.

CGAP is supported by more than 30 partners including bilateral and multilateral development agencies, development finance institutions and private foundations committed to advancing financial access for the poor. CGAP is housed in and administered by the World Bank.

CGAP is guided by a five-year strategy and annual workplans. The current five-year strategy, CGAP VI, covers the period July 1, 2018 – June 30, 2023, and is built on a theory of change that has identified four outcomes:

- Customers have information, incentives, trust, confidence and networks to participate in the financial system.
- Providers offer affordable, responsible, and accessible financial solutions for poor people that are sustainable and at scale.
- An infrastructure that enables ubiquitous, efficient, open and safe markets is in place.
- A policy and regulatory framework for responsible financial inclusion is in place and enforced.

To contribute toward achievement of these outcomes, CGAP's strategy has identified four priority technical areas including:

- Creating customer value
- Emerging business models
- Enabling Infrastructure
- Next Generation Policy

CGAP will continue to provide industry-level support to share knowledge and scale impact beyond its core partners. This will include improving global learning on impact evidence, supporting CGAP's members, and focusing on capacity development to scale learning with providers and policymakers.

About CGAP's work on Climate Resilience

CGAP's work in climate resilience aims to increase the effectiveness of financial services that help the vulnerable, especially women, to adapt and grow more resilient to climate change. Grounded in a strong focus on vulnerable people, CGAP will offer guidance to stakeholders on the role that financial services can play in helping the vulnerable to reduce the impact of and adapt to specific climatic risks, which constraints are impeding that role, and what meaningful actions they can take to overcome those constraints.

The issues around climate change are complex and wide-ranging. Vulnerable people should not be expected to face this on their own, and bigger solutions that address the core of the problem will need to come from a coordinated and diverse set of stakeholders. It is CGAP's belief that financial services are a valuable tool, among others, in helping vulnerable people reduce the impact of and adapt to the risks associated with climate change. Most existing interventions designed to respond to climate risks either focus on upstream solutions (e.g., government preparedness to respond to climatic risks), or meso-level interventions (e.g., bolstering market level actors' capacity to respond) and have little focus on how these types of interventions will ultimately translate into meaningful downstream impact at the individual and household level. This includes climate finance, much of which has little to do with the retail financial services that poor people use. There is a need to expand the conversation around how vulnerable people can more effectively use financial services to bolster their resilience to the present and anticipated risks of climate change. This includes their ability to prepare for, cope with, and recover from climate related shocks and stresses. One central aspect of climate resilience is adaptation: How can individuals and households make changes in order to be better prepared, for example, by making risk- or impact- reducing investments, diversifying livelihoods or by moving to a different location?

The foundation of CGAP's work on climate resilience will be a deep understanding of the experiences of vulnerable individuals and households, especially women, in reducing the impact of and adapting to climatic risks, how these experiences differ based on gender, and how inclusive and appropriate financial services can improve these experiences. Since these experiences may vary widely, we will further narrow our focus in three key dimensions:

1. **Shocks and stresses.** Rather than try to solve for climate change overall, CGAP will select 2-3 top climatic risks threatening vulnerable people in developing countries (e.g., droughts or floods) to focus our work on.
2. **Geographies.** Since climate risks and their impact differ across geographies, CGAP will select locations that are most susceptible to the prioritized shocks and stresses as an entry point for focusing our work. We will select 3-4 diverse geographical contexts (e.g., urban, rural, coastal) with a balanced global representation. For the most part, we will prioritize locations where basic digital payments ecosystem exists given the import of digital financial service to supporting financial inclusion and broader resilience to climate risks.
3. **Livelihoods.** Within the focus geographies, we will pay particular attention to major livelihoods at high risk of disruption from the selected climatic shocks and stresses, concentrating much of our analysis on households that are dependent on those livelihoods.

CGAP's work in climate resilience includes a specific focus on women as women are especially susceptible to the effects of climate change. Natural disasters affect women and girls disproportionately. Social norms such as roles and responsibilities in the household and community and the types of jobs women can access influence how they leverage adaptation strategies to respond to climate risks. Gender based inequalities



limit women's access to productive resources and better paid jobs. These inequalities hinder their social participation and political representation which impact their ability to prepare for or mitigate risks. The adverse effects of climatic risks on women have other consequences, such as increased risks of gender-based violence, early forced child marriage, reduced access to education for girls, and even higher rates of mortality.

Finally, CGAP's work on climate resilience will be firmly rooted in understanding the resilience strategies of vulnerable people and how this depends on the broader economic, social, political, and natural systems within which they live. Prospective solutions to strengthening resilience, whether in the realms of finance or elsewhere, need to address the complexity of the systemic impacts of climate change. Recent work by CGAP around resilience has highlighted key dimensions of resilience building, including:

- **Resilience requires a systems view.** People draw on a complex web of resilience that spans many different solutions and layers of society. Any single instrument or source of resilience is often inadequate on its own. This is most certainly true for the more devastating climate shocks, which may require a wide range of simultaneous resilience mechanisms to overcome.
- **Resilience must be understood as multidimensional.** People face risk in multiple dimensions and their resilience strategies are ultimately only as strong as the weakest link in the chain. A shock in one domain often triggers another. These triggers are critical when it comes to climate shocks, which can create powerful second order shocks on health, nutrition, income, etc.
- **Resilience must be understood over time.** People often navigate more than one crisis. Several minor shocks can do more harm than a single large one. Negative coping mechanisms may get people through one crisis but leave them worse off for the next. Resilience is also the ability to foresee risk ahead of time and take appropriate measures. This aspect is particularly important in the context of climate change, given that risks are increasing and implications evolving.

Objectives of this research initiative

As the financial inclusion community strives for a deeper understanding of this topic, it has to rely on sparse demand side evidence that explores how vulnerable people use various formal and informal financial services in response to specific climatic risks and their associated knock-on effects. If we hope to deliver retail financial services that impact the most vulnerable, it is important to put their lived experiences center stage. CGAP is partnering with FSD Africa in a research initiative that will conduct demand-side research in order to hear directly from vulnerable people and communities on what challenges they already face due to climate change, which strategies they use for resilience and adaptation, what role financial services play in those strategies, and how that role could be made more effective.

The Firm will develop and implement an appropriate methodological approach that will deepen our understanding of the role that financial inclusion is playing or could be playing in different geographical and livelihoods contexts. CGAP will share the insights from the work broadly with stakeholders in the financial inclusion space as well as the climate change space, with a view to catalyzing change that can ultimately improve the relevance and responsiveness of financial services in response to climatic risks.

Scope of Work



The Firm will begin by undertaking deep-dive research in one country, Nigeria, with two clear linked objectives: (i) build an appropriate research methodology and thereby (ii) deliver insights around resilience strategies and finance linkages relevant to vulnerable households, and in particular women living within them. The research will be expanded to Bangladesh and/or the Philippines, depending on the ability of the Firm to deliver on the research at sufficient quality across the respective countries.

The primary responsibility for the research Firm engaged will be in developing an appropriate research methodology, implementing the necessary fieldwork, and analyzing the data with an eye to implications for the financial sector. The research methodology will be grounded in a conceptual framework on the role of financial services in climate resilience and adaptation that CGAP is developing for this work. The initial conceptual framework establishes the preliminary core concepts, relevant variables, and prospective causal relationships to be investigated. In addition to basing the research on this framework, the Firm is expected to contribute to the refining of this conceptual framework in the course of the research and helping evolve it to support CGAP's overall project goals.

Through this work, we aim to answer the following research questions:

- What are the most important direct and indirect impacts that our selected climate risks have had on respondents in the past for each of the identified locations?
- What resilience strategies (ex-ante and ex-post) have respondents used to reduce those impacts? How are impacts and responses/response capabilities distinctive for men and women?
- Have formal or informal financial services featured in those strategies? If so, how? What barriers exist to using those services and deriving value from them? Are there distinct barriers for women that need to be understood?
- What has been the impact of climate shocks on market level actors such as micro and small and medium enterprises that directly interact with vulnerable people?
- Where might there be credible prospective pathways to resilience for individual and system actors?
- What gaps or challenges exist with regard to the potential role of financial services in supporting resilience strategies can be identified at this stage, and how can that role be strengthened?

The Firm will be responsible for the following specific work:

Demand-side study, Nigeria (June -November 2022, with initial insights at the latest by early November 2022).

This stage of the project will involve a deep dive into understanding the nature of how households respond to climate related shocks in the context of their existing livelihoods, social, political, and market-level contexts. In the process of conducting the research, the Firm will work with the CGAP team to refine its conceptual framing of this process and develop a replicable methodology to explore this question outside of Nigeria. We envision three core processes within this stage:

Site selection. Leveraging insights from CGAP, FSD Africa, EFINA, other stakeholders (e.g., Financial Service Providers, Regulators, and Policy Makers), secondary research, and CGAP's approach to narrowing the focus, the Firm will identify a short list of geographic areas to focus the research based on the prevalence of the selected priority risks, and the exposure of vulnerable populations to them, in different



geographies. We expect to conduct the research in 2 research locations within Nigeria, reflecting key areas of risks and vulnerable populations within the country. While we do not expect this research to be nationally representative, it is expected that the firm will be familiar with the wider national context and frame their findings in ways that have broad relevance and resonance.

The Firm will build on its initial proposal to flesh out a full research design, likely applying both qualitative and quantitative methods. We recommend the Firm start with a short field-based exploratory phase to understand the complexity of risk responses, exploring both direct impacts of climate events as well as indirect effects, some of which may be second or third order effects (e.g., food price increases as a result of flooding being more impactful than the direct water damage from a flood itself) and layered shocks. This exploratory phase should help the Firm learn how to ask the right questions that lead us towards answers to our core research questions. The exploratory phase may also involve some discussions with key stakeholders at the system level to better understand relevant contextual and ecosystem factors.

The team will then refine their research approach, present their sampling strategy, and develop or refine research instruments for the larger research endeavor. Again, given the complexity of this topic, we expect the team will lead with and prioritize in-depth qualitative work with households/individuals. We are interested in risks and responses among the most vulnerable, and in particular women, but understand the sampling will need to be broader and intentional to help us understand what drives vulnerability and how responses may vary within a given community. Researchers should plan to follow leads from household/individual interviews to also have discussions with a small number of other system level players that the households/individuals have relied on for their resilience to climate risks (shopkeepers, health providers, key actors involved in response activities, relevant financial service providers/CICO agents, etc.) to understand their perspectives and constraints.

If feasible, structured quantitative tools may then be used to help gauge the scale and prevalence of risk preparation and response behaviors and issues, using modest sample sizes (e.g., between 100-200 people) in each location. Firms should propose the most suitable approach to this work, whether that includes face to face surveys, phone-based surveys, or other technology-enabled response mechanisms (such as SMS, social media, or interactive voice response survey tools). We expect firms to carefully consider how sampling would be done and which tools are capable of capturing data with the right populations of interest (including vulnerable households and women) and right level of complexity for this topic.

CGAP will give feedback on the final proposed methods and tools with an eye to confirming that the tools will provide the kinds of insights we need to refine our conceptual framing and generate insights relevant to financial sector stakeholders. The Firm may suggest any alternative, innovative methods that they believe will help achieve the research objectives.

Research execution. The Firm will execute the agreed research. We expect to gain a deep understanding of research participants' experiences and therefore expect that the Firm will have experience with similar types of research. They should work with local staff and/or partners (e.g., recruiters or recruiting firms, CSOs, or NGOs) who have a trusted relationship with communities in Nigeria and can ensure the approach is sound and that data are interpreted accurately within the context. Interviewers should be capable of guiding rich conversations, which will require that they have strong training/skills in qualitative interviewing and the specific research protocols but also in research ethics, empathy, and language skills.

Firms should also be prepared with contingency plans to work around covid, security, or other possible disruptions. This might include some alternative methods with remote engagement potentially over



multiple interactions to help get the same depth from field-based interviewing while using an alternative approach.

Firms will be expected to provide CGAP with all data collected during the exercise, including anonymized interview data (see Deliverables), along with documentation of key research methods and processes, including quality control.

Analysis. The Firm will take the lead on analyzing the information collected, in close interaction with CGAP and its core partners. This analysis should include core insights from the research, recommendations on refining the conceptual framing, and opportunities for future engagement from the financial sector for strengthening resilience. We are interested in the Firm's ideas for analysis and presentation of the data so that the resulting research outputs offer compelling answers to our research questions and have the right impact with our audience.

Dissemination. The Firm will also present findings to local stakeholders in Nigeria and the other countries selected; and may be asked to contribute to the global dissemination effort that CGAP will lead, for instance by co-authoring blogs, presenting at webinars, etc.

Demand side study in Bangladesh and/or the Philippines (September-May 2023 with insights from at least one country beyond Nigeria by November 2022)

Similar research will also be undertaken in Bangladesh and/or the Philippines. The Firm should clearly indicate whether they can undertake the research in either or both of these additional countries, given considerations around budget, time, and quality. Adapting the applicability of the conceptual framing and methodology above as needed based on the context and lessons from research already conducted, the Firm will do the same core research in each of the additional countries:

- I. Site Selection: Recommend 2 research locations in each additional country
- II. Research Execution: Adapt and implement a mixed methods research approach very similar to what was developed for Nigeria.
- III. Analysis: The Firm will need to synthesize findings of the research. This will include working with CGAP and relevant partners to determine approaches for capturing key findings.
- IV. Dissemination: The Firm will support the project's determined dissemination approaches which may include but are not limited to co-authoring blogs or presenting at webinars.

Deliverable(s)

The project will result in the following deliverables:

1. **Research approach and detailed plan.** The research plan will include recruitment strategy, detailed methodology, quality control and other processes and implementation schedule.
2. **Country-level research papers.** These papers or decks will report back on the findings from the research in each focus country. It will (a) outline clearly the main impacts of selected climate risks on respondents; (b) articulate how respondents have been and are managing those risks by adapting and building resilience; (c) identify the actual and potential role of financial services in those adaptation and resilience strategies; (d) surface any barriers that impede that role and insights about how that role can be strengthened, in that specific context; and (e) point to any fieldwork or other issues that may have impacted the analysis. All analysis must have a strong gender lens to identify impacts,

strategies, and barriers specific to women. In addition to the analysis itself, the papers should include individuals' stories that illustrate key points in a compelling way.

- 3. Final synthesis paper.** This is the primary end result of the research, bringing together the analysis from across countries to offer a consolidated analysis. It will (a) outline clearly the main impacts of selected climate risks on respondents; (b) articulate how respondents have been and are managing those risks by adapting and building resilience; (c) identify the actual and potential role of financial services in those adaptation and resilience strategies; (d) surface any barriers that impede that role and insights about how that role can be strengthened, in that specific context; and (e) point to any fieldwork or other issues that may have impacted the analysis; and (f) discuss the effectiveness of the conceptual framework and methodological approach in providing answers to the key learning questions and how each could be iterated upon in future research. All analysis must have a strong gender lens to identify impacts, strategies, and barriers specific to women. The analysis should highlight where there might be gaps in the evidence and identify areas for future research. In addition to the analysis itself, the paper should include individuals' stories that illustrate key points in a compelling way.
- 4. Individual stories.** Throughout the research, the Firm should make a deliberate effort to document stories, including photos and background information, that illustrate the impact of climate change and how respondents are dealing with them, as a way to give life and color to the material and make insights more compelling at a human level. This documentation should be provided to CGAP in its totality (in addition to being selectively included in the reports). Any use of photos of participants alongside their stories will be done so with their informed consent.
- 5. Survey documentation.** This includes the overall research plan, research approach, sampling strategies, survey/interview guides, quality control procedures, definitions and computations of all variables, and other key documentation of the methodology used. The material should be sufficient to enable CGAP to fully replicate the same methodology again, independently of the Firm.
- 6. Survey data.** This includes all information gathered from respondents during the research (anonymized as appropriate), shared in digital form through secure methods. Raw quantitative data should be delivered in Excel format in addition to any other formats the Firm may use (Stata, SPSS, etc) and any scripts used in the analysis.
- 7. Communications outputs.** The Firm may be asked to contribute inputs to blogs, webinars, and stakeholder convenings aiming at sharing and discussing the research methodology as well as the research findings at the global or national level (in countries where research was undertaken).

Indicative Timeline

Below is an indicative timeline for the work, outlining the broad sequencing that is likely to be required in order to deliver the work in a timely fashion. The Firm should, however, propose a detailed work plan and timeline in its proposal that can deviate from this indicative outline, with the exception of initial results from Nigeria and Country 2 which must be available by early November. If Country 3 is not included, the dates will of course be changed.



June-December 2022

- June: Initial planning for the research captured in the Research Approach and detailed plan.
- July-Oct: Design and implement research in Nigeria and Country 2 and clean and quality control all data. This includes a pilot and development and field testing of survey instruments.
- Nov: Internal workshop distilling key insights from the analysis by early November. Produce Country Reports on Nigeria and Country 2.

December– May 2023

- Dec-March: Design and implement research in Country 3 (if relevant) and clean and quality control all data.
- April: Internal workshop distilling key insights from the analysis. Produce Country Report on Country 3.
- May: Delivery of synthesis report and all final deliverables.

Selection criteria

The Firm should demonstrate:

- Significant experience conducting similar research projects, applying primary research methods, including both rich qualitative methods and replicable quantitative methods. Given the tight timeline of this first phase, it will be important to see examples of methodologies that can be deployed and analyzed under those constraints.
- Ability to deploy local resources in local languages, researchers and recruiters in each location mentioned in the ToR, while maintaining a global and comparative lens across the project.
- Proven ability to synthesize participant responses and process numerous, complex insights into impactful, compelling narratives for a wide-ranging audience through high-quality, accessible, visually appealing knowledge products around technical topics.

Technical staff involved in the assignment should have:

- Substantial academic credentials and professional history relevant to the assignment.
- Proven track record in conducting high quality research on the experience of vulnerable and low-income individuals and households (especially women) in developing countries, in particular primary research methods that include rigorous quantitative and qualitative research methods
- Subject matter expertise on topics in this assignment such as climate change, livelihoods, financial inclusion, and digital financial services, as well as gender equity issues, demonstrated in previous research and analytical work.
- Excellent writing and communications skills in English.

The technical proposal should follow the WBG template and not exceed 50 pages in length.

Budget and Payment

The budget for the work under these terms of reference will be determined by the Financial Proposal set forth by the Firm. This will be a lump-sum contract, including expenses.



Ownership/Control of Work Product/Publication

All materials produced or acquired during the appointment – raw data, written, graphic, film, and digital audio/video or otherwise - shall remain the property of the World Bank unless and to the extent such rights are explicitly relinquished (in whole or in part) by the World Bank, in writing. The World Bank furthermore retains the exclusive right to publish or disseminate in all languages the reports arising from such materials. In the event of early termination of the appointment or non-renewal upon its expiration, the Firm shall, if requested by CGAP, deliver to it copies of all materials and data developed with CGAP funds. Any material developed by the Firm under these TORs may not be used without written prior approval by the World Bank.

Authorship and Acknowledgement

CGAP staff will generally be listed as the authors of any publication or other communication that is produced as a result of the research conducted during the appointment. The Firm's contribution in conducting this research will be acknowledged in any such publication. If, in the reasonable view of the Task Manager, the Firm's staff contribute significantly to the conceptualization and drafting of any documents created the Firm's staff will be listed as co-author, along with the relevant CGAP staff.

Confidentiality

All knowledge and information not already within the public domain which the Firm may acquire from CGAP or its employees or by virtue of the assignment shall for all time and for all purposes be regarded by the Firm as strictly confidential and held in confidence and shall not be directly or indirectly disclosed by the Firm to any person whatsoever excepting with the World Bank written permission. All outputs of the work, materials produced during the work, and all by-products shall remain confidential unless the World Bank authorizes public release.