

Term of Reference (TOR)
Exploratory Study on the Role of Rural Community Finance Institution (RCFIs) in Providing Efficient Financial Services In The Rural Areas of Liberia: A Case Study of Totota Rural Community Finance Institution (TRCFI) & Zorzor Rural Community Finance Institution (ZRCFI)

1. Background

Financial inclusion and access to finance is one of the cardinal agenda of the Central Bank of Liberia (CBL), and the Government led by His Excellency Dr. George Manneh Weah has identified inclusive economic growth as one of its key policy priorities under the new Development Plan called Pro-Poor Agenda for Prosperity and Development (PAPD). The plan was officially launched in October 2018.

The Rural Community Finance Institutions (RCFIs) project was launched in December 2013 as a pilot project to respond to the financial needs of the rural population in Liberia which constitutes a significant portion of the country's population, bulk of whom fall within the poverty segment of the country. There are currently 12 RCFIs operating across the country in eight (8) of the fifteen (15) counties which were established through the joint efforts of the communities, one of the commercial banks in the country and the CBL. The primary objective for the establishment of the RCFIs is to fill the gap of commercial banks in the rural areas, which due to high operating costs are reluctant to operate in the rural areas.

Over the past five (5) years, since the launch of the pilot project, the RCFIs have been helpful in promoting rural financing, including mobilizing deposits, extending credits to a limited extent due to lack of sufficient long-term finance, and facilitating payments of civil servants salaries and transfer services (mainly Western Union and MoneyGram). In spite of this progress, most of the RCFIs are facing significant challenges which threaten their viability and sustainability in the future. Some of the key challenges include: poor infrastructure, low human

resource capacity, limited financial resources, etc. However, a few RCFIs have performed very well, contributing positively to economic growth and development in their communities.

Due to poor infrastructure, including weak accounting and information technology system, there is knowledge gap, in terms of timely and accurate information, on the extent of the impact of the RCFIs on the lives of the rural population. In order to have full appreciation of the impact and performance of the RCFIs, the CBL applied for a Research Grant from the Fletcher School of Law and Diplomacy for an exploratory study on the impact of the RCFIs, which was approved by the School. The topic of the exploratory study is "Assessing the Role of Rural Community Finance Institutions in facilitating Rural Payment Services: The Case Studies of Totota Rural Community Finance Institution (TRCFI) and Zorzor Rural Community Finance Institution (ZRCFI)". As the first step of this research project, the CBL is soliciting an expression of interest (EOI) from a consultant/consulting firm to conduct the study.

2. Objective

The purpose of the study is to assess the effectiveness of the role of RCFIs in delivering financial services to the rural population. The consultant/consulting firm will be required to undertake the following tasks in line with the methodology prescribed by the CBL:

- a) Conduct a training workshop, under the supervision of the CBL, for enumerators who will be involved in the interview surveys with the target groups.
- b) Determine whether enumerators are qualified and have the experience and knowledge to conduct qualitative survey, to assess the impact of financial services delivery by RCFIs.

- c) Design the questionnaire and ensure that the questionnaire is well suitable to collect data that will be useful in answering the research question.
- d) Investigate whether the role played by the RCFIs in delivering financial services to the rural population is more beneficial in line with CBL's financial inclusion objectives.
- e) Ensure that data collected from the two RCFIs for the case study are of high quality through documented quality control system.
- f) Participate in the conduct of interviews in the localities of the two RCFIs.

3. Duty and Responsibility

The consultant or consulting firm will be required to ensure that data collected during the survey are truly a representative sample of the population to conduct a research.

Explicitly, the consultant or consulting firm will work along with a team from the CBL, who will be involved with the research process, to complete the first draft of the research report. The consulting firm or consultant will also be responsible to supervise the research among other things as follows:

- a) Assist in determining the criteria of selecting sampling procedure considering the cost and any incorrect inference resulting from the data;
- b) Help in designing the questionnaire for the sampling survey;
- c) Help to clean the data and design sampling error technique that may result due to random variation in the sample estimates; and
- d) Address all feedbacks from enumerators during the sampling survey from the interviewees.

The consulting firm or consultant will work along with the CBL team up to the finalizing of the research report. Both teams will work to ensure that the appropriate staff is recruited to participate in the research work. By so doing, both teams will jointly participate in the recruitment process of the research staff and training workshop of enumerators.

4. Deliverables

The consulting firm or consultant is expected to present his final report to the CBL as per the terms of the contract that will be entered into between the consulting firm or consultant and the CBL. The research report should include conclusion and recommendations on how RCFIs can better deliver financial services to the rural population considering the case studies of TRCFI and ZRCFI. It should also be noted that data collected on this project is straightly owned by the CBL and shall not be kept by the consulting firm or consultant, or individuals involved with the research after the project.

Specifically, the consultant or consulting firm shall be required to achieve the following deliverables:

- (i) Research Design Plan;
- (ii) Questionnaire;
- (iii) Data Collection Report; and
- (iv) Research Report, which must at a minimum meet the requirements mentioned above.

5. Quality Control

The emphasis of quality control shall be a priority for the research during the interview process and in collecting the data during the sampling survey. Therefore, the consulting firm or consultant will put in mechanism to ensure that competent enumerators are hired to conduct the survey. Furthermore, motivation of research staff will be highly encouraged as it will have the propensity to enhance the accuracy of data collection and organization which will further improve quality

control. Therefore, the below quality assurance check should be seriously considered and noted:

- A mechanism to monitor the work of enumerators for data integrity which could result into small sampling error;
- Interact with respondents and review the work of enumerators to be sure that they are cataloging what the respondents think about the RCFI financial services delivery to the rural population; and
- Resolve all problems pertaining to data collection process involving any respondent.

6. Expected work plan including deliverables and timeline

The research is planned for three (3) months beginning April 15, 2019 to July 14, 2019. For the first ten (10) days starting from the commencement date, the consulting firm or consultant and the CBL will draft and finalize the questionnaires for up to 100 respondents. The distribution of the questionnaires will be complemented with interviews with at least 25 percent of the respondents. The target group for the research will include teachers, health workers, farmers, and the local business community.

The research will also include data from secondary sources such as the Liberia Institution of statistics and Geo-Information Services (LISGIS) on the population of the research areas. The below table outlines the timelines for the project.

Activity	Timeframe	Output
Drafting of Questionnaire	April 15-19, 2019	Final and approved questionnaires
Recruitment of Enumerators	April 22-26, 2019	Final Selection and training of enumerators
Field trips	May 12-18, 2019	Complete surveys and interviews of respondents
Analysis of results and quality assurance	May 20-24, 2019	Findings of the Research

Preparation and quality review of Research report	June 3-14, 2019	First Draft Research Report
Desk Review of Final Report by Fletcher School Team	June 17-21, 2019	Second Draft Research Report
Submission of Final report to Management of CBL and Fletcher School	July 14, 2019	Final Research Report

The research should be conducted within a maximum timeframe of three months and that the final research report should be submitted not later than July 14, 2019. The consultant will work along with the CBL within the timeframe. The consultant should communicate any issues to the CBL that will have the propensity to impede the completion of the research as scheduled.

7. Consultancy fee: The consultancy fee ranges between US\$2,000.00 to US\$3,000.00.

8. Expression of Interest

The CBL invites consulting firms to submit Expression of Interest (EOI) to the below address:

Mr. Mussah A. Kamara
 Director/Research Policy & Planning Department
 Central Bank of Liberia
 Corner of Ashmun and Lynch Streets
 Monrovia, Liberia
 P.O. Box 2048

Email: makamara@cbl.org.lr

9. Deadline for submission of application: May 8, 2019.