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Request for Applications

# Defining and Assessing Financial Health of Women SHGs and Micro-enterprises in Odisha, India

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July 2021



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## United Nations Capital Development Fund

### REQUEST FOR APPLICATION for

### Defining and Assessing Financial Health of Women SHGs and Enterprises in Odisha, India

#### Summary

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The United Nations Capital Development Fund (UNCDF) makes public and private finance work for the poor in the world's 47 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF has partnered with the Government of Odisha to further strengthen the financial lives of women entrepreneurs under the aegis of [Mission Shakti Programme](#)- an initiative to empower women through credit and market linkages by organizing them in self-help groups (SHGs). Nearly 70 lakh women, organized into 6 lakh SHGs throughout Odisha, benefit socially and economically through affordable financing, income-generating opportunities, and skill development.

UNCDF has set up the Mission Shakti Living Lab in the state, which aims to understand and improve the financial health of women entrepreneurs by designing and rolling out a suite of financial health-centric (digital) products and tools. We aim to achieve this by deepening our understanding of women's financial lives, business needs and aspirations, market barriers and prevailing social and cultural norms that prevent women from pursuing and/or expanding businesses. We also seek to define financial health in the local context and create a financial health index to assess the impact of specific interventions.

UNCDF invites research firms, academic institutions, and think-tanks to contribute towards enhancing the financial wellbeing of women entrepreneurs participating in the Mission Shakti Programme in Odisha, India. In particular, the applicant(s) will be responsible to carry out the following activities:



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- Undertake deep-dive quantitative and qualitative research on the financial, business, and social lives of women in SHGs to churn insights leading to the development and delivery of financial health-centric solutions including mapping of social norms<sup>1</sup>
- Define financial health in context of women and women enterprises in SHGs of Odisha, identify its determinants, and design an index to measure and track financial health
- Conduct an impact assessment of the specific financial interventions on women and women entrepreneur's financial health, socio-economic, and business outcomes

The applicant/ lead applicant must be a registered entity with a local presence in India either through a registered entity or a branch office. The ideal firm will have demonstrated experience in conducting high-quality gender-centric consumer finance research, gender-centric financial product design, and women economic empowerment-related impact evaluations.

The selected applicant will sign a Performance-Based Agreement (PBA)<sup>2</sup> with UNCDF. The applicants are required to propose the financial cost for this partnership, and we encourage applicants to share part of the cost. Applicants may apply independently or in a consortium.

The applicant/ consortium will work together with UNCDF in a joint effort to understand and build financial health for the low and moderate income women. Applicants/ Consortiums comprising of research firms, academic institutions, and think-tanks are encouraged to apply.

**Inquiries to this request for applications may be submitted by email to [financial.health@uncdf.org](mailto:financial.health@uncdf.org) and [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org) by 6<sup>th</sup> August 2021.**

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<sup>1</sup> This includes hypothesizing norms, validating norms with initial fieldwork, conducting behaviour exploration exercises, designing of interview guides, and fieldwork and analysis.

<sup>2</sup> A performance-based grant implies that grant amounts that are contingent on the successful achievement of pre-determined milestones. Achieving a milestone will therefore trigger a grant payment. Grant payments will be reimbursements for funds spent by the grantees, according to the project implementation plan and pre-agreed milestones. The Grantee will be responsible of providing a comprehensive and compliant financial report reporting all the financial transactions relating to grant. The Grantee will need to keep supporting documents related to these transactions to justify all actual costs incurred.



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All applications must be submitted by 23:59 hours (IST) on 15<sup>th</sup> August 2021 using the UNCDF e-investment platform:

[https://apply.uncdf.org/prog/defining\\_and\\_assessing\\_financial\\_health\\_of\\_women\\_shgs\\_and\\_micro-enterprises\\_in\\_odisha\\_india](https://apply.uncdf.org/prog/defining_and_assessing_financial_health_of_women_shgs_and_micro-enterprises_in_odisha_india)

## Background

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Women entrepreneurship is vital to India's inclusive growth yet only 21.5 percent of the Indian entrepreneurs are women. Most women-led enterprises are run informally as one-person entities with unpaid family support, generate low income and employment, and on many occasions are controlled by the male household head. Research suggest that women-owned enterprises continue to lag their male counterparts in terms of their size, profitability, formality, scalability, and resilience to shocks.<sup>3,4</sup>

While all entrepreneurs face significant challenges, women-led enterprises face disproportionate barriers as a result of gender-discriminatory social and cultural norms that often limit women's mobility and social networks limiting their scope of expanding their business. Moreover, constraints on access to finance and digital access,<sup>5</sup> high unpaid care burden and time poverty, lower access to productive assets, limited entrepreneurial networks, and lack of confidence in business skills are critical factors that inhibit women's entrepreneurial journey.

Access to finance and markets is a key barrier to the growth of women-owned businesses- 90 percent of financing requirements of women-owned enterprises in India are met through informal sources. The reasons inter alia, lack of collateral and prevalent institutional perceptions that consider women-led enterprises to be high-risk segments.<sup>6</sup> This is despite the fact that women borrowers have stronger repayment track records, with 30-50 percent lower non-performing loans

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<sup>3</sup> <https://www.unicef.org/eap/media/8036/file/Gender%20barriers%20report.pdf>

<sup>4</sup> <https://iwwage.org/wp-content/uploads/2021/01/Women-and-Work.pdf>

<sup>5</sup> [Gender gap in India in mobile phone awareness is 21%, mobile phone ownership is 20%, and mobile internet usage is 50%](#)

<sup>6</sup> [http://microsave.net/files/pdf/Improving\\_Access\\_to\\_Finance\\_for\\_Women\\_owned\\_Businesses\\_in\\_India\\_IFC.pdf](http://microsave.net/files/pdf/Improving_Access_to_Finance_for_Women_owned_Businesses_in_India_IFC.pdf)



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and are more likely access two to three times more products as compared to their male counterparts.

In a nutshell, the highlighted barriers prevent women in India from starting and growing businesses and thereby limit their ability to catalyse innovation to drive productivity, create jobs, and generate solutions for inclusive growth, and advancing India's Sustainable Development Goals (SDGs).

### Introduction- Mission Shakti

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To increase incomes and ultimately, the quality of life of rural, low-and-moderate income women, Government of Odisha launched Mission Shakti programme. The programme aims to empower women entrepreneurs socially and economically through better credit and market linkages by organizing them in self-help groups (SHGs). Economic activities through SHGs significantly supplement women's incomes subsistence farming or other activities, and this has led to increase in monthly income Mission Shakti women participants.

Being part of the women SHGs and through SHG-bank linkage initiatives, almost all women members have access to a bank account in the nearest bank branch. Furthermore, to ease access to financial services, SHG leaders are encouraged and supported to take the role of business correspondents.

In terms of livelihood, SHGs are engaged in two set of activities - first, convergence with other government programmes such as Integrated Child Development Services (ICDS)<sup>7</sup>, paddy procurement; and second, engagement in independent activities such food processing, agriculture, handlooms, terracotta, and handicraft.

Many women SHGs have graduated from a micro to small-enterprises, and they look forward to new markets, innovative financial products, and technology-enabled business expansion as the next organic step in the entrepreneurial growth trajectory. Women also aspire to enhance household wellbeing by accessing better healthcare and need-based tailored financial products, providing quality education for children, and become financially resilient to economic shocks.

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<sup>7</sup> <http://wcdodisha.gov.in/content/2>



However, there exist significant barriers hindering women SHGs to pursue business expansion opportunities, which lead to improved financial health outcomes, and include:

- Lack of financial products and delivery channels (including one that allows for income diversification/market connect) tailored to women needs
- Women’s limited digital (finance) literacy to access technology for migrating businesses to digital marketplace platforms
- Social norms around women’s economic participation, particularly women’s unpaid caretaking responsibilities, limited mobility due to safety concerns
- Limited asset ownership leading to credit access issues from banks
- Lack of confidence in one’s entrepreneurial abilities due to gender-biased societal and institutional attitudes
- Limited efforts by involved stakeholders to improve women’s awareness of financial products and services
- Limited efforts made to understand the overall impact of the financial interventions on financial health of women, and use results to inform policies and products

### **Mission Shakti Living Labs: Shifting focus from financial inclusion to financial health-centric solutions**

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Globally, governments, central banks, and financial service providers have accelerated financial education and inclusion with the belief that providing these solutions is critical to improving financial health (wellbeing), including that of women. However, even as access and usage of formal finance increases, the focus on understanding improvements in people’s financial lives remain limited to a few high-income countries<sup>8</sup>. With COVID-19 pandemic putting the financial wellbeing of individuals, communities, and by implication, entire countries at stake, there is an increasing need to shift policy focus towards financial health. See Appendix I: Financial Health and its building blocks- Outcomes and Drivers for UNCDF’s definition of financial health.

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<sup>8</sup> Primarily USA, UK, Australia, Norway, Canada



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In partnership with Government of Odisha, UNCDF has set up the Mission Shakti Living Lab in the state that aims to understand and improve the financial health of women entrepreneurs by designing and rolling out a suite of financial health-centric (digital) products and tools. The aim is to achieve this by better understanding women’s financial lives, business needs and aspirations, market barriers and prevailing social and cultural norms that prevent women from pursuing and/or expanding businesses. It also seeks to define financial health in the local context and create a financial health index to assess the impact of specific interventions.

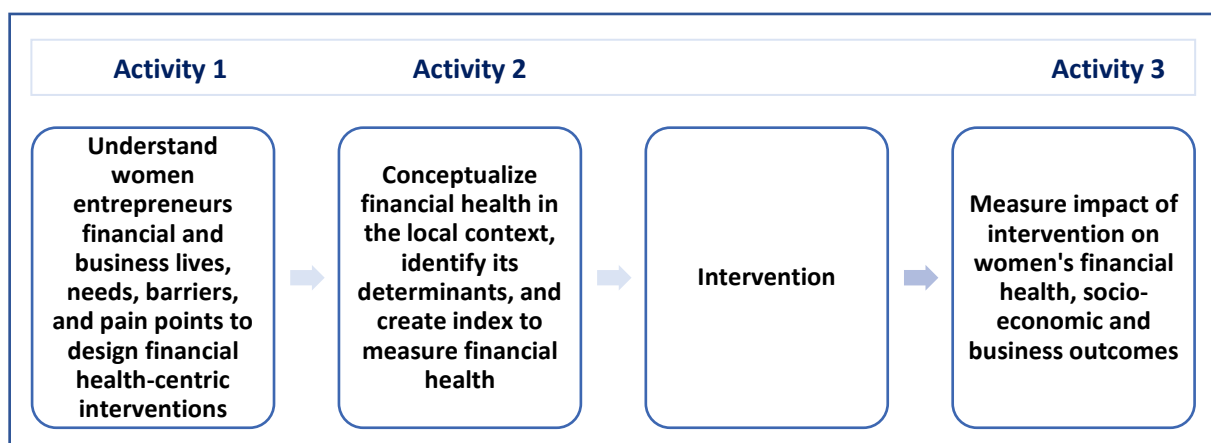
Research suggests that financial behavior particularly, active saving, moderate borrowing, restrained spending, and deliberate planning for future, and socio-economic environment influence individual financial health. We aim to influence these financial health determinants through a single, or a combination of below financial health (digital) interventions:

- Increase in savings both short term and long term for women in SHGs
  - Increase in options of capital and resources (such as credit) designed to address the needs of individual women and women-led enterprises
  - Increase access to tools for financial planning like insurance, investments, etc.
- SHG linkage into the digital platform economy specially aimed to diversify income opportunities through improved market access

## Scope of Work

UNCDF invites research firms, universities, and think-tanks to contribute towards enhancing the financial health of women SHGs and micro-entrepreneurs participating in the Mission Shakti Programme in Odisha, India. In particular, the applicant will be responsible to carry out the following activities:

Figure 1: Activity Progression







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**Note:** *Exact interventions and scope for the impact assessment will be defined as research work progresses. Interventions could be a financial product, policy, or technology access that results in women's economic empowerment and better financial health outcomes. Basis research findings, UNCDF will work with financial institutions and policymakers to finalise and implement the recommended intervention(s).*

**Activity 1:** Undertake deep-dive quantitative and qualitative research on the financial, business, and social lives of women in SHGs to churn insights leading to the development and delivery of financial health-centric products and policies.

- A. For different segments of women and women entrepreneurs, understand current livelihood options, financial management (household and business), business needs and barriers, and pain points with existing financial products and services by applying appropriate quantitative and qualitative research methodologies.<sup>9</sup>
- B. Map the prevailing social norms, including institutional perceptions of women entrepreneurship that shape women's financial needs, capacities, and behaviors, or inhibit them from effectively accessing, using, and benefiting from financial services. Error! Reference source not found. provides further information on our social norms research and learning agenda
- C. Leverage Mission Shakti data on women SHGs to understand current financial access and usage patterns for different segment of customers. UNCDF will provide access to the supply-side data strictly for project purposes
- D. Submit a comprehensive report on the overall work

**Insights from research A, B and C above should result into:**

- Specific recommendations to government, policymakers, financial institutions and service providers for improving women's business income and financial health

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<sup>9</sup> such as comprehensive survey, financial diaries to track daily financial lives, focus group discussions to identify common financial needs, barriers, and pain points in accessing and using financial products and services



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- Women (segment)-specific and financial health-centric products for action by financial institutions and service providers
- Women (segment)-specific and financial health-centric policies for action by policymakers and government

**Box 1: Social Norms Learning Agenda**

UNCDF aims to do a deep exploration of social norms that inhibit women from accessing, using, and benefiting from financial services. To dig deeper, using a Social Norms Diagnostic Toolkit, UNCDF seeks answer to the following additional questions

- What social norms, including institutional perceptions of women entrepreneurs, affect women's access to and efficient use of financial services?
- How are these social norms viewed by women, by men, and by society at large?
- How can we work around these gender-biased social norms, or alter them to enhance women's financial inclusion and health?
- Which specific social norms should digital and financial service providers consider in designing financial products and services (including marketing, delivery, and customer support) to overcome the structural, behavioral, and social barriers women face in accessing and using financial services?
- Which specific social norms should policymakers and regulators consider, to enhance women's access and use of financial services?
- How digital channels and technology can be leveraged to address social norms that prevent women from accessing, using, and benefiting from financial services
- How policymakers and regulators can address social norms that prevent women from using financial services

Towards this, UNCDF will collaborate with the FinEquity team from the Consultative Group to Assist the Poor (CGAP) - a World Bank think-tank, to carry out a social norm mapping exercise. This exercise will entail using [CGAP's Gender Social Norms Diagnostic Toolkit](#) to identify the social norms impacting women's access to and use of financial services and suggest recommendations to alter/enhance them.

The CGAP Social Norms diagnostic takes a different approach to standard qualitative inquiries and



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data analysis. It offers a new framework for systematically unpacking social norms around financial health and generating interventions that best address these norms. The selected partner will be briefed in detail on the guidelines and the methodology of executing the social norms mapping.

**Activity 2:** Define financial health in context of women and women microenterprises in Odisha, identify its determinants, and design an index to establish a baseline for tracking financial health.

- A. Understand the perception of women entrepreneurs on financial health, and factors and mechanisms that influence it in the local context through qualitative research<sup>10</sup>. See **Box 2** for financial health learning agenda
- B. Develop and undertake a comprehensive financial health survey<sup>11</sup> to create a financial health index
- C. Produce a tool kit enabling public and private institutions to measure and track financial health of women entrepreneurs, women SHGs, and overall Mission Shakti programme
- D. Develop business case(s) for governments and regulators for crafting financial health-centric policy and regulations. This should answer where present existing micro and macro indicators<sup>12</sup> lack/fail in assessing individual financial/economic wellbeing
- E. Develop business case(s) for financial institutions to align their business strategy and product innovation towards financial health outcomes. This should include a deeper analysis on present metrics, if any, used by the financial institutions/sector to evaluate the efficacy of financial products and services on customer outcomes<sup>13</sup>

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<sup>10</sup> Semi-structured/structured interviews, focus group discussions, expert consultations

<sup>11</sup> See financial health index design work done by Consumer Financial Protection Bureau, Financial Health Network, Elaine Kempson (University of Bristol), Commonwealth Bank of Australia and University of Melbourne

<sup>12</sup> For example, GDP/GNI per capita, income and consumption, financial inclusion/account ownership and so on

<sup>13</sup> The customer outcomes can be defined from the perspective of financial institutions/sector, for example, savings accumulation, timely credit payments in full, customer satisfaction and so on.



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- F. Implement the financial health index to measure the financial health of women entrepreneurs and use insights for recommending/refining financial wellbeing-centric products and policies identified in Activity 1
- G. Create an online dashboard allowing Directorate of Mission Shakti, UNCDF, and participating financial institutions to track the financial health of women entrepreneurs
- H. Submit a comprehensive report on the overall work

**Note:** Activity 2, or its parts such as financial health surveys to design index, can be conflated with Activity 1. Applicants can detail implementation plan of Activity 1 and Activity 2 in their proposed Roadmaps.

**Box 2: Financial Health Learning Agenda**

- What does financial health mean for women entrepreneurs of Mission Shakti in Odisha?
- What are the drivers of financial health?
- Which financial health outcomes do women entrepreneurs in Odisha prioritise and why? How do they currently realize these outcomes?
- What actions/steps do women entrepreneurs take to improve their financial health outcomes?
- Which financial services/tools positively and negatively impact financial health for these women?
- Do women entrepreneurs with access to a particular basket of financial products and services (e.g., savings+ formal credit + insurance) achieve better financial health outcomes as compared to women with one or no financial product?
- What are the underlying mechanisms (or a combination) that can be leveraged to improve the financial health of women entrepreneurs, for example: increased income through business expansion and/or better market linkages, improved financial capabilities through behavioral nudges and financial literacy trainings, shift in social norms, and so on?



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**Activity 3:** Assess the impact of the specific financial and digital interventions on women and women entrepreneur's financial health, socio-economic, and business outcomes

- A. Take an experimental approach to quantify the impact by setting up control and treatment groups and undertaking comprehensive baseline and end line surveys
- B. The impact assessment surveys are expected to be carried out in the four blocks of the districts of Ganjam and Sambalpur in the state of Odisha. The locations can, however, change on UNCDF's discretion
- C. Submit a thorough and high-quality impact analysis report suitable for scholarly publication

*Note: This impact study also seeks to understand the mechanism of the change (if any), and what are the contextual factors that influence the observed impact of the interventions. It is suggested that in combination with rigorous experimental methods, qualitative methods are also used to determine the pathway(s) of the impact (why and how the impact takes place) that examine the intervention context from a structural, behavioural, and social lens.*

#### How UNCDF works with partners

UNCDF takes a tailored approach to engagement with partners, working with each throughout to identify business and customer needs, and helping to design, pilot and scale up the solution along the way. Some examples of the ways in which UNCDF works with partners include:

- **Product Research:** Sharing market research and knowledge to deepen partners' understanding of customers' behaviours, needs, constraints and aspirations. This also includes providing transaction data analysis and training to the business teams
- **Product design:** Providing human-centred design expertise to better understand the customer journey - physical and financial – for better product design and use-case development tailored to the needs of low-income customers and their families. The efforts may also involve analysing the transaction data from a customer lens
- **Provisioning:** Providing technical assistance to help design, pilot, deploy, and scale up solutions for impact. Technical assistance is provided by digital finance experts who are experienced in product design, business model development and go-to-market strategies in some of the most challenging markets in Africa and Asia
- **Partnerships:** Facilitating strategic partnerships with stakeholders – including cross-border



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payment hubs, mobile network operators, financial institutions, and non-bank financial institutions – to enable partners to reach last-mile customers, and to grow sustainably. UNCDF is uniquely positioned to be a neutral broker of partnerships and has a record of building strong relationships with private and public organizations across Africa, Asia, and Pacific

- Policy and Advocacy: Convening efforts to support an enabling environment and build policy and advocacy capacity for human-centred products and services to be piloted and potentially scaled

In the RFA, applicants may identify and suggest areas where the technical support from UNCDF and its network of expertise is sought.

### Project Outputs and Timelines

Successful applicant will co-generate the following outputs over the course of programme duration four years from 2021 until 2025. Exact timelines for deliverables against each activity will be discussed and agreed with the selected applicant. UNCDF, however, encourages applicants to highlight the time requirements against each activity.

Activities	Action and Outputs	Tentative Timeline
<b>Activity 1</b>	<p><b>Research design and planning</b></p> <ul style="list-style-type: none"> <li>✓ Research design and methodology report for all tasks under Activity 1</li> <li>✓ Survey and interview questionnaires in English and local language</li> <li>✓ Sampling strategy including all calculation files</li> <li>✓ Social norms mapping research plan and material including hypothesising norms, validating norms with initial fieldwork, conducting behavioural exploration exercises, designing of interview guides and data collection in Odisha’s context</li> </ul>	Sep.- Dec. 2021



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	<p><b>Data collection and analysis</b></p> <ul style="list-style-type: none"> <li>✓ Cleaned survey data sets, and interview transcripts</li> <li>✓ Data analysis scripts</li> <li>✓ Social norms mapping data analysis</li> </ul>	Oct.- Dec.2021
	<p><b>Reporting and Dissemination</b></p> <ul style="list-style-type: none"> <li>✓ A comprehensive research report clearly explaining objectives, methodology, data sets, findings, and product and policy recommendations</li> <li>✓ Social norms mapping report</li> <li>✓ Slide deck on the research work</li> <li>✓ Research presentations to relevant stakeholders as per UNCDF's request</li> </ul>	Oct.- Dec. 2021
<b>Activity 2</b>	<p><b>Research Design and Planning</b></p> <ul style="list-style-type: none"> <li>✓ Financial health research design and methodology report</li> <li>✓ Financial health survey and questionnaires in English and local language</li> <li>✓ Sampling strategy including all calculation files</li> </ul>	Oct.- Dec. 2021
	<p><b>Data Collection and Analysis</b></p> <ul style="list-style-type: none"> <li>✓ Cleaned survey data sets, and interview transcripts</li> <li>✓ Data analysis scripts</li> </ul>	Jan.- Mar. 2022
	<p><b>Reporting and Dissemination</b></p> <ul style="list-style-type: none"> <li>✓ A comprehensive research report clearly recommending financial health determinants, indicators, financial health index, financial health business cases, and financial health status of Mission Shakti, Odisha</li> </ul>	Apr.-Jun. 2022



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	<ul style="list-style-type: none"> <li>✓ An online dashboard allowing Directorate of Mission Shakti, UNCDF, and participating financial institutions to monitor financial health of women participants</li> <li>✓ A tool kit enabling Odisha government and relevant financial institutions to measure and track financial health of women entrepreneurs</li> <li>✓ Slide deck on the research work</li> <li>✓ Research presentations to relevant stakeholders as per UNCDF's request</li> </ul>	
<b>Activity 3</b>	<p><b>Impact assessment design and methodology</b></p> <ul style="list-style-type: none"> <li>✓ Impact assessment design document clearly explaining the experimental design, intervention, impact methodology, control and treatment groups, and sampling plan</li> <li>✓ Baseline and Edline survey questionnaires in English and local language</li> </ul>	Jul.- Sep.2023
	<p><b>Data collection and analysis</b></p> <ul style="list-style-type: none"> <li>✓ Baseline and end line survey data sets</li> <li>✓ Transcripts of text data generated through interviews/focus group discussions of control and treatment groups, and/or expert consultations</li> <li>✓ Data analysis scripts</li> </ul>	Baseline: Oct.- Dec. 2023  Edline: TBD
	<p><b>Reporting and Dissemination</b></p> <ul style="list-style-type: none"> <li>✓ A thorough and high-quality impact analysis report suitable for scholarly publication</li> <li>✓ Slide deck on the impact analysis work</li> </ul>	TBD





Note:

- 1) *Mentioned timelines are tentative and will be finalized mutually with the selected applicant. However, it is expected that data collection related to the social norms mapping exercise (and the activities preceding it including norm hypothesizing, validation and behaviour exploration) is completed by December 2021.*
- 2) *Impact evaluation may start earlier as soon as the intervention is approved by UNCDF. This includes drafting impact design, methodology, and undertaking baseline surveys.*
- 3) *Timing of end line surveys will depend on the intervention and may be conducted with a gap of 2-3 years from post intervention.*

### Eligibility and Evaluation Criteria

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Only applications that meet the eligibility requirements and the minimum criteria for submission will be considered:

#### Eligibility Requirements

1. The applicant/lead applicant must be a registered organization (includes for-profit firms, universities, think tanks and non-profit organizations)
2. The applicant/lead applicant must have a local presence in India either through a registered entity or a branch office.
3. Applicants may apply independently or in a consortium.
4. The applicant/lead applicant must have been in operations for at least three years and must be able to furnish statutory accounts and audited financial statements for at least three years.
5. Applicants shall not have been the subject of bankruptcy, liquidation, judicial settlement, safeguarding, and cessation of activity or any other analogous situation resulting from a similar procedure.



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6. Applicants, any of their staff members or their board of directors shall not be included in the United Nations financial sanctions lists<sup>14</sup>, particularly in the fight against the financing of terrorism and against attacks on international peace and security.
7. Applicants **must not** be involved in any of the following activities(cite):
  - Manufacture, sale or distribution of controversial weapons or their components, including cluster bombs, anti-personnel mines, biological or chemical weapons, and nuclear weapons.
  - Manufacture, sale, or distribution of armaments and/or weapons or their components, including military supplies and equipment.
  - Replica weapons marketed to children.
  - Manufacture, sale or distribution of tobacco or tobacco products.
  - Involvement in the manufacture, sale, and distribution of pornography.
  - Manufacture, sale, or distribution of substances subject to international bans or phase-outs, or wildlife or products regulated under the CITES.
  - Gambling, including casinos, betting, etc. (excluding lotteries with charitable objectives).
  - Violation of human rights or complicity in human rights violations.
  - Use or toleration of forced or compulsory labour.
  - Use or toleration of child labour.
  - Applicants shall have fulfilled all the obligations relating to the payment of social security contributions or obligations relating to the payment of taxes in accordance with legal provisions in force in the country of incorporation.

UNCDF will conduct due diligence on selected applicants. Applicants must have documents ready for confirmation that they meet the eligibility criteria, including certificates of compliance with the tax authorities and any other documentary evidence that might be requested by UNCDF besides the application form.

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<sup>14</sup> <https://www.un.org/securitycouncil/sanctions/information>



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### Evaluation Criteria

The Evaluation Committee will score the applications according to the below evaluation criteria. The evaluation will follow the combined scoring method:

Rating the Technical Capability (TC):

Criteria: Demonstrated experience and team capabilities in	Maximum score
Gender-centric consumer finance research	10
Women-centric financial product and/or policy development research	10
Financial literacy, capability, health (wellbeing) or related research	10
Qualitative social research, particularly related to social norms mapping, and data analytics – both survey and transactional data	10
Impact evaluation	10
Design and methodology proposed: Proposals will be evaluated for <ul style="list-style-type: none"> <li>• Rigour (sampling plan + research specifications)</li> <li>• Workplan/roadmap</li> <li>• Innovative methods proposed that combine quantitative and qualitative tools</li> <li>• Risks and other factors documented including research ethics</li> </ul>	10

TC score = total score obtained from above technical evaluation

Rating the Organization's capacity (OC):

Organization's capacity to undertake the research	Maximum score
Applicant/ lead applicant/ at least one consortium partner has office and human capital in India	10

OC score = total score obtained from above organization capacity evaluation

Rating the Financial Proposal (FP):

Organization's capacity to undertake the research	Maximum score
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Financial offer/cost to complete the project	20
Applicant is co- contributing resources towards the project research cost	10

FP score = (offer price/lowest offer) x20 + (% cost contribution/% maximum contribution bid) x10

**Total score: TC score + OC score + FP score**

Due diligence on the applications and applicants that receive the minimum qualifying technical and organization capacity score of 70 of 100 will be conducted by the Financial Health Programme’s review team members. Applicant obtaining the highest Total Score will be selected.

**Eligible costs**

The criteria for eligible expenditure determine whether a cost qualifies for funding under UNCDF rules and procedures. The general criteria for eligibility of costs under UNCDF funding include the following:

- Eligible costs must be incurred by the applicant **during the project** (after the signature of the Performance-based Agreement and up to the end of the Grant period)
- Eligible costs should be indicated in the estimated overall budget of the action attached to the Performance-based Agreement
- Costs must be identifiable and verifiable, in particular being recorded in the accounting records of the applicant and determined according to the applicable accounting standards of the country where the lead applicant is established
- Costs must comply with the requirements of applicable tax and social legislation
- Costs must be reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency
- Consultancy costs – under studies, technical assistance and other advisory services under the programme carried out by international and national consultants – are eligible as follows. Professional and consultancy services are services rendered by people with a special skill, and who are not officers or employees of the organization



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applying for the grant. Consulting services must be justified, with information provided on their expertise, primary organizational affiliation, normal daily fee, and number of days of expected service. Consultants' travel costs, including for subsistence, are to be shown as travel expenditure. The applicant may be required to justify the daily fee

- Workshop costs are eligible, for the workshop venue, food and beverages, and publication material
- Training expenditure (financial education, digital education, soft skills) for the project's final beneficiaries is eligible. If applicable, this will include all related expenditure, such as the cost of the venue, participant travel, and so on. Training for the employees of the institution applying for the grant is also eligible as long as it has been demonstrated that it will link directly to the project output
- Investment costs directly attributable to the project, relating to research and innovation, are allowable

#### Ineligible costs

The following costs are ineligible and not accepted:

- Returns on capital and dividends paid by a beneficiary
- Debt and debt service charges
- Provisions for losses or debts
- Interest owed
- Costs declared by the applicant in the framework of another action receiving a grant financed from another donor
- Indirect costs, also called overheads



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## Agreement Parameters

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### Applicants

Eligible candidates can apply alone or as lead applicant in a consortium of firms, if they comply with the eligibility requirements set forth in the preceding section. In the case of a consortium of entities applying to the RFA, the lead applicant shall comply with the eligibility requirements. The lead applicant will be responsible for:

- Submitting the application form on behalf of the consortium
- Ensuring that each partner is fully aware of the composition of the partnership and of the contents of the Application Form
- Signing the Performance-based Agreement with UNCDF
- Fulfilling all obligations set out in the Performance-based Agreement
- Ensuring the allocation and the fulfilment of the funds amongst the partners in the consortium in compliance with the Performance-based Agreement
- Ensuring the allocation and the fulfilment of the tasks amongst the partner in the consortium in compliance with the Performance-based Agreement

### Target segment and geographical scope

- The target segment of this RFA ARE women SHGs and micro-entrepreneurs participating in the Mission Shakti Programme in Odisha, India

### Project duration

- The project is expected to be four-years in duration. Activities are expected to be terminated no later 2025. Final and assessment report will have to be submitted no later than 2025

### Language

- The deliverables and any correspondence between the applicant organization and UNCDF must be in English



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## Budget

UNCDF will provide a grant to the selected applicant who is technically compliant in accordance with the Eligibility and Evaluation Criteria as set out above. UNCDF contributions may range up to INR. 90 Lakhs. The grant milestones will be developed in discussion with the partners. Below is a tentative structure:

Year	Output	Disbursement
Q3 2021	Signing of contract	10%
Q2 2022	Completion of Activity 1 including submission of all related outputs	20%
Q1 2023	Completion of Activity 2 including submission of all related outputs	30%
Q3 2025	Completion of Activity 3 including submission of all related outputs	40%

## Application Requirements and Timeline

### Structure of the application

- The applicant must submit a complete application form according to Annex 1 (Submission Letter), Annex 2 (Technical Proposal) and Annex 3 (Budget of the Action).
- In Annex 2 or the technical proposal, applicants are expected to include the following:
  - Detailed research design and methodologies for all three Activities including research questions outlined in the learning agenda and that includes sampling plan, survey methods, data sources, data handling protocols, and ethical considerations
  - Risks and mitigation strategies
  - Resourcing requirements and a workplan/roadmap for the full duration of the programme
- In addition to the 'Submission Format' the applicant must supplement the submission with:



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- Audited financial statements for the past three years;
- Certificate of incorporation of the applicant/lead applicant;
- Detailed budget;
- CVs of the team involved highlighting research-related experience;
- List of the similar research projects completed by the applicant

All submissions must be completed in English.

Only applications that follow the Submission Format and include all the necessary documentation will be considered for further evaluation.

#### Submission of the application

Inquiries to this request for applications may be submitted by email to [financial.health@uncdf.org](mailto:financial.health@uncdf.org) and [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org) by 6<sup>th</sup> August 2021. The subject line of the email should be: RFA – Financial Health Research and Impact Evaluation.

All applications must be submitted by 23:59 hours (IST) on 15<sup>th</sup> August 2021 to UNCDF using the UNCDF e-investment platform:

[https://apply.uncdf.org/prog/defining\\_and\\_assessing\\_financial\\_health\\_of\\_women\\_shgs\\_and\\_mic\\_ro-enterprises\\_in\\_odisha\\_india](https://apply.uncdf.org/prog/defining_and_assessing_financial_health_of_women_shgs_and_mic_ro-enterprises_in_odisha_india)

The submission shall include the following documents duly completed:

- Annex 1: Submission Letter
- Annex 2: Technical Proposal
- Annex 3: Budget Action
- Other attachments

#### Application Timeline

15 <sup>th</sup> July 2021	Application window opens
6 <sup>th</sup> August 2021	Deadline to seek clarification on the RFA
15 <sup>th</sup> August 2021	Submission deadline





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30 <sup>th</sup> August 2021	Due diligence completion
September 2021	Expected start date

### Selection Process

The evaluation committee will follow the following steps to select the partner research entity for this RFA:

Step 1: Eligibility Screening	Eligibility will be assessed by the Remittance Programme’s review team members according to the eligibility requirements as set forth in eligibility section.
Step 2: Evaluation of eligible applications by the Evaluation Committee	The Financial Health Programme’s Evaluation Committee will evaluate the applications based on the evaluation criteria set out.
Step 3: Due diligence	Due diligence on the applications and their applicants will be conducted by the Remittance Programme’s review team members on applications that receive the minimum qualifying score (70/100).
Step 4: Notification of applications	All applicants will be notified of the status of their applications.
Step 5: Pre-Grant negotiation and Performance-based Agreement	The selected applicants will finalise the scope of the grant and finalise budgets, indicators and targets, workplan and disbursements of the Grant that will be released on achievement of each milestone.
Step 6: Approval of the selected applications by the Investment Committee	Applications selected by the Financial Health Programme’s Evaluation Committee will be reviewed, discussed and approved by the Investment Committee. Any further due diligence requirements, risk analysis or milestone recommendations from the Investment Committee will be followed in later steps.



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Step 7: Notification of applications	All applicants will be notified of the status of their applications after final approval from UNCDF Board / Investment Committee .
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#### Real-time assistance from UNCDF

For requests and queries, send an email to [financial.health@uncdf.org](mailto:financial.health@uncdf.org) and [uncdf.rfa@uncdf.org](mailto:uncdf.rfa@uncdf.org) until 6<sup>th</sup> August 2021. A document answering frequently asked questions will be shared on the UNCDF website in the week of July 26<sup>th</sup> and August 9<sup>th</sup> 2021 at the below link:

<https://www.uncdf.org/article/6952/rfa-defining-and-assessing-financial-health-of-women-shgs-and-micro-enterprises-in-odisha-india>



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## Appendix I: Financial Health and its building blocks- Outcomes and Drivers

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*Financial health or wellbeing is the extent to which a person or family can smoothly manage their current financial obligations and have confidence in their financial future.*<sup>15</sup>

Financial health encompasses four important aspects of people's financial lives- financial security, financial resilience, financial control, and financial freedom; these are also called as financial health outcomes:

- 1) **Financial security** is the ability to meet short-term financial commitments such as basic needs and planned expenses such as food, rent, bills, debt payments, and health care.
- 2) **Financial resilience** is the ability to cope unexpected or adverse events, such as car breakdowns, job loss or sudden health emergencies
- 3) **Financial control** is being confident over one's finances, now and in the future
- 4) **Financial freedom** is the ability to meet long-term financial goals and desires such as children's college education, start a new business, or going on a vacation

- ✓ Financial health has both subjective (e.g., financial control and freedom) and objective (e.g., financial security and resilience) aspects to it.
- ✓ The concept of financial health is agnostic with respect to financial goals and strategies, recognizing that people set their own goals, whether to educate children, start businesses, or just live comfortably.

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<sup>15</sup> More information can be found at <https://www.uncdf.org/gfh/global-financial-health>



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- ✓ Financial health builds on financial inclusion's progress by putting emphasis on setting people up for financial success rather than focussing on access alone. The financial health approach begs the question, "what does it take to be financially secure and free?" rather than "what does a financial product or service unlock?"
- ✓ Financial health does not undermine formal finance but challenges market players by providing a magnifying lens to problems that, with the financial health-centric solutions, cultivates a growing customer base of financially healthy communities and sustained demand of financial goods.

The outcomes of financial health are influenced by a multitude of drivers or determinants that span both inherent individual and household characteristics and external factors. **Figure 2** demonstrates how determinants such as the broader socio-economic environment, individual's financial literacy and behaviour, attitude, income, assets, and social capital influence their financial health outcomes. The broader socio-economic environment encompasses a range of factors that varies with the regional, country, and local context such as governance, institutions, social safety net programmes, education, public health infrastructure and so on. These factors influence financial health directly but also influence how individuals develop physical and financial capabilities that in turn, affect their ability to make income, amass assets and develop financial behaviours.

Within this framework of outcomes and determinants, are situated other instruments in the form of financial and non-financial services enabled by technology, markets and institutional delivery including capital & investments, and policies and regulations, that UNCDF's wants to leverage to influence financial health outcomes through varied determinants.



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Figure 2: Financial Health Framework

