



**Innovations for Poverty Action
Global Financial Inclusion Initiative**

Guidelines

Call for Expressions of Interest (EOI)

Seeking Submissions for New Research Projects under the GFII Competitive Funds

**This Call for EOIs includes both:
The Citi IPA Financial Capability Research Fund
The Yale Savings and Payments Research Fund**

Deadline for EOI Applications: Friday, August 23, 2013

I. OVERVIEW

The Global Financial Inclusion Fund (GFII) at Innovations for Poverty Action (IPA) invites Expressions of Interest (EOI) submissions from teams of researchers and practitioners to conduct rigorous research on identifying innovative products and programs that enhance poor households' access to and usage of improved financial tools, products, and services.

The initiative is focused on three key areas of research within the financial inclusion domain:

Savings: The poor can and do save. In fact, saving is critical to households whose income flows do not match their daily consumption needs, much less their need to plan for risks and make investments. GFII studies innovations that help individuals to access savings services, overcome temptation and social demands, and build savings habits, and measures the impact of improved saving on consumption, investment, and risk mitigation.

Payments: The ability to move money from one location to another is key to allowing personal, business, and government transactions to occur. Innovations in payment channels, driven by the widespread use of technologies such as mobile phones, allow the poor to transact in a faster, cheaper, and more secure manner. Our studies measure the impact of these new transaction mechanisms on the welfare of the poor.

Financial Capability: Simply having access to financial products and services is only part of the solution to maintaining a healthy financial portfolio. Individuals must also know how to choose and use the right products based on their specific needs, and know how to balance products and services to optimize sustenance and growth. GFII assesses the effectiveness of various innovative tools designed to help the poor make better decisions on their own financial portfolios.

II. RESEARCH FUNDS

GFII manages two research funds to address these evidence and innovation gaps: the Yale Savings and Payments Research Fund supported by the Bill & Melinda Gates Foundation, and the Citi IPA Financial Capability Research Fund supported by the Citi Foundation.

The **Yale Savings and Payments Research Fund (YASPR)** supported by the Bill & Melinda Gates Foundation and managed by IPA in collaboration with Yale University, supports studies on innovations encouraging and allowing the poor to save more towards their own life goals, and use innovative payment channels. With a focus on engaging new technologies and delivery channels such as mobile and agent banking, the projects under this fund study what works best for the poor in mobilizing savings and facilitating payments.

The **focus areas** of the fund are:

- 1) innovations that most effectively enable improved usage of savings and payments services by the poor (through reduced cost, reduced risk, improved learning, behavioral incentives, regulatory reform, etc.); and
- 2) the impact that the use of improved savings products and payments channels has on the welfare of the poor.

The fund encourages research projects focused on Sub-Saharan Africa and South Asia as well as applications from in-country researchers based in those regions or from teams with one or more in-country researchers in those regions.

YASPR has funded 12 projects for a total of \$890,000 awarded over two competitive rounds (see [funded projects](#)). In the upcoming round, the fund is expected to award up to \$380,000 in new grants.

The **Citi IPA Financial Capability Research Fund (FCRF)**, supported by the Citi Foundation, aims to contribute to the sparse evidence on ways to improve financial capability by supporting rigorous evaluations of promising interventions in three areas where financial service providers can act to improve the financial capabilities of potential and existing clients.

The **focus areas** of the fund are:

- 1) product-linked financial education;
- 2) incentives for behavior change and use of financial services; and
- 3) product design solutions to encourage appropriate use of financial instruments.

The fund encourages research projects in all **countries** except the United States, with a particular interest in projects from emerging markets such as Brazil, China, Colombia, the Dominican Republic, India, Indonesia, Kenya, Mexico, Nigeria, Peru, Poland, Philippines, Russia, South Africa, and Turkey.

FCRF has awarded a total of \$770,000 across 6 projects in the first round of competitive funds (see [funded projects](#)). In the upcoming round, the fund is expected to award up to \$730,000.

Expressions of interest will be reviewed and considered based on their relevance to the research agenda of either fund managed by the Global Financial Inclusion initiative.

III. CRITERIA FOR ELIGIBILITY

Each application must be presented by a team consisting of (i) one or more researchers involved in the design of the intervention and responsible for carrying out a rigorous evaluation of the program and (ii) one or more practitioner institutions from the financial sector who will partner with the research team on the proposed intervention. Researchers must be affiliated with a research institution or a university and either hold a PhD or be a current PhD candidate in a relevant social science or engineering discipline, such as economics, statistics, sociology, anthropology, psychology, public health, education, or computer science. They must demonstrate experience in field research and randomized trials.

Submissions to the competitive funds will be assessed under **two project categories**. All submitted projects must demonstrate a clear hypothesis and a rigorous study design for a randomized evaluation. Innovative research projects building on existing field experiments will also be accepted under each category.

1. PRODUCT TESTS

We consider a product test to be a randomized field experiment that primarily involves the collection and analysis of administrative data from the financial service provider to measure impact on client outcomes.

Product Test awards will be given to research projects that use randomized controlled trials to compare the relative effectiveness of interventions and product features in achieving behavior change or in improving financial outcomes, primarily using administrative data. These grants could fall under either of the following sub-categories:

- a. Single-Site Product Test (capped at \$75,000 per grant):** Grants awarded in this category will conduct one or more product tests in a single country.

Example: Sticking to Long-term Savings Plan: Researchers test the efficacy of different interventions in helping customers with a high likelihood of missing contributions maintain commitments to a voluntary personal pension plan in Turkey. Interventions tested include messages as well as temporary matches and gifts for resuming regular payments or enrolling in a default payment. Researchers will also study variations in message framing to determine relative impact.

- b. Multi-Site Product Tests (capped at \$250,000 per grant):** Multi-Site Product Tests will be awarded only under the Citi IPA Financial Capability Research Fund (FCRF), to conduct product tests across multiple countries. Projects will use randomized controlled trials conducted across three or more countries that seek to improve the policy relevance of findings and the richness of tests under different contexts and implementation arrangements. The replications should speak to a cohesive theory that incorporates context and mechanism tests and not merely be a proliferation of one evaluation in multiple locations¹.

Example: Unpacking Reminders – The reminders replication program will work with financial institutions from around the world to test variations of this cost-effective intervention that was already found effective in several countries. The replication of product tests based on administrative data will help derive a robust set of prescriptions for implementing reminders programs to improve savings and other financial behaviors.

¹ All sites and partners need not be identified at the time of the Expression of Interest submission (the application will need to be submitted jointly by a researcher and at least one financial service providers in order to be reviewed), but a credible strategy for identifying and managing the replication with additional likely partners should be detailed.

2. PRODUCT EVALUATIONS (capped at \$150,000 per grant)

We consider a product evaluation to be a randomized field experiment that primarily involves the collection and analysis of survey data from households to measure impact on welfare outcomes.

Product Evaluations will be awarded to research projects that use randomized controlled trials to measure the impact of an intervention on the take-up and usage of a financial service/product and the resulting welfare impact on its users. Grants in this category will typically involve field data collection using surveys combined with administrative data from the financial service providers.

*Example: **Powering Small Retailers: The Impacts of Solar Energy under Different Pricing Schemes** – In Kenya, researchers will conduct a randomized control trial to study the impact of access to electricity on businesses, along with how variation in pricing schemes and enforcement through the Pay-As-You-Go (PAYG) technology that rides on mobile money, affects electricity usage and fee payment.*

*Example: **Changing Behavior to Improve Household Financial Management in Malawi** – Researchers in Malawi test the effectiveness of three different interventions (labeled savings accounts, financial training and direct deposits) for overcoming common behavioral barriers to saving. Researchers will collect information using surveys on aspiration levels, financial knowledge, consumption, savings, and agricultural inputs and outputs to determine if the interventions affected the savings behavior of participants.*

All funding is for **research costs**. Implementation costs for the program are expected to be covered from other sources, except when adequate justification is provided for their inclusion in the study budget. No funding will be provided for the salary or time of researchers in developed countries. Funding under the study budget for the salaries and/or time of researchers in developing countries will be considered on a case-by-case basis by the selection committee.

IV. INSTRUCTIONS FOR APPLICANTS

The application process will proceed in two stages. In the first stage, Expressions of Interest submissions will be accepted during a fixed window that closes on **August 23, 2013**. IPA will review submissions and request selected applicants to submit full research proposals.

In the second stage, the full research proposals will be vetted and presented to a selection committee, comprised of academic and industry experts, for review and final award selection. Grant awardees will be notified and awards subsequently disbursed in January 2014.

To apply, applicants must complete the Competitive Fund's Expression of Interest (EOI) application by filling the attached application document and submitting via email, along with the required documents, to gfii@poverty-action.org. The subject of the email and the file name should read: "GFII EOI 2013 ResearcherLastName PractitionerOrgName." The application form is also available for download at: www.poverty-action.org/sites/default/files/gfii_eoi_2013_application_form.doc.

Key application components in the EOI form include:

- 1) Details on primary applicants, co-applicants, and institutional affiliations
- 2) Overview of proposed research project
- 3) Tentative project timeline and budget

Please attach CVs for all applying researchers. Label each file *ResearcherLastName_CV.pdf*.

A signed letter of support should be submitted from the practitioner organization (the financial service provider or other institution delivering the service or product being evaluated), summarizing operations and commitment to the project. Label the file *PractitionerOrgName_LetterofSupport.pdf*.

Graduate Students: Graduate (PhD) students applying to the competitive fund must clearly state whether the work proposed is intended for their own dissertation or whether it is collaborative work with other researchers. Graduate students must include the name of their advisor in the application as well. Finally, the advisor must send an email to gfii@poverty-action.org (Subject: "GFII EOI 2013 ResearcherLastName Advisor") acknowledging their support for the application submitted.

Projected Timeline: The deadline for receipt of EOI applications is Friday, August 23, 2013 (11:59pm EST). Applicants whose EOI submissions are approved to proceed to the second stage will be notified no later than September 23, 2013. These selected EOI applications will need to submit full research proposals within a month of notification.

Please note that all funded projects must be implemented in accordance with human subject research protocols.

Donor Information: The **Yale Savings and Payments Research Fund** is funded by the Bill & Melinda Gates Foundation and is implemented by Yale University and its sub-grantee Innovations for Poverty Action (IPA). The **Citi IPA Financial Capability Research Fund** is supported by the Citi Foundation and managed by Innovations for Poverty Action (IPA).

A project may not be eligible for funding in the following scenarios: if the research project has been rejected from other funding facilities at the Bill & Melinda Gates Foundation or the Citi Foundation, or if it has received funding from the Bill & Melinda Gates Foundation or the Citi Foundation for an amount equal to or greater than the cap allowed in this call for EOIs. If you are not sure whether your proposal would be excluded by this criterion, please contact us at gfii@poverty-action.org (Subject: "GFII Funding Inquiry").

Please direct all questions to gfii@poverty-action.org. For more information on IPA's Global Financial Inclusion initiative, please visit <http://poverty-action.org/financialinclusion>.

Citi Foundation



Yale

www.poverty-action.org/financialinclusion/eoi2013

Download the application from and submit to gfii@poverty-action.org

ANNEX: PROJECTS FUNDED IN PREVIOUS ROUNDS OF THE GFII COMPETITIVE FUNDS

Yale Savings and Payments Research Fund

For more details please visit: www.poverty-action.org/microsavings/projects

Round 1

June 2011 – December 2011

Incentives to Save for Habit Formation - Ghana

PRODUCT EVALUATION

Testing whether incentives to save are effective at increasing savings levels and whether these higher savings levels persist after the incentives are removed.

Understanding the Emerging Micro-Pensions Market - India

PREPARATORY PROJECT

Understanding the economic and institutional aspects of defined contribution retirement benefit schemes currently being tested for informal sector workers in India.

Transaction Costs, Bargaining Power and Savings Account Use - Kenya

PRODUCT EVALUATION

Assessing the longer-run impacts, especially on women's bargaining power and bank account use of reducing transaction costs by providing ATM cards to savings account holders.

Saving for Birth - Kenya

PRODUCT EVALUATION

Evaluating the impact of financial and informational incentives on the savings behavior of pregnant women offered a commitment savings account for delivery-related expenses.

Redesigning Microsavings- A Substitute for Microcredit - Philippines

PRODUCT EVALUATION

Evaluating a commitment savings product that contains some features of microcredit loans, such as a fixed installment schedule, default penalties, and client assessments.

Round 2

May 2012 – October 2012

Savings-linked Weather Insurance - Bangladesh

PREPARATORY PROJECT

Understanding which design for a savings-linked insurance product is most appropriate for reducing the vulnerability of maize producers to extreme weather events.

Delivering Conditional Cash Transfers through Savings Accounts - Chile

PRODUCT EVALUATION

Evaluating the impact of receiving cash transfers electronically in bank accounts with and without savings defaults, and of using text message reminders, on savings and other outcomes.

Soft Commitment Savings Products - India

PREPARATORY PROJECT

Piloting the offer of a soft commitment savings product and gaining insights into the most effective product design to increase savings among clients of a financial institution.

Solar Energy Under Different Pricing Schemes - Kenya

PRODUCT EVALUATION

Studying the impact of access to electricity using a solar-powered, off-grid electric system linked to mobile payments, on the profitability and growth of small businesses.

Effects of Income Timing and Structure on Savings - Malawi

PRODUCT EVALUATION

Analyzing the response of consumption and savings decisions to variations in the temporal structure of income, by varying the frequency and timing of income flows.

Agent Networks for the Rural Poor - Peru

PRODUCT EVALUATION

Testing how lowering the cost of accessing savings accounts through local POS-enabled agents and providing financial literacy training impacts the saving and consumption patterns of rural cash transfer beneficiaries.

Islamic Mobile Micro-Savings and Credit - Somaliland

PREPARATORY PROJECT

Gathering background information to help develop user and non-user profiles for a future evaluation of the impact of new mobile-based financial services.

Citi IPA Financial Capability Research Fund

For more details please visit: www.poverty-action.org/financialcapability/projects

Round 1

June 2012 – February 2013

Phone-Based Defined-Contributions - Afghanistan

PRODUCT EVALUATION

Testing the impact of providing default defined-contribution savings programs and informational text messages to employees over a mobile money salary payment platform.

Reminders Replication - Global

PRODUCT TEST (MULTI-SITE)

Unpacking the theory behind why and how sending people text message reminders improves their saving and payment behaviors, and deriving a more robust set of prescriptions on how to implement effective reminders programs.

Training Agents to Promote Savings - India

PRODUCT EVALUATION

Comparing the impact on the financial capabilities of end-users from providing them with financial information versus incentivizing financial intermediaries.

Conditional Cash Transfers via Savings Accounts - Mexico

PRODUCT EVALUATION

Testing whether mental accounting and default mechanisms can improve the ability of poor households to save, cope with negative shocks, and invest in health and education.

Education vs. Access to Finance - Philippines & Singapore

PRODUCT EVALUATION

Comparing the impact of access to financial services against financial education programs of varying lengths, and assessing the complementarities between financial access and education.

Sticking to Long-Term Savings - Turkey

PRODUCT TEST

Testing the efficacy of different types of SMS reminders and campaigns in helping individuals maintain commitments to personal pension plans.

Financial Rules of Thumb - Peru

PREPARATORY PROJECT

Piloting a financial rules of thumb training program for coffee farmers, to help design an evaluation that measures the impact of delivering SMS follow-ups to the program.