

12-04-2022

# Terms of Reference for pilot survey WABFF



## Introduction

Cordaid Investment Management (CIM) is an impact-first investor, deploying investment capital in fragile countries worldwide since 1997. CIM supports job creation and sustainable economic development through providing access to finance for microfinance institutions (MFIs) and small and medium enterprises (SMEs) in the most underserved fragile and emerging economies.

CIM aims to analyse the impact that its investments have in fragile countries through the West Africa Bright Future Fund (WABFF). The WABFF's purpose is to promote access to finance for SMEs and MFIs in the context of four West African countries: Mali, Sierra Leone, Guinea, and Burkina Faso. More concretely, the Fund seeks to open fragile markets to external investment, support sustainable economic development through job creation and create more economic opportunities for disadvantaged populations, such as women and youth in the region.

As an impact-first investor, CIM aims to understand the impact that its investments create. For this reason, a pilot survey has been envisioned to achieve this goal. A participant pilot survey may help to recognize and map out impact on a deeper and individual level. Moreover, to narrow the scope of this survey, the sampled populations will be limited to the different sector SMEs and their direct job employees in two of the Fund's targeted countries, Mali and Sierra Leone.

This proposal outlines a research project that aims to analyse impact at the individual level, while also understanding how differentiated impact can be through a youth- and gender-lens. Finally, the survey pilot allows CIM to better understand the impact it can have and position itself as a leader of impact investing in fragile markets. In essence, this pilot survey is meant to provide a more complete picture on how impact occurs and is spread through investment from the Fund.

This project, moreover, is guided by CIM's WABFF Theory of Change (Annex 1). The WABFF invests in job creation, sustainable economic development, and a better environment, aiming to create a better future for individuals in fragile markets, particularly youth and women in West Africa. This project seeks to comprehend the impact that investment might have for workers in SMEs at the individual level, in the hopes that it can provide better insights into where CIM's investment is most effective. Additionally, avenues for future investment and impact may be highlighted.

## Context

The West Africa Bright Future Fund has as its goal to aim alleviation of five elements: insecurity and instability, lack of access to finance, gender inequality, youth unemployment and climate change. Since independence, Western Africa has been the centre stage for many armed conflicts, particularly five large-scale civil wars. With these conflicts mostly de-escalating, new forms of instability and insecurity have proliferated with the rise of political violence. Political violence and instability have also influenced the lack of access to finance. Given the high-risk profile, banks have extensive and burdensome collateral requirements that may be worth more than the value of a proposed loan. As a result, in the targeted countries, the financial sector is underdeveloped, significantly constraining the ability of SMEs to access suitable credit, and ultimately grow.

Moreover, access to finance is further constrained by discriminative practices and laws, particularly in relation to gender. Social and cultural inequalities are rampant across society, with a 30% of West African female youth being married, divorced, or widowed. These early marriages negatively impact levels of educational attainment and opportunities to seek gainful employment. Additionally, youth unemployment issues are a concern, as the West African population is young yet only 16% of this population are formally employed in waged jobs. With half of the population being under the age of 25, most youth is in the informal sector, limiting their ability to get a regular salary or social security.

## Research questions

Considering WABFF's Theory of Change outcomes at the individual level, the main research question for this project is:

*How do West Africa Bright Future Fund investments in SMEs impact individual-level livelihoods of workers in Sierra Leone and Mali?*

The pilot survey will help us understand the level of impact at the individual level, particularly for different segments of the population, specifically youth and women. For this reason, the following sub-questions emerged:

- What is the overall impact of the WABFF's investment on the livelihoods of employees?
  - What is the overall impact of the WABFF's investment on the livelihoods of women?
  - What is the overall impact of the WABFF's investment on the livelihoods of youth?
- What type of impact is most evidently observed?
  - In which SME sectors is the impact more pronounced?
  - In which SME sector is the impact less evident?
- Which WABFF Theory of Change individual-level outcomes present a positive change?
  - Which ones do not present change?

More questions may arise following the survey's launch and initial review of the data, however, for the initial phase of the pilot these questions may help to understand how the impact is localised demographically or through the sectors in which the SMEs are active.

## Terms & scoping

**Geographical scope:** the research will focus on Mali and Sierra Leone.

**Direct jobs:** Number of full-time equivalent employees working for enterprises financed or supported by the organization as of the end of the reporting period.

**Gender-lens:** An approach that places gender at the forefront to understand how everyday interactions, content and social norms and practices are gendered. This reveals the ways in which women might be systematically affected by disparities in the workplace and society.

**Youth-lens:** An approach that places youth at the forefront to understand how everyday interactions, content and social norms and practices are affect youth financial and social inclusion. This reveals the ways in which youth might be systematically affected by disparities in the workplace and society. We define youth as any individual under 30 years of age.

**Impact:** direct or indirect amelioration of micro or macro socio-economic indicators contributing to overcoming fragility.

**SME** An "SME" is an entity that (a) meets the requirements defining a small and medium enterprise in Sierra Leone, Burkina Faso, Mali or Guinea and (b) for the most recent fiscal year, satisfies at least two of the following three criteria: (i) USD 15 million or less in annual revenues; (ii) USD 15 million or less in assets; and (iii) 300 or fewer employees. SMEs available for this project are in the agricultural, clean energy and waste management sectors.

- Survey sample size: 5 to 6 SMEs

**Number of participants:** 500

**Languages of survey:**

- **Mali:** Bambara, French
- **Sierra Leone:** Krio, English

## Methodology

To answer the proposed research questions and meet the defined objective, the main element is to design and conduct a survey for individuals working in SMEs. Potential participants for the survey may vary according to the sector of the SMEs, however in general, any individual with a direct job can be a participant. This survey can be done through the following communication channels, favouring a mixed approach to ensure better understanding of the impact:

- SMS-based surveys
- WhatsApp surveys
- (Interactive) phone call surveys
- Face-to-face surveys

### Types of participants

Each sector has different actors working at different levels within an organization. For instance, in the case of an agricultural SME, the main actor is the farmer, while in a waste management SME, it might be the collectors or recyclers.

Moreover, the skill level of these jobs might be different, leading to a differentiation in wages and education among individuals.

Consequently, different methods might be more suitable for different target groups.

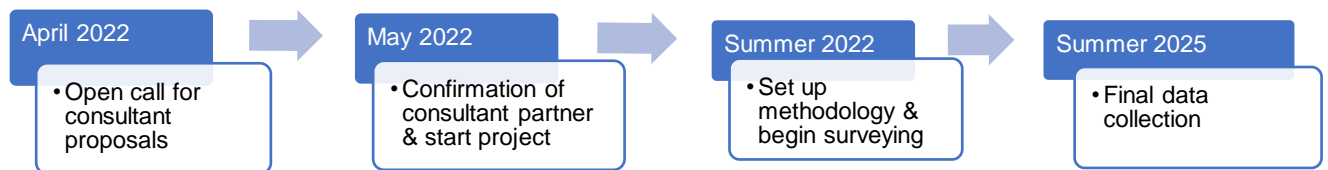
The main themes of the survey can be divided into three categories: *livelihood and job security*, *sector specific*, and *youth and gender*. Since there are various categories which depend on the demographics of the participant, a hybrid approach to the communication channels of the survey is recommended (See Annex 2). Moreover, most questions in the survey will be open. Open-ended questions allow to see the variety in responses, preferences, opinion, and values of the participants, which can later be sorted into categories for analysis purposes.

## Outputs

CIM expects cleaned survey data presented in summary tables. CIM does not expect any analysis, methodology reporting and results as an output of this project.

## Timeline

This timeline is an estimate. While the Fund has only been recently launched, we aim to have the methodology set up to start a baseline survey when the first loans have been disbursed. The aim is to have a long-term project with data collection at every 6 months for the duration of the loan.



## Budget

The budget for the proposed pilot survey is EUR 40,000.

## Proposal requirements

For this survey pilot, only the allocated budget and the aim of the project are fixed. Other aspects of the survey are to be left to the considerations of the consultants and can be defined in the proposal. These additional considerations or changes will be discussed with CIM after the proposal phase.

For the proposal from consultants, CIM would like to receive a 10-page slide deck with the consultants' ideas for: methodology, scope, and sample questions. More concretely, in this proposal there must be an indication of:

- Which methodologies will be used and why these are the most appropriate given the context
- Relevant experience with these methodologies
- What questions might be used in the survey itself
- Feedback on the timeline
- And any additional comments on what could be beneficial for this pilot survey.

## **Proposal deadline**

Proposals may be submitted to Nina Verduin at [nina.verduin@cordaid.org](mailto:nina.verduin@cordaid.org) and Hannah Sánchez at [hannah.sanchez@cordaid.org](mailto:hannah.sanchez@cordaid.org) by 30 April.

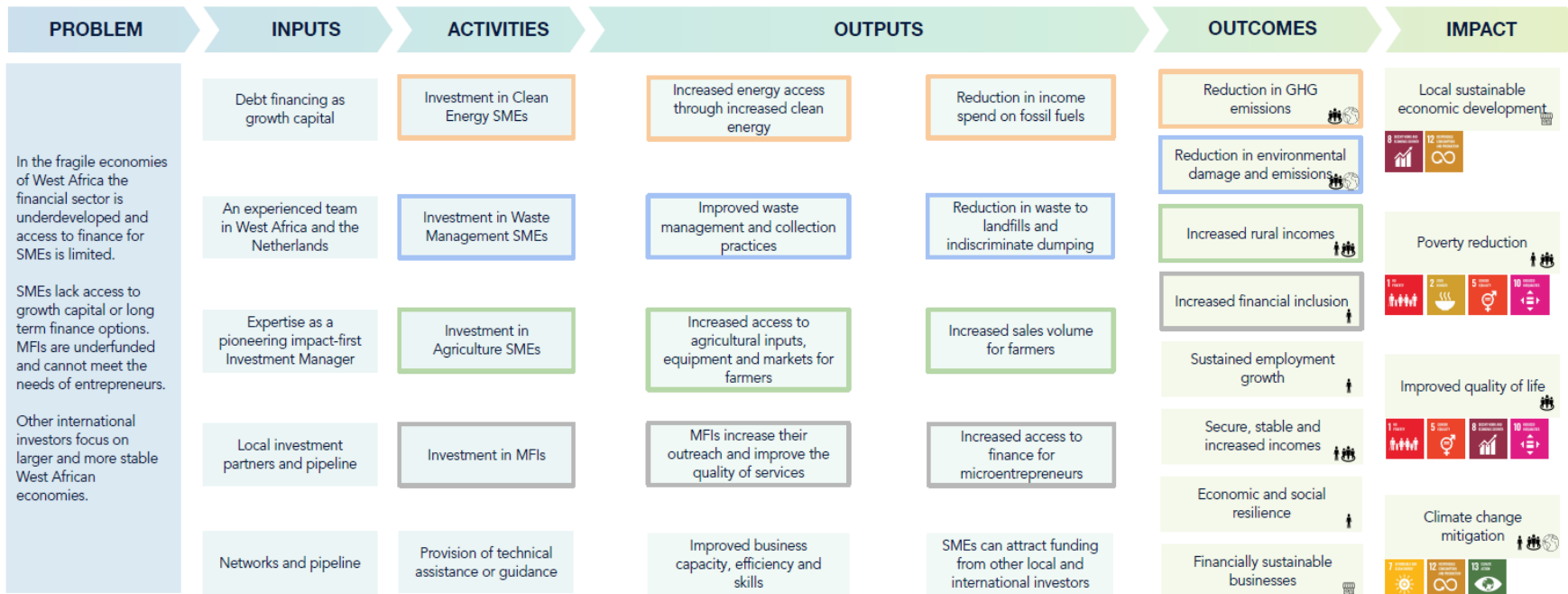
If there are any additional questions, please reach out to Hannah Sánchez at [hannah.sanchez@cordaid.org](mailto:hannah.sanchez@cordaid.org)

# Annexes

## Annex 1: West Africa Bright Future Fund Theory of Change

# West Africa Bright Future Fund Theory of Change

The West Africa Bright Future Fund invests in job creation, sustainable economic development and a better environment. Growth capital for SMEs and MFIs in clean energy, waste management and agriculture creates a brighter future for women and youth in fragile West Africa.



**Key**

Beneficiary Level

- MFI / SME
- Household
- Individuals
- Environment

**Annex 2: Possible survey questions**

On Request at [hannah.sanchez@cordaid.org](mailto:hannah.sanchez@cordaid.org)