



Maldives Pension Administration Office
Republic of Maldives

Pension and Social Protection Administration Project
IDA Credit No.: 4611-MV
Date: October 2, 2014

Terms of Reference to design and conduct the National Financial Capability Survey

A. Background

The Capital Market Development Authority ('CMDA' or 'the Authority') is mandated by law with regulating the capital market of the Maldives, whereby it regulates issuers of securities, the stock exchange and other licensed entities. In addition, it also has the complementary mandate of developing the capital market, by encouraging companies to issue securities, and educating investors in the Maldives capital market. The Authority also carries out supervisory activities with respect to the Maldives Retirement Pension Scheme under the Maldives Pension Act (8/2009). Fulfillment of these mandates requires the Authority to engage in improving the financial capability among the general public (i.e. pension fund members and potential investors).

CMDA requires a firm to conduct the National Financial Capability Survey in order to assess the capacity of individuals to manage financial resources and use financial services in a way that best suits individual needs and the prevalent socio-economic conditions.

B. Objective

The objective of the survey is to obtain and analyze nationwide data on Financial Capability. These include identifying:

- weaknesses in financial decision making in various segments of the population and their respective reasons;
- vulnerable groups to determine possible policy interventions;
- effective and efficient channels to disseminate financial education;
- products and services that various individuals have access to (in terms of accessibility, availability, knowledge and affordability); and those that they use; and
- level of awareness about financial protection (laws and institutions).

The specific objectives of these terms of reference are to:

- ensure the sample selected is representative of the country as a whole

- conduct face-to-face interviews to obtain data from the representative sample such that all survey objectives are achieved
- provide an analysis of data that would answer the following questions:
 - *What are the key attributes of financial capability that need to be prioritized at policy level?*
 - *Who are the weakest subgroups of the population in terms of specific attributes?*
 - *What are the characteristics within these subgroups? (What policy intervention would be most suitable given the relevant group characteristics?)*

C. Survey Scope

The Financial Capability Survey is intended to be a nationally representative survey of an approximate sample of 1065 individuals¹. The Survey will be carried out by the selected implementing contractor by means of face-to-face interviews. Respondents must be household members aged 18 or older and should be responsible, wholly or partly, for managing the household’s budget and/or for their own personal spending. Some of the survey questions are designed to evaluate individuals’ financial knowledge (for example, respondents are asked to estimate the value of a \$100 account after annual interests of 2% have been paid). Other questions relate to their budget management (for example, some questions ask respondents to report what they do with money they have left over after spending for food and essential items), about their financial planning, usage of financial products and services, and sources of income and earnings.

i) The Questionnaire

The survey questionnaire is based on the World Bank Guidance Document and consists of different parts that will be asked to different respondents. The contracting firm may adopt the survey to cater for practicalities in the Maldives context with approval from CMDA.

The table below provides a list of parts and respective respondents.

	Part	Respondent	Questionnaires needed
1	Household questionnaire		One per household
	Cover Page	Pre-filled+Interviewer	
	Household Roster	Household head or responsible adult	
	Sections A,B,C,D,E,F,G	Respondent selected through Kish grid	
2	Location fact questionnaire	Knowledgeable person living in the area	One per enumeration

¹ Sample size calculation based on margin of error of 3% and 95% confidence level. Accepting a margin of error of similar magnitude and a confidence level of 99% would require a sample size of 1835 individuals.

			area
3	Interviewer questionnaire	Interviewer	One per interviewer

The household questionnaire must be completed for each household and it consists of the cover page, the household roster and sections A-G. The cover page is where the interviewer must record the details of each visit to the household and all information that identifies the household. Some information contained in the cover page will be pre-filled by the consulting company. The household roster is a grid to record basic information on all household members. This information must be provided by the household head or a responsible adult. Sections A-G contain questions for the household member that is randomly selected following the instructions provided right after the household roster. The selected respondent may be the same person answering the household roster, or another household member. If the selected person is not immediately available for the interview, a time must be set up for the interviewer to return to the household and meet with him/her. The topics of each questionnaire section are listed below.

<u>Sections</u>	<u>Topics</u>
Section A	Individual information/money responsibility
Section B/ Section B (Personal)	Day-to-day money management
Section C/ Section C (Personal)	Financial planning
Section D/ Section D (Personal)	Financial products/services
Section E	Financial knowledge and attitudes
Section F	Sources of income and earnings
Section G	General money management

There are two versions of sections B and C, but only one version is used with each respondent. They are marked with an additional letter after the section enumerator, e.g. Bh1 and Bp1. The first version must be used when the respondent is identified at question A6 as being responsible (wholly or partly) for managing the household budget, whereas the second version must be used when the respondent is not responsible for managing the household budget but is identified at question A8 as being responsible for managing their own personal spending. Hence, the interviewer must complete only one of the two versions, and the filters from questions A6 and A8 will determine which version must be completed.

Experience shows that the household questionnaire takes on average sixty (60) minutes to complete.

ii) Pre-Field Work

Experience shows that in addition to the field work needed to complete the interviews, substantial effort and resources should be allocated to the preparation and logistics before the fieldwork for the project begins. Bidding firms are encouraged to take into consideration the following activities in the costing and planning of their proposals:

- Obtaining the most accurate sample frame, which must be representative of all households in the country. Testing the accuracy of the sample frame. At least 100 households should be visited to check the accuracy of the information of the sample frame. The contractor should provide the CMDA task manager a list of the households visited and the results of the visits.
- Recruiting and training enumerators and back-office personnel. Full-time staff to maintain up to date contact information and organize the field work is necessary.
- Publicity. The selected implementing contractor will be required to conduct an awareness campaign to ensure broad-based participation and higher response rates.

iii) Sample Design

The sample size will be of approximately 1065 individuals. The goal of the sampling methodology is to obtain a nationally representative sample. Results from this survey must be used to make statements about the national population. The sample design should be based on a probability sample scheme using standard techniques. Urban and rural areas should be included as domains of study.

The implementing contractor is expected to recommend the appropriate sample frame, the analytic strata, the characteristics of the sample, the method for the sample (random, stratified, systematic, etc.), the system for the selection of the sampling units (areas, schools, students/teachers) and the procedures in the calculation for the expansion factors for the sample. The recommendation will also take into account budgetary considerations for field work and implementation of the survey. This includes determining the sample size needed in each stratum to obtain a 95% confidence interval for a key survey indicator with a margin of error of 5%, 10%, 12.5% and 15%, taking into account clustering effects.

Further, the contractor will provide recommendations on the adequate size of the sample for different levels of stratification. The results of this activity will be utilized in the final decision of appropriate stratification. The eventual sample will need to be validated with proposed statistical analysis and power calculations. The sample design is a critical component of this work program, because it influences the overall scope of the project. Since discussions on the level of representation are ongoing, the consultant is expected to provide estimates for different feasible options.

To minimize sample replacement, the sample design must take into account the non-response rate. Non-response cases should be avoided through training and supervision of enumerators. In addition, the implementing contractor should define protocols on number of visits before accepting a non-response. All cases of non-response should be backed up with full reasons.

The design of the sample will be sent for approval to the CMDA task manager. During the data collection process the contractor will send to the CMDA task manager periodic updates on the progress of data collection as indicated below in section x. At the end of the data collection the implementing contractor will provide to the CMDA task manager a report summarizing the original sample design, weights constructed based on the original design and final sample, along with any other information about excluded populations.

iv) Selection of respondent

Each household survey will be answered by one randomly selected member of the household. The Kish grid that is provided in the questionnaire must be used to select the respondent of the survey out of all eligible respondents. Eligible respondents must be aged 18 or older and must have some role in managing money. To this end, respondents must participate in household monetary, financial or spending decisions; and/or must be mainly or partly responsible for their own spending.

v) Training, Translation and Questionnaire Format

The CMDA requires that the implementing contractor has a well-worked out plan for training field supervisors and enumerators, including techniques to be used and time allocated for training. The goal of the training is that every enumerator and every field supervisor completely understand the questionnaires and is accustomed to interviewing techniques. Enumerators and field supervisors must also be able to interpret all questions consistently, and ask all questions in the prescribed manner. Field supervisors and enumerators must be able to fill out the questionnaire correctly, know what codes correspond to each question, be able to provide respondents with clarifications about the survey purpose and questions and to discern inconsistencies in the answers provided as the interview is taking place. Proposals submitted must clearly identify how the bidding contractor plans to achieve this.

When it is possible, CMDA representatives will monitor the training and provide technical advice. The CMDA will approve written instructions for the questionnaire and a practice exam to be administered at the end of the training as a tool to assess the quality of the enumerators and field supervisors, the extent of their comprehension about the questionnaire and how to proceed with an interview and the quality and thoroughness of the training. All supervisors and enumerators are expected to read, study and understand the Interviewer Manuals. All supervisors and enumerators must take the exam at the end of their training.

The original questionnaire is in English. The contractor will also be required to translate the instrument into Dhivehi and to back-translate into English. This back-translation should take place without knowledge of the original English version (i.e. using a different translator). The purpose of this exercise is to ensure that the original concepts are preserved and to pick potential variations in the understanding of questions emerging from language problems. The final questionnaire in each language, including its layout as it will be implemented in the field work, will have to be approved by the CMDA.

The Interviewer Manuals must be translated into the language in which the training of supervisors and enumerators will be provided and do not require back translation into English. The questionnaires have been designed using the following convention. If there is no specific instruction enumerators need to read out the options, otherwise they just probe. It is a strong preference that the scheme of the questionnaire is kept in implementation, however, if the contractor prefers to reformat the questionnaire and can demonstrate that other formats can be as effective in terms of facilitating the interview and minimizing human error, the CMDA Task Manager will consider allowing the implementing contractor to use their own format.

The Contractor is encouraged to use innovative, time saving technologies for data collection such as computer-assisted personal interviews (CAPI) that are able to enforce proper use of skipping patterns and verify basic consistency between the answers. To preserve consistency it is highly desirable that the Consultant designs a unique CAPI system for data collection in the overall project and transfer this knowledge to any subcontractor in any country.

Supervisors and enumerators should have previous experience in survey implementation, preferable for social surveys rather than marketing studies, should be available throughout the entire duration of the field work, and ideally should have some familiarity with the topics of the survey to facilitate the detection of inconsistencies and misunderstandings. Supervisors should have a minimum of 2 years of experience as supervisors in face-to-face surveys.. The project manager should have a university degree in a relevant field and at least 5 years of experience in coordinating surveys.

vi) Piloting

The implementing contractor must test the questionnaire both in rural and urban areas before the training of enumerators takes place. At the end of the training and before the survey is launched, the implementing contractor must pilot the questionnaire on a selection of 50-100 households. The purpose of piloting is to test the readiness of enumerators that will go to the field and to ensure that the translation is correct and that the questions are appropriate for the local environment. The data entry method must also be tested in the pilot. Also, these interviews must be timed to ascertain the length of implementing the questionnaire. The

implementing contractor must send to the CMDA Task Manager the data collected from the pilot exercise as well as a report describing any problems encountered and the proposed solutions. The report must include any issues that arise as a result of the piloting.

All modifications to the questionnaire, instructions and sampling structure that may be suggested from the piloting results must be approved by the CMDA Task Manager before the survey is implemented. The full survey may not be launched until the survey instrument is finalized and approved by the CMDA Task Manager. Any changes to the format or ordering of the questionnaire to facilitate implementation should be consulted with and approved by the CMDA Task Manager.

vii) Survey Implementation

The survey may be launched after the training and piloting is completed and after the questionnaire has been approved by the CMDA Task Manager. The survey will be administered in face-to-face interviews.

The duties of the enumerator will be: to visit the selected households and ensure their participation; to conduct face-to-face interviews with the selected participants; to accurately record respondents' answers; to code the questionnaires accordingly; to ensure completeness and accuracy of the completed questionnaires; to deliver completed questionnaires to supervisors; to respond to other needs related to the field work as assigned from time to time; and to safeguard the confidentiality and privacy of the collected information.

The duties of the supervisors will be: to explain clearly to each enumerator his/her duties and responsibilities; to assist enumerators in securing households' participation if necessary; to provide all logistical support and material to enumerators; to supervise all activities of their assigned enumerators and to monitor their activities during the data collection process through spot checks and call backs; to assess the quality of the work of the enumerators and the quality of the data from the completed questionnaire; to approve questionnaires for data entry ensuring that the assigned enumerators did not overlook inconsistencies and skip patterns; to provide feedback to enumerators on quality assurance and methodology requirements. Particular attention must be paid to ensure that the respondent selection mechanism is followed properly and that repeated visits are scheduled if necessary to meet with the selected respondent.

A project coordinator will oversee the field work. The duties of the project coordinator will be: to supervise all activities of supervisors and enumerators; to assign households to be surveyed to supervisors and enumerators; to assist the team to ensure maximum participation and minimize non response; to coordinate with supervisors the quality control of the data collection process; and to ensure that the data entry is carried out efficiently and in an environment that minimizes human error. To ensure high data quality and efficient field work supervision the

selected contractor is encouraged to suggest an adequate ratio of supervisors to enumerators, which is preferably no higher than 1 to 6.

viii) Data Quality

Survey fieldwork and interview completion is determined by the CMDA Task Manager by taking into consideration the number of completed interviews and the quality and comprehensiveness of the data gathered from these interviews. For an individual survey questionnaire to be complete, the majority of the relevant information must be obtained and entered into the data base. As a general rule, the data collected will be considered accurately completed if the following response rates are achieved:

- Category A: “easy questions”. This category includes questions that are easily answered by respondents. Expected response rate is at least 90%.
- Category B: “difficult questions”. This group includes questions that respondents might find difficult to answer. Expected response rate is at least 80%.²

The implementing contractor should note that the above mentioned response rates refer only to the quantity of responses. Before such tests are implemented, inconsistent replies will be identified and will not be considered valid responses.

The integrity and accuracy of the data is vital. The selected contractor will establish procedures to check the quality of the data collected during the interviews and must clearly indicate these in the proposal submitted. The implementing contractor will back check at least fifteen percent (15%) of the completed interviews by telephone or in person. Field supervisors of the survey will randomly check enumerators and accompany them on some interviews. Representatives of the CMDA may accompany survey teams at any time to monitor effectiveness, ensure quality and check for progress in the field.

The CMDA will run its own checks to ensure accuracy and quality of the data. The checks will concern, among other things, the selection of the respondent within the household, the consistency of skip patterns, the correspondence between responses that should not negate, contradict, or cast doubt as to the accuracy of any other response, and to the completeness of answers. The contractor will be required to share certain information with the Task Team, in particular on data transformation / modification in response to WB’s demands after WB quality checks.

ix) Sub-contracting

² The CMDA Task Manager will provide a list with the corresponding classification of questions.

Bidders intending to sub-contract local firms must present the names and references of all the proposed sub-contractors. Bidders are encouraged to include sufficient information on the sub-contractors for the selection committee to decide on their ability to carry out the survey in each region.

x) Non-Participation

The implementing contractor must maximize efforts to reduce non-participation rates. To keep track of this effect and to separate refusals from sample frame problems a biweekly report will be submitted to The CMDA manager following the attached format:

Biweekly Report- Cumulative Report as of: [date]	
Target sample	:
Number of households visited as of today	:
<i>Non-Participants</i>	
Refusals ^a	:
Out of scope	:
No contact possible ^b	:
<i>Participants</i>	
Agreed to participate	:
Visited	:
Questionnaire completed	:
Questionnaire entered	:
Sample remaining	:
a- No more attempts	
b- Dwelling not found/ vacant	

This report should be prepared from the information collected through the covers of the surveys conducted/attempted. The purpose of the report is to have a summarized description of the status of the survey performance each two weeks.

xi) Data Entry

Data entry will take place concurrently with the survey. This allows the project coordinator to identify any inconsistencies in how questions are being asked and interpreted or other errors before the survey is completed. Data will be entered into a database using a data entry program, approved by the Task Manager that automatically checks for logical consistency, skip-patterns and non-eligible or out of range variables. The implementing contractor must check for the presence of outliers. The implementing contractor will flag the outliers and re-check the information with the appropriate households. All values in the survey that are 0 will be entered as 0 and not left blank. If the interviewee responds “don’t know” the answer will be coded as -8 and not left blank. Refusals to respond will be coded as -9, and “not applicable” will be coded as

-7. Other special codes for specific questions will be authorized by the Task Manager. The only acceptable blanks in the final data set are those generated by skip patterns.

xii) Data Set

The data from the FCCP Survey will be delivered to the CMDA in STATA and MS excel electronic format. In case the contractor prefers to submit data in alternative formats, this should first be approved by the Task Manager. All written copies of the questionnaire must also be returned to the CMDA. The implementing contractor and any of its sub-contractors will not retain any information or data from this survey.

The data will be delivered to the CMDA Task manager in batches, as agreed during negotiations, while the survey is in progress. The CMDA will make the agreed payments upon acceptance of the data received.

Key deliverables will be:

1. Delivery of questionnaire in Dhivehi and English
2. Delivery of sample frame
3. Delivery of survey manuals in Dhivehi and English (as needed)
4. Delivery of data sets (in batches to be agreed during negotiations)
5. Delivery of final data and technical and analytical report

D. Application Process

All applicants are initially required to submit an 'Expression of Interest' to conduct this survey detailing the following:

1. A profile of the firm that gives information on capabilities, experience, scope of operations and structure.
2. Methodology and final report of a similar survey conducted by the firm.

The qualified firms shall be selected and approached to submit a technical and Financial proposal

E. FACTORS AND WEIGHTS TO ASSESS EXPRESSIONS OF INTEREST

Criteria	Weight
Experience conducting surveys sanctioned by the government/international agencies	10
Experience conducting surveys of similar nature	40
Experience in conducting surveys of similar scope and size	40
Company profile: to assess the capability to conduct the survey	10