



DIGITAL CREDIT OBSERVATORY

REQUEST FOR PROPOSALS

RELEASE DATE: THURSDAY, JULY 20TH, 2017

DEADLINE: FRIDAY, SEPTEMBER 15TH AT 11:59 PM PDT

With support from the [Bill & Melinda Gates Foundation](#), the [Center for Effective Global Action \(CEGA\)](#) launched the [Digital Credit Observatory](#) (DCO) with the goal of generating rigorous evidence on the impacts of digital credit products and the effectiveness of related consumer protection measures in emerging markets. By “digital credit” we refer to small loans, typically accessed through a mobile money platform, that are *[instant, automated and remote](#)*.

The DCO invites CEGA affiliates and DCO network members (see “eligibility” below for details) to apply for funding for **rigorous studies** addressing one or more of the following research questions:

1. *What are the short- and long-run impacts (both positive and negative) of digital credit on consumers in emerging markets?*
2. *Is there heterogeneity in impacts along borrower characteristics (i.e. financial literacy, time preferences, income, and/or gender)?*
3. *How can non-traditional credit-scoring algorithms, regulations, and other consumer protection measures be designed to minimize default, over-indebtedness, leakage, fraud and other risks to consumers?*

The DCO welcomes proposals of up to a maximum of \$420,000 (or \$210,000 per year for up to two years). Proposals will be evaluated for novel intellectual contribution, policy relevance to digital credit, methodological rigor, the capacity of the research team, and the commitment of the partner. Value for money will also be a key criteria used to evaluate proposals, so researchers are encouraged to apply for an amount that is fully justified by the scope of the proposal.

TO APPLY: please read carefully through the information below and submit your application [here](#) by 11:59 PM PDT on Friday, September 15th, 2017

Questions? Contact DCO Program Manager Natasha Beale at nbeale@berkeley.edu.



ABOUT THE DCO

The Digital Credit Observatory (DCO) was established to address whether and how digital credit is alleviating—or entrenching—poverty in emerging markets. Additionally, the DCO is interested in testing promising consumer protection mechanisms, including non-traditional credit-scoring algorithms and regulations addressing interest rates and information transparency, among other interventions. Ultimately, the goal of the initiative is to arm public, private, and non-profit decision-makers with an internationally comparable data framework, along with rigorous evidence and best practices to inform decision-making.

The DCO will fund a suite of closely coordinated studies, carried out by DCO network researchers in cooperation with on-the-ground partners in developing countries. Studies will answer priority DCO research questions by employing a combination of randomized and quasi-experimental evaluation methods, as well as advanced data analytics (including innovative applications of machine learning). Qualitative methods may be used in conjunction with the methods listed above. The DCO team will facilitate close coordination across funded studies in an effort to bolster our collective understanding of digital credit in diverse settings.

ELIGIBILITY

The DCO invites proposals from CEGA faculty affiliates as well as DCO network members (academic researchers invited to attend the DCO matchmaking workshop in May 2017). Other researchers may request to apply for funding by contacting the DCO Program Manager, Natasha Beale, at nbeale@berkeley.edu with a short summary of the prospective research project. All submitted proposals must have a committed implementing partner. PhD candidates and implementing partners are *not* eligible to submit proposals without a DCO network member as the lead. Please direct any questions about eligibility to Natasha Beale.

SELECTION CRITERIA

Submitted proposals will undergo rigorous, blinded peer review by a committee of faculty experts, a policy professional, and a representative from the Gates Foundation. Proposals will be scored based on the following criteria:

Relevance	The study articulates a realistic approach to addressing at least one of the three priority research questions.
Rigor	Regardless of method, the research design is sufficiently rigorous to answer the chosen research question.



Capacity	The research team demonstrates the necessary expertise and experience to carry out the work.
Value for money	The study promises to make a significant contribution to a new evidence base on digital credit. Costs are justified to achieve the project’s potential and options for cost-savings and efficiencies have been considered.
Novelty	The study tests promising (existing) digital credit products in new settings, utilizes new types of data and/or existing data in new ways.
Commitment of Partner(s)	There is demonstrated evidence of (and ideally commitment from) at least one on-the-ground partner.

FUNDING

The DCO is accepting proposals for a maximum of **\$420,000 (or \$210,000 per year for two years)**. Note that two-year projects will be re-evaluated after one year to ensure adequate progress before receiving the second tranche of funding. Cost-effectiveness will be an important evaluation criterion, so we strongly encourage applications for projects that have budgets below the maximum.

USE OF FUNDS

Funding may be used to support international travel, field data collection, database work, personnel, and other project-related expenses. Research may be carried out in any low-income country in Sub-Saharan Africa, South Asia, Southeast Asia and/or Latin America, as long as the need for the research is clearly identified.

TIMELINE

Applicants may request funding to support activities carried out between October 1st, 2017 and October 31st 2019 (two years). All awarded funds must be spent by October 31st, 2019. Biannual reports will be due every six months, and a final report will be due within 60 days of completion of the study (by December 31st, 2019 for those implementing two-year projects). A draft working paper is encouraged in lieu of a final report.



PROPOSAL TEMPLATE

INSTRUCTIONS

To apply, please read through the RFP and the proposal requirements listed below. Once you're ready, fill in all required fields in this [Submittable form](#) and upload **a single PDF containing all of the required documents** by 11:59 PM US Pacific Time on Friday September 15th, 2017. Any questions about eligibility or the application process should be directed to Natasha Beale, DCO Program Manager, at nbeale@berkeley.edu. We encourage you to read the DCO landscape paper "[Digital Credit: A Snapshot of the Current Landscape and Open Research Questions](#)" before applying.

REQUIRED DOCUMENTS

1) PROPOSAL NARRATIVE: Not to exceed eight single-spaced pages. Please write your narrative using the "[Proposal Narrative Template](#)" document and be sure to address as many of the questions listed below as possible in your narrative.

Problem Statement	<ul style="list-style-type: none"> • Which of the three DCO priority questions will your study address? • Clearly state the problem that motivates your work, your research question(s), and succinctly describe the hypothesis that underpins your proposed research.
Unique Contribution to the Literature	<ul style="list-style-type: none"> • Proposals should include a brief literature review and explain the project's unique scientific contribution. Where possible relate questions/issues addressed to the DCO Landscape Analysis.
Description of Study Approach and Evaluation Design	<ul style="list-style-type: none"> • Describe the digital credit technology and financial inclusion programs/regulations that you will test, and explain how households or merchants will interact with the technology. • Include any preliminary or pilot data available in support of your hypotheses, models and/or theories of change. • What are the units of analysis (e.g. individual, household, merchant, village, industry, etc.)? • What methods, data, and tools will your study employ?

	<ul style="list-style-type: none"> • If you plan to work with existing data, what is your plan for gaining access to the data (if you don't have access already)? • Is this part of a larger or ongoing evaluation?
<p>Role and Engagement of In-Country Partner(s)</p>	<ul style="list-style-type: none"> • Who are your partners? Identify all potential partners including credit scoring companies, digital credit lenders, telecommunications companies, financial institutions, regulatory agencies, public officials, etc. • Describe the current relationship between your research team and the partner(s), as well as the role and level of engagement of each.
<p>Public and Private Sector Policy Relevance</p>	<ul style="list-style-type: none"> • Do the results of this evaluation have wider implications? How, if at all, will the "lessons learned" have relevance beyond this case? • How will the study help policymakers and public and private sector stakeholders better understand the characteristics or dynamics of certain barriers to financial inclusion? Will it shed light on strategies to overcome market failures and behavioral constraints more broadly? • How will the study inform efforts to protect consumers from the risks associated with digital credit? • How will other stakeholders (including public, private, and non-profit actors) become aware of the results of this evaluation? Outline a detailed dissemination plan that goes beyond the usual presentations and meetings. • If there are specific gender dynamics related to your study, please explain.
<p>Mitigating Risks</p>	<ul style="list-style-type: none"> • Is there any risk that your partner will fail to provide necessary support? If applicable, do you have an MOU/NDA in place already, or is this in progress? • To what extent does the implementation of your study depend on your specific partner? How would you deal with any unplanned falling out in your relationship with your partner?
<p>Timeline</p>	<ul style="list-style-type: none"> • Include a workplan/timeline that lists major study activities and milestones.



Research Team	<ul style="list-style-type: none">Briefly describe the strengths and relevant experience of your research team.
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- 2) BUDGET:** Please use the provided “[Budget Template](#)”. Feel free to adjust and/or add line items as necessary for your study. Note: Indirect costs (i.e. overhead charges) for proposal budgets have a maximum cap at 10% of total direct costs for U.S. universities and 15% for non-U.S. universities.
- 3) BUDGET NARRATIVE:** Not to exceed one single-spaced page. Within the “DCO Proposal Narrative Template”, please write a brief budget narrative that explains the costs of each major line item.
- 4) LETTER(S) OF SUPPORT:** Please submit a signed letter of support from each on-the-ground partner, demonstrating the commitment of the partner to your research study. *Note: If your partnership falls through and your study cannot be implemented, you must notify the DCO immediately. Please note that awarded funds will not follow the researcher and will be returned to the DCO.*

AWARD REQUIREMENTS AND PROCESS

If your proposal is selected for funding, an official award letter with terms and conditions will be provided to you by CEGA.

IRB APPROVAL

UC Berkeley requires proof of IRB approval prior to processing any awards that involve human subjects. The IRB approval process can take anywhere from several weeks to several months. Because of this, we highly encourage you to secure IRB approval for your study as soon as possible. Remember to anticipate IRB approval when developing the timeline for your study.

COMMUNICATIONS MATERIAL

The DCO team is dedicated to generating interest in and demand for our work as well as disseminating research outputs. If your proposal receives funding, you are required to collaborate with the DCO team in providing communications material, including (for example) photos and blog posts. Funded teams will be asked to write one blog post (~700 words) per



year for the DCO website during the duration of your study. Blog posts must include high-resolution photos for the DCO to use in its communications materials. Attendance at relevant DCO events is also strongly encouraged.

PROGRESS REPORTING

As a grant recipient, you will be required to submit brief biannual progress reports with accompanying high-resolution photos. Final reports will be due within 60 days of the completion of your award. Templates will be provided for all required reports.

DRAFT WORKING PAPER

Your research team is required to submit at least one working paper with preliminary findings within 12 months of completing field work.

COMMITMENT TO GLOBAL ACCESS

The DCO encourages that data from the funded studies be made open and accessible to support transparency and reproducibility. The DCO recommends that funded research projects follow open data standards and register their studies through open data platforms such as dataverse, figshare, the Open Science Framework, and the American Economic Association RCT Registry.

In addition, the DCO and the Gates Foundation are committed to "*Global Access*," which means: (a) the knowledge and information gained from funded work will be promptly and broadly disseminated; and (b) any findings and/or data will be made available and accessible at an affordable price (i) to people most in need within developing countries, or (ii) in support of the U.S. educational system and public libraries, as applicable to the study. For the purpose of achieving Global Access, manuscripts resulting from DCO-funded work must be published only in "open access" journals, with terms and conditions consistent with the Gates Foundation Open Access Policy available at: <http://www.gatesfoundation.org/How-We-Work/General-Information/Open-Access-Policy>.