



Terms of Reference

Community Digitalisation

Research Consultant

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Prepared by FinMark Trust

FinMark Trust

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1. About FinMark Trust

FinMark Trust (FMT) is an independent trust whose purpose is to make financial markets work for the poor by promoting financial inclusion and regional financial integration. FMT does this by conducting research to identify the systemic constraints that prevents consumers from accessing financial markets, and by advocating for change based on research findings. Thus, FMT has a catalytic role, driven by its purpose to start processes of change that ultimately lead to the development of inclusive financial systems that can benefit all sectors.

2. Background and contextual information

FMT in collaboration with the World Bank (WB) has developed and is implementing a community digitisation program that seeks to foster inclusive growth in disadvantaged South African communities through further development of digital ecosystems. The program is anchored in strengthening the availability, accessibility and usage of digital payments within communities. It promotes a tighter integration of payments into the community with the wider financial system supported by interventions aimed at social and economic upliftment. The project is based on a holistic community engagement involving all stakeholders including financial services customers and merchants operating in those communities.

3. Problem statement

South Africa has for well over a decade experienced low economic growth. This reality, coupled with the current expectations of low investment in the economy exacerbated the economic situation. Many South Africans are trapped in a state of poverty, with 55% of the population living below the poverty line. Employment in the existing economic structures does not offer an immediate solution, as unemployment is high and steadily increasing. With limited state resources to address the situation, it is essential that support programs (e.g., the current grant program, other support programs and existing structures within communities) are coordinated to maximise their impact on increased economic activity in communities. It is therefore the intention of this program to facilitate engagements within two pilot communities in the Gauteng Province (Thembisa and Hammanskraal) to assess the concept of establishing digital financial ecosystems by leveraging digital payments and coordinating support for the ecosystem.

To realise the program objectives, it is essential that the available services in the pilot areas and the needs of the community members are established to ensure that any solution developed takes into consideration what is already available and bridges the gap for what is required for the success of the project. To understand these requirements FMT and WB conducted a series of studies, between 2021 and 2023, to measure the level of digital financial services usage, document barriers hindering adoption of digital payment services, and better understand the needs of community members in the pilot sites. Insights from the research indicated that despite the growing availability digital payment solutions in South Africa many people in Thembisa and Hammanskraal continue to rely on cash to transact.

4. Objectives

Cost of digital transactions has been one of the most persistent barriers when it comes to adopting digital payment solutions in townships. The objective for the work is (i) to quantify if there are additional costs and what the costs are for paying digitally in the two communities (ii) if there are additional costs what informs the costs (enterprise); (iii) to understand actual costs for digitally facilitated transaction and (iv) write a report with a set of recommendations.

5. Scope of Work / Approach

- FMT seeks to appoint a consultant with in-depth knowledge and understanding of the payment ecosystem holistically and within the township landscape to: Assess the extent to which enterprise owners impose surcharges for digital transactions (card, QR, or mobile payments). This should be done through gathering data from enterprise owners, consumers, financial services providers (FSPs) and other relevant stakeholders.
 - **Enterprise:** Conduct structured interviews and surveys with a sufficient and representative sample of enterprises to understand the full cost structure of using digital financial services. This should include costs related to POS device acquisition and maintenance, transaction fees and any surcharges imposed by enterprises on customers.
 - **Consumer:** Gather insights from an agreed sample of consumers to understand their experiences with digital payments, including the frequency and impact of surcharges, perceived affordability, willingness to pay.
 - **FSPs:** Undertake desktop research and/or interviews with FSPs to assess the cost components associated with providing digital payment acceptance tools to enterprises. This includes the cost of POS devices, pricing structures, transaction fees and any additional charges that influence the end-to-end cost of digital payments.
- Identify the main factors influencing the decision to surcharge (e.g., transaction fees, cash flow needs, lack of awareness, customer payment preferences or simply in line with what the owners are doing).
- Analyse the impact of surcharging on consumer payment choices, merchant profitability, and digital payment uptake.
- Examine the regulatory and market environment governing merchant pricing and digital payment costs.
- Objectively determine the cost of cash receipts and the cost of receiving digital payments for merchants/enterprise owners.
- Recommend practical strategies to reduce surcharging and encourage affordable digital payment adoption among micro-merchants.

6. Output/ Deliverables

The core deliverable of this project will be a comprehensive research report that clearly outlines the approach used.

- Inception Report – outlining the consultant's understanding of the assignment, proposed methodology, data collection tools, and detailed workplan.
- Final Report – A comprehensive report presenting the full findings and analysis of the drivers and impacts of surcharging, with a particular focus on digital payment adoption in township economies. The report should provide evidence-based recommendations grounded in actual market realities rather than perceptions, including:
 - the true cost structures faced by enterprises,
 - the extent to which surcharges reflect these costs, and
 - how surcharging influences consumer payment behaviour and the overall uptake of digital payments.

7. Proposal Content

Individuals should submit a detailed proposal (**maximum 10 pages**). It should include:

- A detailed curriculum vitae specifically including payment system exposure.
- The methodology that will be used in carrying out the various activities, including the expected approach, considerations, and constraints;
- An overview of key stakeholders who will be approached for engagements;
- A detailed timeline for executing all project activities; and
- A financial proposal.

8. Safeguarding

The selected service provider has the responsibility to consider and be aware of potential safeguarding issues and the project's potential to integrate gender dimensions and contribute to the advancement of gender equality in addressing the Terms of Reference and be able to demonstrate due diligence in relation to the protection and safeguarding of children and vulnerable groups as per strategies designed to support and manage ongoing risk and abuse, exploitation or neglect of participants in this research project.

9. Required skills and qualifications

Applications from interested parties must provide evidence of the technical capacity to undertake this exercise. Required skills / qualifications include the following:

- Proven understanding of the financial services sector and relevant stakeholders;
- Understanding and knowledge of payment processes in townships and rural communities
- Excellent research skills and report writing skills;
- 5 years of experience in community development/project management
- Ability to interact and deal with a wide and diverse client group;

- Excellent communication, written and verbal skills **in English and in the community's local language is essential.**

10. Selection criteria

Contract selection criteria and award will be made based on the following scoring mechanism:

	Criteria	Weighting
1	Competence, qualification and previous experience	30%
2	Knowledge of the payment system	30%
3	Knowledge of the township communities	20%
4	Budget	20%
	Maximum score	100%

11. Submission and timing

Proposals: Proposals for the project should be submitted by close of business on **13 February 2026** at 17:00 (SAST) by email to Ms. Karabo Mothokoa; karabom@finmark.org.za. The successful bidder will be notified by **27 February 2026**.

Timing: It is envisaged that the project duration will be **3 months** from the date of contract signature.

The selected consultant must be prepared to meet with FMT on a date to be announced, for a briefing. Once the selection process has been completed, FMT will issue a contract confirming the appointment of the consultant. Any queries relating to the preparation of the application should be referred to **Ms. Karabo Mothokoa; karabom@finmark.org.za**.

In line with FMT's policy of transparency, answers to queries from one candidate will be circulated to all who indicated their intention to submit a proposal.

Guidance notes to bidders

FinMark Trust reserves the absolute right to use its discretion in the interpretation of these award criteria. The following notes are intended to provide broad guidance only on how proposals will be evaluated. Bidders may be required to clarify their proposals by way of a telephone call or presentation.

“Relevant, demonstrated competence of firm(s) in this area” - you should aim to demonstrate how the firm’s collective past experience can be applied (or adapted) to address the specific brief set out in the terms of reference. You are welcome to describe the firm’s general experience of financial sector development issues (e.g. in other geographies or topical areas) but the evaluation will focus particularly on the application of that experience for the specific task at hand.

“Demonstrated expertise of key individuals to be involved in this project” – the evaluation places considerable emphasis on the role and demonstrated expertise (i.e. track record) of the key individuals to be involved on the project rather than on the expertise of the firm itself.

“Use of local professional capacity (consulting, analysis, coordination etc.)” – FinMark Trust wishes to ensure that local capacity is used and developed. International firms are therefore encouraged to partner with local organisations.

“Content, quality and originality of proposal” – proposals should address the brief set out in the terms of reference in a comprehensive manner. Bidders should aim for innovation as well as professional presentation. Whilst similar, relevant experience in other markets will be an advantage for a bidder, each market is different and so proposals need to reflect the particular characteristics of that market, as well as the challenge set by the terms of reference.

“Fee basis” – value for money, as well as absolute cost, will be taken into account.

12. Important to note

If no communication has been received from FMT after 1 month of your submission, please consider yourself as unsuccessful.