

TERMS OF REFERENCE

Post Title:	International Consultant, Market Development Facility
Agency & Project name:	UNCDF; Expanding Financial Access (EFA) Project
Contract Type:	Framework Agreement
Duration:	2 year (September 2017 – September 2019) up to 340 days
Duty Station:	Home based with travel to Myanmar

1) GENERAL BACKGROUND

The United Nations Capital Development Fund (UNCDF) is the UN's capital investment agency for the world's 47 Least Developed Countries (LDCs). UNCDF uses its capital mandate to help LDCs pursue inclusive growth. UNCDF uses 'smart' Official Development Assistance (ODA) to unlock and leverage public and private domestic resources; it promotes financial inclusion, including through digital finance, as a key enabler of poverty reduction and inclusive growth; and it demonstrates how localizing finance outside the capital cities can accelerate growth in local economies, promote sustainable and climate resilient infrastructure development, and empower local communities. Using capital grants, loans, and credit enhancements, UNCDF tests financial models in inclusive finance and local development finance; 'de-risks' the local investment space; and proves concept, paving the way for larger and more risk-averse investors to come in and scale up.

The approval of the sustainable development goals will likely be accompanied by a new financing framework to be adopted at the next UN Financing for Development summit. This new framework faces a rapidly changing development finance landscape that is characterized by an increased diversity of: providers and sources such as DAC and non-DAC donors (e.g. India, China and Brazil), philanthropic foundations, high net-worth individuals, crowd-sourced donations, remittances and other private sector providers – such as the emerging impact investing industry; and, types of funding including traditional ODA, loans, risk mitigation, equity and blending instruments, as well as innovative financing mechanisms and the increasing use of ODA to leverage private finance including from domestic sources.

Against this backdrop, UNCDF/FIPA (Financial Inclusion Practice Area) provides seed capital and technical support through Inclusive Finance projects to ensure that more households and small business gain access to financial services that expand opportunities and reduce vulnerabilities. Its ability to provide risk capital directly to the private sector is helping bring new financial products to underserved and hard to reach markets and spurring innovations. Through flexible grant and loan instruments, UNCDF supports a wide range of providers (e.g. FSPs, banks, cooperatives, money transfer companies, and mobile networks operators) and financial products and services (e.g. savings, credit, insurance, payment services, remittances).

Assignment context:

The microfinance sector in Myanmar has moved rapidly since the enactment of the Microfinance Law in November 2011. The sector continues to grow but is in need of support at nearly every level. UNCDF has been involved in issues of financial inclusion in Myanmar since shortly after the enactment of the law and builds on UNDPs experience in Myanmar since 1997.

UNCDF in Myanmar is operating under the Country Programme Action Plan (CPAP) 2012-2015. The CPAP was signed between UNDP and Government of Myanmar and was by decision of the executive board in 2014 extended to 2017. UNCDF is also supportive to the UN Strategic Framework for Myanmar 2012-2015. Additionally, UNCDF and UNDP financial inclusion initiatives work in close collaboration and provide support each other.

In 2015 UNCDF has started a new project in Myanmar: Expanding Financial Access (EFA) which is aiming to push forward the implementation of the Financial Inclusion Roadmap that lays out a plausible vision for the enhancement of financial inclusion in Myanmar. The Roadmap comes out of the diagnostic contained in the Making Access Possible (MAP) Myanmar Financial Inclusion Synthesis Note, and the MAP Myanmar Country Diagnostic Report.

In order to support the implementation of the Roadmap, the EFA project aims to:

- Support key priorities of the Roadmap, seeking to strengthen financial institutions targeting the MSMEs and cooperatives, small-scale farmers, women led enterprises, youth, poor and low income poor, through a market development facility, capacity support to launch a wider range of relevant and affordable products, and customer capability initiatives.
- Assist the government in creating a suitable environment for fostering financial inclusion, through capacity building initiatives targeted at the public sector in particular the Financial Regulatory Department, relevant Ministries, the Myanmar Agriculture Development Bank, MSME and the cooperatives sector.
- Further support the Roadmap process by serving as secretariat to the Government to support Roadmap implementation, helping to ensure that the Government of Myanmar is able to coordinate the various efforts and partners as they align their priorities to the Roadmap.

Market Development Facility (MDF):

In order to increase the access to and usage of formally regulated pro-poor financial services in Myanmar, EFA has commissioned a consultant to design a MDF. The MDF will function as a catalytic agent able to take risk and leverage outside sources of capital to FSPs operating in Myanmar. The purpose of the MDF is to help “open up” funding to financial service providers, to a more market driven sector of FSPs with the inclusion of domestic and international sources of capital in the form of refundable loans and investments. New sources will be able to help diversify not only the institutions but also, more importantly, the services and products available to poor clients, in particular, credit, savings and micro insurance.

Within the EFA Market Development Facility, 25% of the funds will be reserved for special groups, women and youth. In addition, some grants to entrench innovation and good practices especially as regards policies, capacity, systems and products in FSPs have been planned. The EFA Market Development Facility will be mainly a lending facility but will also include a grant component.

2) OBJECTIVES OF THE ASSIGNMENT

The main objective of the assignment is to provide support in the implementation of the Market Development Facility and Expanding Financial Access project toward:

1. Addressing the need for capital and technical services among national and international financial service providers(FSPs) with an emphasis on strengthening second and third tier FSPs with little to none borrowing experience.
 2. Expanding financial inclusion within unserved and underserved markets;
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3. Scale up loans and guarantee intervention in last-mile finance market and crowd in others; and
4. Promoting women and youth participation in credit markets.

3) SCOPE OF WORK

1. Support the overall direction, implementation and management of the MDF resulting in an efficiently-implemented, managed, monitored and evaluated with expertise meeting or exceeding targets.
2. Completion of a MDF Operations Policy Manual with support to UNCDF HQ in revising organization loan and grantee operations policy and procedures.
3. Ensure the success of the programme, organize and lead target advocacy, policy and coordination efforts to build FSPs with limited to none financing experience.
4. Provide technical support on institutional development to ensure adequate capacity and internal controls are in place for continued responsible credit and savings management as well as to guard staff from fraudulent activity
5. Leverage this success as an opportunity to develop a reputation, trust and funding within the foreign investment community.
6. Prepare one funding proposal related to MDF/EFA operations to ensure MDF is adequately funded and has support of other funders
7. Ensure appropriate assessment of potential partner FSPs to ensure that FSPs with high potential are selected and that sound investments are made
8. Assessing and recommending for approval proposed investments (financing and technical support), including proposed loan amounts, terms, rates and institutional development.
9. Support the Secretariat in ensuring coordination, preparation, and advisory support to the IC including taking meeting minutes, decision record approved by the Chair person, circulated among IC members, and maintained on file for future reference
10. Communications and knowledge sharing information to ensure common understanding of market developments, donor funding and government strategies thereby establishing a current contextual basis to reach proactive and timely decisions
11. Identify constraints (such as public policy) to FSP and market development and thereby provide strategic direction toward facilitating impactful change
12. Review progress achieved in establishing an enabling environment for financial inclusion and make recommendations to strengthen impact
13. Review results of performance assessments of partner implementing organizations and recommendations
14. Provide guidance and back-stopping to UNCDF Myanmar staff in relating to Myanmar FSPs, particularly microfinance institutions and banks
15. As needed, work with UNCDF Myanmar staff in providing technical assistance planning and services to partner FSPs
16. Supporting the MDF Secretariat in preparing for and participating in Investment Committee meetings

4) COMPETENCIES

Corporate Competencies:

- Promotes UN's Values and ethical standards (tolerance, integrity, respect, result orientation, impartiality)
 - Displays cultural, gender, religion, race, nationality and sensitivity and adaptability
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- Demonstrates integrity between people and nations, tolerance, integrity, respect, results orientation, UNDP/UNCDF core ethics, impartiality.

Functional Competencies:

Knowledge Management and Learning

- Promotes knowledge management and a learning environment in the office through leadership and personal example, excellent knowledge of capacity building theory and the application of methodology, good understanding of capacity assessment methodologies, excellent ability to identify significant capacity building opportunities, ability to get capacity building, excellent ability to demonstrate national capacities building (mastery of the tools and their application);
- Display understanding of the relevant contemporary ICT tools and continuously act towards personal capacity building;

Development and Operational Effectiveness

- Ability to engage with high ranking UNDP/UNCDF Managers, Government Officials and international donor community and provide policy advisory support services;
- Ability to identify opportunities, conceptualize and develop project reports
- Ability to effectively support in strategic planning, results-based management and reporting
- Ability to implement new systems and affect staff behavioural/attitude change

Management Leadership

- Consistently approaches work with energy and a positive, constructive attitude
- Builds strong relationship with clients, focuses on impact and result for the client and responds positively to feedback, timely responses to queries
- Demonstrates good oral and written communication skills
- Demonstrates openness to change and ability to manage complexities
- Demonstrates strong administrative skills and result oriented approach to work
- Provides inspiration and leadership to project staff as well as all the partners

5) DEGREE OF EXPERTISE AND QUALIFICATIONS

- Postgraduate qualification in finance, business or economics
- Strong knowledge of microfinance and financial inclusion projects and processes
- At least 12 years of professional experience with proven competence in microfinance and financial inclusion
- Experience in financial inclusion activities in South and Southeast Asia and particularly Myanmar is an asset.
- Strong analytical and writing skills and track record in producing relevant reports, FSP appraisals, proposals, and other materials
- High level of communication and interpersonal skills and experience in working effectively in a multi-cultural environment
- Fluency in English required

6) DOCUMENTS TO BE RECEIVED

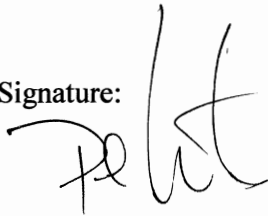
Please include the following documents:

- a) **Letter of Confirmation of Interest and Availability;**
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- b) **Personal CV or P11**, indicating all past experience from similar projects, as well as the contact details (email and telephone number) of the Candidate and at least three (3) professional references;
- c) **Brief description** of why the individual considers him/herself as the most suitable for the assignment, and a methodology, if applicable, on how they will approach and complete the assignment.
- d) **Financial Proposal** that indicates the all-inclusive fixed total contract price, including daily rate for technical services, and travel costs (airfare from home base to Yangon and return, daily per diem allowance etc.) supported by a breakdown of costs.

This TOR is approved by:

Signature:



Name and Designation: Paul Luchtenburg, UNCDF Country Coordinator

7 Aug 2017

Date of signing:
