

## TERMS OF REFERENCE

### Market research and institutional assessment for a mobile money service for Bmobile-Vodafone in Solomon Islands.

<b>Location</b>	Home-Based and Solomon Islands
<b>Application deadline</b>	06 July 2018 (Fiji Time)
<b>Type of Contract</b>	Individual Contractor
<b>Post Level</b>	International Consultant
<b>Languages required:</b>	English
<b>Duration of Initial Contract:</b>	30 working days

## BACKGROUND

The Terms of Reference (TOR) define the scope, plan, and deliverables for knowledgeable and experienced technical experts to conduct a market research and institutional assessment for Bmobile Solomon Islands Ltd. The experts will further design business case scenarios to be considered by Bmobile's board and senior managers for the deployment of a mobile money wallet to offer financial services for the rural and hard to reach population of Solomon Islands.

Bmobile SI Ltd is one of the two mobile telephone service operators in the Solomon Islands. It was launched in Honiara on the 31st of August 2010. Currently, Bmobile provides GSM services to the people of Solomon Islands.

In 2014, Bmobile partnered with Vodafone, a global leader in telecommunications. Vodafone is one of the world's largest mobile communications companies with equity interests in over 30 countries and more than 50 partner networks worldwide. The partnership between Bmobile and Vodafone has allowed Bmobile to introduce quality and innovative mobile services to customers in the Solomon Islands. It has also helped cater to the growing demand for data roaming on smartphones and mobile broadband. Bmobile - Vodafone corporate and retail customers have access to enhanced roaming experience abroad.

Bmobile-Vodafone currently operates in four provinces across the country, namely Guadalcanal, Malaita, Western, & Central Province and is planning to roll out its mobile network to the other provinces in future.

Bmobile-Vodafone is considering adding Mobile Financial Services (MFS) to the list of services it already offers to its customers. The decision for MFS consideration are premised on the desire to offer;

- a) A value addition to its customers who are already enrolled on existing GSM business,
- b) As an additional, yet pivotal line of business alongside the existing GSM business and an opportunity to contribute to financial inclusion in the country

Financial inclusion in the Solomon Islands is progressing well since 2012 with the advent of digital financial services, where mobile and branchless banking seeing increased uptake and usage. The number of access points have significantly increased as compared to 2012 and the Central Bank of Solomon Islands (CBSI) is supporting innovations besides taking the lead in implementing the National Financial Inclusion Strategy (NFIS).

However, there are many adult Solomon Islanders who are still excluded from the formal financial system and even where they have been included, the usage rates of financial services are still low. A 2015 joint CBSI & PFIP financial services demand side survey<sup>1</sup> revealed that only 26% of adults were “banked” and another 8% were accessing other formal financial services. The number of unbanked Solomon Islanders and those accessing informal services was estimated at 66% highlighting the need to introduce new digital financial services that could significantly reduce these gaps.

Bmobile recognizes the need for offering mobile financial services (MFS) that would address the gaps highlighted above, thereby providing opportunities for Solomon Islanders to manage their money better and engage in gainful economic opportunities. However, they would like to base their roll-out of MFS on an evidence-based assessment, a robust entry and implementation strategy, underpinned by solid business cases and budgets for the consideration of the directors/senior management of Bmobile before a final decision to launch MFS is taken.

This TOR is therefore designed to solicit for experienced technical expert with strong MFS/DFS knowledge and proven experience in market research, experience in planning, deploying and managing a mobile money delivery channel.

This expert will work with Bmobile’s team to conduct a customer centric market research, conduct an institutional assessment of Bmobile and recommend whether or not there is a solid business case for Bmobile to deploy MFS in the Solomon Islands based on evidence.

## DUTIES AND RESPONSIBILITIES

### Scope of Work

The following will be the deliverables expected from this assignment;

#### 1. Detailed research and assessment of market conditions

Using a relevant sample size of current and potential customers of Bmobile this research is to establish the customer demand and needs requirement for a mobile money solution. This will be to identify the right customer value proposition. This research includes, but is not limited to the following areas:

- a) Customer readiness and demand
- b) Product preferences by customers to feed into product development strategy
- c) Existing market players and their offerings
- d) Potential partners
- e) Regulatory requirements
- f) Potential considerations for KYC requirements
- g) Product pricing and business case
- h) Point of sale/access: Assess readiness of available distribution network and suggest suitable alternatives

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<sup>1</sup> The Solomon Islands DSS can be accessed on <http://www.pfip.org/wp-content/uploads/2016/08/Financial-Services-Demand-Side-Survey-Solomon-Islands.pdf>

## 2. Institutional assessment

The expert/s will conduct a thorough assessment of Bmobile as to their internal capacity for developing and deploying MFS in Solomon Islands. This will cover, but is not limited to:

- a. Staff capacity,
- b. Financial resources,
- c. Corporate strategy,
- d. Technical capacity,
- e. Any other capacities required to successfully launch an MFS.

The consultant is expected to provide recommendations regarding new and additional resources required covering all the above aspects and those that are relevant to manage an MFS deployment. The consultant is also expected to assess the available opportunities for Bmobile to establish suitable partnerships to launch and progress the MFS as a new line of business.

## 3. Business case

The expert/s will develop at least three detailed financial scenarios for an MFS deployment to be considered by Bmobile management and board.

Based on the above-mentioned assessments the consultants will submit an evidence-based report that will enable Bmobile's senior management to decide whether or not to launch MFS in the Solomon Islands.

## Outputs and Deliverables

The main deliverables from each of the aforesaid activities will be as follows:

1. A **market research report** to be considered by Bmobile's board and UNCDF-PFIP, detailing an assessment for customers' need and demand for a mobile money service, customer feedback on possible products, service design, pricing, agent network design, product and service pricing, risks and fraud, among others.
2. An **institutional readiness report** resulting from the institutional assessment of Bmobile's readiness and capacity to deploy a mobile money wallet service in the Solomon Islands. This report will be accompanied by detailed recommendations for closing the gaps that may have been identified. The recommendations may include possibilities of capacity improvements, inclusion of missing skillsets, a proposal for the management structure that will effectively deploy and manage the mobile money wallet service, among others.
3. At least three (3) alternative **detailed business case scenarios** for an MFS deployment to be considered by Bmobile management and board. This should be accompanied by projections for break-even and profitability, costs of deployment and management, revenues and pricing of services and products.

## Institutional Arrangement

- The consultant will work closely with the CEO of Bmobile, and will report to the UNCDF-PFIP Program Manager or his designate. In-country liaison/coordination support will be provided by the Solomon Islands based PFIP Financial Inclusion Specialist.

- Local coordination for meeting stakeholders and workshop if required will be arranged by PFIP/Bmobile

#### **Duration of the Work**

The assignment is planned for a total of 30 working days covering both in-country and home based.

- Desk research, preparation, initial calls/discussions with UNCDF-PFIP (2 days)
- 21 days of conducting field research, in-country assessments including travel to the three provinces of Solomon Islands
- 3 days for analysis and submission of initial findings to Bmobile and UNCDF-PFIP
- 2 days for draft report submission
- 2 days for submitting final report after incorporating feedback from PFIP and Bmobile. From the receipt of draft report PFIP and Bmobile will take 2 weeks to provide responses.

#### **Duty Station**

- The consultant will be home-based for part of the assignment and will be required to travel to Solomon Is.

### **COMPETENCIES**

- Strong interpersonal and communication skills;
- Strong analytical, reporting and writing abilities skills;
- Openness to change and ability to receive/integrate feedback;
- Ability to plan, organize, implement and report on work;
- Ability to work under pressure and tight deadlines;
- Proficiency in the use of office IT applications and internet in conducting research;
- Outstanding communication, project management and organizational skills;
- Excellent presentation and facilitation skills.
- Demonstrates integrity and ethical standards;
- Positive, constructive attitude to work;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.

### **REQUIRED SKILLS AND EXPERIENCE**

#### **Educational Qualifications:**

The consultants should at the minimum possess the following

- A Master's qualification in business, finance, humanities or related discipline

#### **Experience**

- Proven experience in planning for a mobile money wallet deployment for a telecom, bank or 3<sup>rd</sup> party provider, with a strong preference for experience in deploying such solutions in geographies with a low-density population
- At least seven years of experience in mobile and/or digital financial services in developing countries. Pacific experience is desirable
- Strong analytical and communication skills besides good report writing skills

- Must be able to bring the strategic and operational thought leadership while working with the local team from Bmobile
- Must be willing and able to travel to remote rural areas of Solomon Islands

#### **Language requirements**

- Fluency of English language is required;

#### **Price Proposal and Schedule of Payments**

**Lump Sum Amount.** The total amount quoted shall be all-inclusive and include all costs components required to perform the deliverables identified in the TOR, including professional fee, travel costs, living allowance (if any work is to be done outside the IC's duty station) and any other applicable cost to be incurred by the IC in completing the assignment. The contract price will fixed output-based price regardless of extension of the herein specified duration. Payments will be done upon completion of the deliverables/outputs and as per below percentages:

- Deliverable 1 Draft inception report based on desk research: 20% of total contract amount
- Deliverable 2 Draft field research report after country visits: 25% of total contract amount
- Deliverable 3 Draft report and submission of findings based on field research, institutional assessments, stakeholder interviews and three business case scenarios: 30% of total contract amount
- Deliverable 4: Final report after incorporating PFIP/Bmobile feedback and comments: 25% of total contract amount

Individual consultants will be evaluated based on the following methodology.

#### **Cumulative analysis**

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as a) responsive/compliant/acceptable; and b) having received the highest score out of set of weighted technical criteria (70%). and financial criteria (30%). Financial score shall be computed as a ratio of the proposal being evaluated and the lowest priced proposal received by UNDP for the assignment.

#### **Technical Criteria for Evaluation (Maximum 70 points)**

- Criteria 1 Master's qualification in business, finance, humanities or related – Max 5 points
- Criteria 2 Suggested methodology and approach to conducting the assessments- Max 15 points
- Criteria 3 Experience of working in mobile money or digital financial service domain – Max 15 points
- Criteria 4 Experience of conducting market research and institutional assessments to support mobile/digital financial services deployments – Max 25 points
- Criteria 5 Knowledge and experience of working in mass market financial services in developing markets – Max 10 Points

Only candidates obtaining a minimum of 49 points (70% of the total technical points) would be considered for the Financial Evaluation.

#### **Documentation required**

Interested individual consultants must submit the following documents/information to demonstrate

their qualifications:

- **Letter of Confirmation of Interest and Availability**
- **Personal CV or P11 form**
- **Technical proposal**, including a) a brief description of why the individual considers him/herself as the most suitable for the assignment; and b) a methodology, on how they will approach and complete the assignment.
- **Financial proposal**

**Complete proposals should be submitted either via UNDP Jobshop online portal (Job Id number: 79692) or through email on [etenderbox.pacific@undp.org](mailto:etenderbox.pacific@undp.org). The Jobshop Online portal allows for submission of one attachment only hence bidders are to ensure that all documents are uploaded as one single attachment and not separate. The relevant forms can be downloaded from the Procurement Section of UNDP Pacific Office website as follows:**

**<http://www.pacific.undp.org/content/pacific/en/home/operations/procurement.html>**

Incomplete proposals may not be considered.

For any clarification regarding this assignment please write to [ronald.kumar@undp.org](mailto:ronald.kumar@undp.org)