

TERMS OF REFERENCE

Ref: PN/FJI-43-18

Title	Technical Assistance for Enhancement of Agent Banking, EFTPOS Merchants and Mobile Banking
Location	Solomon Islands
Application deadline	28 th September 2018 (Fiji Time zone)
Type of Contract	Individual Contractor
Languages required:	English
Duration of Initial Contract:	45 working days (from 10 th October – 13 th December 2018)

BACKGROUND

BSP commenced operations in the Solomon Islands in 2007 following the acquisition of the National Bank of Solomon Islands and later acquiring the operations of Westpac in 2015. It is currently the largest commercial bank in the Solomon Islands with over 80,000 customers, served through eight (8) bank branches, 30 ATM's and supported by an additional 75 BSP agents that are spread across the country.

BSP offers modest accounts for personal and business clients including transactional accounts, a children's account, an interest-bearing savings account and term deposit accounts. BSP offer their customers a product called PacifiCard, a debit card that is used for Agent banking and merchant transactions. The bank also offers personal and home lending products.

The aftermath of Westpac acquisition and the current spontaneous customer growth at BSP has come along with-it congestions and long ques at bank branches and ATMs (during peak times). This situation is dire when government and large corporates make bi-weekly pay to their employees. On such days, it is not surprising for a customer to stand in a que for close to 45 minutes or more for a cash-out transaction.

BSP management is concerned about providing convenience for its customers and is working on initiatives to change this trend though driving customers to alternative access points and cash alternative channels. In the recent past, the bank has reduced all electronic Banking fees to SBD 0.80cents and waived Merchant commission for local Debit Cards, this was done to reduce the cost of payments and encourage usage of merchant payments. As a result, BSP has seen some uptake but not enough to drive customers out of the bank branches.

BSP has also embarked on encouraging its customers to use other available forms of electronic banking such as EFTPOS, Mobile Banking, Agency banking and Internet banking. However, customers still que up at the bank branches to conduct a transaction that could have been done on any one of the alternative electronic banking channels.

BSP has now developed a "Touch and Go" service to be installed on all its deployed EFTPOS terminals, this will be launched in October 2018. All BSP's existing cards will be recalled and replaced with new

“chip” cards. With this card, a customer making a merchant payment will use an easy touch service installed on their cards onto any EFTPOS terminal to complete their transaction effortlessly.

For security precaution, the customer will be required to enter his/her PIN for payment approval. To further drive acceptability, customers purchasing less than SBD 90 will not be required to enter a PIN or sign in. With this initiative, BSP anticipates increased customer convenience through merchant payments. However, this alone is considered not enough to decongest bank branches.

Through considerable engagements between UNCDF-PFIP and BSP’s Country Manager in the Solomon Islands, the bank seeks to explore workable and implementable ideas that will encourage and drive customers to use mobile and internet banking services, agency network banking and merchant payment services. This ToR is designed to solicit for an experienced technical expert with strong Mobile Financial Services (MFS) / Digital Financial Services (DFS), Mobile banking, Agency banking, Merchant Network and proven experience of planning, deploying and managing the digital delivery channel.

This procurement notice requests for provision of senior expert to provide technical support to Bank of South Pacific (BSP) in the Solomon Islands. This support is aimed at strengthening the mobile banking service and Agent and Merchant Networks to support the growing customer acquisition and banking transactions.

DUTIES AND RESPONSIBILITIES

Scope of work

The following will be the scope of this assignment;

- a) Conduct a detailed market research amongst existing agents, merchants, current and potential customers of BSP to establish challenges that has limited their use of mobile banking, agency banking and merchant payments service. This will also explore investigating the demand and need requirements from customers to use the above-mentioned services. This will be to identify (and eventual development) the right customer value proposition regarding the following areas (but not limited to the listed);
 - Customer messaging design, marketing and communication plan
 - Business case scenarios for pricing of agency and merchant transactions
- b) With information gathered from the market research, design an implementable agency banking strategy for BSP that will attract and absorb customer attrition and support the decongestion goal of the banking halls. This strategy will consider agent building/development and growth plans in Honiara and other provinces, liquidity management plans, branding, marketing, and communication plans (that are innovative to drive customer attrition to agents) support and monitoring mechanism, as well as proposing for efficient agency management tools and technology.

- c) Further from the market research information, the consultant will design an implementable merchant network strategy to be considered by BSP. This merchant strategy will have to align with and support the new Chip card initiative. This strategy will encompass existing and potential merchants
- d) From the research feedback, the consultant will propose at least 3-4 implementable solutions that can be piloted by BSP, solutions that drive customers to use mobile banking, agency banking and merchant payments.

Expected Outputs and Deliverables

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

- a) A market research and appraisal report detailing an assessment of existing agents', merchants' and customers' challenges and low usage of BSP's agency and merchant networks. This will further consider the need and demand from customer feedback on possible products, service design, pricing, agent network design, among others.
- b) Based on research feedback, prepare at least three business case scenarios for BSPs' consideration for service and product pricing of mobile banking, agency and merchant transactions. This should consider encouraging usage while providing sustainability for the bank to break-even and possibly make a profit.
- c) A three (3) and five (5) year detailed Agency banking strategy that will support decongestion plans of banking halls and ATM locations yet support growth of BSP's customer base.

This will include design proposals for an appropriate agency management structure, activity plans, liquidity management plans, branding, marketing, communication plans, financial implications, cost benefits and projected customers attritions to Agency banking points. The deigned strategies must consider agency growth and cost-effective management in provinces where BSP has no branch presence.

- d) Design a three (3) and five (5) year detailed merchant network strategic plan that encourages cashless/light transaction for BSP customers at merchant points. This will consider communication and marketing, merchant on-boarding, activities/initiatives that the number of transactions at merchant points, amongst others.
- e) Propose 3-5 innovative, workable and implementable solutions that will drive BSP customers to transact using their mobile banking, Agency and merchant points. These solutions will be piloted by BSP and the successful solutions adopted and integrated into the banks operations. The expert will therefore prepare a plan to test the proposed solutions in a pilot environment.

Institutional Arrangement

- a) The successful bidder will provide their own work equipment, computer programmes, printing, telephone and internet connectivity for this activity.
- b) When the consultant is in Honiara, work space will be provided at BSP bank and occasionally at the UNCDF-PFIP office

Duration of the Work

The consultancy is planned for a total of 45 working days covering both in-country and home based.

- Desk research, preparation, initial calls/discussions with PFIP/UNCDF (2 days)
- 15 days of conducting field research, in-country assessments including travel to the provinces of Solomon Islands
- 5 days of designing 3 alternative merchant business case scenarios.
- 5 days of designing the BSP Agency banking strategic plan
- 5 days of designing the BSP Merchant service strategic plan
- 5 days of designing the pilot plan
- 3 days for analysis and submission of initial findings to BSP and PFIP/UNCDF
- 3 days for draft report submission
- 2 days for submitting final report after incorporating feedback from PFIP/BSP. From the receipt of draft report PFIP/BSP will take 2 weeks to provide responses.

Duty Station

- The work assignment is in Solomon Is.
- The form and frequency of progress reports during the term of the assignment will be agreed between the successful bidder and PFIP.
- The consultant will work closely with the Country Manager (or designate) and will report to the UNCDF-PFIP Program Manager or his designate and will report to the UNCDF-PFIP Country Technical Specialist.

COMPETENCIES

- Strong interpersonal and communication skills;
- Strong analytical, reporting and writing abilities skills;
- 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

The requirement is for a senior expert to have the following qualifications and experience and who is able to work closely and with the designated project team at BSP.

Educational Qualifications:

- At least a bachelor qualification in business, finance, humanities or related discipline

Experience

- Must possess a minimum of proven seven years' experience in mobile banking, Agency banking network and merchant services design and management.
- Hands-on experience with building, managing, and growing agency channel operations, preferably with a bank or mobile money operation.
- Must be able to bring the thought leadership while working with the local team at BSP in executing the solutions
- Must be willing and able to travel to rural areas in Solomon Islands.
- The project demands evidence-based recommendations and a detailed-oriented project planning; therefore, the candidates must be able to present ideas with strong analytical foundation.

Language requirements

- Fluency of English language is required;

Price Proposal and Schedule of Payments

Consultant must send a financial proposal based on **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 be 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.
- Final report after incorporating PFIP/BSP feedback and comments: 25% of total contract amount

In general, UNDP shall not accept travel costs exceeding those of an economy class ticket. Should the IC wish to travel on a higher class he/she should do so using their own resources. In the event of unforeseeable travel not anticipated in this TOR, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and the Individual Consultant, prior to travel and will be reimbursed.

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 this assignment- Max 15 points
- Criteria 3 Experience of working on Agent and Merchant network strategies and deployments, experience in mobile banking services and digital financial service domain – Max 25 points
- Criteria 4 Experience of conducting market research and institutional assessments to support mobile/digital financial services deployments – Max 15 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** using the template provided in Annex II.
- CV 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.
- **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**, as per template provided in Annex II

Annexes

- Annex I - Individual IC General Terms and Conditions
- Annex II – [Offeror's Letter to UNDP Confirming Interest and Availability for the Individual IC, including Financial Proposal Template](#)

Incomplete or joint proposals and proposals received after the submission deadline will be rejected.

Individuals applying if successful have the option to sign an Individual Contract in their personal capacity or a Reimbursable Loan Agreement which shall be signed by the individuals employer or company/firm.

Complete proposals should be submitted to etenderbox.pacific@undp.org (attachments shall not exceed 10MB in capacity) or on UN JobShop (note UN JobShop supports single document upload hence ensure that technical and financial proposal is submitted as one single document) by 28th September 2018 (11.59 pm Fiji Time). For any clarification regarding this assignment please write to ronald.kumar@undp.org.