

TERMS OF REFERENCE

Reference	PN/FJ/028/20
Location	Honiara, Solomon Islands
Application deadline	18 th March 2020
Type of Contract	Individual Contractor
Post Level	International Consultant
Consultancy Title	Financial Inclusion and Digital Finance Consultant
Languages required:	English
Duration of Initial Contract:	35 days (6 th April – 10 th June 2020)

I. BACKGROUND

These Terms of Reference (TOR) define the scope, plan, and deliverables for Individual consultant/expert who is knowledgeable and technical experienced in mobile money and digital financial services (DFS) to conduct a market research and institutional assessment for Our Telekom (OT) in the Solomon Islands. The experts will further design business case scenarios, advise on technology considerations, design mobile money deployment and product evolution plans to be considered by the board of Our Telekom.

Brief on Our Telekom; is one of the two Mobile Network Operators (MNOs) operating in the Solomon Islands, licensed and supervised by the Telecommunication Commission of Solomon Islands (TCSI). In 2009, Our Telekom was issued the first non-exclusive telecommunications license and undertook to compete in the communication market in terms of reach, quality and innovative telephony solutions offerings.

It is a joint venture company between Solomon Islands National Provident Fund, (SINPF) which holds 97.32% of the shares and the Investment Corporation of the Solomon Islands (ICSI) which owns 2.68% of the shares. Our Telekom services are present in all nine (9) provinces of Solomon Islands. It offers GSM services, such as airtime top-up for voice services, data & internet connection, fixed lines telephony, web hosting and commercial television services. Solomon Telekom administers the internet country code top level domain SB ccTLD and offers 2G, 3G/3.5G as well as 4.5G in Honiara.

In 2019, Our Telekom partnered with the Central bank of Solomon Islands, the provident fund (SINPF), and its competitor bmobile to use airtime top-ups as a currency for mobilizing domestic savings and pension from the informal sector. This service dubbed LoMobile, is offered through a simple USSD platform that is accessed on both feature and smartphones. LoMobile results have been positive with the project's quantitative targets already surpassed. This service has provided lessons and building blocks necessary for mobile money deployments in the Solomon Islands.

As immediate follow-up, Our Telekom is considering adding mobile money services to the list of service offerings available to its customers. The consideration for mobile money is premised on the desire to;

- a) Offer a value addition of mobile financial services to its customers who are already enrolled onto 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

It should be noted that the Central Bank of Solomon Islands (CBSI) is the lead institution for deepening and strengthening financial inclusion in the Solomon Islands, this is implemented through the National Financial Inclusion Strategy (NFIS). In the past decade, financial inclusion has progressed well. The advent of digital financial services (DFS) and branchless banking have taken lead roles for increased new bank accounts and digital wallets. To take advantage and accelerate financial inclusion through digital channels, the CBSI is encouraging non-financial institutions to partner with licensed commercial banks and offer mobile money services. Our Telekom is seizing this opportunity, anticipating to offer its existing and new customers with additional value of financial services, beyond its current GSM products.

Important to note, a 2015 joint CBSI & UNCDF-PFIP financial services demand side survey (DSS)¹ 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 can significantly reduce these gaps. Our Telekom recognizes the need for offering mobile money services that would address the gaps highlighted from the DSS, and ultimately providing opportunities for Solomon Islanders to manage their money better and engage in gainful economic opportunities.

However, Our Telekom would like to base their roll-out of mobile money on an evidence-based assessment, a robust entry and implementation strategy, advise on technology, underpinned by solid business cases and budgets for the consideration by the management and board of before a final decision expected to be finalized by June 2020. This TOR is therefore designed to solicit for an experienced technical expert with strong DFS and mobile money knowledge, coupled with proven experience in market research, planning, deploying and managing a mobile money delivery channel.

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

II. DUTIES AND RESPONSIBILITIES

Scope of Work

1. Detailed research and assessment of market conditions

Using a relevant sample size of current and potential customers of Our Telekom, the expert will seek to establish customer demands and needs requirement for a mobile money solution and further identify the right customer value proposition. This investigation will include, but is not limited to the following areas:

- a) Customer readiness and demand for mobile money services
- b) Product preferences by customers to feed into product development strategy
- c) Existing market players and their offerings
- d) Potential partners to progress mobile money operations

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

- e) Regulatory requirements from both TCSI and CBSI
- f) Potential considerations for KYC requirements
- g) Point of sale/access: Assess readiness of available distribution network and suggest suitable alternatives

2. Institutional assessment;

The expert will conduct a thorough assessment of our Telekom's internal capacity and capabilities available for deploying and managing mobile money services in Solomon Islands. This will cover, but not limited to:

- a) Staff capacity and training needs
- b) Financial resources available and will be required for mobile money deployment
- c) Current corporate strategy, how mobile money fits and any requirements to tweak
- d) Technical capacity to handle and manage stages of mobile money growth
- e) Any other capabilities and capacities required to successfully launch and manage mobile money services.

The expert is expected to provide recommendations regarding existing, new and additional resources required, covering all the above aspects and others that are relevant to manage mobile money services deployment. The expert is also expected to assess the available opportunities for Our Telekom to establish suitable partnerships to launch and progress mobile money as a new line of business.

3. Business case;

The expert will develop at least two detailed financial scenarios for a mobile money deployment to be considered by Our Telekom management and board. Areas to consider will include;

- a) Cost of deployment for mobile money services
- b) Potential returns, estimating different growth stages of mobile money
- c) Potential savings resulting from churn of SIM cards
- d) Potential savings on distribution costs,
- e) Pricing and transaction fees, amongst others.

4. Technology recommendation.

Technology is pivotal, Our Telekom seeks advise on either to deploy its in-house developed mobile money technology platform or to procure and deploy an existing "off the shelf" technology. The expert will conduct a SWOT analysis of existing or proposed in-house technology developments, and basis discussions with senior managers of Our Telekom, advise on the better course for technology decision.

Based on the above-mentioned assessments, the expert will submit an evidence-based technology assessment report that will enable decision making by Our Telekom senior management and board for technology to launch mobile money services in the Solomon Islands.

- 5. Based on points 1,2,3&4, the expert will **Support Our Telekom with developing a mobile money service's deployment plan.**

This will include areas of; Organization and management structure for mobile money business, distribution hierarchies, agent network models, customer support centers, training and capacity building, liquidity management plans, product evolution plans, standard operating procedures (SOPs), technology management plans, finance management (transaction termination, reporting, settlements, reconciliations), pricing models, monitoring and support mechanisms, amongst others.

The expert will further advise Our Telekom on necessary documentations required for mobile money application from the CBSI.

III. Assignment 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 Our Telekom's board and UNCDF-PFIP, detailing an assessment for customers' need and demand of 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 Our Telekom's readiness and capacity to deploy a mobile money wallet service in the Solomon Islands. This report will be accompanied with;
 - A detailed recommendation for closing the gaps that may be identified.
 - The recommendations for capacity improvements,
 - Sourcing and inclusion of required yet missing skillsets
 - A proposal for the management structure that will effectively deploy and manage mobile money wallet service, among others.
3. At least two (2) alternative detailed business case scenarios for a mobile money services deployment to be considered by Our Telekom management and board. This should be accompanied by projections for break-even & profitability, costs of deployment & management, revenues & pricing of services and products.
4. Technology assessment and advisory report
5. A detailed Our Telekom mobile money deployment and management plan

Institutional Arrangement

Implementing Partner of UNDP – Our Telekom, Solomon Islands

The consultant will work closely with the CEO of Our Telekom or his designate and will report to the UNCDF-PFIP Country Technical Specialist.

Our Telekom will provide working space for the consultant and facilitate field coordination for key stakeholder meetings

Frequency – Fortnightly

Duration of Work. This is a 35 days assignment to be implemented between 6th April – 10th June 2020

IV. COMPETENCIES

- ✓ A Master's qualification in business, finance, humanities or related discipline – 5%
- ✓ Proven experience in planning for a mobile money wallet deployment for a telecom, bank or 3rd party provider.
- ✓ Proven experience in deploying and managing at least one or more mobile money solution
- ✓ At least nine years of experience in mobile and/or digital financial services in developing countries
- ✓ Past experience working in Pacific region or geographies with a low-density population 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 Our Telekom
- ✓ Must be willing and able to travel rural provinces of Solomon Islands

V. REQUIRED SKILLS AND EXPERIENCE

Educational Qualifications:

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

Experience

- ✓ Proven DFS expertise with at least 10 years' experience in mobile and/or digital financial services in developing countries
- ✓ Proven experience in deploying at least one or more mobile money channel/solution
- ✓ Proven experience in managing at least one or more mobile money channel/solution

Language requirements

- ✓ Fluency of English language is required;

Price Proposal and Schedule of Payments

The bidders must send a financial proposal based on lump sum payment at the completion of the deliverables.

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 and any other applicable cost to be incurred by the successful bidder 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:

	Deliverables <i>[list them as referred to in the RFP]</i>	Indicative completion date	Percentage of Total Price (Weight for payment)
1	Inception report with detailed workplan detailing timelines and deliverables	10 th April 2020	20%
2	Completion of Detailed research and assessment of market conditions Completion of Institutional assessment at Our Telekom	30 th April 2020	30%
3	Completion and submission of the business cases Completion and submission of Technology advisory and recommendation reports	8 th May 2020	20%
4	Completion and submission of a detailed mobile money deployment and management plan for Our Telekom	10 th June 2020	30%
	Total		100%

VI. Evaluation Method and Criteria

Bids will be evaluated on cumulative analysis. The award of the contract shall be made to the bidder 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)

- ✓ Proven DFS expertise with at least ten year- experience in mobile and/or digital financial services in developing countries -15%
- ✓ Proposed methodology/approach - 25%
- ✓ Proven experience in deploying and managing at least one or more mobile money channel/solution – 30%

Financial Proposal (30%)

To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.

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.
- **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.
- **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. Note: Consultants must quote prices in United States Dollars (USD).

Incomplete, joint proposals and proposals sent to the wrong mailing address will not be accepted and only candidates for whom there is further interest will be contacted.

Individuals interested in this consultancy should apply and will be reviewed based on their own individual capacity. The successful individual may sign an Individual Contract with UNDP or request his/her employer to sign a Reimbursable Loan Agreement (RLA) on their behalf by indicating this in the Offerors letter to Confirming Interest and Availability using 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](#)

Proposal Submission

- All applications must be clearly marked with the title of the consultancy (**Financial Inclusion and Digital Finance Consultant**) with reference (**PN/FJ/028/20**) and submitted via UN Jobshop or e-tendering box on email etenderbox.pacific@undp.org by **4.30pm 18 March 2020 – Fiji time**.
- **Note: UNDP Jobs only supports single document upload hence ensure that the proposal is consolidated and submitted as one single document.**
- For further information concerning this Terms of Reference, please contact UNDP Pacific Office by email: deepak.naicker@undp.org

Women applicants are encouraged to apply