

## TERMS OF REFERENCE

<b>Title</b>	MFI Assessment Consultancy
<b>Location</b>	Homebased with travel to Pacific Islands Countries may require
<b>Type of Contract</b>	Individual Contractor
<b>Post Level</b>	International Consultant
<b>Languages required:</b>	English
<b>Duration of Initial Contract:</b>	43 days from end Nov 2017 through March 2018
<b>Submission Date</b>	26 <sup>th</sup> November 2017 (11.59pm Fiji Time)

## BACKGROUND

South Pacific Business Development Microfinance Ltd is a network of microfinance institutions headquartered in New Jersey, USA and operates in five Pacific countries presently- Fiji, Samoa, Solomon Islands, Tonga and Vanuatu. Its oldest operation has been in Samoa incorporated in 2001 and the latest addition has been in Vanuatu in 2017. SPBD is the only private sector microfinance service provider in the region with very few institutions offering savings and credit to those in the informal sector especially in rural areas and women. Since inception, SPBD has disbursed more than 165,000 microloans worth more than USD\$ 100 million across the network with a consistent loan repayment track record with an overall delinquency less than 2%.

PFIP has provided grant support to SPBD in the Solomon Islands for expanding its outreach to rural areas and for a pilot solar loan project. Both these grant support projects have since been closed with the final disbursements completed after SPBD has reached its targets. While having received proposals for grant assistance, PFIP has till date not considered any funding to SPBD in other countries

SPBD has been in discussions with PFIP seeking grant support in the different countries that they operate for expansion of operations and/or for developing and piloting new products and services targeting specific market segments (example agriculture credit, youth finance, digital credit, SME credit), Institutional strengthening, cost reduction strategies, international partnerships,

### Approach

SPBD is a network of MFIs operating in the five South Pacific countries- Fiji, Samoa, Solomon Islands, Tonga and Vanuatu offering a basket of financial services covering the following- Group Microloans, SME loans, Higher Education Loans, Overseas Workers loans, Renewable Energy Loans, Member Savings and Funeral/Death Benefit cover with ongoing Financial Literacy training to its members. Since inception It has disbursed 165,000 microloans worth more than USD\$ 100 million to women microentrepreneurs, and as on date has a total of 46,500 active customers with microloans and savings in the five countries accounting for nearly 11% of the households in these countries.

The assessment study is to analyze the following: business viability of SPBD, market potential for further expansion in the respective countries, types of products/services that will meet specific needs of the target segments, recommendation for PFIP support to SPBD in various areas of engagement including but not limited to:

- a. New product development (e.g. Agricultural credit, digital credit, SME credit, Savings for a purpose, remittances, distribution services, educational credit)

- b. Institutional strengthening (e.g. HR development, Process standardization and control, etc.)
- c. Cost reduction strategies (Financial control and reporting, operational methods)
- d. International and domestic partnerships (for remittances, for wholesale finance, for insurance)

The consultant will work closely with the SPBD senior management, in particular the CEO, CFO and COO, conduct phone/skype interviews with them and do desk research on the financial reports, business plans, strategic plans, and other country specific documents to analyze and provide recommendations. The relevant documents will be provided by SPBD and other required information will have to be researched by the consultant referencing the internet, publications etc.

The consultant will also be required to conduct in-country assessments spending 5 working days in each country to meet and interview cross section of SPBD clients, staff, regulators and other relevant stakeholders to develop the report. PFIP and SPBD will provide a list of stakeholders to be met for interviews besides assisting in setting up meetings. Besides PFIP technical and regional specialists will also provide inputs and participate in the interviews as required

## **DUTIES AND RESPONSIBILITIES**

### **Scope of Work**

- The consultant will undertake document research to prepare detailed financial and business viability of SPBD in the five countries of operation
- S/he will be required to prepare detailed assessments on the market potential for expansion of SPBD operations in the five countries, opportunities for product/service enhancements, partnerships with other FSPs for offering value added services
- S/he will gather detailed data on SPBD customers across the five countries, cost drivers, map out potential areas for cost reductions, recommend service improvements including using digital channels for customer experience enhancement.
- She/he will also review the administrative set up of SPBD in the five countries, its HR policy and practices, its IT systems and CRM to come up with useful suggestions for improvements to some or all the above
- S/he will prepare detailed budgets and costs for the above product/service improvement or introducing new products/services, recommend if PFIP should provide grant support.

### **Deliverables**

- Evidence-based assessment of key opportunities for introducing or modifying existing financial products/services offered by SPBD- country specific
- Establish business viability, sustainability of SPBD based on an assessment of its financial reports and other inputs including interviews with senior management
- Costs and budgets for new products/services country wise
- Suggested changes to the SPBD operating structure, internal policies and practices, business strategies
- Recommendations to PFIP to consider providing support to SPBD

### **Institutional Arrangement**

- The consultant will work closely with PFIP Financial inclusion specialist based in Fiji, Samoa and Solomon Islands.

- PFIP Regional specialists will also provide support as required in their respective areas of specialization.
- The consultant will report to the PFIP Manager or designate and he/she is expected to send short email updates/reports once a week to the PFIP Manager/designate.
- PFIP in liaison with SPBD arrange local meetings, field trips to meet clients etc. Where available and possible PFIP/SPBD will also arrange for office space and access to internet

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

- The consultancy will be for a period of 43 days as follows:
- Home based (desk research) including phone/skype interviews with SPBD and PFIP teams: 10 working days
- In-country Mission – 5 working days per country (total of 25 working days in five countries)- travel time to and from the home country of consultant and within the Pacific will not be included in the above
- Draft report writing and submission to PFIP: 5 working days
- Final report based on PFIP inputs: 3 working days (PFIP will require 10 working days to review the draft report and provide feedback)

#### **Duty Station**

- The consultant will be Home-based with travel to Pacific Island Countries as required by UNDP/PFIP.
- The consultant will be required to travel to Fiji, Solomon Islands, Tonga, Samoa and Vanuatu and spend 5 working days in each country besides travel time.

### **COMPETENCIES**

- Strong networking skills
- 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;
- 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:**

- Minimum Master's qualifications in Economics, Microfinance, Finance, Humanities or related discipline

#### **Experience**

- Minimum 7 years of experience working in the microfinance sector preferably at senior operations level
- Knowledge and experience of working in financial inclusion projects in developing markets
- Knowledge and experience of working in digital financial services especially mass market financial services

**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: Completion of desk research and skype/phone interviews with SPBD senior management and PFIP specialists followed by submission of a draft inception report and work plan (20% of total contract amount)
- Deliverable 2: Completion of field work and in-country visits to minimum 2 countries, assessments, meeting SBPB staff and clients, interviews with relevant stakeholders and filing short updates and draft reports to PFIP 30% of total contract amount
- Deliverable 3: Completion of field work and visit to the other three countries, meeting SPBD staff and management, clients, interviews and relevant stakeholders, submission of short draft reports (20% of total contract amount)
- Deliverable 4: Submission of draft final report covering all the expected deliverables and as per agreed work plan (20% of total contract amount)
- Deliverable 5: Final report after iteration with PFIP and based on feedback received from PFIP/SPBD (10% 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.

**Evaluation Method and Criteria**

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)**

- Master's qualifications in Economics, Microfinance, Finance, Humanities or related discipline (5 points)
- Practical and applied knowledge of micro finance core principles and best practices (10)
- Experience of working in financial inclusion related projects preferably with micro finance institutions especially among low income clients in the area of product development, marketing, finance etc. (20 points)

- Experience in conducting assessments of micro finance institutions on their operational viability, financial feasibility, market expansion, product diversification strategies (20 points)
- Proficiency and experience in analyzing financial reports (15 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. Please group them into **one (1) single PDF document** as the application only allows to upload maximum one document:

- **Letter of Confirmation of Interest and Availability** using the template provided in Annex II.
- **Personal CV or P11 (Annex 1)**, 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;
- **Financial proposal**, as per template provided in Annex II.

#### **Annexes**

- Annex I – [P11 Form](#)
- Annex II – [Offeror's Letter to UNDP Confirming Interest and Availability for the Individual IC, including Financial Proposal Template](#)
- Annex III - [Individual IC General Terms and Conditions](#)

For any clarification regarding this assignment please write to Mr. Ronald Kumar on [ronald.kumar@undp.org](mailto:ronald.kumar@undp.org). All proposals shall be sent to [etenderbox.pacific@undp.org](mailto:etenderbox.pacific@undp.org) by 26<sup>th</sup> November 2017 (11.59pm Fiji Time)

Incomplete proposals and proposals sent to the wrong mailing address may not be accepted.