**COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA BUSINESS COUNCIL**



SHORT TERM CONSULTANCY

FOR THE CBC DIGITAL FINANCIAL INCLUSION PLAN FOR MICRO SMALL AND MEDIUM SIZED ENTERPRISES (MSMEs)

DEVELOP AN OPERATIONAL PLAN

FOR

IMPLEMENTATION OF REGIONAL DIGITAL RETAIL PAYMENTS SCHEME

**REQUEST FOR PROPOSAL (RFP)**

**Ref no: CS/CBC/01(24/23) jp**

Closing Date: 28th February 2023

**Terms of Reference**

|  |  |
| --- | --- |
| **Project title:** | MSME Digital Financial Inclusion Plan |
| **Assignment title:** | Develop Operational Plan for implementation of COMESA Regional Digital Retail Payments Scheme |
| **Contract Duration:** | March 2023 - April 2023, (Two months) |
| **Duty station:** | Home-based |
| **Travel:** | Within eight (8) pilot COMESA Member States where applicable namely Zambia, Malawi, Kenya, Uganda, Rwanda, Egypt, Ethiopia and Mauritius |
| **Eligibility** | Consultant |

1. **INTRODUCTION**

The COMESA Business Council (CBC) is the recognized Business Member Organization, established as a private sector institution of COMESA. We represent the interests of business sectors at a regional level. The services provided go beyond advocacy, to actively promote business participation in regional integration, investment and global trade. This is done by facilitating the growth of strong business synergies, the development of business opportunities, business alliances, legislative and strategic advocacy. Our three service pillars are: Business Policy and advocacy, Business Facilitation and Membership development. More information can be obtained from the CBC website [www.comesabusinesscouncil.org](http://www.comesabusinesscouncil.org).

CBC is implementing a Digital Financial Inclusion program that supports the design, development and deployment of an integrated regional digital financial services infrastructure that is low-cost, interoperable and fraud resistant that serves Micro Small and Medium sized Enterprises (MSMEs). The program has a keen focus on women and youth, and the customers they transact with at the bottom of the financial pyramid. This would be first developed from a regulatory focus approach, to the business model and finally the actual technical establishment and operational.

The expected result of the program is to streamline cash-based MSMEs into digital markets that enjoy affordable, interoperable, transparent and real-time financial transactions. The expected impact is increased volumes of cross border transactions, financial inclusion, increase visibility of African products within regional markets and the participation of SMEs in regional trade. This will directly respond to the intra- trade deficit in the region.

In the first phase of the project, a business case report was developed which guided the development of model policy for regional digital retail payment scheme for MSMEs in COMESA region and guidelines on the operation of digital retail payments scheme for MSMEs. The business case and model policy framework guided the process of development of the business model on implementation and operation of regional digital retail payments scheme for MSMEs.

In the second phase of the project, CBC designed a Business Model on implementation and operation of regional digital retail payments scheme for MSMEs in COMESA region. The Business Model was developed using Level One design principles (<https://www.leveloneproject.org/>) addressing the needs of low-income cross border traders.

CBC is now implementing Phase III of the DFI Program, whose primary objective is to operationalize the Regional Retail Payments Scheme. A detailed operational plan is therefore expected to be developed covering Business, Technical and governance structure.

It is against this background that the CBC with the support of Gates Foundation is seeking the services of a Consultant to develop operational plan for implementation of COMESA Regional Digital Retail Payments Scheme.

* 1. **Objective of The Assignment**

**Main Objective:**

To draft operational plan to facilitate implementation of the Regional Digital Retail Payments Scheme.

**Specific Objectives:**

1. To determine requirements of the payments scheme and estimate the cost of the platform.
2. To develop governance structure
3. To refine the Rule book and develop other instruments like draft participants agreements
4. To determine the modalities for rolling out the payment platform in the eight (8) pilot countries
5. To draft road map for developing RFP for the payments scheme

1. **SCOPE OF WORK AND TASKS**

In order to achieve the above objective of the assignment, the Consultant will undertake the following tasks:

**2.1 Technical and Business Requirements including the cost of the platform**

* + Develop Technical and Business requirements for the Regional Digital Retail Payments Scheme
  + Review various reports such as the Business Model on implementation and operation of the Regional Digital Retail Payments Scheme for MSMEs in COMESA and the Infrastructure assessment report of the national and regional payment systems and incorporate such information in the technical and business requirements for the scheme.
  + Estimate the cost of acquiring equipment (CAPEX) for the Regional Digital Retail Payments platform and its Operational cost (OPEX) for three years.

**2.2 Governance structure**

In addition to the Business Model, review the best practices on the governance of retail payment schemes and design governance structure taking into account of the following different levels:

* Authority supervisory
* Operational supervisory
* Settlement entity
* Scheme operator

**2.3 Rule book and develop other instruments like participants agreements**

* Review the draft Rule Book drafted by CBC and customise it for the Regional Digital Retail Payments Scheme for MSMEs in COMESA region.
* Review similar retail payments schemes and develop other instruments like draft participants agreements for Regional Digital Retail Payment Scheme for MSMEs in COMESA region.

**2.4 Roll out plan**

Proposed modalities for rolling out the payment platform in the pilot COMESA members states. Among others, this will include the following.

* Determining criteria for selecting the initial COMESA member states.
* How the pilot exercise will be undertaken in the selected countries
* The cost of piloting the scheme in the selected countries
* In respect of payment modalities, establish how different transactions will be conducted on the platform based on different use cases such as P2P, P2B, B2B, merchant payment etc
  1. **Road Map on developing RFP**

Provide a roadmap on developing Request for Proposals (RFP) for acquiring Regional payment platform

1. **APPROACH AND METHODOLOGY**

The Consultant is expected to explain the approach and methodology that will be used to undertake the assignment. The proposed approach and methodology should include, among others, the following: -

* 1. **Desk review**: The Consultant is expected to undertake in-depth review of relevant documents, literature and reports related to digital retail payment scheme at national, regional, continental and international levels.
  2. **Field work:** The individual consultant will be required to undertake consultations with the relevant stakeholders including COMESA Business Council and others
  3. **Report writing.** The Consultant will draft reports on the Operational strategy for the regional digital retail payments scheme. The Consultant will work closely with COMESA Business Council when drafting the report requirements.
  4. **Presentation of the reports for validation:** The Consultant will be expected to present the draft report to CBC for validation.
  5. One day validation workshop will be organized on agreed date, where the consultant will present the report and incorporate the inputs.

1. **Performance Period and Outputs**

The performance period for the assignment is from the date of signing, for a period of 2 months starting in March 2023 up to April 2023.

1. **Deliverables**
2. Inception report on the Operational plan for the regional digital retail payments scheme for MSMEs in COMESA region which should include:
   * **Background** – Objectives and description of the Consultant’s understanding of the tasks
   * **Approach and Methodology** – Explain approach and methodology, data collection instruments such as interview questions. Provide a list of stakeholders to be interviewed etc
   * **Work plan** – Sequencing of the activities with timelines including meeting schedules and field visits where applicable
   * **Survey instrument**
   * **Report format/structure**.
3. Draft Operational plan for COMESA regional digital retail payment scheme. The operational plan should include Technical and Business Requirements and the cost of the platform, governance structure, Rule book and other instruments, rolling out payment platform and a roadmap for developing Request for Proposals.
4. Presentation of draft report to CBC at a validation workshop and capturing of the comments from the key stakeholders.
5. Draft revised Operational plan.
6. Final Operational plan.
7. **Timelines for Undertaking the Assignment**

The table below shows the expected outputs and the timeline for the assignment.

|  |  |  |  |
| --- | --- | --- | --- |
| **OUTPUT** | **DESCRIPTION** | **PERIOD** | **LOCATION DETAILS** |
| Inception report | Submission of Inception report | First week of March, 2023  (10th Mar, 2023) | Home based |
| Draft Operational Plan | Submission of draft 1 Operational plan | Third week of March, 2023  (24th Mar,2023) | Home based |
| Presentation of draft Operational plan to a validation workshop and capturing of the comments from stakeholders. | Presentation of draft report at a workshop and capturing inputs | Fourth week of March, 2023  (27th Mar, 2023) | Virtual meeting |
| Draft revised Operational plan | Submission of draft 2 Operational plan | Fourth week of March, 2023  (31st Mar, 2023 | Home based |
| Final Draft operational plan | Submission of approved Final Draft operational plan | First week of April, 2023  (7th April,2023) | Home based |

1. **Payment Schedule**

The budget ceiling for this assignment lump sum is $10,500.But Consultants competing for this proposal are encouraged to submit their own preferred and competitive price. This amount entails professional fees only.

All other costs of the project will be covered by the CBC. Where applicable, CBC will coordinate and pay for direct travel, logistical and related expenses for the entire duration of the project. CBC will also cater for economy class tickets in the region as well as allowances for field missions in accordance with the CBC rules and regulations.

Payment to be made according to the payment schedule on the table below:

|  |  |  |
| --- | --- | --- |
| **OUTPUT** | **PAYMENT SCHEDULE** | |
| Inception report submitted and approved | **10% Payment** | |
| Draft Operational Plan submitted and approved | **30% Payment** | |
| Presentation of draft Operational Plan to validation workshop and capturing of comments of the stakeholders at the workshop | **N/A** | |
| Draft revised Operational Plan submitted and approved | **60% Payment** | **40% Payment** | |
| Final Operational Plan submitted and approved | **20% Payment** | |

1. **Expertise Required**

A Consultant with experience in business modelling for regional digital payment scheme for MSMEs. The Consultant should have expertise in digital financial inclusion, Regional Integration, and payment systems that involve bank and non bank operators like MNOs and Fintechs, with a specific focus on the Infrastructure and ecosystems for cross border payment platforms. The Consultant should also have legal/regulatory expertise.

The required qualifications and competencies are highlighted below:

**Core and Technical Competencies:**

* Business modelling experience in regional payment schemes for low market segments that involves cross border traders dominated by female traders and youth with real time transaction and same day settlement principles
* Good understanding of financial services regulation for cross border payments and regional payment systems
* Extensive experience in supporting implementation of an interoperable platform in sub-Saharan Africa and a good understanding of different digital payment solutions in other emerging economies e.g. Mobile money, agency banking and merchant payments. This involves their business models and general operations.
* Good understanding of the different platforms and initiatives that are undergone in COMESA region regarding the payment scheme.
* A good understanding of the business models and operational frameworks of banks and non-bank operators like MNOs and Fintechs and easily integrate them to work in a seamless manner with their wide variety of payment methods
* Experience in business model design for interoperable payment schemes where various regional players and stakeholders are involved with currency conversion scheme
* Experience in design of integrated mobile payment schemes with inhouse systems and initiatives
* Ability to establish and maintain effective working relations with public and private sector stakeholders across several countries.
* Good understanding of regional integration, private sector development, trade and the various processes in engaging payment system officials in member countries with multi lingual payment designs
* Excellent communication, negotiation and drafting skills.

**Qualifications of the Consultant:**

The assignment will be done by the Consultant with the following key competences and qualifications:

* **Academic**: Master’s degree in business administration, Economics, Banking, Payment System, Finance or areas related to financial services.
* **Work Experience**: Minimum 10 years relevant work experience at national, regional or international level in business modeling of payment schemes related to digital financial inclusion
* Demonstrable knowledge and experience related to modelling payment schemes for low transactions involving cross border trading between countries.
* Demonstrable knowledge and experience related to payments systems regulations at national and regional level and customization of them into modelling and operational requirements

The Consultant should be able to demonstrate the following:

* Knowledge of various payment schemes and methods amongst COMESA countries.
* Business modelling experience related to interoperable and low-cost payment schemes for Digital Financial Inclusion.
* At least two complementary or similar projects delivered by the Consultant.

**Language Requirements:**

Proficiency in written and spoken English. French and or Arabic is an added advantage.

1. **EVALUATION CRITERIA AND PAYMENT MODALITIES**

The consultant is expected to submit standard technical and competitive financial proposals not exceeding the budget ceiling that is indicated in section d above. The consultant will be evaluated against a combination of technical and financial criteria. The consultant should score a minimum of 70% of the 100% technical grade which will then qualify the consultant for the next stage of financial grading. Both financial and technical scores will be added for the final grade.

To assist in the examination, evaluation and comparison of proposal, CBC may ask the Consultant for clarification of his/her Proposal. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered or permitted.

CBC will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order.

Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If the consultant does not accept the correction of errors, his/her Proposal will be rejected. If there is a discrepancy between words and figures, the amount in words will prevail.

Prior to the detailed evaluation, the Procurement Committee will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantially responsive Proposal is one, which conforms to all the terms and conditions of the RFP without material deviations. CBC’s determination of a proposal’s responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.

A Proposal determined as not substantially responsive will be rejected by the CBC and may not subsequently be made responsive by the consultant by correction of the non-conformity.

The bids will be evaluated as follows:

* The email that has technical and financial offers will be opened.
* The “TECHNICAL PROPOSAL” will be opened and the technical proposal will be evaluated.
* If the technical proposal is evaluated as 70 per cent or above the “FINANCIAL PROPOSAL” will be opened.
* The consultant that has offered what is adjudged to be the best technical and financial offer will be offered the contract.
* If the consultant that offered what was adjudged to be the best technical and financial offer declines to accept the offer, then the consultant that is adjudged to have offered the second best technical and financial offer will be offered the contract.

In evaluating the relative merits of consultant’s bidding for the project, the evaluation panel will consider:

* Understanding of the terms of reference and requirements of the assignment (15%),
* Demonstrated experience of the Individual Consultant and sample of past assignments carried out by the Individual Consultant in the field of study at regional level (COMESA) (25%),
* The proposed approach and methodology to be applied by the Consultancy Individual Consultant, including workplan with timelines (35%),
* Qualification, competence and relevant experience of Individual Consultant (25%).

1. **REPORTING AND MANAGEMENT**

The consultant will work under the direct supervision of the Chief Operating Officer-DFI Program, to develop operational model of regional digital retail payment scheme, under the overall management of the Chief Executive Officer.

* The Chief Executive Officer will provide quality assurance and ensure that the documentation produced is reviewed and approved.
* The Chief Executive Officer will ensure that the consultant receives all relevant documentation with respect to CBC Guidelines, Rules and Regulations necessary for the execution of his/her tasks.

1. **CONTRACT**

A formal contract specifying the scope of the assignment shall be prepared and signed between the Secretariat and the consultant prior to the beginning of the assignment. The contract shall also clearly spell out the responsibilities of the two parties.

1. **PAYMENT PERIOD**

The period for payment shall be 30 days from acceptance of the report, based on the payment outputs.

1. **PRICING**

All prices MUST be indicated in USD. There will be a no price variation of the contract after signing of contract except upon a mutual written agreement between the two parties. Prices must be exclusive of all taxes within Zambia.

1. **AWARD OF CONTRACTS**

COMESA Business Council reserves the right to wholly or partially reject or award this contract to any bidder and has no obligation to award this contract to the lowest bidder.

1. **CLOSING DATE OF PROPOSALS**

Proposals must be **emailed** to the COMESA Business Council Secretariat on or before 28th of February 2023 at latest by 1500hrs.

1. **REJECTION OF PROPOSALS**

Any proposal received by the Secretariat after the closing date and time shall be rejected.

1. **TECHNICAL QUERIES**

For any technical queries related to the specifications of work or TORs, kindly contact: [procurement@comesabusinesscouncil.org](mailto:procurement@comesabusinesscouncil.org)

1. **DISCLAIMER**

COMESA Business Council does not bind itself to accept any proposal and reserves the right to accept the whole or partially any of the submitted proposals.

1. **SUBMISSION**

Proposals from consultants must be **emailed** to the address below on or before 28th February 2023 **at 15.00 hours**, Zambia time.

**The Chairperson- Procurement Committee**

**COMESA Business Council   
COMESA Secretariat Building  
Ben Bella Road   
P.O. Box 30051 Lusaka, Zambia.   
Tel: (260) 211 229725.   
Fax: (260) 211 225107**

**Email:** [procurement@comesabusinesscouncil.org](mailto:procurement@comesabusinesscouncil.org)

1. The Technical Proposal should include the following:

* Updated profile of the Individual Consultant including a CV.
* Detailing his/her understanding of the task and highlighting experience and expertise in similar works as well as a detailed approach and methodology for carrying out the assignment including an outline of the supporting documents/ projects and their references;
* Copies of academic and professional qualifications of the consultant.

1. The Financial Proposal shall be in line with Section (F) of this RFP.