

# State of Instant and Inclusive Payments in Africa 2022

## Terms of Reference

### 1. Background

AfricaNenda, The World Bank Group and UNECA are collaborating to explore the state of financial inclusion in Africa and the role that instant and inclusive payments play in achieving inclusion for all. This partnership involves conducting extensive research across Africa to establish key trends, best practices, benchmarks, and to deliver ideas and thought leadership, through an annual think piece that will inspire African digital financial services ecosystem players to scale up the use of instant and inclusive payments systems.

[AfricaNenda](#) is an independent, African-led organization created to accelerate the growth of instant and inclusive payment systems that will benefit all Africans, including the poorest and currently financially excluded. AfricaNenda believes that instant and inclusive payment systems can play a pivotal role in creating universal access to financial services for many financially excluded adults and are critical to achieving universal financial inclusion in Africa by 2030.

The World Bank Group (WBG) is a family of five international organizations that make leveraged loans to developing countries. It is the largest and best-known development bank in the world and an observer at the United Nations Development Group. The bank is headquartered in Washington, D.C. in the United States. The bank's mission is to achieve the twin goals of ending extreme poverty and building shared prosperity.

The United Nations Economic Commission for Africa (UNECA), through its Digital Centre for Excellence, is working with the African Union Commission on a Digital Identity, Digital Trade, and [Digital Economy initiative](#), to support member countries to fully harness the digital potential, and to exploit the benefits of digitalization for the continent's development, fostering of a vibrant and inclusive digital economy.

This annual think piece will be known as the State of Africa's Instant and Inclusive Payments report, with the first edition expected to be published in 2022.

### 2. Objectives

The three partners viz the AfricaNenda, The World Bank Group and The United Nations Economic Commission for Africa seek a consulting firm to conduct extensive research to capture the state of instant and inclusive payments across Africa. The consulting firm is expected to conduct an in-depth industry analysis to establish key trends, best practices, benchmarks, etc., by further zooming into the key themes from AfricaNenda's recent report<sup>1</sup> that highlights the progress and prospects of instant payments in Africa. The document should include a core section with a reproducible annual methodology, and two sections on focus areas for 2022, as detailed below.

### 3. Scope of Work

A detailed assessment of instant and inclusive payments in Africa through mixed research methods including literature review of existing landscape mappings and reports, in-depth interviews with a variety of stakeholders and quantitative analysis.

#### i. Assess the existing landscape of instant/ faster payments in Africa

- Catalogue the systems that are live by the date the report is completed across their key characteristics for domestic and regional systems, including but not limited to:
  - Business models, type of IIPS (central bank vs. association)

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<sup>1</sup> [THE STATE OF INSTANT PAYMENTS IN AFRICA: PROGRESS AND PROSPECTS](#)

- Transaction counts and value by use case
  - The relative size of IIPS within the overall payments sector (retail + wholesale)
  - Supported use cases
  - Access channels and underlying payment instruments supported
  - Inclusivity of payment systems
    - Contribution to financial inclusion and access metrics e.g. rural reach, low-income users, independent users)
    - Contribution to cross-border payments
  - Technical characteristics of the systems (e.g. provider type, system functionalities, clearing and settlement frequency, overlay services, redundancies, open APIs, integration with other payment systems or ID systems, etc.), with specific subcomponents to include
    - Settlement processes
    - Liquidity management
    - Participant reserve requirements
  - Access channels, levels, including non-bank financial institutions, and support for payment instruments in the markets
  - Commonalities and trends across IIPS systems
- ii. Evolving instant payment customer behavior**
- What are African no- and low-income users and MSMEs looking for?
  - What are the barriers (e.g. transaction taxes), opportunities and incentives for African users to adopt faster payments?
  - Which IIPS use cases and features are most popular?
  - What are the unmet needs for African consumers and MSMEs today?
  - Who is still being excluded from IIPS systems and why?
- iii. Stakeholders (year 1 focus topic)**
- The structure of the African market for core activities like mobile money and the principal participants (financial services providers, switches, other payments service providers) involved
  - Participating entities in schemes and their relative differentiators
  - Enabling technology and programs
  - Regional and continental approaches for participants
- iv. Governance and Oversight (year 1 focus topic)**
- Mapping the payment sector and its oversight and policy environment, including linkages to national regulations and national financial inclusion strategies
  - Description of the infrastructure, main oversight bodies, the legal foundations and division of responsibilities across the various types of financial institutions and payment channels and instruments
  - Monitoring of system health/stability, including fraud reporting and risk management among participants
  - Typology of ownership that exist (government, private-public, private consortium, payments associations) and membership rules
  - Board structures, key management bodies and respective participation
  - Categorization of schemes based on governance structures

- Governance considerations to advance financial inclusion and reduce the gender gap
  - Structure of scheme rules, upward feedback from participants, change management processes
  - Adjustments to governance through the implementation lifecycle
  - Challenges and opportunities with current approaches
- v. **Forward-perspective on IIPS Growth. Emerging systems and opportunities**
- Which national and regional IIPS are under development to be deployed in the next 1-2 years?
    - What are their planned use cases and system functionalities?
    - What are their business models, launch plans, and impact targets?
    - Which types of IIPS are being developed? E.g., central bank-led vs. other types
    - How inclusive are the instant payment systems under development, and how could they become more inclusive?
    - How are domestic IIPS systems interacting with regional IIPS and cross-border payment systems?
- vi. **Identify barriers in the eco-system for instant and inclusive payments systems across multiple countries, such as, but not limited to**
- Business model (expenses, pricing)
  - Technology
  - Uptake by MSME merchants and buyers to digital platforms; with local and regional scope
  - Potential policy and regulatory constraints, such as licensing requirements or regulatory approval of payment service providers
- vii. **Develop case studies on best practices and innovative solutions as seen within African markets**
- Describe key operational IIPS processes and approaches within African markets. Also, provide diagrams or flowcharts
  - Propose recommendations on future processes and opportunities taking into consideration the existing and changing landscape
  - Provide a step by step pronged approach, stating the pre-requisites to achieve real operational outcomes

#### 4. Project Outputs

The consulting firm will prepare all the reports and deliverables to the highest standard as required, stating all actions taken during the project. The outputs of the project will be as follows:

- a. **Inception report that provides details of the project approach and clear project timelines.**
- b. **Detailed research plan, including a replicable methodology.**
- c. **A comprehensive final project report - The State of Instant and Inclusive Payments in Africa 2022, covering the findings and recommendations from the above-described scope of work. The original report will be in English and translated into French and Arabic.**
- d. **An inventory of key payments initiatives linked to the map of Africa on AfricaNenda's website.**
- e. **Embedded reports on year 1 focus areas (5-10 pages each)**
- f. **Small case studies of leading faster payments initiatives (3-5 pages)**

## 5. Project Timelines

The project is expected to run for 180 days, commencing in February 2022.

## 6. Project Expertise Required

- Having successfully conducted at least 3 similar research assignments at country and/or regional levels, such as on digital payments diagnostics, digitization of government payments, electronic payments and digital financial services
- Evidence of high quality of documentation and disseminating technical knowledge to a wide range of audiences.
- Prior experience working in Africa
- The consulting firm demonstrates a significant commitment to quality assurance procedures and risk mitigation measures for the project
- The project team should have rich experience in instant and inclusive payments in Africa

The required qualifications and competencies are highlighted below:

### Core and Technical Competencies:

- Significant regulatory and industry experience related to payments systems, such as card payments, mobile money, interoperability and with a specific focus on inclusive digital payments
- Expertise on the issues surrounding inclusive digital payments from an ecosystem perspective. Demonstrated understanding of the components of payments systems in Africa, including experience in analysing such systems.
- Demonstrated understanding of payment processes, trends and recommended practices for governments, businesses and development partners.
- Experience in facilitating a research process across the financial sector that includes both managing and coordinating the senior level interface with a range of governments, businesses and donor agencies as well as engaging with non-government organizations
- Experience planning and executing national and/or regional level research on payments.
- Strong and rigorous research skills, leading to reports, manuals or handbooks which can be understood by non-experts, as evidenced by previous publications.
- Excellence in technical writing for report dissemination
- Proven ability to translate technical terms into actionable language and clear recommendations.

## 7. Project Reporting

The consulting firm will work under the direct supervision of the AfricaNenda team, to conduct this research. The consulting firm will be expected to gather and incorporate input from the World Bank FCI team and UNECA.

## 8. Proposal Content

Consulting firms should submit technical and financial proposals that address the objectives outlined above. While there is no minimum page limit for the proposal, the maximum page limit is 30 pages (including CVs of the project team members) for the proposal which is expected to be clear, concise and with no font smaller than size 11. The proposal should detail the firm's proposed approach in delivering the project, as outlined above. It must also focus on demonstrating how the consulting firm will ensure that high levels of quality will be maintained at all stages in the project.

## 9. Risk Management

The technical proposal should contain a comprehensive list of expected project risks and possible mitigation measures

## 10. Process

### **Submissions**

Proposals should be submitted electronically by **February 7, 2022**, to [info@africanenda.org](mailto:info@africanenda.org). The technical proposal and the financial proposal shall be provided in separate documents. Proposals received after the deadline will not be considered.

### **Queries**

Queries relating to the preparation of the proposal should be submitted to AfricaNenda, by email, to the above-provided email by **January 21, 2022**.

### **Notification And Contracting**

All bidders will be notified of the outcome of their proposals by **February 21, 2022**. AfricaNenda will issue a contract once the selection process has been completed.

## 11. Evaluation Criteria

All proposals will be evaluated based on the criteria listed in the table below. The technical bids will be reviewed by a panel of AfricaNenda, World Bank and UNECA staff, and scored according to the criteria below. Upon completion of the scoring of technical proposals, the financial proposals shall be opened. With an overall score calculated.

Technical Proposal Criteria	Weighting
<b>Quality of proposal:</b> Technical understanding of TOR, mechanisms for quality assurance, innovative approaches to data collection, assessment of risks and contingency planning	40%
<b>Competence and experience of the firm(s):</b> Experience/reputation of the consulting firm and existing client portfolio for consultant	10%
<b>Project resources and proposed team member CVs:</b> Demonstration of expertise for all key roles required for the project	30%
<b>Capability:</b> Demonstrated industry experience related to payments systems and the ability to conduct large scale assessments in Africa	20%
<b>Maximum Score</b>	<b>100%</b>

Overall Criteria	Weighting
<b>Preference:</b> Will be made to African-led consulting firms with a gender-balanced project team	5%
<b>Technical Proposal:</b> Well-articulated project approach and deliverables	70%
<b>Financial Proposal:</b> Comprehensive breakdown with justifications	25%
<b>Maximum Score</b>	<b>100%</b>

## **QUESTIONS - RFP (State of Instant and Inclusive Payments in Africa 2022)**

1. Does AfricaNenda have access to the GSMA data or other data sources that track digital payment trends in Africa?

**Currently the three partners (AfricaNenda, The World Bank Group and UNECA) do not have access to the GSMA data on digital payment trends. However, due to the existing partnership with GSMA, the project team will support the consultants to access any public data that shall be made available by GSMA.**

2. Data access is envisaged as a big challenge/project risk: Can AfricaNenda support with stakeholder engagement in terms of data access / provide a person to help reach out to stakeholders for sharing their data? Or share their contacts for the data used in their existing report?

**Due to the existing partnerships with several stakeholders in the industry, the AfricaNenda project team will support the consultants to access any public data that shall be made available by various partners.**

3. Are there existing agreements with Central Banks that they will share their data?

**There are no existing data sharing agreements between the three partners and Central Banks.**

4. Will AfricaNenda facilitate the translation of the report to French and Arabic?

**Yes, AfricaNenda will facilitate the translation of the report to French and Arabic, through consultants. AfricaNenda will however require full collaboration with the consultants.**

5. Do you have a specific geographic focus / priority? Or are you looking for broader trends across the continent?

**The project partners are looking to establish trends in instant and inclusive payment systems across the continent.**

6. Deliverables: are the embedded reports on the focus areas part of the overall report, or submitted as separate deliverables after the overall draft? Likewise, are the 3–5-page case studies to be incorporated into the report, or standalone?

**The embedded reports on the focus areas will be part of the overall report, while the 3 – 5-page case studies will be standalone.**

7. In terms of the timelines, is there a specific event or activity that the report needs to feed into, or is there some flexibility in the timelines? Are there particular launch events you intend to do?

**The project is expected to run for 180 calendar days, including the report dissemination event.**

8. Is the purpose of this study to go into depth based on primary data, or is the emphasis more on a high-level overview of trends across the continent drawing on qualitative insights from stakeholder interviews, complemented by a mapping exercise of existing initiatives?

**The TOR document does not specifically prescribe the approach and methodology of this assignment. AfricaNenda expects the consultant to clearly articulate the most favorable approach and methodology to be considered in this project and to demonstrate capability in the best way possible.**

**This study is a detailed assessment of instant and inclusive payments in Africa through mixed research methods including literature review of existing landscape mappings and reports, in-depth interviews with a variety of stakeholders and quantitative analysis. The consultants are**

**expected to draw out a detailed and concise approach to the study to ensure that the project objectives are achieved.**

9. Are joint bids allowed? I.e., Can 2 entities that have been working together on related projects submit a joint bid?

**Yes, partnerships/ consulting consortiums are welcome to submit proposals for this work.**

10. Methodology: I notice the TOR mentions mixed methods, but it looks like the client is looking for a more qualitative approach in primary research. Just to confirm this point i.e., no quants surveys are expected to be conducted across the countries.

**The consultants are expected to draw out a detailed and concise approach to the study to ensure that the project objectives are achieved.**

**The TOR document does not specifically prescribe the approach and methodology of this assignment. AfricaNenda expects the consultant to clearly articulate the most favorable approach and methodology to be considered in this project and to demonstrate capability in the best way possible.**

11. Geographic coverage: is AfricaNenda expecting consulting firms to cover the 18 countries (slide 21 of the IIPS Report, Oct2021) or would they be open to focusing more on only specific countries (fewer countries but more deepness in the research)? My feeling is they'd want us to explore all 18 countries, in line with their recent Report, but guess no harm in confirming this as well as it has an impact on the team, time, and budget.

**The project partners are looking to establish trends in instant and inclusive payment systems across the continent.**

12. As the Applicants We assume that we shall do the translation into French and Arabic right?

**AfricaNenda will facilitate the translation of the report to French and Arabic, through consultants and will require full collaboration with the project consulting firm.**

13. In what depth are we expected to look at cross-border instant payment schemes in Africa?

**This study is a detailed assessment of instant and inclusive payments in Africa through mixed research methods including literature review of existing landscape mappings and reports, in-depth interviews with a variety of stakeholders and quantitative analysis. The consultants are expected to draw out a detailed and concise approach to the study to ensure that these project objectives are achieved.**

14. Considering the State of Instant and Inclusive Payments in Africa report appears to be a flagship project, how much does the AfricaNenda team want to be involved in the execution of the project and the development of the publishable report?

**The consulting firm will work under the direct supervision of the AfricaNenda team, to conduct this research, while gathering and incorporating input from the World Bank FCI team and UNECA**

15. What is your vision for branding of deliverables that are intended to be external facing (e.g., AfricaNenda branding, joint branding with TOR teams, joint branding with consulting firm?)

**The project deliverables will be co-branded i.e., AfricaNenda, The World bank Group and UNECA brands. The consulting firm brand will however be acknowledged in the foreword or introduction sections of the deliverables.**



16. What is the approach for deliverables that will be integrated into the AfricaNenda website (e.g., interactive map)? More specifically, is it within scope for the consulting firm to work with the website developer or will AfricaNenda do so?

**The consultants are expected to draw out a concise approach, ensuring that an interactive inventory of key payments initiatives linked to the map of Africa on AfricaNenda's website is delivered. Partnerships are encouraged for this deliverable.**

17. Can you confirm our interpretation of the embedded report deliverable for year 1 topics is appropriate? (Interpretation: a deep dive extract report (1 per year 1 topic focus area). The reports will be embedded into the AfricaNenda website)

**The embedded reports include deep dive extract reports on the areas of focus for each year. For instance, for the 2022 report, the themes would be stakeholders of IIPS, governance and oversight as highlighted on the project TOR as nos. 3 and 4 topics under the scope of work.**

18. Can you provide guidance on the budget to help clarify the magnitude of each activity?

**This project has no budget indication. The consultant is expected to develop a budget based on the developed project approach, on condition that the consultant provides concrete justification for the budget.**

19. The TOR mentions 3-5 pages for case studies: is that 3-5 pages per case study or for all case studies?

**The case studies on payments initiatives are each expected to be 3 – 5 pages long.**

20. The TOR says "The project is expected to run for 180 days, commencing in February 2022" Are those 180 days the expected level of effort or the calendar number of days?

**The project is expected to run for 180 calendar days.**

21. Will AfricaNenda support the organization of interviews/consultations?

**AfricaNenda will support the consultants by providing project introduction letters, to be used when engaging different entities/ organizations.**

22. Is travelling expected?

**This depends on the project approach proposed by the consultants. The TOR document does not specifically prescribe the approach and methodology of this assignment.**

23. To understand customer behavior is qualitative research preferred or can the consultants leverage existing research?

**The TOR document does not specifically prescribe the approach and methodology of this assignment. The consultants are expected to draw out a detailed and concise approach to the study to ensure that the project objectives are achieved.**

24. If a quantitative survey instrument is used to obtain data from financial service providers/regulators/etc. will AfricaNenda support in the identification of stakeholders and requesting the stakeholders to please fill out the survey?

**AfricaNenda will support the consultants by providing project introduction letters, to be used when engaging different entities/ organizations.**

25. Would the data on payments, such as, Transaction counts and value by use case, be provided by the regulators of each country and will AfricaNenda facilitate this?



**Due to the existing partnerships with several stakeholders in the industry, the AfricaNenda project team will support the consultants to access any public data that shall be made available by various partners.**

26. Would an in-depth analysis of each country be necessary, or can there be snap shots and in-depth analysis of select countries per region?

**The project requires in-depth analysis of selected countries in the regions, not an in-depth analysis of each country in Africa.**

27. Could you please confirm whether the focus of the exercise is only on markets with existing instant payments programs and those that have broadly disclosed a need to deploy similar programs?

**Yes, the focus of this exercise is on markets or regions with existing instant payments systems**

28. What is meant by inclusive payments? Could you please clarify your definition of instant payment? This will help to answer some questions like: Is the focus only on government-led and association-led instant payment programs or broader than that?

**The following teaser report by AfricaNenda on the State of instant Payments in Africa provides all the useful definitions. The focus of this assignment is broader than government-led or association-led instant payment systems.**

[https://www.africanenda.org/uploads/files/211005\\_AfricaNenda-Instant-Payments-in-Africa-Report\\_vF-1.pdf](https://www.africanenda.org/uploads/files/211005_AfricaNenda-Instant-Payments-in-Africa-Report_vF-1.pdf)

29. Is the focus only on bank-to-bank instant payments or should mobile money instant payments also be included?

**The focus is on all instant and inclusive payments systems, considering both bank and non-bank focused**

30. Could you please clarify what is meant by “year one focus topic”?

**This means a topic that will feature on the first State of Instant and Inclusive Payments report (report delivered on the first year i.e., 2022)**