

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 report¹ 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)

¹ [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. 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
Quality of proposal: Technical understanding of TOR, mechanisms for quality assurance, innovative approaches to data collection, assessment of risks and contingency planning	40%
Competence and experience of the firm(s): Experience/reputation of the consulting firm and existing client portfolio for consultant	10%
Project resources and proposed team member CVs: Demonstration of expertise for all key roles required for the project	30%
Capability: Demonstrated industry experience related to payments systems and the ability to conduct large scale assessments in Africa	20%
Maximum Score	100%

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