

TERMS OF REFERENCE

Options assessment for electronic cash transfer delivery, Myanmar

1. Background

Social protection is becoming an increasingly important component of both strategic policy development and public expenditure in Myanmar. The government's increasing investments in social protection are underpinned by the National Social Protection Strategic Plan, approved in December 2014. That Strategic Plan has eight flagships of which four are unconditional transfers (cash transfers to pregnant women and children under 2, gradual extension of that allowance to other children, cash transfers to persons with disabilities, and social pensions) and one is conditional (public employment programme).

For the Ministry of Social Welfare, Relief and Resettlement (MSWRR), social protection is becoming the most extensive form of service it provides to the public. MSWRR is playing a central role in the extension of social protection systems but needs to make policy choices that promote greater efficiency in a context of limited fiscal and human resource capacity. Achieving sustainable delivery mechanisms for cash transfers is challenging given the relative weakness of government and social and financial institutions in Myanmar, and concerns over corruption and misuse.

LIFT is also supporting Government to build its capacity to deliver managed social protection programmes as part of an effort to integrate social protection into Government systems. LIFT is supporting Government to pilot a maternal child cash transfer (MCCT) beginning in Chin State. MSWRR is also rolling out a national social pension for everyone aged 90 and older, with technical assistance from HelpAge under LIFT funding. While cash transfers are becoming more important in Myanmar, the delivery mechanism typically remains manual – physical cash delivered by hand. The national social pension, for example, is paid quarterly in cash through local government structures (the General Administration Department). While manual payment may have the advantages of simplicity and social interaction, it is labour intensive and poses risks related to leakage and delayed payment.

Many other developing countries use electronic/digital payment systems through mobile phones, mobile fund transfers, cash cards and ATMs etc. In the past, this was not possible in Myanmar not only because of technology barriers but also the legal and regulatory environment relating to financial services. However, this situation is evolving rapidly, opening up potential opportunities for the country to take advantage of more efficient delivery mechanisms. There has been some testing of electronic payments – e.g. Save the Children and World Food Programme (WFP) collaboration with Wave Money. The government would like to consider the options available. With LIFT's support (through the Dry Zone Social Protection Project and Social Protection Policy Project), HelpAge has the opportunity to research and later pilot the most suitable options in support of MSWRR.

2. Purpose

The purpose of this assignment is to explore feasible means for electronic/digital delivery of social cash transfers and recommend options for piloting, and for later wide scale-up through government social protection schemes.

3. Key research questions

The Consultant will elaborate and refine key research questions as part of Output 1 below, for further discussion with HelpAge and LIFT. The overall research question is: *What option or options for electronic cash transfers are the most appropriate for Myanmar's Government to pursue in delivery of schemes under the National Social Protection Strategic Plan?*

Considered from the perspective of both *supply* (telecom companies, financial institutions, agents, etc.) and *demand* (governments, NGOs, beneficiaries), the research areas are expected to include questions such as these:

- What are the lessons from other countries in moving from manual payment to electronic social cash transfers (especially by government), which Myanmar can learn from? What are the advantages and disadvantages of various types of products described in the study?
- What are the lessons to date from Myanmar's early experiments with electronic cash transfers, e.g. Wave Money via Save the Children and WFP, or other pilots?
- What types of electronic (non-manual) cash delivery options are legally allowed in Myanmar, or expected to be supported by legal and regulatory frameworks in the near term?
- Are there any restrictions in the types of providers the government can work with or financial services government departments can access?
- What types of electronic cash delivery options are feasible in Myanmar given the country's context and financial infrastructure, including technological, banking/institutional, commercial and regulatory considerations (current and likely near-term future)? Consider capacity to deliver.
- What are the cost implications of manual cash transfers vs various types of electronic transfers (that have been identified as feasible options for Myanmar's context)? Which form(s) of electronic transfer appears to be most cost-effective (taking into account payment mechanism set-ups, orientation for users, manpower, government staff training, costs to beneficiaries related transportation and time, etc.)?
- What are the advantages and disadvantages of various delivery options for Myanmar society, in relation to readiness (e.g. literacy and numeracy) and acceptability by the public and user-friendly features, particularly in rural areas? This can be explored from the perspective of various potential beneficiaries, such as pregnant women, older people, and people with disabilities.
- Are any private sector companies or social enterprises employing electronic money movements and how can this be applied for social cash transfers?
- What are the recommended roles of various parties in electronic delivery? What is the role of the private sector in expanding electronic transfers, and what are the advantages and disadvantages of various types of public-private-CSO relationship?
- What are the next steps in moving towards the preferred option or a shortlist of feasible electronic transfers options identified in this study (maximum 2-3), led by government and supported by LIFT and its implementing partners?
- Which options should HelpAge pilot in the Dry Zone, and what are the next steps and specific activities required for such a pilot?

4. Methodology and specific tasks for Consultant team

The methodology for the study includes (1) a summary of international experience, (2) desk review of Myanmar documents, (3) key stakeholder interviews in Myanmar (mainly Yangon

and Nay Pyi Taw), and (4) basic financial analysis (cost effectiveness). No community field work is required. Specifically the tasks for this assignment include:

- Hold discussions with key stakeholders in the assignment particularly HelpAge, Save the Children, UNICEF, WFP and LIFT (as available) to shape understanding of the information required for the research and the options in play. This may also include preliminary discussions with the private sector or others to get clarity on the current situation regarding electronic fund transfers. Additional stakeholders should be identified in this preliminary stage.
- Produce Output 1 for comment by HelpAge and LIFT. Revise based on feedback.
- Briefly summarise the key lessons from non-manual cash transfers from international literature, particularly the successes and challenges of developing countries that have moved successfully from manual cash delivery to some form of non-manual delivery mechanism. Produce Output 2. *Note:* The consultant team is expected to be generally familiar with international literature, so this step is expected to be done quickly and not involve a full literature review.
- Conduct a desk review of the Myanmar context including relevant studies, laws, regulations and media/online material.
- Continue interviews of key stakeholders to address the key research questions and produce the required analysis. Stakeholders are expected to include government ministries responsible for delivery, regulation and oversight (especially MSWRR); financial institutions; telecom companies and others exploring mobile cash transfers; any other commercial businesses or social enterprises using or exploring other forms of fund transfers including cash cards; NGOs and others piloting cash transfers including Save the Children and WFP and members of the Cash Working Group. Most interviews are expected to take place in either Yangon or Nay Pyi Taw. No community field research.
- Contact known digital money providers. Specifically, interview Wave Money, a joint venture between Telenor and Yoma Bank, which is the main existing potential provider. Other stakeholders are likely to include, but are not limited to, Myanmar Economic Bank, Myanmar Mobile Money, OK Dollar and Inwa Bank.
- Document and analyse the specific steps and lessons of field experience with electronic transfers in Myanmar to date, incorporating documented reviews/evaluations where possible and complementing with analysis from original interviews if no assessment has yet taken place.
- Assess the results and produce a draft of Outputs 3-4. Share the draft with HelpAge for comments.
- Incorporate comments/feedback and produce final Outputs 3-4.

5. Outputs

The Consultant team is responsible for producing the following three Outputs in English:

- Output 1: Research plan
- Output 2: Summary of international experience
- Output 3: Analytical options report
- Output 4: Dry Zone pilot action plan

Output 1 will be a research plan of about 5-7 pages including a revised workplan/timetable with milestones; elaborated description of methodology, tools and parties to meet; elaboration of research questions; and proposed Output 3 report structure.

Output 2 will be an analytical assessment of about 7-10 pages summarising international experience in moving to electronic cash transfers, including challenges, successes, products and specific lessons learned. This should focus on contexts of relevance to Myanmar.

Output 3 is the assignment report expected to be about 30-35 pages in length, with attachments as appropriate, analysing options for expansion of electronic transfers on a large scale. The report structure is to be agreed through Output 1. Output 2 should be incorporated into the discussion and attached in full. After providing a background introduction, the study would assess the regulatory environment and what forms of funds transfers are expected to be legally possible to employ in the near term in Myanmar. In light of international experience, it would explore the various funds-transfer options on the market or expected to come onto the market, such as mobile fund transfers or cash cards among others. It would then assess the barriers and challenges associated with using such tools for cash transfers and ways to address them, with an eye on accessibility and acceptability for the poor in rural areas and government capacities, as well as cost-effectiveness.

Output 4 will be a short action plan (about 5 pages) for a future HelpAge Dry Zone pilot on electronic transfers. It would propose a practical action plan for piloting non-manual cash transfers in a sample of communities in the Dry Zone in order to generate lessons for government, based on one or two recommended approaches. The action plan should propose and briefly describe specific activities for the pilot and next steps. The pilot is likely to focus on social pensions, so specific considerations for older beneficiaries should be considered.

The ultimate aim is to improve efficiency and equity for large-scale cash transfers in the future, particularly by Government as an ongoing public scheme. Recommendations should keep in mind the eventual need by government to develop systems, deliver required training, orientation for beneficiaries, build an MIS system for a national scheme. However, the study is expected to be relevant for cash transfer delivery by CSO stakeholders also.

The consultant should write the Outputs in clear English so that they can be easily understood and translated, avoiding complex sentences, jargon, and abbreviations as much as possible. Technical terms should also be clearly explained or else avoided when possible. The study may also contain numbered/bullet points, diagrams, or other visual materials to illustrate material and guide the reader. Detailed textual material or forms could be annexed.

6. Time requirements and duration

The assignment is expected to start as soon as possible after selection of the consultant, and be completed by end November 2017.

7. Qualifications of Consultant(s)

LIFT suggests a team of one expert with knowledge of international experience in cash transfer delivery mechanisms working in partnership with one Myanmar researcher or research group who knows the local context well, as described below. A HelpAge counterpart will also join parts of the study to learn and support. Applicants may apply separately for separate functions of (1) presenting international experience and (2) investigating the Myanmar experience and context, with the understanding that they may be paid if a suitable combination of skills can be found. *Note:* The first function can be provided in-country or by distance, depending on justification of the proposed

arrangements; no international travel is anticipated. HelpAge is looking for a Consultant team with the following qualifications:

Essential

- At least one expert familiar with international experience on cash transfers, with
 - advanced degree in a relevant field
 - demonstrable expertise in social protection and specifically cash transfer delivery mechanisms and procedures
 - demonstrable familiarity with international literature on social protection and social cash transfer delivery in developing countries, including electronic transfers
 - previous field experience in supporting cash transfer deliveries in a developing country context, including electronic transfers
 - experience conducting similar assessments or analytical research work; Myanmar experience preferred
 - ability to conduct basic financial/cost assessments
 - exceptional analytical skills
 - Strong English writing skills with a clear writing style
- A Myanmar researcher, team or organization qualified to conduct research:
 - established in Myanmar for at least 2 years and having professional experience on the design and implementation of similar studies
 - researcher involved with at least 5 years' professional experience in conducting social or financial research in Myanmar
 - a high level of understanding of rural living conditions in Myanmar
 - English and Burmese written and spoken fluency by lead team members
 - understanding of social protection
 - appropriate IT skills

Desirable

- in-depth understanding of the current state of financial actors, regulations and products in Myanmar
- in-depth understanding of the current telecoms actors, regulations and services in Myanmar
- past experience with Wave Money or similar service
- demonstrable market research experience, ideally encompassing the financial and telecom sectors
- expertise in conducting in-depth financial analysis and cost comparisons

8. How to apply

Interested consultants are invited to submit an Expression of Interest (EOI) for carrying out this documentation by **22 September 2017** to **fon@helpageasia.org**. The expression of interest (about 5 pages) should include

- (1) maximum 1-page cover letter highlighting experience and qualifications of the team
- (2) proposed outline methodology for carrying out the study including any comments on the TOR and suggested tools or approaches
- (3) responsibilities of the team, including roles of the expert on international experience and Myanmar context researcher; if the candidate is applying for only one of those roles, the EOI should be clear about which tasks/costs are included or not included
- (4) indicative workplan including key milestones and overall timeframe; confirm availability
- (5) budget to complete the work, including: daily rate(s) x no. of days, travel costs including accommodation and/or food costs

The CV of the named experts and contact information for 2 professional references should be attached. Any relevant evaluations previously produced should also be attached (1 or 2 only). These documents are not included in the page limit. Any costs or requirements not included in the budget should be mentioned – e.g. in-country travel, if excluded. No international travel is anticipated.

Selection of the consultant will be by a selection panel and based on the experience of the consultant, the quality and relevance of the EOI, and the proposed budget, keeping in mind value for money within the resources available.