



Empowered lives.
Resilient nations.

Mainstreaming Migration into National Development Strategies

Terms of Reference

Job title:	National Consultant to conduct a feasibility study on the development and implementation of alternative payment, money/remittances transfer options in the Republic of Moldova
Duty Station:	Chisinau Moldova
Section/Unit:	Mainstreaming Migration into National Development Strategies
Type of Contract:	Individual Contract
Starting Date:	10 July, 2017
Duration of Assignment:	23 working days, during the period 10 July 2017 – 30 October 2017

Job Content

I. BACKGROUND

Following the long-term emigration phenomenon, it is estimated that about a third of Moldova's population resides temporarily or permanently abroad. Related to the persisting outward flow of large ratios of the labour force are the well-established remittance flows, which currently correspond to between 25 and 30 percent of the Gross Domestic Product and makes Moldova one of the countries in the region which is most dependent on remittances. In fact, more than 25 percent of Moldovan households receive remittances, making up around 18 percent of their income.¹ For this, and other well-known reasons, migration and diaspora-related programmes are of significant importance to ensure both the economic, demographic and human development of Moldova.

Following the major bank fraud a couple of years ago (when the equivalent of one billion USD disappeared from three national banks), trust in the country's financial institutions has declined. The lack of trust is exacerbated by the fact that only 18 % of the adult population own a bank account and only 11 % are active users of the same account.² The banks thus struggle to make their traditional business model work. As a consequence, remittances to Moldova are largely sent through informal channels, such as through friends, relatives or bus drivers who travel back and forth from migrant countries of destination. Nevertheless, because of the sheer amount of remittances sent to Moldova from abroad, it could potentially be a huge market for any innovative system that could capture even a small proportion of it. Also, actions to reverse this trend are being taken, as it has since long been a priority of the Moldovan government to increase the access to formal money remittance transfers.

Simultaneously, new technology enables mobile phones to offer convenient and reliable financial services, and thereby provide for the extension of payments, money transfers, savings, and credit to people who previously did not have access to such services. Mobile accounts have also proven to be far cheaper than

¹ [Moldova Poverty Assessment 2016, Poverty Reduction and Shared Prosperity in Moldova: Progress and Prospects](#), World Bank Group, page xi

² Data is from 2014, according to the [World Bank's Global Findex Database](#)

traditional bank accounts. Moreover, despite low levels of financial literacy and inclusion, as well as being one of the poorest countries in Europe, Moldova enjoys wide-spread use of mobile phones (penetration rate was 126, 3 % in 2014)³ as well as one of the fastest and most connected internet services in the world.

Hence, there is reason to believe that Moldova has both high potential and much to gain from establishing digital financial services accessible through mobile devices. Merged with a system for transferring remittances, so called mobile banking,⁴ may therefore be one alternative to traditional payment solutions worth exploring. The additive form of mobile banking (common in Western Europe) simply connects mobile phones to existing bank accounts and allows for example management of bills. The transformative form of mobile banking, which would probably be most relevant for Moldova, aims at using mobile phones and network agents (such as postal offices or shops which sell mobile phone cards) to provide bank-like services. Through such a system, credit kept on the phone could potentially be used to directly buy goods, transfer money to other phones or be transformed into cash.

Indeed, digital payment systems are becoming increasingly popular around the world, with mobile money being available in 93 countries in 2015. Moreover, cross-border transactions were a very fast growing product last year, as mobile money services offering International Money Transfer (IMT) saw the volume of cross-border remittances increase by 51.8 %.⁵ This provides for a great opportunity to learn from the international experience concerning the type of systems which have succeeded, but also from them who have failed. Accordingly, Moldova should pay particular attention to some of the challenges facing the industry, such as: overcoming complex regulatory barriers, dealing with the technical orientation of the potential client base, problems in setting up viable agent networks and managing the ability to open up the system into a wider range of banking services beyond simply paying bills and handling cash transfers.⁶

Against this background, UNDP and its international partners are seeking to identify innovative options whereby money can be safely and conveniently transferred, both from abroad and domestically within the country. Based on the feasibility study to be conducted by the commissioned Expert, it is envisioned that the identified alternative payment solution should be pilot tested in coordination with relevant stakeholders, and subsequently launched for full scale implementation.

II. SCOPE OF WORK

This activity is part of a wider effort in which the implementing partners of the MOMID project are mainstreaming migration into national development strategies by exploring and creating synergies with ongoing development programming and other Migration and Development interventions. The general objective of the activity is to find the most suitable and innovative alternative model for payment / money transfer financial services to be applied in the Moldovan context.

SPECIFIC OBJECTIVES:

- To assess the state of the provision of payment/money transfer financial services to Moldova, including through desk review of legislation and secondary sources, and meeting with relevant stakeholders;
- To review the relevant international experience in the field of alternative money transfer financial services (e.g. via mobile phone, Postal Services), including reviewing the experience of countries with extensive experience and compare alternative payment/money/remittances transfer options;
- To assess the depth and breadth of existing policies, laws and regulations governing alternative money transfer financial services in the selected countries. Also, assess the role that central banks and governments play(ed) in promoting alternative money transfer financial services as regulators;

³ According to the data of the National Regulatory Agency for Electronic Communications and Information Technology, found [here](#).

⁴ "Mobile banking" describes the use of the mobile phone as another delivery channel (in addition to a bank branch, ATM, Internet) to transact against an individual bank account.

⁵ [2015 State of the Industry, Mobile Money](#), The GSMA's Mobile Money for the Unbanked (MMU) programme

⁶ See for instance "[Feasibility Study on the Use of Mobile Phones for Facilitating International Money Transfers to Georgia](#)", IOM Georgia 2009

- To examine lessons learnt in the provision of alternative money transfer financial services in countries where these services have been successfully implemented and have reached significant scale. The examination should focus on the regulatory reforms that have been undertaken, the roles played by the different stakeholders, including the banks and governments, and the roles played by external players such as the international development finance institutions, private sector and the donor community;
- To assess mobile phone money transfer as a possible option in Moldova, and analyse the potential of innovative technologies, including blockchain, for this purpose. Analyse how it might merge with a system for transferring remittances, taking into account also the legal and regulatory provisions;
- To identify the best alternative innovative option(s) of payment, money/remittances transfer options for Moldova;
- To assess the scale of the demand for the proposed alternative innovative option(s);
- To determine the nature of the obstacles, if any, which could prevent the proposed option from reaching significant scale. This review should also include an assessment of the state of the existing payment market infrastructures that would be required for the scaling up of the proposed services to the underserved and poor populations;
- To develop a brief Road map with steps on how to launch a possible pilot testing of the identified option.

III. TASKS AND ESTIMATED WORKLOAD

The assignment will require the completion of the following tasks:

Tasks and Activities	Estimated workload (days)
1. Inception plan detailing the way the study will be carried out, developed and presented	2
2. Conducting the study of the money transfer financial services to Moldova; meeting with the relevant Moldovan stakeholders and partners	6
3. Conducting the study of the international experience	5
4. Assessing the different options per the specific objectives (listed above)	5
5. A final report detailing the findings of the research conducted and including a Road map for the pilot testing of the identified option. The report is to satisfy the general and specific objectives specified above.	5
Total up to:	23

IV. DELIVERABLES AND TIMEFRAME:

The assignment should be carried out according to the timeframe provided below:

Deliverables	Timeframe
1. Inception report detailing the way the study will be carried out, developed and presented to UNDP	By July 30, 2017
2. A report on the current state of the Moldovan market of money transfer financial services, as well as an overview of the current regulatory framework.	By August 30, 2017
3. A report on the international experience compiled after conducting the desk review	By September 30, 2017
4. A final report including the findings of the research conducted, the review of the Moldovan regulatory system and the changes required to implement the proposed alternative payment option, and the road map. The report is to satisfy the general and all specific objectives highlighted in section II of this ToR (except for the parts which are covered by deliverable 2 and 3.)	By October 30, 2017

V. FINANCIAL ARRANGEMENTS

Applicants are required to submit an aggregated financial offer ("aggregated financial offer" is the total sum of all financial claims of the candidate for accomplishment of the task), which includes proposed consultancy fee, travel costs(if required), per diem (for accommodation, meals and local transport / communication). In general, UNDP shall not accept travel costs exceeding those of an economy class ticket. The consultant will be provided with the necessary administrative and logistical support to enable them deliver on the expected outputs.

Payment will be disbursed in three instalments upon submission and approval of deliverables and certification by the UNDP Portfolio Manager that the services have been satisfactorily performed.

Milestone	Disbursement amount
Deliverable 1	20%
Deliverable 2, 3	40%
Deliverable 4	40%

VI. QUALIFICATIONS AND SKILLS REQUIRED

I. Academic Qualifications:

- University Degree in Finance, Economics, Banking, Engineering or other relevant fields;

II. Years of experience:

- Minimum of 3 years of relevant experience in finance or banking;
- Experience in alternative finance and electronic money management systems will be an asset;
- Previous experience in development assistance or related work for the Moldovan Government, donor organization, international development finance institutions, consulting company or NGO;
- Experience of working in the Moldovan banking system and/or banking/financial regulator;
- Experience in working within the area of alternative payment systems and/or innovative technologies;
- Experience in conducting research.

III. Competencies:

- Solid knowledge of policies, laws and regulations governing financial services in Moldova as well as global and regional best practices in the field;
- Solid knowledge of banking and the operations of financial intermediaries;
- Knowledge of innovative payment systems and mobile money/banking, a solid understanding of the payment services systems including hardware, software, products, systems, platforms, players and other relevant aspects of finance;
- Strong analytical, research, and user-friendly reporting skills;
- Good communication, interpersonal and organizational skills, integrity;
- Good knowledge of Romanian and English (speaking and writing).

IV. Personal qualities:

- Proven commitment to the core values of the United Nations; in particular, is respectful of differences of culture, gender, ethnicity, nationality, language, age, HIV status, disability, and sexual orientation, or other status;
- Responsibility;
- Flexibility;
- Punctuality.

The United Nations Development Programme in Moldova is committed to workforce diversity. Women, persons with disabilities, Roma and other ethnic or religious minorities, persons living with HIV, as well as refugees and other non-citizens legally entitled to work in the Republic of Moldova, are particularly encouraged to apply.