



REQUEST FOR EXPRESSIONS OF INTEREST (EOI)

Mobile Money for the Poor (MM4P)

Malaysia

The UN Capital Development Fund makes public and private finance work for the poor in the world's 47 least developed countries (LDCs).

With its capital mandate and instruments, UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through two channels: **financial inclusion** that expands the opportunities for individuals, households, and small businesses to participate in the local economy, providing them with the tools they need to climb out of poverty and manage their financial lives; and **localized investments** that show how fiscal decentralization, innovative municipal finance, and structured project finance can drive public and private funding that underpins local economic expansion and sustainable development.

UNCDF's objective is to develop inclusive financial systems in which a range of financial products is available to all segments of society, at a reasonable cost, and on a sustainable basis. UNCDF supports a wide range of providers (e.g. microfinance institutions, banks, cooperatives, money transfer companies) and a variety of financial products and services (e.g. savings, credit, insurance, payments, and remittances).

1. Background Information about UNCDF and Digital Finance

UNCDF manages a number of initiatives related to digital financial (DF) and around digital innovations. For this particularly initiative, the lead programme is [Mobile Money for the Poor \(MM4P\)](#). MM4P was developed to address the challenges of implementing branchless banking and mobile money in difficult markets in Africa and Asia, all of them least developed countries (LDCs) and few of middle income markets. MM4P's long-term mission is to help low income and rural households in LDCs increase their financial security through appropriate, affordable and secure means to receive, manage and save money through these “digital financial services” (DFS). To do so, its intermediate goal is to help build inclusive digital financial sectors such that a wide range of digital financial services are provided responsibly, and at reasonable cost, by sustainable institutions in a well-regulated environment. MM4P takes a market development approach to digital finance. UNCDF has defined the different stages of a digital finance market's development (inception, start-up, expansion, consolidation) as well as the range of interventions needed to move the market through the different levels (policy advice, technical support, training, financing). At the same time, it maintains its traditional operational model of directly supporting the most crucial level – retail financial service providers including MNOs, banks and payment service providers.

In the space of financial inclusion, real challenges remain hindering the development of digital financial solutions and digital tools that can reach all levels of the market. Markets are not seeing large scale digital innovations that serve low-income customer in a meaningful way. Without the encouragement and support from interested partners, traditional service providers are unlikely to provide services that significantly improve people's lives. Entrepreneurial firms such as FinTech companies will likely focus on the middle-income market rather than the low-income market and meeting its basic needs.

UNCDF and specifically MM4P programme, with its focus on digital finance and innovations, is developing the structure for the next stage of its implementation around promoting digital innovations anchored through an in-country platform with both physical and virtual aspects that could serve as incubator and accelerator of meaningful digital solutions for low-income customers.

The Platform will bring together companies to design, develop and refine digital solutions supported under a structured environment and with ready to use tools. Those digital companies will be connected to enabling stakeholders, such as regulators, universities, connection investors, think-tanks, providers, other labs, and industry associations for a testing environment and mentorship. Moreover, hackathons, design sprints and other idea generating activities to crowd in problem solvers or new idea creators would be facilitated through the platform around pre-planned windows/topics. The most promising partners and ideas or solutions worth incubating for scale will be selected and supported first through accelerator and then with test environment.

The proposed approach focuses on supporting innovative solutions from fintech's and digital firms by providing access to finance, crowdsourcing, human centered design support, industry sandbox, business to business linkages that will allow to scale and compete along a global innovation platform and having access to finance from different investors.

For this initiative, the lead programme is Mobile Money for the Poor (MM4P). MM4P was developed to address the challenges of implementing branchless banking and mobile money in difficult markets in Africa and Asia, all of them least developed countries (LDCs). It is expected that many of the uses cases will have a financial service component in accordance with Mobile Money for the Poor's (MM4P) goals. However, this may include issues that are linked to financial services (e.g. health, energy, agricultural), but not financial services themselves.

2. Objective of this Call for Expressions of Interest

MM4P is seeking to **explore partnership in Malaysia to engage in space of digital innovations** with results linked to UNCDF's financial mandate to provide capital (grants, loans and guarantees) and technical support both public and private sector in Malaysia with focus on low income individuals.

This EOI will result in a ranking of potential organizations with whom UNCDF will seek to develop **in-country innovation platform**. From this list, UNCDF intends to through an onsite engagement seek to work with one single/consortium of firms, that will assist UNCDF in developing the in-country innovation platform.

The platform would become the front-end vehicle for UNCDF/MM4P to drive innovations and entrepreneurship on an ongoing basis for next five years and make it a model that could further be localized going further and serve UNCDF and all other agencies in country.

Some areas of focus for the country innovation platform may include:

- Contribute to the detailed design of the annual in-country calendar that the platform would facilitate.
- Support in facilitating the engagement with the in-country advisory committee¹ guiding the working of the platform
- Contribute to development of in-country mentorship list and also support to feeding the global mentorship engagement of the MM4P programme
- Contribute to the development of the links with potential investors in their local network and also participate in our global network
- Contribute to the development of the network of mentors, specialists, investors to accelerate and scale successful ideas & concepts
- Be the custodian of content and tools developed as part of global toolbox and framework by MM4P. Assist with the tracking of progress made toward targets specified in the planned calendar
- Contribute to the review the activities delivered in order to identify any updates and adaptations to the implementation approach and business model
- Support UNCDF in facilitating capital investment into prototypes for testing (as required or agreed)
- Support the participants through the design to accelerator process leading to prototype
- Work with UNCDF team and the industry sandbox participants to provide real test environment for MVP and prototypes
- Bring some concepts to scale by linking to right private sector players and investors
- Work with UNCDF comm. team in amplifying the Public Relations (PR) of the engagement and support as needed with the network
- Provide tools or set of tools or platform for operating this platform as both virtual and physical space for engagement that can assist UNCDF programme, and its partners, and other organizations in providing needed services to low income communities over the next several years.
- Support in gathering and producing learnings from different challenges, acceleration and scale process and then further implementation under them.

3. Type and Use of MM4P Support

The engagement may result into setting contractual arrangement between the applicant and UNCDF which could combine technical and financial arrangements with the partner applicant.

The vehicle for cooperation with UNCDF can be materialized in the form of funding via a grant or technical assistance of experts provided in kind, via a technical assistance agreement.

¹ Also termed as brand ambassadors

4. Eligible Institutions

To be considered for the support, institutions should fulfill the following minimum qualification criteria:

- Any type of organization (commercial for-profit firms, educational institutions, and non-profit organizations, Universities) is eligible to compete.
- Successfully conducted similar assignments at a country or regional level with proven excellent results, including financial services and other development issues
- Ability to work in the language of the country / ies proposed
- Evidence of high quality of documentation, packaging, and disseminating technical knowledge to a wide range of audiences
- Have confirmed human resources to cover all planned/required activities
- Must be compliant with all applicable statutory and regulatory requirements of Malaysia with respect to the proposed activities or in the process of achieving compliance.
- Must have full documented support from the management and governing body for the proposed project, as evidence by a letter of support from senior management.
- Must have adequate financial systems in place to manage external support as demonstrated by providing audited financial statements.

5. Selection Criteria

The selection criteria that must be demonstrated in the EOI include, but are not limited to:

- **Demonstration effect** – through: Systemic Impact – the ability of the partner to catalyze the development of platform and use that to crowd-in other key stakeholders for building the eco-system
- **Scalability** – the ability of the institution to reach (or enable others to reach) large numbers of key stakeholders, particularly start-up and industry actors, central bank and government would be a plus;
- **Sustainability** – the likelihood of commercial sustainability for the platform to continue after the contract period;
- **Feasibility** - the likelihood of success, as perceived by MM4P and other stakeholders;
- **Capability** – the managerial, technical and financial capability to achieve the proposed results;
- **Soundness** – the reputation, track record, stability, and governance of the institution to enable them to implement the proposed platform; and
- **Commitment** – the demonstrated management understanding and commitment for the platform.

6. Submissions

The EOI must include:

- Standard Cover Sheet (provided in the annexes)
- Up to two-page description of the institution (mission, location, current, activities and/or products, clients)
- Maximum five-page description of proposed working and contribution (Please do not include a full proposal at this time)
- One half page to one page budget indicating the potential amount of support needed and the intended use.
- Copy of most recent financial statements or annual report (Note if they have been audited and by whom)
- Signed letter from the chief executive officer or the board of directors endorsing the EOI.

Expressions of Interest will be accepted on a one-time basis, and reviewed through 31 December 2017. MM4P will contact eligible institutions that are selected on the basis of their expression of interest within 15 business days of the deadline unless otherwise notified. Based on those discussions with the institution, MM4P will determine if the applicants are required to submit a more detailed plan or proposal or simply provide additional documents. MM4P might also do an onsite discussion to finalize the applicants. In some cases, a partner may be asked to receive a technical assistance mission for due diligence or to assist in the development of a more detailed plan.

Expressions of Interest may be made by e-mail at MM4P@uncdf.org using the subject line EOI 0012017 MM4P Malaysia. Interested institutions should address their questions and applications to the same address. Email attachments may not exceed 10 MB.

For more information about UNCDF's background, mission, and activities, please visit our website: www.uncdf.org

ANNEX I

MM4P Support Facility Expression of Interest Cover Page

1	Name of Institution			
2	Contact Person (Name, e-mail, phone, address)			
3	Legal form of institution			
4	Ownership			
5	Proposed country/regions of operation			
		(a)	(b)	(c)
6	Total number of current financial service clients* by main product (e.g. money transfer, savers, borrowers, etc.)			
7	Type(s) of financial services to be offered			
		Dec. 2012	Dec. 2013	Dec. 2014
8	Total number of financial service clients to be reached**			
9	Estimated percentage of clients previously unbanked			
10	Total Resources Required	2012	2013	2014
	(a) Request to MM4P for project			
	(b) Estimated own contribution and other sources to the project***			
	(c) Total Resources Required (a + b)			

* If not a current financial service provider, please indicate total client base in "other" and the type of service currently offered

** Show total outreach, not incremental increase

***May include "in-kind" resources such as assignment of existing staff or equipment as well as new spending by the institution

Suggested Key Issues to Address in the Expression of Interest

Expressions of Interest (EOI) may be provided in any format. We have been asked for guidance from institutions on what to include in an EOI. MM4P suggests that the following key question be considered in the formulation of the EOI

1. Institutional Capacity
 - a. What experience does your institution have in working with intermediaries reaching low income clients, including rural households and women, with your current services?
 - b. What is the management, technical and financial capacity to undertake this project?
 - c. What additional technical resources will be provided by the institution for this project?
2. Scalability
 - a. What is the proposed approach for targeting the start-ups and institutions around innovation?
 - b. What does the institution proposes to reach the players beyond Kuala Lumpur?
 - c. What kind of relationships does the institution intends to bring in, to ensure success of the innovation platform?
3. Appropriateness of Product or Service
 - a. How does the institution propose to deploy the content toolbox provided by UNCDF and make most of it with its own inhouse content?
 - b. What services does the institution intends to bring in to support the start-up eco-system and the culture of innovation with existing service providers?
 - c. What kind of mentorship model is proposed for Malaysia and how is that intended to work?
 - d. What all things does the institution feel would be necessary for start-up eco-system and making the start-up/ideas to be prototyped?
4. Sustainability and Profitability
 - a. Provide a simple set of projections on this project.
 - b. Can the service be offered on a sustainable basis? If so, what are the critical factors to be considered?
5. Budget
 - a. Provide a breakdown of the approximate total funds that would be needed for the engagement in general categories (e.g. staff, consultants, equipment, other).
 - b. Include the total amount provided by your institution (this may include "in kind" contributions, such as existing staff or equipment assigned to the project), the amount requested of MM4P, and contributions from other sources (if any).