

Terms of Reference

Consultant:	TBD
Thematic Area:	R&D
Project Title:	R&D on Micro pension products and services in development countries
From:	April 1, 2024
To:	June 30, 2024
Task Manager:	Jessica Meckler, Strategy Officer/Julia Abakaeva, Financial Sector Specialist

How to Apply: Please submit your CV and a letter of interest describing why you think you are the right candidate for this role to Jake-Anthony F. Pauig (jpauig@worldbank.org). Please include “Application – Micro pensions Consultant – [FULL NAME]” in the subject of your email.

Application deadline: March 19, 2024, 11:59 pm EST.

About CGAP

CGAP is a global partnership of more than 30 leading development organizations dedicated to advancing the lives of people living in poverty, especially women, through financial inclusion.

CGAP works at the frontier of inclusive finance to test solutions, spark innovation, generate evidence, and share insights. CGAP’s knowledge enables public and private stakeholders to scale solutions that make financial ecosystems meet the needs of poor, vulnerable, and underserved people and of micro and small enterprises (MSEs), including through advancing women’s economic empowerment. As a global public good, CGAP’s independent research and analysis is available to all.

CGAP envisages responsible and inclusive financial ecosystems that enable a green, resilient, and equitable world for all. CGAP is guided by a five-year strategy and annual workplans – the new strategy covering FY24-28 ([CGAP VII Strategy](#)) will contribute to strengthening responsible and inclusive financial ecosystems by elevating the focus of financial inclusion to broader development outcomes.

To achieve this, CGAP will focus on contributing to seven outcome areas through its work program: (i) mobilizing financial services for climate adaptation, mitigation, and a just transition; (ii) mobilizing financial services for building resilience to shocks and managing risk; (iii) mobilizing financial services for women and MSEs to capture economic opportunities; (iv) increasing the breadth and depth of financial inclusion; (v) promoting responsibility in financial ecosystems and enabling financial sector policies and regulations; (vi) enhancing the effectiveness of impact

investing in inclusive finance and the inclusiveness of carbon markets; and (vii) generating and promoting evidence of what works, where, and for whom.

Through its work, CGAP is committed to accelerating progress toward women's financial inclusion, and we take a gender-intentional approach to our research and advocacy efforts.

CGAP is housed in the World Bank. For more information, please visit <https://www.cgap.org/>.

This assignment will primarily contribute to CGAP's research and development (R&D) efforts and will serve to help identify potential options for CGAP's future work.

About the Project

As populations around the world continue to age, ensuring adequate financial inclusion for all – including senior citizens – is poised to become a major challenge. The World Bank estimates that by 2050, 1 in 6 members of the world's population will be at least 65 years of age (compared to fewer than 1 in 10 today). Nearly 4 out of 5 of these seniors – approximately 1.25 billion people – will be living in low- and middle-income countries.

The combined forces of increased longevity, lower fertility, and weakening risk-sharing networks make financing the future consumption and wellbeing of elderly populations a major global concern. Much of the working population in Sub-Saharan Africa, Asia, and Latin America are not covered by any pension arrangement, mainly due to arrangements that typically favor workers in the formal sector. In fact, 75% of workers in Africa, Asia, and Latin America are not eligible for pension benefits and are also not saving for old age¹. By 2050, the situation is poised to become even more precarious, and some predict that there could be 1.5 billion destitute elderly without pension benefits.

Women are more vulnerable to old age poverty than men. Women typically require more funds in retirement due to longer lifespans than men. However, women are typically unable to save sufficient funds for old age, as they are more likely to be informally employed; earn less than men in similar occupations; face frequent work and income interruptions; and usually save informally.

While some countries – such as Kenya, Indonesia, Vietnam, and Jamaica – have successfully established micro pension schemes, extending pension coverage to those who were employed in the informal sector remains a herculean task. In low- and middle-income countries, large informal economies present formidable challenges for the design of pension systems. Higher rates of informal work result in less tax being collected and available to pay for future pensions. Relying on public safety nets for the elderly is fiscally costly and requires enormous administrative capacity. Further, in some circumstances, mandatory pension contributions and cash transfers

¹ For many individuals living in poverty, saving for the future is simply unaffordable.

may incentivize workers to avoid formal employment, making it hard to reconcile old-age poverty reduction and balanced budgets.

While CGAP has not yet explored the topic of longevity and micro pensions as part of the CGAP VII Strategy, CGAP intends to develop a deeper understanding of the current state of micro pensions through this R&D effort. Specifically, this R&D effort aims to help CGAP generate a broad understanding of the current state of micro pension schemes around the world. The project seeks to identify existing literature that explores the state of knowledge around the concept of micro pensions and existing micro pension schemes; summarize the key findings from the current body of evidence; and identify key evidence gaps and potential learning agendas within this topic.

Scope of Work

The consultant will be engaged in the following types of work, per agreement with the Task Manager:

- **Undertake a thorough and structured literature review around longevity, micro pensions, and the implications for the financial inclusion sector**, focusing on gathering existing literature, summarizing key findings, and identifying key gaps and potential learning agendas that remain in the evidence body.
- **Suggest potential learning questions** that could help make a difference in unleashing the micro pension market and may be of interest for future research at CGAP.
- **Summarize findings** in a report and provide a list of relevant literature.

The consultant will coordinate all work closely with the Task Manager and other members of the CGAP team, as required. The entirety of the work will be undertaken remotely and will not require travel.

Methodology and Specific Tasks

The consultant will coordinate all work closely with Sophie Sirtaine, CEO and other members of the CGAP team and will undertake the following steps in this assignment.

- **Conduct a “kick-off” meeting** with the CGAP CEO to cultivate a deeper understanding of the objectives of this R&D effort.
- **Develop a framework for the literature review**, identifying the key parameters that should be captured during the review. Parameters should include elements around the content (geographic focus, key findings, key evidence gaps / future learning questions, etc.), publication (title, author(s), year of publication, etc.), and quality of the source (peer reviewed journal, etc.).
- **Identify and review existing literature on micro pensions**, both conceptual documents and examples of successes and failures in implementing micro pension schemes in developing countries. All documents reviewed should be captured under the developed framework.

Upon completion of this task, the framework should be a comprehensive database of existing literature on the topic. Specific questions the literature review will aim to answer include:

- Who are the key providers of micro pensions in developing countries, and where do they operate?
- What types of micro pension products and services are offered for the poor in developing countries?
- What population groups are targeted through these products and services?
- What are the factors that have contributed to success of micro pension schemes?
- What are the primary barriers to implementing micro pension schemes/programs?
- How (if at all) do providers customize micro pension schemes for women?
- **Draft a concise summary report of the existing literature.** This report should highlight the most salient findings and gaps in the existing body of evidence. It should also include a list of potential learning questions that could help make a difference in unleashing the micro pension market and may be of interest for future research at CGAP.
- **Present findings to the entire CGAP team** to build a deeper understanding of longevity and micro pensions within the team.

The Task Manager and other CGAP staff will participate in the review and guidance of the work, based on the specific requirements of each task.

Deliverable(s)

The following are expected deliverables based on the scope of work defined above:

1. **Work plan** detailing the proposed literature review methodology, reflecting key points from the kick-off meetings.
2. **Regular check-ins** with the CGAP CEO (bi-weekly).
3. **Concise summary of existing literature**, highlighting the most critical findings and gaps in the existing body of evidence.
4. **Comprehensive database of literature** reviewed as part of the literature review, coded along agreed-upon parameters.
5. **Learning questions** around longevity and micro pensions that CGAP could explore.
6. **Lead a session to present key findings to CGAP staff** to build greater knowledge of the topic among the CGAP team.

The Task Manager and other CGAP staff will participate in the review and guidance of the work, based on the specific requirements of each task.

Necessary Skills and Experience

- Master's degree in Economics, Business Administration, International Development, Finance, or related field.
- At least 5 years of relevant work experience in international development, particularly pertaining to the areas of pensions, savings, and/or inclusive finance.
- Strong experience in conducting research or analytical work on financial inclusion, inclusive finance, or any other relevant topics.
- Ability to learn, adapt, and be innovative.
- Exceptional oral and written communication skills.
- Strong track record of synthesizing complex insights into engaging written reports, presentations, blog posts and other publications.
- Strong ability to work independently and manage one's own time.
- Fluency in English is required.

Ownership/Control of Work Product/Publication

All materials produced or acquired during the appointment - written, graphic, film, and digital audio/video or otherwise - shall remain the property of the World Bank unless and to the extent such rights are explicitly relinquished (in whole or in part) by the World Bank, in writing. The World Bank furthermore retains the exclusive right to publish or disseminate in all languages reports arising from such materials.

In the event of early termination of the appointment or non-renewal upon its expiration, the Consultant shall, if requested by CGAP, deliver to it copies of all materials and data developed with CGAP funds.

Any material developed by the Consultant under these TORs may not be used without written prior approval by the World Bank.

Authorship and Acknowledgement

CGAP staff will generally be listed as the authors of any publication or other communication that is produced as a result of the research conducted during the appointment. The Consultant's contribution in conducting this research will be acknowledged in any such publication. If, in the reasonable view of the Task Manager, the Consultant contributes significantly to the conceptualization and drafting of any documents created, the Consultant will be listed as co-author, along with the relevant CGAP staff.

Task Manager/Reporting

The Task Manager is Jessica Meckler, Strategy Officer. CGAP may designate another qualified task manager. The Task Manager has final sign off on deliverables and invoices.

The Consultant will report to the Task Manager.

Schedule

All work will be completed between April 1, 2024 and June 30, 2024, unless the appointment is extended, or a new appointment is made. The schedule could be further clarified in each subsequent task assignment.

Budget and Payment

The daily rate will be determined based on the qualifications and prior experience of the consultant.

The budget ceiling for the work under these TOR is forty (40) days. The Consultant's time will be compensated in U.S. dollars per eight (8) hour consulting day (or pro-rated portions thereof) based on a daily rate established according to World Bank guidelines.

The Consultant will also be reimbursed for miscellaneous expenses directly related to the work performed pursuant to these TORs (documented in accordance with relevant WBG procedures) with prior written agreement with Task Manager. Payment will be made upon receipt of the payment request through the World Bank system and its approval by the Task Manager.

Confidentiality

All knowledge and information not already within the public domain which the Consultant may acquire from CGAP or its employees or by virtue of the assignment shall for all time and for all purposes be regarded by the Consultant as strictly confidential and held in confidence, and shall not be directly or indirectly disclosed by the Consultant to any person whatsoever excepting with the World Bank written permission.

All outputs of the work, materials produced in the course of the work, and all by-products shall remain confidential unless the World Bank authorizes public release.