

Terms of Reference

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 Xavier Faz (xfaz@worldbank.org) and Jessica Meckler (jmeckler@worldbank.org). Please include “Application – Fintech Consultant – [FULL NAME]” in the subject of your email.

Application deadline: May 5, 2022, 11:59 pm EST.

About CGAP

The Consultative Group to Assist the Poor (CGAP) is a global multi-donor partnership dedicated to advancing financial inclusion for the poor. CGAP plays a unique role as a donor-coordination mechanism for funders working to improve the lives of poor people through the power of financial inclusion, providing a valuable platform for information, dialogue and reflection to advance progress towards a collective vision. Using action-oriented research, CGAP tests, learns and disseminates knowledge intended to help build inclusive and responsible financial systems that move people out of poverty, protect their assets and advance broader global development goals. CGAP leverages its relationships with businesses, governments and the non-profit sector to share insights, mitigate risks and protect customers, and help others bring solutions to scale. CGAP serves as a global advocate for the financial inclusion community by collaborating with strategic institutions that influence policy and market development and providing evidence-based research and practical lessons that guide their work. For more information, please visit <https://www.cgap.org/>

CGAP is supported by more than 30 partners including bilateral and multilateral development agencies, development finance institutions and private foundations committed to advancing financial access for the poor. CGAP is housed in and administered by the World Bank.

CGAP’s vision is a world where poor people, especially women, are empowered to capture opportunities and build resilience through financial services. CGAP is guided by a five-year strategy and annual workplans. The current five-year strategy, CGAP VI, covers the period July 1, 2018 – June 30, 2023 and is built on a theory of change (ToC) that has identified four collective outcomes:

- Customers have information, incentives, trust, confidence and networks to participate in the financial system.
- Providers offer affordable, responsible, and accessible financial solutions for poor people that are sustainable and at scale.
- An infrastructure that enables ubiquitous, efficient, open and safe markets is in place.

- A policy and regulatory framework for responsible financial inclusion is in place and enforced.

To contribute toward achievement of these outcomes, CGAP’s strategy has identified four priority technical areas including:

- Creating customer value
- Emerging business models
- Enabling Infrastructure
- Next Generation Policy

Beyond work with its core partners, CGAP also provides industry-level support to share knowledge and scale impact. This will include improving global learning on impact evidence, supporting CGAP’s members, and focusing on capacity development to scale learning with providers and policymakers.

Implementation of CGAP VI is carried out by the Operational Team through a “portfolio of projects” designed to achieve the high-level collective outcomes articulated in the theory of change.

About the Project

Few issues in financial inclusion have generated more hype — and confusion — in recent years than Fintech. Digital technology continues to inspire a dizzying array of new companies, business models and products, transforming financial services value chains in the process. While many Fintechs claim to advance financial inclusion, the link between specific innovations and financial inclusion is often assumed rather than proven. For all the buzz around Fintech, the reality is that it is hard for funders, investors and social entrepreneurs to know which innovations matter for low-income, underserved customers. The excitement around Fintech can also obscure risks it poses to financial systems and low-income customers, as we have seen with digital credit in East Africa.

To help funders, providers and regulators understand how Fintech is evolving and identify promising innovations, CGAP is working to bring clarity to the space with a focus on what matters for the poor.

- At the *market level*, our research has demonstrated that technology-enabled disruptors are increasing competition for mass market customers while breaking down vertically integrated value chains in the financial sector, with potentially wide-ranging implications for financial institutions and financially underserved customers.
- At the level of *individual financial services*, we find a range of new business models emerging among Fintechs, digital banks, and platforms that enable challengers and incumbents alike to put useful, user-friendly, lower-cost solutions into the hands of poor customers so that they can use them to improve their lives.

The type and quantity of capital going into Fintech plays an important role in how the sector develops. CGAP conducted an analysis of funding flows over 2008-2019 which it published in [Development Funders and Inclusive Fintechs: Analyzing One Decade of Funding Flows](#). But the space has continued to expand in recent years even despite the crisis brought about by the pandemic.

This specific R&D effort aims to take **an updated look at funding landscape of the Fintech sector**. By Fintech we mean innovative companies, usually startups, that are bringing new offerings to the market (B2B or B2C or B2B2C) primarily leveraging innovations in technology. This effort aims to explore:

- The sources of innovation that have led to new business models led by Fintechs
- The funding flows for Fintechs in emerging and developing economies (EMDEs)
- Gaps in the Fintech funding ecosystem

This project builds on other work that CGAP has conducted on the potential for impact of Fintechs, and the modularization of financial services markets.

- [The Great Unbundling: How Technology Is Making Financial Services Modular and What It Means for Inclusion](#)
- [Fintech and Financial Inclusion: A Funders' Guide to Greater Impact](#)
- [Fintech and Development Funders](#)

Scope of Work

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

- **Description of existing taxonomies** – Conduct a review of Fintech taxonomies to answer questions including: What are the different existing taxonomies for Fintechs and the key sources of information on them? What are the criteria used in these taxonomies? How are they used and by whom? Are there gaps, i.e., Fintechs that are not captured in these taxonomies? What is the current Fintech split by these taxonomies? Where are the trends?
- **Desk review and synthesis** of the technological changes that have enabled new business models to emerge, including changes in access to channels, changes in market structure, and others that have enabled or contributed to the emergence of inclusive fintech innovations
- **Analysis of funding flows** to the Fintech sector in EMDEs and identify potential gaps in the funding ecosystem and their underlying causes.
 - Volume, geographic distribution, growth rates

- Types of investors involved in deals (private/public, impact/commercial), type of capital (equity, debt, other)
- Maturity of fintech companies receiving investment (early stage, seed, growth)
- Distribution of investment along types of business models
- **Interview selected funding** providers to complement the analysis and identify gaps in the funding Fintech space.

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. The project needs to be delivered before end of June 2022.

This project is exploratory. The project’s outputs are internal to CGAP, and CGAP may decide to publish any part of this work in some way at some point down the road.

Deliverable(s)

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

- **Description of existing taxonomies**
- **Synthesis of sources of innovation in the fintech space**
- **Fintech funding:** Analysis of key trends, successes, and gaps in the funding of Fintechs.

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 7 years of relevant work experience working on or with Fintechs and financial inclusion.
- Strong experience in conducting research or analytical work on Fintechs and Fintech funding, or related 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 Xavier Faz. 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 May 9, 2022 and June 30, 2022, 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 this 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 CGAP procedures) or 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.