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RFP-AFI-2025-07

Request for Proposal

Provision of Professional Consultancy Services for the Knowledge Product on Competition Enablers to Enhance Digital Financial Inclusion

Data	Specific Instructions / Requirements
RFP Issuance Date	06 February 2025
Proposal Submission Deadline	24 February 2025
Notification of Award Decision	March 2025
AFI Contact Details (submitting questions & proposal)	Procurement & Contracts Office E-mail address dedicated for this purpose: RFP2507@afi-global.org

Alliance for Financial Inclusion

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1. Background:

The Alliance for Financial Inclusion

The Alliance for Financial Inclusion ([AFI](#)) is the world's leading organization on financial inclusion policy and regulation. Currently, 90 member institutions make up the AFI network including central banks, ministries of finance and other financial policymaking or regulatory institutions from over 84 developing countries and emerging markets. AFI empowers policymakers to increase the access and usage of quality financial services for the underserved through sustainable and inclusive policies and an effective use of digital technologies.

Policies developed and implemented by AFI members contribute to a range of the [Sustainable Development Goals](#). By Setting their own agenda, AFI members harness the power of peer learning to develop practical and tested policy reforms that enhance financial inclusion with strategic support from both public and private sector partners.

AFI has 7 [Working Groups](#) (WG): Consumer Empowerment and Market Conduct Working Group ([CEMCWG](#)), Digital Financial Services Working Group ([DFSWG](#)), Financial Inclusion Data Working Group ([FIDWG](#)), Financial Inclusion Strategy Peer Learning Group ([FISPLG](#)), Global Standards Proportionality Working Group ([GSPWG](#)), Inclusive Green Finance Working Group ([IGFWG](#)) and SME Finance Working Group ([SMEFWG](#)),

As the key source of policy developments and trends in financial inclusion and as the primary mechanism for generating and incubating technical content in the network, the Working Groups serve as "communities of practice". Providing a platform for knowledge exchange and peer learning among policymakers to share, deliberate and deepen their understanding, the working groups offer leadership and expertise in their respective policy fields and support the network to monitor new developments in emerging fields.

The knowledge generated via the working groups is disseminated for implementation by a range of [capacity building activities](#) such as Joint Learning Programs, Member Trainings, Trainings by Private Sector Partners. The practical experience members garner from engaging in peer learning based capacity building is then applied by members as [in country implementation](#) projects which are supported by the provision of financial or technical support to AFI member institutions in conducting activities that aim to deliver financial inclusion policies, regulations, supervisory tools or enablers for the development of policies, such as national financial inclusion strategies.

The working groups receive strategic guidance and insight from the High-Level [Global Standards & Policy Committee](#), while the [Gender Inclusive Finance Committee](#), supports WGs in integrating gender considerations into all aspects of their work and support members in fulfilling their [Denarau Action Plan \(updated 2022\)](#) commitment to promote women's financial inclusion.

AFI members have made further commitments in a range of other accords which can be read [here](#).

The AFI's five regional initiatives complete the AFI platform of services by supporting policy implementation in Africa ([AfPI](#)), Latin America and the Caribbean ([FILAC](#)), the Pacific Islands ([PIRI](#)), Eastern Europe and Central Asia ([ECAPI](#)) and the Arab Region ([FIARI](#)).

2. Project Background:

Project started by/for the Competition Knowledge Enablers Exchange (CKX). The rapid growth of digital financial services, particularly mobile money, has significantly expanded access to financial services and accelerated financial inclusion, especially in developing countries. However, this progress has often led to market concentration, with a few dominant players—including mobile money operators, banks, and technology companies—controlling significant market share in certain jurisdictions.

This dominance can stifle further financial sector development and potentially encourage irresponsible practices. Moreover, some regulatory frameworks prioritize rapid expansion of access through established players, sometimes overlooking the importance of fostering a competitive landscape. This can inadvertently limit the potential benefits of digital finance for consumers and the overall economy.

Recognizing these challenges, the AFI established the Competition Enablers Knowledge Exchange (CKX) in 2023. Launched following the Global Policy Forum (GPF) in Manila, the CKX leverages the collective expertise of AFI members and strategic partners to address the complexities of competition in digital financial services and foster a more inclusive financial ecosystem.

To further support its members, AFI is seeking a consulting firm to develop knowledge products on key themes related to competition and innovation in digital finance. These resources will build the capacity of AFI member institutions to effectively regulate these areas, promoting financial inclusion and a more dynamic financial sector.

3. Overall Objective:

Project is to focus to equip regulators with a deeper understanding of how competition drives financial inclusion. Through a thematic approach, it will analyze the impact of various regulatory interventions on both the competitiveness and inclusiveness of the financial sector. By examining successful strategies and drawing lessons from diverse experiences, the product will offer practical guidance and recommendations to foster a financial landscape that is both competitive and accessible.

The specific objectives of the knowledge product include:

1. Review emerging business models, trends, technology innovation and providers in the financial sector and their impact on competitive dynamics of the sector including on market definition and structure.
2. An analysis of the prevalence of these emerging innovations and their impact on the financial inclusion in terms of available choices of products, availability to customers and price of services.

3. An analysis of varied regulatory intervention in response to the changes in the financial sector landscape and competitive dynamics including their potential impact on financial inclusion

4. Scope of Work:

The consultant will be required to work with AFI members and other key stakeholders towards coming up with the deliverables. The assignment entails the following:

1. **Develop an Inception Report:** This document will set out the methodology proposed by the consultant, themes to be discussed and a more concrete work plan.

2. **Develop a Literature Review:** The consultant will submit a literature review with a mapping of the evolution of business models in the financial sector, highlighting the key competition issues in the literature, the existing bottlenecks and barriers to entry, existing regulatory remedies and their efficacy, and the unresolved challenges in the sector.

3. **Conduct Key Informant Interviews:** Based on the information from the literature Review, the consultant will hold Key Informant Interviews with the members of the workstream as well as regulators and actors in those countries that will form the basis of the case studies to be developed. The consultant should conduct 20-30 interviews with the country's workstream members, financial regulators, and where applicable financial providers and other stakeholders as deemed necessary to obtain the necessary information required for the knowledge product.

4. **Prepare a report/knowledge product:** The consultant is expected to synthesise the information required to develop a well-thought-out report/article that achieves the objectives set out and provides actionable insights for AFI members.

5. **Dissemination/presentation of the report:** Upon completion for the report, the consultant will be expected to provide a summary presentation in PowerPoint format.

Suggested themes and topics include:

- **Emerging Business Models:** As the use cases for digital financial services expand, so too has the diversity of products and services offered in the market. Notable examples include digital banks and other non-traditional providers, such as Nubank in Brazil or Tyme Bank in South Africa. These models increase the level of dynamic rivalry in financial markets and contribute significantly to deeper financial inclusion. However, regulators often face challenges in how best to regulate such providers. Possible regulatory approaches include function or activity licencing, or the creation of regulation for specific activities such as payment initiation, data aggregation, and credit provision. Key insights on this topic might include exploring how regulation in this space is evolving, and recommendations for best practices, including outsourcing guidelines or regulations.

- **Mobile money:** Mobile money has revolutionized financial inclusion in the past decade. By introducing non-traditional, non-bank providers, it has expanded the reach of financial services, offering greater convenience and reducing bureaucracy in account opening. This has fueled growth in various segments,

including merchant payments, digital insurance, and savings and loans. However, despite its contributions to financial inclusion, mobile money faces challenges. High barriers to entry have led to a limited number of providers, hindering competition and potentially restricting the benefits for consumers. Financial regulators are addressing this by promoting interoperability, particularly through instant payment systems, with varying degrees of success. Analyzing the competitive landscape of mobile money and regulatory interventions aimed at fostering a level playing field offers valuable lessons for the financial sector.

- **Big tech and digital platforms:** Big tech and digital platforms are transforming financial services, driving innovation and creating new business models in areas like payments, wealth management, and lending. This trend, while global, is particularly pronounced in China with companies like Baidu, Alibaba, and Tencent leading the way, alongside Western giants like Facebook, Apple, Amazon, and Google. These platforms leverage their extensive reach and access to substantial consumer data to offer customised financial products and services, potentially contributing to financial inclusion. However, this same data advantage can lead to market dominance and raise concerns about competition, as these firms' become gatekeepers of essential information. Examining how different jurisdictions regulate these platforms offers valuable lessons on promoting competition and innovation in the evolving financial landscape.

- **Inclusive Digital Infrastructure:** Inclusive digital infrastructure is essential for fostering innovation and competition in financial services. Due to high upfront costs, governments often lead these initiatives, resulting in public dominance at the infrastructure level. This, however, can enable more dynamic competition in downstream product and service markets, as seen with government-led instant payment systems. These systems facilitate greater financial inclusion by enabling faster, more affordable, and accessible payment services. This research can delve into various inclusive digital infrastructure models, analyzing their benefits, drawbacks, and risks. This analysis will provide valuable recommendations for implementing infrastructure that promotes both competition and financial inclusion in the financial sector.

- **Open Finance and Other Fintech Innovations:** Open Finance and other initiatives like regulatory sandboxes, innovation hubs, and hackathons are driving innovation and competition in financial services, driving usage. These interventions address barriers to accessing customer data and provide safe environments for testing new products. By enabling the development of tailored financial products and services, Open Finance enhances financial inclusion, fosters consumer choice, and promotes personalized solutions. Examining the impact of these interventions allows policymakers to identify best practices and promote responsible innovation for a more inclusive financial sector.

- **Competition interventions in smaller economies:** Smaller economies, like Seychelles or Fiji, often have limited financial service providers. While digital technology offers opportunities to enhance efficiency and expand offerings, promoting competition in such markets requires unique approaches. This research should explore how to the competition dynamics in smaller financial systems/markets and identify specific interventions that financial regulators can consider in order to achieve the outcomes of competition regulation (maximise social welfare, economic efficiency) in spite of the limited number of players or competing offerings in these markets.

- **Bank-led models:** Banks have traditionally played a key role in driving financial inclusion. However, over time, some of these banks have obtained substantial market share and are highly concentrated. Smaller banks that could provide increased choice for consumers have declined over time, impacting social welfare and choice for financial consumers. Examining how other jurisdictions such as Australia and South Africa have addressed these challenges, with varying degrees of success, provides valuable insights for promoting a more competitive and inclusive financial landscape.

The knowledge product should include consultants who may also draw on other key emerging themes as they appear relevant, including issues with card network providers and payment switches, trends, conduct, and interventions with a focus on recommendations that result in increased financial inclusion.

5. Timeline and Deliverables:

This work would be undertaken between **March 2025** and **July 2025**. The key timelines are summarized in the table below:

No	Deliverables by the Consultant	Tentative Deadlines
1.	An Inception Report	March 2025
2.	A Literature Review	April 2025
3.	Fieldwork Report	May 2025
4.	Draft Report	June 2025
5.	Validation Workshop	June 2025
6.	Final Report	July 2025
7.	Dissemination of Knowledge Product	July 2025

6. Travel:

No Travel is expected for this assignment. The consultant(s) will work remotely and undertake virtual meetings to complete the tasks.

7. Consultant Experience:

The consultant performing this task must have the following qualifications:

- Open to Firms and individuals
- The team leader should have at least ten (10) years of relevant experience and hold higher degree in a field related to Economics, Finance, Public Policy, International Development, Law, or other related discipline.

- Knowledge and at least seven (7) years of experience in competition policy, regulation and financial sector development
- The consulting firm should have a team of experts that have at least five (5) years of experience and knowledge regarding financial sector regulation, licensing, supervision, and research in developing countries.
- Good understanding of regulator tools, antitrust practices.
- Fluency in English (oral, written and presentation skill) is mandatory.
- Ability to maintain and keep confidential information within the scope of the project.

8. Reporting:

Throughout the contract period, the Consultant will be reporting to AFI's Head, Policy Management.

9. Payment Terms:

The payment terms/schedule proposed for this consultancy are as following:

Deliverables	Percentage
Upon submission and acceptance of the Inception Report	10%
(KD1) Upon submission and acceptance of Literature Review and Fieldwork Report	20%
(KD2) Upon submission and acceptance of First draft report	30%
(KD3) Upon completion of Validation Workshop	20%
(KD4) Upon submission and acceptance of Final report	20%
	100%

10. Administrative Information:

10.1 Disclaimer

The final decision on selection of a firm for this project rests with AFI management team and with the Inquiry. Only shortlisted and successful firms will be contacted.

10.2 Proposal Submission Information:

Proposals will be due with the following requirements for submission:

Submission Deadline:	24 February 2025
Documents to be submitted with Annexure 1 and 2:	

Firm	<ul style="list-style-type: none"> • Company Registration; • Company Profile; • List of previous or current clientele on similar work; • References with email contact; • Joint-Agreement (if any); • Conflict of Interest Disclosure form; • At least one (1) sample work (link or attachments) if any
Individual	<ul style="list-style-type: none"> • Full CVs with list of previous similar work; • Disclosure if individual have a full time or part time employment contract with any organization or government official or indirect involvement in this tender; • Conflict of Interest Disclosure form; • Reference letter (if any); • References with email contact; • At least one (1) sample work (link or attachments) if any
Method of Submission:	By email to AFI's Procurement & Contracts Office at RFP2507@afi-global.org
Submission of Technical and Financial:	<p>Kindly submit the followings:</p> <ol style="list-style-type: none"> 1. Using the template/format given in Annexure 1 (Technical) and Annexure 2 (Financial) and/or additional technical proposal for more information. 2. Technical and Financial proposal must be separated in different pdf. 3. Financial proposals must be USD only. Whereas for Malaysian applicants with Business Registration under Suruhanjaya Syarikat Malaysia (SSM), please submit your financial proposals in MYR. 4. Proposal to be submitted to the designated email address. 5. AFI does not tolerate copyright infringement, including but not limited to infringement, in the form of plagiarism. Consultant or Consulting entity awarded a contract by AFI shall take responsibility to ensure that the authored works, produced in parts or as an entirety of the deliverables stated in this RFP does not infringe on copyrights.
<p>AFI is not bound to accept the lowest quoted bid and reserves the right to disqualify incomplete submission, overlapping submission, non-compliance to the above requirements. Notification of results will only be sent to shortlisted candidates upon completion.</p>	

10.3 Retention of Proposals

All proposals submitted become the property of AFI. AFI will make all reasonable efforts to maintain proposals in confidence and will release proposals only to personnel involved with the evaluation of the project. Proprietary information should be identified in each proposal.

11. Evaluation Criteria

The proposals submitted will be evaluated based on the following criteria:

1.	Profile and Overall Qualification	30%
	<ul style="list-style-type: none">Academic Qualification	10%
	<ul style="list-style-type: none">Relevant research publications related to competition and/or financial inclusion	20%
2.	Technical experience	40%
	<ul style="list-style-type: none">Relevant skills in producing technical publications, report writing and other documentation work.	20%
	<ul style="list-style-type: none">Regional and/or global experience	20%
3.	Adequacy of the proposed work plan and methodology in responding to the Terms of Reference	30%
	<ul style="list-style-type: none">Technical approach and Methodology	20%
	<ul style="list-style-type: none">Workplan	10%
	Total	100%

Evaluation of technical and financial proposals

AFI reserves the right to award the most suitable proposal based on the evaluation of combined criterion, where bidders are qualified by the combined valuation of the technical and financial proposals, with the following weightage:

- i) Technical Proposal: 70% (Seventy percent)
- ii) Financial Proposal: 30% (Thirty percent)