



# SHORT-TERM CONSULTANCY

Resilient Credit Union Research

Published by the World Council of Credit Unions (WOCCU), Inc.  
Technology and Innovation for Financial Inclusion (TIFI) Project



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**World Council of Credit Unions, Inc. (WOCCU)**

**Technology and Innovation for Financial Inclusion (*TIFI*)**

**Resilient Credit Unions Research**

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**Submit Questions to:** Conor Farrell; cfarrell@woccu.org

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**Submit Applications to:** tifiopportunities@woccu.org

**Subject:** Resilient Credit Unions Research

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## **I. BACKGROUND**

Founded in 1971, the World Council of Credit Unions' (WOCCU) is the apex credit union trade association and an international development implementer focused on supporting financial institutions to reach underserved markets. WOCCU is the world's leading advocacy, innovation, and good governance provider for credit unions with the belief that all people should have access to affordable, reliable, and sustainable financial services. With funding from a wide range of multi-lateral, government, and private partners, World Council promotes economic security, resilience, and livelihoods strengthening through the sustainable development of local, well managed, savings led financial institutions. World Council reaches the marginalized and traditionally unbanked populations and provides a range of affordable pro-poor financial products and services in 118 countries worldwide.

WOCCU's Cooperative Development Program, Technology, and Innovation for Financial Inclusion (CDP TIFI) activity, financed by the United States Agency for International Development, seeks to foster sustainable cooperative systems that deliver value to their members and serve their communities through innovative means. Working with local national associations that represent and provide technical support to multi-million-member networks of credit unions (CUs), the TIFI activity will develop and deploy an SME Finance Toolkit in four countries – Burkina Faso, Guatemala, Kenya, and Senegal – as it seeks to increase lending to small and medium enterprises (SMEs). Using the Finance Toolkit as a guide, TIFI will strengthen the knowledge, capabilities, and governance of CUs to deliver SME loans by building capacity at the national association (NA) level, testing at the CU level, and supporting the NAs as they scale the method to their member CUs.

To achieve these results, the activities and fundamental learning outputs of WOCCU's CDP TIFI project are linked to the objectives as follows:

- 1) The development and implementation of the SME finance toolkit, that improves cooperative business performance through increased member equity and improved CU market performance.
- 2) A clarified regulatory environment, increased understanding of the market and targeted customer segments and strengthened business development services that will improve the overall cooperative enabling environment.
- 3) Dissemination of learnings and best practices to improve programming throughout the TIFI Project to enhance WOCCU's programming and help credit unions worldwide to serve small and medium enterprises.

The current COVID-19 pandemic has highlighted many strengths of credit unions while also shining a light on the need to prepare credit unions in advance of a crisis and to help them adapt quickly during a crisis. When the COVID-19 pandemic caused economic shocks around the world, WOCCU immediately reached out to its member credit unions, national associations and regional bodies across the world and found eager response to webinars, blogs and other

mechanisms that allowed them to share unique guidance, strategies, and recommendations to minimize financial losses and protect members. Credit union leaders shared financial performance monitoring and liquidity management tools, regulatory environments, communications protocols, technology solutions, market insights, crisis management protocols, management processes, and the like – and turned to WOCCU to facilitate development of a comprehensive toolkit to address performance during a crisis. Writing from Nairobi, a Kenyan leader challenged “WOCCU to put together a resource (self-assessment tool and or action plan) for the “Resilient Credit Union” -- a kind of resource that will help SACCOs look out for or prepare for unusual national or global financial situations such as the COVID-19.pandemic.”

WOCCU has a history of toolkit development that has strengthened its member credit unions and national associations, and would like to build on and refine its organizational capacity in light of current regulatory, technological, and program-related characteristics. In particularly, WOCCU developed the PEARLS financial performance management tool which has been used by a number of WOCCU members over the years, but has fallen out of use given changing technology and enabling and regulatory environments

## **II. ANTICIPATED SCOPE OF WORK**

### **A. OVERVIEW**

Through this engagement, WOCCU is seeking up to two consultants to make recommendations about ways WOCCU can support the resilience of its member credit unions.

The output of this consultancy will be used by 1) the TIFI team to focus its work; 2) credit union executives; and 3) national credit union associations. It will inform a road map highlighting area for improvement and further support and provide a framework for credit unions and cooperative convening groups to self-monitor.

Through this engagement, TIFI intends to study impacts on credit union resiliency across two main focus areas: financial performance and business management tools; and policy and enabling environments. A cross-cutting issue for each of these areas will be a review of the digital platforms, products, tool and services that facilitate resilience. The primary focus will be the CDP TIFI countries—Guatemala, Senegal, Burkina Faso and Kenya—although WOCCU will also identify other countries of interest and invite global input. The consultant will support direct outreach to member credit unions, compile and review relevant tools shared by these associations, and review tools developed by WOCCU to develop a comprehensive recommendation of the state of financial and business performance management tools throughout the WOCCU network and what tools or training or knowledge sharing, etc., could amplify the impact of these tools.

The consultant(s) will also capture findings about factors that promote credit union resilience as opportunity arises through surveys and in-depth interviews. The following are sample lines of

inquiry that include performance monitoring and the policy and enabling environments, but applicants are encouraged to explore other elements that may be captured in case studies, case examples and blogs if insights emerge:

1. Performance Monitoring. What are credit unions' financial management practices, including use of tools such as the PEARLS financial performance monitoring system and liquidity management tools? Are sufficient operational processes in place and are they informed by data? What role does the national or regional association play? What are the regulatory requirements for data reporting? Do performance monitoring systems provide sufficient data for agile decision-making?

2. Policy environment. Do credit unions have equal access as other financial service providers to government and aid programs to mitigate the impacts of the external shock, e.g. telecommunications fee concessions, MSME guarantee funds, and easing of compliance measures? Are they recognized as "essential services"? Is the regulatory authority the same for credit unions as for other financial institutions, and is there appropriate proportionality as well as regulatory flexibility and relief? How supportive is the regulatory and enabling environment for credit unions to provide SME finance and digital finance? Are government agencies and ministries supportive of credit unions? (These perceptions will also be compared to publicly available data on responses by the regulator and government agencies, availability of aid, and economic trends.)

3. Digital Services: Ingrained within each of the previous topics, the consultant(s) should detail what technology solutions are in place that promote resilience? What constraints or limitations impact technology adoption or implementation? Are there regulatory or enabling environment restrictions that hamper technology uptake? Are the tools identified ripe for digitization or have they been previously digitized?

## **B. ANTICIPATED TASKS**

In order to achieve the desired objectives of this engagement, WOCCU anticipates the following tasks to be completed. This list of tasks is illustrative and subject to change based on the applications received and based on the experiences of the selected consultant(s).

### **TOPIC 1: REVIEW OF FINANCIAL PERFORMANCE MANAGEMENT TOOLS**

1. The consultant(s) will support development of a structured interview guide and global survey with the TIFI project team that will guide outreach and engagement efforts with the identified associations and credit unions. During this activity, the consultant will also support TIFI team outreach in Kenya by developing a survey that can be adapted to the Kenya context to support the project objectives;
2. Using the structured interview guide, the consultant(s) will lead virtual qualitative interviews\* with the select credit union associations and request sample financial

performance management, digital products and services, and other relevant tools to analyze;

3. The consultant(s) will organize a compilation of financial performance management tools from within WOCCU's network and from other relevant financial institutions and cooperatives, accompanied by explanation of the regulatory reporting requirements in that country and a comparison of what those tools support and what additional elements might be useful;
4. This compilation of relevant and available tools from the identified credit unions should be complemented by a review of these tools and other relevant WOCCU-developed tools including the PEARLS methodology and a tool to support credit union liquidity management. This review of tools should be based on a collaboratively developed set of criteria so that the consultant(s) can make a recommendation of utility of each tool;
  - a. The consultant(s) will review WOCCU's new liquidity management/interest rate management tool and determine how it might meet needs of WOCCU member credit unions, including what kind of training and supporting documents would be needed;
  - b. The consultant(s) will include an analysis of the history of and lessons learned from the PEARLS financial performance management tool—where it has been used, how it has been adapted, and its impact, including in light of shocks such as the COVID-19 pandemic; where it was discontinued and why.
5. Based on the above, the consultant(s) will develop a comprehensive recommendation of the state of financial and business performance management tools throughout the WOCCU network and determine what tools, training, or knowledge sharing, particularly through user-friendly virtual methods, could strengthen the adoption and use of these tools.
6. These recommendations should include how external supports can be leveraged including Bankers Without Borders (BwB) and the consultant will develop a terms of reference for a collaboration and an interview guide for their volunteer experts to provide supplemental qualitative interviews.

## **TOPIC 2: REGULATORY AND ENABLING ENVIRONMENT**

1. Building from a [regulator response guide](#) developed by WOCCU's Advocacy department, the consultant(s) will begin with a review of the regulatory response to the COVID-19 pandemic and impacts upon financial service providers in each country of study with a specific emphasis on credit union performance and resiliency in order to expand upon this guide with additional example responses from each priority country.

2. The consultant(s) should then conduct a deeper dive into the current regulatory structure of each priority country, leveraging existing resources developed by WOCCU and our in-country teams to determine how credit unions are integrated in the regulatory framework of each country and with other strategic country stakeholders including mobile network operators, regulatory bodies, technical working groups, etc. The consultant(s) should be sure to identify appropriate immediate national regulators as well as relevant

Possible lines of inquiry may include, but are limited to, regulatory constraints related to:

- a. SME finance
  - b. Digital financial services/technology adoption
  - c. COVID-19/economic/health shocks
  - d. Financial inclusion
  - e. Consumer protection
  - f. Data privacy
  - g. Cybersecurity
3. The consultant(s) may also be expected to review and analyze other existing tools through the WOCCU network that may be in use (e.g. business continuity plans), including a review of WOCCU's Model Credit Union Building initiative;
4. The consultant(s) will then be expected to develop a set of recommendations for regulatory engagement within each priority country that responds to the gaps, opportunities, and needs that are identified through their review of exiting regulator resources and priorities. These recommendations should be developed in coordination with the WOCCU Advocacy department as appropriate and should be tailored to the specific contexts of each priority country as much as possible.

### **Cross Cutting: Dissemination of results**

The consultant(s) should identify specific stakeholders who are key for moving from findings to action and develop communication resources to disseminate findings and resources to those stakeholders and throughout the WOCCU network. These resources should include short blog posts regarding the outreach and research process, general results of the study, and/or how WOCCU is working to support the credit union movement. Alternatively, if applicable and available, the consultant(s) may choose to develop specific case studies and case examples that highlight the initiatives of specific credit unions or associations to respond to crises and the tools they have adapted or developed in response.





\* due to the COVID-19 pandemic, all activities, including interviews with credit unions and round table discussions, are currently expected to be carried out virtually. Applicants should be sure to address how they intend to carry out these virtual engagements.

### **C. REPORTING**

The selected consultant(s) will be expected to report to the TIFI Chief of Party for this activity as well as WOCCU technical staff for the duration of the contract. Reports under this activity will be focused on disseminating information about the process implemented to conduct research or reports that highlight efforts by credit unions and/or WOCCU to support the continued resiliency of credit unions in the face of shocks.

## **III. FUNDING**

The ceiling for each of activity is anticipated to be \$15,000, for a total ceiling of \$30,000 for the two activities, through a fixed price contract. While it is not anticipated that funding will be awarded greater than the ceiling identified, cost proposals above this ceiling amount will be received and may be considered with adequate justification. WOCCU may make the determination to issue multiple contracts under this solicitation based on the applications received and budget availability.

## **IV. INSTRUCTIONS FOR APPLICATIONS**

In order to be considered for evaluation, applications must abide by the requirements identified in this section. Applications that do not respond to the requirements identified in this section will not be reviewed by WOCCU's technical evaluation committee. In addition, applications received after the submission deadline identified on the cover page of this solicitation will not be considered for evaluation. If this solicitation is amended, then all terms and conditions not modified in the amendment shall remain unchanged.

### **A. GENERAL INSTRUCTIONS**

Applications are due no later than October 2, 2020, by 5:00 pm EDT, to be submitted via email to [tifiopportunities@woccu.org](mailto:tifiopportunities@woccu.org). Please be sure to reference the name of this solicitation (Resilient Credit Unions Research) in the subject line of the email and identify which topic you are proposing to address through your application. Late applications will be rejected except under extraordinary circumstances at WOCCU's discretion. Applications are limited to two pages, excluding staff CVs, work plans, and cover letters.

This solicitation in no way obligates the World Council of Credit Unions to award a contract, nor does it commit the World Council of Credit Unions to pay any costs incurred in the preparation and submission of the bid. World Council of Credit Unions reserves the right to vary any part of this solicitation at the time of award if it becomes necessary. The submission to WOCCU of an application in response to this solicitation will constitute an offer and indicates the firm's



agreement to the terms and conditions in this solicitation and any attachments hereto. WOCCU reserves the right not to evaluate a non-responsive or incomplete application.

## **B. QUESTIONS RELATED TO SOLICITATION**

Requests for clarification or additional information must be submitted in writing via email to Conor Farrell ([cfarrell@woccu.org](mailto:cfarrell@woccu.org)) by September 30, 2020, by 5:00 pm EDT. No questions will be answered by phone

Copies of questions and responses will be distributed via email to all prospective bidders as well as posted as an amendment to this solicitation on WOCCU's career page.

## **C. APPLICATION COVER LETTER**

A cover letter shall be included with the application and should be sure to include a reference to the name of this solicitation, identify which topic will be addressed through the application, the total cost of the application based on a proposed daily rate and proposed LOE, and a summary detail of the qualifications of the consultant that respond to section D of this section. Cover letters should be no more than two pages in length.

## **D. MINIMUM QUALIFICATIONS**

In order to be considered for evaluation, the application for each prospective consultant should be sure to comply with the requirements set out in this section. Applications should be sure to demonstrate the consultant's ability to complete the tasks described in **Section 2, Part B** of this solicitation, or propose an alternative set of activities that will achieve the desired objective of this activity. Applications are limited to two pages and are expected to demonstrate compliance with the minimum qualifications listed in this section and respond to the anticipated scope of work listed above. As annexes or appendages, applications should include consultant CVs, 2 professional references, a writing sample of previous work related to this consultancy and a cover letter.

To be considered for one of the selected topics, an applicant should demonstrate the following minimum qualifications:

### **Topic 1: Financial Performance Management Tools**

- At least 5 years of experience working with credit unions or other financial service providers in a global context;
- Demonstrated experience analyzing financial performance management tools for credit unions, specifically the [PEARLS](#) methodology and the [Model Credit Unions Building](#) (MCUB) methodology;
- Previous experience conducting research with credit unions, with a particular focus on financial inclusion;

- Previous experience conducting qualitative interviews with financial service providers, especially in international settings;
- Advanced working proficiency in English, French and Spanish is highly preferred or a minimum combination of at least two of the list languages;
- Demonstrated knowledge of digital financial service providers or fintech solutions available in Latin America and Africa;
- Experience with writing blogs, case studies and case examples for communication with a range of stakeholders;

## **Topic 2: Policy and Enabling Environment**

- At least 5 years of experience working with credit unions or other financial service providers in a global context;
- Demonstrated experience analyzing global or national regulatory policies and their impact on financial service providers; specific experience with credit unions preferred;
- Previous experience conducting research with credit unions, with a particular focus on financial inclusion;
- Demonstrated experience studying enabling environments and the related impact on FSP resilience during times of shocks;
- Awareness of regulatory issues relevant to digital finance;
- Familiarity with regulatory requirements and the policy and enabling environment for credit unions; specific experience working in one of the four priority countries listed is preferred

## **E. COST PROPOSAL REQUIREMENTS**

The application should include a cost proposal or budget for the associated activity that corresponds to the narrative application. The budget will be reviewed based on criteria that evaluate cost reasonableness and applicability based upon the technical application. Budgets must be sufficiently detailed to demonstrate reasonableness and completeness. Applications including budget information determined to be unreasonable, incomplete, unnecessary for the completion of the proposed project, or based on a methodology that is not adequately supported may be deemed unacceptable.

## **V. TECHNICAL EVALUATION**

The following criteria will be used to evaluate each technical application. The number of points assigned to each criterion represents its weight in the evaluation process.

<b>Technical Criteria</b>	<b>Weight</b>
<b>Technical Qualifications and Past Experience</b>	

<ul style="list-style-type: none"> <li>- Adequately demonstrates the consult's understanding of project objective;</li> <li>- Cover letter and application demonstrates the consultant's past experience meets the minimum requirements specified in Section IV, part D.</li> <li>- Previous experience in managing activities related to those proposed in the solicitation;</li> <li>- French, English and/or Spanish language abilities are clearly demonstrated and meet minimum requirements for consideration;</li> <li>- Consultant CV demonstrates compliance with minimum qualifications.</li> </ul>	70 pts
<b>Cost-Effectiveness</b> <ul style="list-style-type: none"> <li>- Proposed costs reflect a clear understanding of the requirements stated in this solicitation, and costs are reasonable;</li> <li>- The proposed price is reasonable in comparison with prices with the independent cost estimate;</li> <li>- Proposed planned costs ensure optimal delivery of the proposed activities;</li> <li>- The budget demonstrates reasonableness and completeness based on the technical application.</li> </ul>	30pts
<b>TOTAL:</b>	<b>100pts</b>

## VI. AWARD DETERMINATION

WOCCU will review all complete applications that are received prior to the closing date of this solicitation and will make an award based on the evaluation criteria stated above and select the offeror whose applications provides the best value to WOCCU. WOCCU may also exclude an offer from consideration if it determines that an application does not demonstrate a minimum level of experience or includes tasks that do not respond to the overall project objective. While applications will be evaluated based on cost proposals received, WOCCU may award to a higher-priced offeror if a determination is made that the higher technical evaluation of that offeror merits the additional cost and the proposal is determined to include reasonable costs related in the technical proposal.

### A. SOURCE AND NATIONALITY

Under the authorized geographic code for its contract, WOCCU may only procure goods and services from the following countries. WOCCU has the option to seek a waiver to these requirements if the selected bidder is registered in a country outside of Geographic Code 937.



Geographic Code 937 states: “Goods and services from the United States, the cooperating country, and "Developing Countries" other than "Advanced Developing Countries: excluding prohibited countries.”

A list of the "Developing Countries" as well as "Advanced Developing Countries" can be found at <http://www.usaid.gov/policy/ads/300/310maa.pdf> and <http://www.usaid.gov/policy/ads/300/310mab.pdf> respectively.

By submitting an application in response to this solicitation, applications will confirm that they are not violating the source and nationality requirements of the goods or services being offered and that the goods and services comply with the geographic code and the exclusions for prohibited countries outlined above.

## **VII. DISCLAIMER**

This solicitation in no way obligates the World Council of Credit Unions to award a contract, nor does it commit the World Council of Credit Unions to pay any costs incurred in the preparation and submission of the bid. World Council of Credit Unions reserves the right to vary any part of this solicitation at the time of award if it becomes necessary. World Council of Credit Unions may cancel this solicitation or may reject any and all responses received. The issuance of this solicitation does not constitute award commitment by the World Council of Credit Unions.