



Livelihoods and Food Security Fund



CfP/LIFT/2018/4/Digital Finance

Questions arising from LIFT's Call for Proposals: Expanding delivery of financial services rural women through a digital platform.

The deadline for written questions was 19 November, 2018. Answers have been compiled and released on 22 November, 2018.

1	Q1: We found that there will be no geographic prioritization but should have access to mobile money services and should be in four main agro-ecological zones. Is it possible to choose townships in Magway Region (for example Magway, Minbu, Min Hla) where LIFT project is not there.
	A1: Yes
2	Q2: Can private banks be direct applicants for digital financial services while at the same time they can borrow money to client of LIFT beneficiaries.
	A2: Yes
3	Q3: Can private bank be in partnership with NGO and/or private sector player?
	A3: Yes
4	Q4: Is IP responsible to do nutrition literacy directly or make use digital platform by other nutrition focus IPs to deliver nutrition message.
	A4: Either or both
5	Q5: Is LIFT expecting more than one contract?
	A5: More than one grant is possible.
6	Q6: We learned that total beneficiaries of this call is 45,000 women (whose income is 1.25 USD or less). Can applicant propose less than 45,000 women with proportionate costs (for example 20,000 women)?
	A6: Yes.
7	Q7: Is a cooperation with a Myanmar Bank precondition for the project?

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	A7: No
8	Q8: Can the project support the creation development on new partnerships / digital services or is this only focused on scaling up existing ones? A8: Yes, new partnerships can be created.
9	Q9: Can we be flexible in our approach when it comes to Financial collateral or lending terms and conditions as stated in the document? A9: Yes
10	Q10: Can we be flexible in terms of training and financial education and use techniques not necessarily stated in the document (video, etc...) A10: Yes
11	Q11: Can we focus on financial education only (and not nutrition)? A11: No
12	Q12: Are we expected to focus on women that are non-users of mobile money yet? A12: No.
13	Q13: Is there a specific objective on “asset-building financial services such as savings”? A13: Savings mobilisation is the objective.
14	Q14: Any obligation after the end of the contract? A14: No.
15	Q15: Is there any risk sharing mechanism? A15: The offeror can propose.
16	Q16: Are there requirements for specific TA providers for the product design stage? A16: No

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17	<p>Q17: Amounts of financing:</p> <p>a) What is the maximum amount per project?</p> <p>b) Is there a minimum co-contribution to the project's cost expected from the applicant (and its partners)? if yes, which %?</p>
	<p>A17: a) There is no maximum amount per project. b) No.</p>
18	<p>Q18: Is the project following the government definition of "rural"?</p>
	<p>A18: Yes</p>
19	<p>Q19: What is Nutrition Literacy here? Maternal and child or General nutrition?</p>
20	<p>Q20: 1) The project seeks to reach a minimum of 45,000 rural and marginalised women - may we clarify that 45,000 is also the target for new loan customers within the 3 year period? The background to this question is for issuing a digital loan, there is a need for some time to collect the transaction data that helps to build the credit score of potential clients. Hence it will be feasible to only start issuing credit products in Year 2 onwards. If 45,000 indicated the target for new loan clients, more women would need to be targeted overall as not all will be credit-worthy - we would also need to be careful if making bank loans so easily to the most vulnerable customer segments.</p>
	<p>A20: Yes</p>
21	<p>Q21: Is the selection criteria of using the PPI index and USD 1.25/day a fixed one or are we free to also offer some alternative suggestions/ add-ons for consideration?</p>
22	<p>Q22: An example of the use of cash-transfer to secure loan amounts was also given in RFP - does this imply a preference from LIFT for a similar mechanism (cash-transfer) for the use of risk capital portion</p>
23	<p>Q23: Based on the same example provided, we conclude that 4.5m USD of the total 5.8m USD funding available should be allocated as transfers to end - customers - is this a valid assumption?</p>

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	A23: It is an example.
24	Q24: With reference to 3. Data Collection - as there will be a M&E component and we understand that impact evaluations are typically done by a independent third-party i.e. not project owner and partners associated in design of project, are we required to reflect funds set aside for this independent assessment(s) or will that be funded separately by LIFT?
	A24: LIFT will fund an independent evaluation.
25	Q25: Under 2.2 Programme Design and Activities, "Target Group", one of the key objectives stated is to "catalyse" commercial banks. Does this mean the applicant partnerships should include a commercial bank, or simply utilise the commercial banking network in Myanmar? What consortiums or partnerships will be applicable in this proposal (e.g. commercial banks vs. mobile money vs MFIs)?
	A25: No. All financial institutions are eligible.
26	Q26: Under 2.2 Programme Design and Activities, "Loan Terms and Conditions", What are the "LIFT MFIs" mentioned regarding the research?
	A26: MFIs receiving LIFT funding.
27	Q27: Under 2.2 Design and Activities, "Digital Wallet", can a Digital Wallet be a non-app solution (e.g. Our bank's QR Card engagement)?
	A27: Yes.
28	Q28: Do all female target clients for the call need to be below \$1.25 per day? Please clarify what PPI score this needs to be under.
	A30: See A21.
29	Q29: Is this call only open to Commercial banks? Is the call also open to MFIs as well?
	A29: Open to all financial institutions.
30	A30: Must the grantee participate in all the activities outlined in section 2.2?
	A30: Yes.
31	Q31: Are products and activities already outlined by LIFT or does the implementing partner have freedom to tailor products to target clients in different ways depending on evidence/research?
	A31: The applicant has the freedom to customise products.

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32	<p>Q32: Is the guarantee offered to the bank of \$100/borrower, therefore \$4.5mn, included in the budget proposed of \$5.8mn? (i.e. will LIFT connect the project to other Cash Transfer Programs such as the Maternal and Child Cash Transfer program that can offset some of this cost?)</p>
	<p>A32: The total funding available is around USD 5.8 million.</p>
33	<p>Q33: Does LIFT expect that participating commercial bank will provide matching funding?</p>
	<p>A33: This is up to the applicant.</p>
34	<p>Q34: P.6 “The digital loan carries an annual interest rate of 13 per cent outstanding (as regulated by the CBM). Other digital loan terms and conditions will be determined by the offeror.” Does LIFT have information about the CBM allowing for a loan disbursement fee or application fee? Can also fees be levied for the conversion of e-money to cash and vice-versa?</p>
	<p>A34: LIFT has no prior information on what the CBM will allow.</p>
35	<p>Q35: Target of 45,000 poor women belonging to the Int’l 2005 PPP \$1.25/day (p.4 of enclosed): what is the acceptable level of confidence out of the PPI for Myanmar? Or more simply what is the maximum PPI score to qualify among this target? What does LIFT consider adequate data collection standards for the PPI survey?</p>
	<p>A35: See A21. https://www.povertyindex.org/about-ppi</p>
36	<p>Q36: Has a survey of phone ownership been linked to poverty levels? What percentage of phone ownership or phone access can be assumed for the target group considered?</p>
	<p>A36: LIFT is not aware that a survey has been conducted on phone ownership and poverty levels.</p>
37	<p>Q37: Can the bid leverage the Cfp/LIFT/2018/3/FI or should both CfPs be considered as totally separate?</p>
	<p>A37: The two calls for proposals are separate and require separate proposals.</p>
38	<p>Q38: The incentive for IPs to identify and recommend women to the programme is the credit they receive from their beneficiaries and the community at large for including them in this programme." Has LIFT already spoken to IPs to confirm this willingness to help without financial incentives? Can LIFT provide a list of willing IPs so that the applicant can understand the risk associated with their involvement?</p>
	<p>A38: LIFT has spoken to some IPs who are willing to participate. No list of willing IPs is available.</p>

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39	Q39: If the target is not reached is the bidder receiving only an amount of operational subsidy proportional to its outreach vs. the 45,000 poor women target?
	A39: No.
40	Q40: Can it be assumed that the nutrition, financial and digital literacy material will be adapted by LIFT for digital delivery prior to the program?
	A40: No. Implementing partners will prepare materials.
41	Q41: The program aims to target households living below \$1.25/day being offered \$300 loans without physically meeting or being interviewed by the financial service provider. Unsafe digital lending has led to significant increases in over-indebtedness among low income households in Africa. Is LIFT concerned about potential negative impacts in the Myanmar context?
	A41: LIFT is not prescribing a loan size. LIFT expects the implementing partner to be a responsible financial intermediary, e.g. perform due diligence on potential clients.
42	Q42: I would like to know if microfinances are eligible to apply this grant.
	A42: Yes
43	Q43: Page 4 in Geographic Distribution: “Development organizations and LIFT IPs, both financial and non financial, will help identify women who would benefit from the programme and recommend them to become clients in areas where commercial bank can offer digital financial services” a) Is that specifically referring to this CfP or is it referring to all current and future LIFT projects implemented with IPs? b) Does the roll-out of this programme depend on the presence/implementation of LIFT-funded projects? c) How is this programme planned to be linked (or not linked) with LIFT’s other CfP on expansion of financial services? d) Are there any particular geographic areas that LIFT would like to be prioritized for this programme?
	A43: a) Can be both current and future; b) No; c) It is not “linked.” d) No.
44	Q44: Can commercial banks apply to this CfP or is it restricted to non-profit organization only?
	A44: Commercial banks can apply.
45	Q45: Is the budget made available under this CfP going to cover for the initial deposit

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	(100USD/beneficiary) as well as the digital, financial and nutrition literacy related activities? Is the initial deposit going to be covered through different LIFT managed budgets?
	A45: The budget is indicative.
46	Q46: Will there be some conditions on the use of the loans taken by the beneficiaries or will this depend only on the commercial bank's decision?
	A46: No. Terms and conditions are not being prescribed.
47	Q47: Will the programme/LIFT be able to influence on the terms and conditions of the digital loan or will this entirely depend on the commercial bank?
	A47: Terms and conditions are not being prescribed.
48	Q48: Would the financial and nutrition literacy components of this programme be expected to be primarily digital?
	A48: This is the expectation.
49	Q49: Does the programme include the design of the digital platform or does this only depend on the commercial bank.
	A49: This is up to the offeror.
50	Q50: "Are other entities (besides commercial banks) that operate digital finance services (e.g. loans, deposits, savings, financial literacy, etc.) through those banks, eligible for this call? These are digital financial service providers that use bank accounts from commercial banks, but operate the financial services independently of that commercial bank."
	A50: Yes.

