



## Terms of Reference

**Thematic Area:** Green and Resilient Outcomes  
**Project Title:** Inclusive Finance in Fragile Countries (IFFC)  
**From:** May 1, 2023  
**To:** June 30, 2023  
**Task Manager:** William Cook, Senior Financial Sector Specialist

**To apply: Please send CV and Cover letter to William Cook ([wcook@worldbank.org](mailto:wcook@worldbank.org)) by no later than Thursday, April 20, 2023.**

### 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.

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 is guided by a five-year strategy and annual workplans. The next 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

Additionally, CGAP will continue to provide industry-level support to share knowledge and scale impact beyond its core partners. 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.

To better focus our work, we defined three central dimensions where we believe new learning about digitally-enabled financial services could play a meaningful role in improving the lives of the poor:

- **Generating income.** People need reliable and predictable sources of income. This may come from a formal job, a family business, day labor, social commerce, gig work or a government payment.
- **Accessing essential services.** People need services that help them use their time well, improve their capabilities or ensure their physical well-being, such as access to electricity, clean water, sanitation, education, and health care. Increasingly, access to digital connectivity also falls into this category of essential services.
- **Protecting basic standards of living.** Poor people are particularly vulnerable to emergencies and external shocks and need mitigation measures that protect them. These include social transfers, emergency or health crisis mitigation, managing the effects of climate change or conflict, and protection from unsound financial services practices by promoting consumer protection strategies.

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

Inclusive Finance in Fragile Countries (IFFC). CGAP’s Inclusive Finance in Fragile Countries (IFFC) project focuses on identifying whether and how existing approaches for advancing inclusive finance must be adapted for fragile countries. Where these strategies must be adapted, the project seeks to document and communicate best practices to funders and sector support organizations. The project works at the nexus of the financial and fragility agendas, bringing both together with a focus on financial inclusion for poor people, especially women, in fragile countries.

This assignment contributes to the overall project by improving the understanding of local context and potential interventions to improve financial services for low-income populations in the country of Afghanistan, as well as to global knowledge on less formal remittance and financial service networks.

## Scope of work

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

Document a landscaping of the Hawala ecosystem in Afghanistan after the Taliban assumption of power. The landscaping/research will be informed by the consultant's expert knowledge and deep relationships within the Hawala system / financial services sector in Afghanistan.

As relevant, the consultant will also review and provide expert advice on draft publications and internal documents. Reviews will be focused on ensuring an accurate representation of the Afghanistan Hawala system in these documents and informing CGAP analysis with original examples / case studies from the Hawala system in Afghanistan.

This work is part of a planned ongoing engagement in Afghanistan. While initial assessments are planned for the CGAP fiscal year ending on June 30, 2023, the opportunity may be available for additional work beyond July 1, 2023.

## Specific Tasks

The consultant will coordinate closely with the Task Manager (TM) on the following activities for a total of 30 days in FY 2023. Using the consultant's expert knowledge, resources, and relationships within Afghanistan, perform a landscaping and research exercise that includes:

- **Update state of Hawala ecosystem (key actors, market sizing)**
  - Identify/describe key actors in the ecosystem – individual Hawaladars and Hawala networks, both domestic and international players (and to the extent possible/relevant international correspondents).
  - Provide estimated market sizing based on transaction volumes, values domestically and along international corridors, including relative positioning of market competitors based on size of network
- **Customer experience, pricing, and product**
  - For payments, describe current user experience, pricing models, use of digital services (as applicable), and risk/operational limitations (e.g., transaction limits imposed by hawala networks).
  - For products beyond payments (e.g., informal lending, savings), describe service types, economic model, and estimate product uptake.
- **Payment architecture and correspondent relationships**
  - Provide overview on current correspondent relationships to Afghan and international banks, how money moves between the Hawala networks and banking networks, with particular focus on how relationships/connections have changed following Taliban assumption of power.
  - As relevant, include discussion of where/how AML/CFT controls are imposed by the formal sector on hawala networks, and how the network have responded.
- **Update understanding of regulation/supervision of Hawala networks in Afghanistan**
  - To the extent the regulatory/supervisory environment in Afghanistan continues to evolve, provide an understanding of recent trends and implications for hawala networks.



- **Use of Hawala by NGOs / cash transfer programs**
  - Provide an overview of major NGO/INGO users of hawala networks, including current engagement model (e.g., via bank partners or direct), challenges, and other relevant details as agreed with project team.

The Task Manager and other CGAP staff will review and provide feedback to the work done by the consultant.

### **Deliverable(s)**

The following deliverables will be required:

- PowerPoint presentation of no more than 50 slides (or Word document of no more than 30 pages)
- Written comments related to Afghanistan Hawala sector on CGAP/IFFC written materials, both for publication and internal.

The required language for written deliverables is English.

### **Necessary Skills and Experience**

- At least 8 years' work experience in the Afghanistan financial services sector, with expert level knowledge of the same (with emphasis on Hawala networks and related informal services).
- Deep relationships within Afghanistan financial services sector (with emphasis on Hawala networks and related informal services).
- Preference for candidates who also have experience with inclusion aspects of digital financial services (agent networks, rural finance).
- Strong communication skills.



### **Ownership/Control of Work Product/Publication**

All materials produced or acquired during the appointment - written, graphic, film, digital audio/video or otherwise - shall remain the property of CGAP unless and to the extent such rights are explicitly relinquished (in whole or in part) by CGAP, in writing. CGAP 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 CGAP the Task Manager. 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 CGAP written permission. All outputs of the work, materials produced in the course of the work, and all by-products shall remain confidential unless CGAP authorizes public release.

### **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 Consultant will report to the Task Manager, William Cook, Senior Financial Sector Specialist, Digital Rails. CGAP may designate another qualified task manager. The Task Manager has final sign off on deliverables and invoices.

### **Schedule**

All work will be completed between May 1, 2023 and June 30, 2023, 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 budget ceiling for the work under this TOR is thirty (30) days. The Consultant's time will be compensated based on eight (8) hour consulting day or pro-rated portions thereof. The assignment can be extended, subject to the business needs and performance review.

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) with prior written agreement from the CGAP Task Manager and travel-related expenses as needed. The Consultant will submit invoices on a monthly basis in the form requested by the Task Manager. Payment will be made upon receipt of invoices and approval of the Task Manager. Payments are disbursed within 10 business days of invoice approval.