

Kigali, on 9th October 2021

Ref/N^o 14/RISA-WB/2021

Rwanda Information Society Authority (RISA)
Telecom House
8 KG 7 St, Kacyiru, Kigali
P.O. Box 6603 Kigali-Rwanda

REQUEST FOR EXPRESSIONS OF INTEREST

RWANDA DIGITAL ACCELERATION PROJECT

Project ID: 173373

Assignment Title: Technical assistance for affordable digital devices purchase scheme

Reference N^o: To be generated by eProcurement System

The Government of Rwanda has received financing from the World Bank toward the cost of the RWANDA DIGITAL ACCELERATION PROJECT, and intends to apply part of the proceeds for consulting services.

The consulting services include Technical assistance for affordable digital devices purchase scheme with estimated level of effort of 5 staff-months for 19 weeks.

The ToR for the assignment are attached to this REOI.

Rwanda Information Society Authority now invites eligible consulting firms to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria are:

- The consulting firm should have at least 8 years of extensive experience in ICT and financial sector, including work in emerging market and Africa, advising policy makers and commercial leaders on the design of new programs or initiatives.
- The consulting firm should demonstrate a strong understanding of the device affordability and device financing challenge, as well as the digital inclusion agenda and broader enabling environment (including device supply chains, relevant regulation etc.)
- At least three relevant or specific performed consulting services similar to the assignment,

Telecom House, 8 KG 7 Ave, Kacyiru, Kigali. Boulevard de l'Umuganda

P O Box 6603 Kigali-Rwanda Email: info@risa.rw

- The technical and managerial capability of the firm. (Only the structure of the firm, general qualifications and number of key staff should be provided. Do not provide CV of staff at this stage of shortlisting exercise).

The attention of interested Consultants is drawn to Section III, paragraphs, 3.14, 3.16, and 3.17 of the World Bank's Procurement Regulations for IPF Borrowers November 2020 Regulations setting forth the World Bank's policy on conflict of interest.

Consultants may associate with other firms to enhance their qualifications, but should indicate clearly whether the association is in the form of a joint venture. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected and all partners must be registered in eProcurement System for Rwanda.

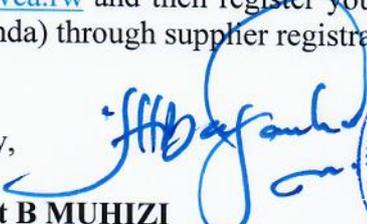
A Consultant will be selected in accordance with the QCBS method set out in the Procurement Regulations.

Further information can be obtained through eProcurement System before deadline of submission of EoI.

Expressions of interest must be delivered through eProcurement System for Rwanda at (www.umucyo.gov.rw) not later than 11th November 2021 at 16:30 local time and shall be opened through the eProcurement System on the same date at 17:00 local time.

Note: For interested consultants not yet registered, please apply first for digital certificate on www.govca.rw and then register your business on www.umucyo.gov.rw (eProcurement system for Rwanda) through supplier registration, in order to submit your proposal.

Sincerely,


Innocent B MUHIZI
Chief Executive Officer
Rwanda Information Society Authority



Telecom House, 8 KG 7 Ave, Kacyiru, Kigali. Boulevard de l'Umuganda

P O Box 6603 Kigali-Rwanda Email: info@risa.rw

TERMS OF REFERENCE

A. BACKGROUND

Device access and affordability represents a major bottleneck to digital adoption and e-service delivery in Rwanda. While a majority (67 percent) of households in Rwanda own mobile phones, these are predominantly basic feature phones that cannot access mobile broadband (3G and above). Research suggests that close to 80 percent of Rwandan adult population (6 million, aged 16-64) are unable to purchase a \$30 smartphone, based on the existing costs of a smart device in the local market, income levels and global affordability targets. Meanwhile, high credit risk prevents a private sector-driven solution to the affordability challenge, in the absence of sponsored de-risking and subsidies schemes. To address this challenge, the Government of Rwanda (GoR) is looking to design and implement an innovative smart devices financing scheme.

The GoR is set to receive funding (US\$ 200 million) from the World Bank (WB) and the Asian Infrastructure Investment Bank (AIIB) to accelerate country-wide digital transformation. The proposed “Rwanda Digital Acceleration Project” (RDAP) project (henceforth referred to as the ‘the Project’) seeks to expand digital adoption, bringing more Rwandans online by addressing the major barriers that dampen demand for digital services and spearheading a series of interventions that promote digital inclusion and access to broadband. The project will also enable Rwanda to leverage critical enabling digital platforms and data-driven solutions to improve the efficiency of public service delivery and expand the adoption of digitally enabled e-services. Finally, the project will increase Rwanda’s capacity to support digital innovation and productivity gains, by strengthening the local digital innovation and entrepreneurship ecosystem. Overall Project implementation will be led by the Rwanda Information Society Authority (RISA), under the Ministry of ICT and Innovation (MINICT). However, the smart devices financing scheme proposed will be implemented by the Development Bank of Rwanda (BRD) Plc., which currently manages many similar social impact financing schemes, and is able to act as a financial intermediary to allow for the use of commercial financing instruments and set-up of a device fund.

The RDAP is set to provide US\$15 million in financing support to facilitate smart device purchase by low-income household through the establishment of the smart device financing scheme. The scheme will target users currently unable to afford upfront purchase of a smart device and secure needed credit. Targeting and eligibility envisioned will be based on the *Ubudehe* stratified household income classification system and existing device ownership schemes, and also intends to have a special focus on ensuring digital inclusion for women, persons with disabilities and rural communities, and expand access to devices in specific sectors like education. Various World Bank eligible financial instruments will be considered, including a grant-based subsidies for Rwanda’s lowest income-earning households, credit guarantees and insurance schemes for retailers, and/or lines of credit to manage the challenges associated with access to finance for smart devices. A phased approach is envisaged, including initially piloting, evaluation and incremental scale-up over time that builds on lessons learnt from related schemes in-country and elsewhere, given the innovative nature of the scheme.

B. PURPOSE OF ASSIGNMENT

The purpose of the assignment is to prepare an in-depth market assessment and feasibility study to refine key design elements of the new smart device financing scheme envisioned, based on the local context and expected impact; and develop a detailed Project Implementation Manual (PIM) for the execution of the Smart Device Results-Based Financing (RBF) Scheme, based on design selected, recommendations made and financing instrument selected.

C. SCOPE OF SERVICES

The consulting firm is expected to perform the following key tasks, as part of the assignment:

1. **Conduct an in-depth and comprehensive market assessment of the smart device access and device financing ecosystem in Rwanda**, including both demand- and supply-side analysis, and evaluation of the enabling environment, based on a detailed stakeholder mapping:
 - a. **Demand-side analysis** should assess current demand for smart devices, including unmet demand, risks in the RBF implementation, ability, and willingness to pay among different user-groups and income categories. It should identify key demand-side barriers and/or market failures that exist in respect to smart device access and ownership in Rwanda. The analysis should also probe and identify factors (other than financing) that positively/adversely impacts demand and the value proposition of owning and using a smart device. All analysis should be disaggregated, including at a minimum gender, occupation/profession, income level, and geographic (urban/rural) location. The consulting firm should also look at smart device access requirements for people with disabilities, illiterate, and predominately focus on low-income households.
 - b. **Supply-side analysis** should review the supply-side value chain in relation to device access and financing, i.e. identifying and mapping out, gauging interest, capacity (due diligence) of relevant stakeholders, and supply-side risk in RBF implementation. These stakeholders are likely to include smart phone manufacturers, distributors, retailers, telcos, financial intermediaries, and govt. agencies among others. This analysis should identify any market failures or gaps present on the supply-side. The consulting firm should map the type and price of smart device available in the local market.
 - c. **Policy and regulatory environment** should also be analyzed, identifying potential bottlenecks, risks, or avenues for reform in favor of smart device affordability and access (e.g. duties/taxation costs limiting provision of devices), which would need to accompany device financing.
 - d. **Financing gap and financing options** should be fully assessed, based on willingness and ability to pay among potential local consumers, based on local smart device prices and financing options currently available in the market. The consulting firm should map and evaluate existing financing models and schemes employed (subsidies, guarantee schemes, challenge fund, others) for devices or similar assets, documenting lessons learnt. The consulting firm should also analyze the extent to which public sector financing is needed to unlock market failures and kick-start sustainable commercial solutions, considering existing financing gaps.

The consulting firm is expected to use mixed-method research, including but not limited to a demand-side survey, focus groups, key informant interviews etc. and will be required to present a sampling strategy/ research methodology as part of the inception report prepared. Key market players are expected to include end-users (households, businesses, members of cooperatives, targeted users in specific sectors such as the education and health, including teachers and students, community health workers and other practitioners in the health sector, etc.) that require smart devices, financial institutions (SACCOs, banks, microfinance institutions), device manufacturers and retailers, and relevant public institutions etc. All stakeholder consultations should be documented, and feed into the RDAP stakeholder engagement strategy.

2. **Evaluate and recommend a suitable model for the proposed financing scheme:**

Based on the market assessment conducted, as well as previous experience/ lessons learned in Rwanda and globally, the consulting firm will recommend a suitable smart device financing scheme to be financed by RDAP (based on one or more financing instruments/ financing windows), consistent with GoR's policy and legal frameworks as well as World Bank financing rules and guidelines (i.e. instruments leverage should not distort the market or prohibit future market-based approaches). The consulting firm should take stock on global best practice in relation to smart device financing and should evaluate the different financing instruments that would be feasible and most impactful – i.e. the financing instrument(s) (or the combination of which) is/are expected to yield maximum coverage, and value for money given the timeline and resources available for implementation. The consulting firm is expected to propose design elements that contribute towards inclusion targets and sustainability beyond the life of the RDAP project (e.g. exploring options such as the creation of a revolving fund, ability to crowd in commercial financing, and/or attract additional development partners etc.). The financing instruments explored should include available de-risking instruments, such as end-user grant-based subsidies, low-cost credit lines, guarantees etc. The consulting firm is *inter alia* expected to present and weigh options, based on the following:

- a. **Financial and sensitivity analysis**, including estimates of upfront investments (CAPEX) and operating costs (OPEX) associated with instruments considered, as well as applicable fees and rates, and any expected rates of return. As noted above, this analysis must incorporate recommendations on how to best ensure sustainability (e.g. this could include a gradual transition towards a more market-based approach through tapering off of any grant-based subsidy instrument that may be considered, co-financing of loans or guarantee schemes).
- b. **Beneficiary and targeting analysis** to determine possible coverage and target numbers and beneficiary groups. While the consulting firm should look at potential targeting from the perspective of maximizing coverage, special attention should be paid to ensuring inclusive gender, disability, and rural/urban coverage, with a predominate focus on low-income households.
- c. **Capacity and readiness assessment** of key stakeholder to participate in the proposed scheme (FIs, others) - e.g. as it pertains to needed start-up time and additional capacity building that would be needed to facilitate implementation of instruments considered. The consulting firm should examine and comment on market maturity for leveraging various financial instruments considered and recommend the best model on this basis.

- d. **Positive externalities and complementarity with existing/planned initiatives and schemes.** The consulting firm should consider how to leverage and maximize synergies with existing devices and related schemes in Rwanda (e.g. access to public e-services and learning through pre-installed content, including efforts to digitize social transfers to low-income households, national basic digital literacy training planned etc.). It should also explore the potential for bundled asset financing, and mutualization with existing schemes (e.g. solar home system financing) and provide a related set of recommendation.
 - e. **Identification of critical complements and enablers** that could maximize the impact of smart device financing proposed, by enhancing uptake and usage – including digital literacy programs, provision of charging devices, affordable data packages etc. or other critical pull and push factors for smart device ownership. Avenues for innovation should be highlighted throughout.
 - f. **Risk assessment**, including identification of critical assumptions, potential threats, and mitigation measures.
3. **Develop a dedicated Project Implementation Manual (PIM) for the scheme as well as any related tools and documents needed for its implementation:** When the appropriate model and instrument(s) has/have been identified, the consulting firm is expected to develop a detailed PIM, based on a phased implementation plan, for a successful execution of the Smart Device RBF Scheme. The PIM is expected to include a detailed description of the scheme and guidelines for its execution, including:
- a. A detailed **work plan**, including **HR requirements/PIU Structuring** (e.g. key staff needed for the Project Implementation Unit (PIU) at the BRD).
 - b. A detailed description of **institutional arrangements**, including guiding principles, description of the PIU at the BRD and its responsibilities, flow of funds, end-user incentive level, incentive disbursement schedule, clear roles and responsibilities of key bodies and stakeholders involved in implementation, associated support expected and reporting lines.
 - c. A detailed architect for **independent verification process/steps** of smart device with the term of reference (ToR) for a third-party verification agent to undertake the verification process.
 - d. A **capacity building plan** in respect to the knowledge that key institutions and stakeholder will required for effective implementation.
 - e. A detailed **implementation budget and costs analysis**,
 - f. A **procurement plan and supporting specification**, including the type of item and value of contracts that will need to be procured, including any technical specification and service level parameters that could be directly used to procure needed goods/services. Expected services that the consulting firm would be required to develop draft ToRs for include communication/outreach services related to the scheme, a third-party verification agent, any PIU technical advisors requires, and other technical assistance covering upstream regulatory support required.
 - g. A detailed **M&E framework** for the scheme, aligned with the overall RDAP M&E framework, including description of related metrics and mechanisms for

tracking progress, along with outputs and outcomes that are expected at different stages of implementation

- h. Detailed **targeting guidelines and eligibility criteria** for the selected instruments and their intended beneficiaries, including eligibility criteria for the participation of smart device supplier in RBF scheme, eligibility criteria for final beneficiary, description of related application processes, and development of related tools and templates.
- i. The consulting firm will also determine the **minimal technical specification for smart devices** eligible for financing under the scheme (e.g. ensuring that they are broadband-compatible, looking at accessibility requirements and climate footprint etc.).
- j. **Risk management** framework.

D. EXPECTED DELIVERABLES

The following deliverables associated with the above tasks are expected as part of this assignment:

- Project inception report
- Market assessment report
- Model evaluation and recommendation report
- A detailed PIM and implementation documentation
- Final report / validation workshop (consisting of final versions of all deliverables above)

E. TIMELINES AND PAYMENT SCHEDULE

The consulting firm is expected to complete the assignment in full within five months or 19 weeks, and deliver the following deliverables, based on the indicative timeline and payment schedule below:

Output	Timelines	Payment Schedule
Project inception report	Within 2 weeks of contract signature	10% of contract amount
Draft market assessment report	Within 6 weeks of approval of the project inception report	25% of contract amount
Draft model evaluation and recommendation report	Within 5 weeks of approval of the market assessment report	25% of contract amount
Draft PIM and implementation documentation	Within 4 weeks of approval of the model	25% of contract amount

	evaluation and recommendation report	
Final report / validation workshop	Within 2 weeks after approval of the PIM	15% of contract amount

The RISA SPIU team will reserve one week to validate each draft deliverable/report.

F. PROCEDURES FOR REPORTING

The consulting firm will submit all deliverables noted above to the Head of Single Project Implementation Unit (SPIU) at RISA, and also submit short weekly project updates to the assigned focal point in the SPIU. Upon requested, the consulting firm may also be responsible for presenting to a team of relevant stakeholders to validate draft reports submitted.

G. LOCATION

The consulting firm must be available to work in Rwanda (e.g. through in-field missions). However, given the status of travel in the context of Covid-19, parts of the assignment can be delivered remotely. The firm must present a reasonable plan for how the assignment will be delivered (if/where parts of the assignments are conducted remotely). Collaboration with local experts and/or having at least one expert based in Rwanda for the duration of the assignment is strongly encouraged, as this will also facilitate the collection of requisite inputs/data, knowledge of local context and support knowledge transfer, which are considered critical to the assignment.

H. CLIENT’S RESPONSIBILITIES

The consulting firm will be contracted by RISA (Client), which shall provide the following to the best of its abilities:

- Available data and literature held by the GoR that is considered relevant to the assignment. Avail the copy of PIMs being practiced in other RBF schemes in Rwanda.
- Access and introduction to key officials within relevant Ministries and official entities, as applicable, including those managing activities and programs that may be considered relevant to this assignment.
- Other logistical support, as necessary, including arrangement of validation workshop.
- Timely validation of draft deliverable submitted (with a target timeline of 1 week per deliverable).

I. REQUISITE EXPERIENCE AND QUALIFICATION: FIRM & CORE TEAM

The selected firm will:

- Have extensive experience in ICT and financial sector (at least 8 years), including work in emerging market and Africa, advising policy makers and commercial leaders on the design of new programs or initiatives.
- Demonstrate a strong understanding of the device affordability and device financing challenge, as well as the digital inclusion agenda and broader enabling environment (including device supply chains, relevant regulation etc.)
 - A track record of conducting at least 3 similar assignments.

- Experience of conducting market assessment, leveraging rigorous research methods, including in-field surveys and ecosystem consultations.
- Experience of designing assets financing and digital access schemes.

In all cases, credentials and client reference coordinates must be supplied for cited experience.

The firm shall propose a team comprising of at minimum – a Team Leader, an ICT Sector Specialist, a Financial Sector Specialist, and a Research Analyst - and any other support staff it deemed required to successfully execute the assignment. Minimum qualifications for the core team are as follows:

The **Team Leader** shall have:

- A Master's degree in business, finance, economics, development, public policy, or relevant field.
- At least 10 years' experience in project management, working across a range of developing countries, featuring experience in innovative program design focusing on development and social impact programming.
- Prior experience in the digital and/or financial sectors, and in Sub-Saharan Africa, is highly preferred.
- Prior experience working with governments and or international organizations, is considered an advantage.
- Prior experience of advising policy makers.
- A track record of leading at least 3 similar assignments.
- Strong analytical and communication skills
- Fluency in English.

The **ICT Sector Specialist** shall have:

- A Master's degree in telecommunications, engineering, computer science, law, economics, public policy, or related field.
- At least 8 years' experience in the ICT / digital / telecoms sector, including experience in emerging market and in Africa. Prior experience in Sub-Saharan Africa, and familiarity with the Rwanda context is consider an advantage.
- A track record of working on at least 3 similar assignments.
- Experience in conducting digital market assessments, including familiarity with the digital access agenda.
- Knowledge of regulatory and legal issues pertaining to the telecoms sector that affect device access.
- Experience in designing and implementing digital access schemes, with prior work experience on device access preferred.
- Prior experience advising policy makers and commercial leaders on related topics is highly preferred.
- Strong analytical and communication skills, ability to present technical topics to a diverse audience.
- Fluency in English.

The **Financial Sector Specialist** shall have:

- A Master's degree in finance, business, economics, or related field.
- At least 8 years' experience in the financial sector, including experience in emerging market and in Africa. Prior experience in Sub-Saharan Africa, and familiarity with the Rwanda context is consider an advantage.

- A track record of working on at least 3 similar assignments.
- Experience in conducting financial market assessments, including familiarity with the financial access and inclusion agenda.
- Knowledge of regulatory and legal issues pertaining to the financial sector that affect device financing.
- Experience in designing and implementing financial access schemes, including drafting/reviewing financial models and designing financial products, with prior work experience on device access preferred.
- Prior experience advising policy makers and commercial leaders on related topics is highly preferred.
- Strong analytical and communication skills, ability to present technical topics to a diverse audience.
- Fluency in English.

The **Research Analyst** shall have:

- A Bachelor's degree in economics, Statistics, Demography, sociology, social science or related field.
- At least seven years of experience in research, analysis and surveys, including experience in emerging market and in Africa. Prior experience in Sub-Saharan Africa, and familiarity with the Rwanda context is consider an advantage.
- A track record of working on at least 3 similar assignments.
- Proven qualitative and quantitative research skills, including field-based research in Africa.
- Experience of digital and financial sector research is highly preferred, including familiarity with technical topics covered by the assignment.
- Prior experience in monitoring and evaluation.
- Prior experience advising policy makers and commercial leaders on related topics is highly preferred.
- Strong analytical and communication skills, ability to present technical topics to a diverse audience.
- Fluency in English.