

MFO Asian Credit Fund LLC

Terms of Reference (TOR) for Consultancy Services to Select a Core System

22 July 2024

1. Background

MFO Asian Credit Fund is dedicated to providing financial services to low-income individuals and small businesses.

ACF Mission

ACF's mission is to improve the quality of life, well-being, and resilience of families and businesses, primarily in rural areas, through fast and convenient financial services.

ACF Vision

To be the preferred microfinance lender for households and micro businesses in Kazakhstan in their path to resilience to the shocks and their well-being.

Company details can be found at <https://asiancreditfund.com>

ACF seeks to enhance its operational efficiency, customer service, and data management by selecting and implementing a new Core Banking System (CBS) including the digital field applications. This TOR outlines the scope of consultancy services required for selecting an appropriate CBS.

2. Objectives

- To assess the current operational and technical requirements of the MFO ACF LLC (ACF).
- To identify and evaluate suitable core banking systems.
- To recommend the most appropriate CBS based on the ACF needs.
- To provide a roadmap for the implementation of the selected CBS.

3. Scope of Work

The consulting company/consultant will be required to undertake the following tasks:

3.1 Needs Assessment

- Conduct a comprehensive analysis of the ACF current systems and processes.
- Identify gaps and inefficiencies in the current system.
- Conduct analysis the existing digital infrastructure in Kazakhstan and identify the future needs for CBS functionalities

- Engage with key stakeholders to understand their requirements and expectations.
- Prepare and sent out the RFP for the CBS providers' proposal collection.

3.2 Market Research

- Identify potential core banking systems available in the market.
- Evaluate the features, functionalities, and scalability of each system.
- Assess the compatibility of each system with the ACF existing infrastructure.

3.3 Evaluation Criteria Development

- Develop criteria for evaluating the potential core banking systems. Criteria may include cost, scalability, user-friendliness, support and maintenance, security, and compliance with regulatory requirements.

3.4 System Evaluation

- Perform a detailed evaluation of shortlisted systems based on the developed criteria.
- Conduct demonstrations and proof-of-concept tests as needed.
- Obtain feedback from key stakeholders on the shortlisted systems.

3.5 Recommendation

- Provide a comprehensive report with recommendations on whether to continue with the current system with integrated third-party front ends, upgrade the current system or adopt a new CBS. Outline the pros and cons of each option, including cost-benefit analysis.
- Provide a detailed report on the findings of the system evaluation.
- Recommend the most suitable core banking system for the ACF.
- Present the recommendation to the ACF management team and to the ACF Supervisory Board.

3.6 Implementation Roadmap

- Develop a high-level implementation plan for the selected CBS.
- Outline the steps required for a smooth transition from the current system to the new system.
- Identify potential risks and mitigation strategies.

4. Deliverables with the timelines from the start of the project

- Needs Assessment Report – by the end of 2nd week
- Market Research Report – by 2nd week
- Creation of RFP – by 3rd week
- Collection of RFP proposals – by 7th week (4 weeks for collection)
- Evaluation Criteria – by 3rd week
- RFP Proposals review and Evaluation Report – by 12th week (5 weeks for the review)
- Final Recommendation Report – by 13th week (6 weeks for the work)
- Implementation Roadmap¹ - by 14th week

5. Duration

The consultancy is expected to be completed within 4 months from the contract commencement date.

6. Qualifications and Experience

The consultant should possess the following qualifications and experience:

- Proven experience in evaluating and selecting core banking systems.
- Knowledge of the microfinance sector and its unique requirements.
- Strong analytical and problem-solving skills.
- Excellent communication and stakeholder engagement skills.
- Experience in project management and implementation planning.
- Russian and English language skills are required

7. Submission Requirements

Interested consulting companies /consultants are invited to submit the following:

- A proposal outlining their approach to the consultancy.
- A detailed work plan and timeline.
- A budget estimate.
- CVs of key personnel involved.

¹ All the reports are expected to be in English and Russian

- Examples of similar work undertaken previously.

The submission is to be sent to the following addresses:

z.zhakupova@acfund.kz; a.abdekeyev@acfund.kz; u.usenov@acfund.kz;

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The last day of collection of proposals will be 06 of August 2024.

8. Evaluation of Proposals

Proposals will be evaluated based on the following criteria:

- Understanding of the MFI's requirements.
- Approach and methodology.
- Relevant experience and qualifications.
- Proposed timeline and work plan.
- Cost-effectiveness.

9. Confidentiality

The consulting companies /consultants must maintain the confidentiality of all data and information received from the ACF. Without the ACF's written consent, they will not disclose such information to any third party.

10. Contact Information

For further information or clarification, please contact:

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