



RFP-CBSI-2021-001

Request for Proposal

Consultancy Services to Develop the Solomon Islands
Regulatory Sandbox Guideline and Standard Operating
Procedures (SOP)

Data	Specific Instructions / Requirements
RFP Issuance Date	18 January 2021
Proposal Submission Deadline	5 February 2021
Notification of Award Decision	February 2021
Central Bank of Solomon Islands (CBSI) Contact Details (submitting questions & proposal)	Questions: Chief Manager Financial System Regulation Department धारिदि@cbsi.com.sb or Manager Financial Inclusion lfolia@cbsi.com.sb Proposal: Secretary to Board through E-mail: smarahare@cbsi.com.sb

Development of Solomon Islands Regulatory Sandbox Guideline and CBSI Standard Operating Procedures (SOP)

1. Project Concept:

This document provides a description for the development of the Solomon Islands Regulatory Sandbox Guideline and an internal Standard Operating Procedures for implementing the guideline, which will assist the Central Bank of Solomon Islands (CBSI) in the assessment, monitoring, licensing or exiting and oversight of potential applicants including third parties and fintechs who wish to engage in provision of financial services through new innovative channels.

2. About CBSI:

The Central Bank of Solomon Islands (CBSI) primary objective under Section 8 of CBSI Act 2012 is “to achieve and maintain domestic price stability” and an additional objective “to foster and maintain a stable financial system”. Further, Section 9 specifies a number of functions of the CBSI where Section 9(n) highlighted that one of its functions “to promote financial inclusion and related activities.” This function underpins the work of financial inclusion in the country and rests with the National Financial Inclusion Unit within CBSI. The National Financial Inclusion Taskforce (NFIT) whose chair is the CBSI Governor, is the overall body that has oversight and coordination roles of the implementation of financial inclusion activities in the country. The work of financial inclusion in the country is guided by the Solomon Islands National Financial Inclusion Strategy 2, 2016-2020 (NFIS2). The development of NFIS3, 2021-2025 is currently in progress. Under NFIS2, one of the objectives is “to amplify the reach and quality of digital financial channels” and at the same time to develop appropriate regulatory framework or guidelines that will nurture new opportunities for innovative solutions in the market and more importantly, for effective regulatory and supervisory oversight of third-party providers or fintechs.

The role of regulating financial institutions and ensure overall financial system stability is undertaken by the CBSI Financial System Regulation Department (FSRD). FSRD is responsible for licensing, regulation and supervision of licensed financial institutions including commercial banks, credit institutions, credit unions, insurance companies, the National Provident Fund and the Development Bank of Solomon Islands. FSRD administers various legislations, which currently under review including, the Financial Institutions Act 1998 (as amended), Credit Union Act (CAP 165), Insurance Act (CAP 82) and the National Provident Fund Act (CAP 109). FSRD also issues Prudential Standards and Directives to licensed financial institutions.

With the current changing financial landscape for provision of financial services through new innovative solutions therefore, the need for CBSI to broaden and build its capacity for oversight of third-parties and fintechs and, to provide a clear oversight arrangement with other relevant stakeholders and/or regulator(s).

3. Project Background

In 2018 the PIRI membership endorsed the fintech for financial inclusion workstream for a Pacific Regional Regulatory Sandbox Guideline that will be implemented through regional member-committees. The Pacific Regional Regulatory Sandbox Guideline was launched in March 2020, which led to CBSI considering having a framework that is contextualized to Solomon Islands in particular, the internal Standard Operating Procedures (SOP) that will provide the internal implementation mechanisms and structure.

4. Objective

The objective of this consultancy is to produce a guideline that will provide opportunities for responsible innovative solutions in the market. Also, a procedural document that will assist CBSI in its regulatory and supervisory oversight of these third parties and fintechs including clear arrangements with other regulators.

5. Scope of Work

The Consultant will engage with the CBSI Financial System Regulation Department and AFI Technical teams to be provided with the surrounding context and project objectives.

The expert(s) will facilitate stakeholder consultations to identify key areas for the development of the guideline. In addition, to support the CBSI regulators in the implementation of the guideline through a Standard Operating Procedures (SOP).

The following will be the deliverables expected from this assignment;

- i. Facilitate internal and external stakeholder engagement to identify pillars of the Guideline:** The expert/s will develop the agenda and facilitate internal and external engagements with key stakeholders and CBSI resources to identify, shape and design the outline for the guideline, aligned with the implementation mechanisms identified in the Pacific Regional Regulatory Sandbox and the sovereign laws and policies of Solomon Islands

- ii. Development of Solomon Islands Regulatory Sandbox Guideline:** The expert/s will develop the Regulatory Sandbox guideline specific to Solomon Islands context ensuring it is aligned with the [Pacific Regional Regulatory Sandbox](#) and relevant legislations or policies. The guidelines shall be designed for an external (local and international) audiences of potential and prospective applicants and participants made up of fintechs, payment service providers, innovative solution providers in MSME financing,

agriculture, insurance, savings, credit, investment and wealth generation, sustainable and renewable power generation, mobile money, remittances, payments transfers, tourism and any other priority areas identified for the Solomon Islands regulatory sandbox and Pacific Regional Regulatory Sandbox.

- iii. **Development of the Central Bank of Solomon Islands Regulatory Sandbox Standard Operating Procedure (SOP):** The SOP is an internal document that clearly present the implementation and operationalization framework for CBSI. It shall provide clearly and comprehensive structure and mechanism for CBSI to receive applications, conduct objective assessment and evaluations, support preparation, provide conditions for the experimentation and controlled live testing and the pathways to exit the Sandbox while ensuring coordination across internal units/teams and importantly, externally with other regulator(s), stakeholders and actors (as required) based on nature of application and the solution being examined.

The SOP is also expected to clearly highlight the process flow for the implementation of the sandbox, internal service level indicators across stages, possible scenario considerations and appropriate actions based on policy priorities (legal and regulatory framework) of CBSI, stakeholder coordination, and ecosystem engagement approach e.g. with other regulators, bank associations etc., capacity and resources from CBSI to implement the Sandbox, and guidance on reporting, communications, risk mitigation and safeguards.

- iv. **Conduct workshop with relevant CBSI staff on the Regulatory Sandbox Standard Operating Procedure (SOP):** The expert/s will conduct a workshop with relevant CBSI staff for preparation to implement the SOP.

6. Timeline, Resources and Payment

The consultancy work will begin on **March 2021** and until **June 2021**.

Deliverables	Timeline	Payment %
First draft of Solomon Islands Regulatory Sandbox Guideline	By March 2021	20
Final draft of Regulatory Sandbox Guideline <i>(to allow time for feedback from CBSI and AFI)</i>	By April 2021	20
Draft submission of CBSI Standard Operating Procedures (SOP)	By May 2021	30
Conduct workshop on the Regulatory Sandbox Guideline and SOP and produce final report on the guideline/SOP development and workshop report	By June 2021	30

The work will involve;

- Desk research, preparation, initial calls/discussions with Central Bank of Solomon Islands (CBSI) and Alliance for Financial Inclusion (AFI) and prepare consultation schedule.
- Conducting assessments and studies aligning to Pacific Regional Regulatory Sandbox and relevant legislation, regulations, policies and prudential standards in Solomon Islands
- Compile meeting minutes and summary documents from stakeholder consultations and workshop.
- Coordinate the review process of the draft guideline and SOP and, compile contributions from participants and incorporate into drafts.
- Submission of initial findings and recommendations to CBSI & AFI project team for comments.
- Development of workshop materials including agenda, slides and handouts
- Facilitate stakeholder workshop and consider the inputs from the workshop and contribute in the development of the draft guideline and SOP.
- Submit the final Guideline and SOP and, a final report that details the tasks undertaken for this assignment, the workshop, the recommendations and lesson learnt from the project.

7. Proposal and Budget

The contractor shall provide technical and financial proposals in two separate documents;

The Technical proposal shall describe the methodology and approach to achieve the objectives of the scope of work, including the team proposed. Detailed work plan (including number of days per activity). CVs of the proposed consultant(s) should be in annex.

The Financial proposal must provide a detailed price breakdown. Provide separate figures for each functional grouping or category. The financial proposal to be inclusive of tax. The financial proposal must be password protected. The password will be requested from the consultant(s) scoring the minimum passing score in the technical evaluation. The minimum passing score for the technical evaluation is 70.

Any estimates for reimbursable items, such as travel and out-of-pocket expenses, should be listed in the financial offer.

8. Evaluation process

The evaluation committee appointed by CBSI as a whole and each of the members in the evaluation committee will evaluate the technical proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria and sub criteria as outlined in the TOR/RFP. The minimum passing score for the technical evaluation will be 70 points out of 100. All proposals shall be rejected at this stage if it

does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score.

The weightage ratio between the Technical and Financial proposal will be 70:30. The lowest financial proposal will be given a financial score of 100 points. The financial scores of the other financial proposals will be computed according to weightage allocated for financial score. Proposals will be ranked according to their combined technical and financial scores. The consultant achieving the highest score in the combined evaluation will be invited for negotiations.

9. Administrative Information

9.1 Disclaimer

The final decision on selection of a vendor for this project rests with CBSI Evaluation Committee. Only shortlisted and successful consultants will be contacted.

9.2 Proposal Submission Information

Proposals will be due with the following requirements for submission:

Submission deadline:	5 th February 2021
No. of copies:	1 Complete Proposal in the Template provided in Annexure 1, additional proposal prepared by the bidder is welcomed
Documents to be submitted with Annexure 1:	
Firm	<ul style="list-style-type: none"> • Company Registration; • Company Profile; • List of previous or current clientele on similar work;
Individual	<ul style="list-style-type: none"> • Full CVs with list of previous similar work; • Disclosure if individual have a full time or part time employment contract with any organization or government official; • For proprietorship, please attached business certificate; • Reference letter (if any).
Method of submission:	By email to "Secretary to Board" at smarahare@cbsi.com.sb in the template
For clarification:	Any clarification, please email to Daniel Haridi dharidi@cbsi.com.sb or Linda Folia lfolia@cbsi.com.sb
Submission of Technical and Financial:	Technical and Financial proposal must be separated. CBSI reserve the right to disqualify incomplete submission and non-compliance to the above requirements.

9.3 Contract and Reporting

Throughout the contract period, the Consultant will be reporting to CBSI Chief Manager Financial System Regulation Department and AFI DFS Technical Leads and AFI Project Manager. The contract will be from CBSI with the individual consultant (or consulting firm with specific names of the team members) that would be working on the assignment. The consultant is expected to have a technical background on DFS, FinTech, test and learn approaches to innovative regulation, policy process design, policy development and financial inclusion and, proven experience in planning, deploying and managing implementation of regulatory sandbox.

9.4 Confidentiality

This document is released for the sole purpose of responding to this request for proposal (RFP) and must be considered confidential. Use, reproduction, or disclosure of the requirements, specifications, or other material in this RFP is strictly prohibited.

9.5 Retention of Proposals

All proposals submitted become the property of CBSI. CBSI and AFI will make all reasonable efforts to maintain proposals in confidence and will release proposals only to personnel involved with the evaluation of the project. Proprietary information should be identified in each proposal.

9.6 Evaluation Criteria

The proposals submitted will be evaluated based on the following criteria:

	Technical Scoring	100%
1.	Academic Qualification;	10%
2.	Experience and competence of expert/s for the assignment;	50%
	<ul style="list-style-type: none">Expertise and experience in policy design and development and implementation of Regulatory Sandbox and SOP	20%
	<ul style="list-style-type: none">Expertise and experience of expert/s working in related DFS, fintechs and/or Regulatory Sandboxes deployment.	20%
	<ul style="list-style-type: none">Expertise and experience in financial regulation and DFS policies and financial inclusion policies. Pacific experience is desirable.	10%
3.	Adequacy of the proposed work plan and methodology to the TOR	30%
	<ul style="list-style-type: none">Technical approach and Methodology	15%
	<ul style="list-style-type: none">Workplan	15%
4.	Sample work – Writing experience and English	10%
	Total:	100