

Terms of Reference

Activity: Migration and remittance survey in rural areas

- 1. Name of the Contracting Authority:** National Commission for the Financial Market (NCFM)

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- 2. Type and brief description of the Contracting Authority**

The National Commission for the Financial Market (NCFM) is an autonomous public authority, accountable to the Parliament, which authorizes and regulates the activity of the participants in the non-banking financial market and supervises the compliance to the legislation by them. The National Commission for the Financial Market is independent in the exercise of its functions, carrying out its activity under Law 192/1998.

NCFM's authority covers the professional non-bank financial market participants, which are represented by licensed or authorized capital market participants, professional insurance market participants, non-state pension funds, savings and loans associations, non-bank credit organizations, and the credit history bureau.

NCFM aims to ensure the stability, transparency, safety and efficiency of the non-banking financial sector, prevent systemic risks and manipulation in the non-banking financial market, protect the rights of non-bank financial market participants.

NCFM has organizational, functional, operational and financial independence in accordance with the present legislation, being entitled to cooperate with appropriate international specialized bodies.

- 3. Code CPV:** 79300000-7

- 4. General Description**

At the end of 2018, NCFM has signed a Grant Agreement with IFAD (International Fund for Agricultural Development), to finance a project entitled *Capacity-Building of the Savings and Credit Associations*. This project is financed by the EU and implemented in coherence with and in support to the IFAD Rural Resilience Project in Moldova. The strategic objective of this project is to channel migrant workers' remittances to rural areas of Moldova through Savings and Credit Associations (SCAs) as a means to improve the channeling of remittance inflows through regulated financial

service providers and to foster financial inclusion of rural remittance recipients.

The strategic approach will be two-fold:

I. Capacitating SCAs to become agents for remittance transfers and other payment services.

Through this first component, the project will focus on preparing and assisting SCAs to comply with existing regulations as remittance agents. The current legal framework allows SCAs to deliver money transfers as agents of a licensed payment society. This approach will permit a seamless and rapid connection to the international money transfer payment system while minimizing the related compliance costs for SCAs and educating their administrators on the remittance ecosystem.

II. Strengthening institutional capacity of SCAs to develop the required adaptations to the existing set of savings and loan products to remittance recipients.

Through this second component, the project will focus on expanding financial inclusion through SCAs. The SCAs, acting as agents of MTOs, will occupy a unique positioning in rural areas besides banks – which provide remittances but propose ill-adapted products to low-income rural population, and the National Post Office (NPO) – which does not provide financial services beyond payments. This positioning will allow SCAs to strengthen their mandate to deliver financial services to the rural population by improving their image of a trustworthy financial intermediary and enlarging the scope of quality services. To leverage remittances in favor of productive activities, the SCAs will be supported to adapt their existing products to cater to the needs of remittance recipients with a particular focus on youth (migrant returnees and first-degree relatives) who are the most likely to seek for complementary financing in order to launch productive activities as an alternative to migration. Commitment savings, set aside from remittances and oriented as loans towards rural micro-enterprises, will be promoted, a part of which being `subsidized` by the provision of matching grants. The aim of this financing arrangement is to create a strong incentive to entice youth to return back / stay at home and contribute to the development of the national economy.

5. Scope and Objectives of the Activities

Under the first component of the project `Capacitating SCAs to become agents for remittance transfers and other payment services` NCFM should contract a

registered entity in order to realize the following activity: ***Migration and remittance survey in rural areas.***

A migration and remittance household survey will be undertaken to constitute a knowledge base on key corridors and patterns of migration, and financial behavior and preferences of remittance households. The survey will define migration corridors and areas of concentration and survey migrant households located in both the areas of migration and of intervention of SCAs. Their behaviors and preferences regarding financial services will be assessed. Finally, product features to be adapted accordingly to the existing set of products availed by SCAs .

6. Tasks and Responsibilities:

The Provider will be requested to provide primary data as a prerequisite along with the capacity to customize existing data to the purpose of the project using light touch primary data collection approaches (like focus group discussions, interviews with key informants in SCAs areas of intervention, etc.). Primary sources of data will include household questionnaires to a representative enough sample of households in core areas of migration covering the different categories / profiles of remittance households identified. The Provider will ensure the robustness of data and information relating to migrants one the one hand and to family members on the other hand through direct interviews/discussions with these two categories of population and using triangulation methods.

The Provider has to carry out a Survey on Migration and Remittances in Rural Areas of Moldova, including the following components and relating probing questions:

From the migrants perspective:

- the key corridors of migration in rural areas and concentration zones
- forms, motives and patterns of migration (why people migrate? for how long, permanently, temporarily? How often do they come back home? in what working areas are they engage abroad? Which is their level of income? What is the amount and the main purposes of their savings? What are the main types of investment back home and the pathway used to launch a business (while abroad, when returning?); when and where relevant, the provider will detailed the differences in these migration and investment features among the main areas of concentration and corridors observed.

From the family perspective:

- assessing the population and families of people affected by migration (who is the household member abroad, who is the relative in charge of the family and the expenses back home and in charge of managing remittances; is he/she economically active?; to what purposes remittances are used? How decisions to manage remittances are made among senders and recipients? How decisions to invest are made among senders and recipients?)
- financial behavior and remittance preferences of the population (frequency, amount, and channel used to receive remittances; propensity to save, formally and informally; financial services used, formally and informally; constraints to access and use financial services; level of knowledge of existing formal financial services including those offered by SCAs)
- estimating and assessing the profile of people in intervention areas with SCAs (who are the type of recipients the most likely to invest remittances among the different categories of profiles identified? How migrant returnee entrepreneurs have managed to invest their savings accrued while in migration?)
- review of products offered by SCAs in main areas of migration and assessment of their suitability to remittance recipients and the level of penetration among them.

The structure of the report will mirror the above listed components and will provide key insights regarding:

- the areas of concentration of migration,
- the different types of remittance recipient and migrant returnee profiles (i.e. financial and economic status and their ability to strengthen or develop productive activities)

The report will provide key recommendations in relation to the following:

- the geographical areas where to prioritize the intervention
- the profiles of households or individuals the more likely to take advantage of the financial arrangement proposed by the project
- the adaptation to be developed to the existing set of products offered by SCAs to meet their expectations
- the key messages and skills to be developed to entice and empower rural remittances recipients to use SCAs savings and loan products.

The final document of the Survey must be submitted to NCFM in Romanian and English languages.

7. Minimum Bidder eligibility requirements:

- The bidder has to be a registered entity
- Experience over the past 3 years of surveys
- Experience on developing and carrying out surveys at international level

- The methodology proposed by the bidder should comply with international standards for research. The bidder should demonstrate that they have done surveys for international organizations on migrations, remittances and financial inclusion (e.g. WB, IOM, UN, EC).
- The key expert will have higher education in at least one of the social, legal, other relevant areas
- Quality and relevance of surveys conducted

8. Terms of performing the Activity

20 working days from signing the contract

9. The estimated acquisition value

290.000 MDL without VAT

10. Documents required for submission in the tender:

Nr.	Document
1	Copy of the Certificate issued by the state registration body, confirmed by the signature and stamp of the bidder
2	The technical offer in original summarizing: <ul style="list-style-type: none"> - description of the proposed methodology and procedures, working steps - description of the work team composition - experience over the past three years, including surveys at international level related to the population migration effect - CVs for the proposed experts - Copies of diplomas - at least 2 copies of previously conducted surveys / relevant links
3	The financial offer in original, indicated in Moldovan Lei, presenting the total cost and enumeration of the separate expenditure lines. All administrative and support costs are to be included in the final price.

Further information at no. tel: +373 22 859510.

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