Better than Cash Alliance's responses to the requests for clarification and questions

Category	Question/Clarification	Response
1. Eligibility	(i) Does a lack of financial statements for past 2 years and <u>organizational</u> experience in similar projects, given that our firm has been recently incorporated, disqualify our submission?	The submission of minimum 2 years of financial statements is required for the proposal to be accepted and considered.
2. Project requirements	(i) With reference to requirement for *'local presence, experience and staff'*, will submission be considered if there are is no local office or staff/associates in country.	Given our unique current circumstances, emphasis will be on experience in and knowledge of the Philippines context. As the work will be done remotely to a large extent, proposals should also clearly indicate the approach to manage the challenges of remote work and plan for communication and project management with BSP and the Better than Cash Alliance.
	(ii) Under b) Other requirements and qualifications the following is stated: Demonstrated excellence in research, analytical, and field implementation capacity. **What is meant by field implementation capacity?**	Field implementation capacity refers to prior experience in implementing projects 'on the ground' in partnership with local partners, e.g. central banks, Ministries of Finance, and other supply-side stakeholders (financial service providers (FSPs)).
3. Diagnostic model	(i) "The Better Than Cash Alliance in partnership with the BSP, commissioned this second diagnostic to have an updated overview of the state of digital payments in the Philippines, as of 2018. To do so, (1) data from over 25 sources across 25 payment use-cases were collated and analyzed; (2) interviews were held with over 90 stakeholders across government and the payments industry to validate key assumptions and calculations, and to understand the drivers behind the shifts; and (3) more than 100 publicly available knowledge resources were analyzed. This also surfaced the priority use-cases, barriers, and key initiatives to accelerate growth." **If all of these**	This is a description of the said second digital payments diagnostic and the methodology that was undertaken. The output was a diagnostic model (excel-based) that led to the identification of the key payment use-cases discussed. The focus and objectives of this RFA are provided in Section 1 "**INTRODUCTION and BACKGROUND TO THIS REQUEST FOR APPLICATIONS**"

	sources have been used, is a big part of our assignment to organize these into a framework?	
	(ii) "Upgrade existing diagnostic model to include a predictive function to be able to test the impact of different assumptions (e.g. policies and interventions) for the short- and medium-term time horizon (2-3 years)". **What does this mean? Should we build a model that predicts what will happen under different assumptions, so as to gauge which policies are the best? Should this model account for trade-offs between different policies' outcomes?**	The model was already developed for the 'State of Digital Payments in the Philippines' report launched last year. This model will be made available to the successful firm. This model requires improvements to build added functionality such as a predictive function to be able to test the impact of different assumptions. Yes, these modifications should provide a view on policy impact, including trade-offs if possible.
	(ii) Run a robust estimation exercise for each use-case to arrive at an overall understanding of the uptake of digital payments. This study analyzed both volume and value of digital payments for each of the 25 payment use-cases above. Four key metrics were required: • Total volume of transactions in this category • Total value of transactions • Volume of digital transactions (or % share) • Value of digital transaction (or % share). There was a huge variability in data availability and quality of these 25 use-cases. Whereas some use-cases were direct (e.g., taxes paid to the government), others were more complex – e.g., merchant payments - which required breaking down into numerous sub use-cases before the estimation exercise could be initiated. To navigate this complexity, the study used a mixed-methods approach and ensured rigor of analyses through triangulations and scenario tests (conservative and aggressive estimates). **Are we expected to replicate this methodology with updated data? If so,**	This is the description of the methodology used to build the underlying model of the 'State of Digital Payments in the Philippines' diagnostic report. We expect the same model to be used but to be updated with current and future data points -enabled by the data collection framework that will be developed as an output of this assignment. This model will be shared with selected firm.

	will we receive the exact methodology?	
4. Data collection framework	(i) How much leeway is there in updating the model? If comparability across years is a priority, then we cannot deviate too much from the current model? Should we extend it by adding more use cases to the grid (P2X, B2X, G2X grid)? Or should we only extend it by adding a prediction of future values based on trends?	Comparability across years is a priority. The key priority use -cases have been identified by the model and that is the focus in terms of next steps. For the model enhancement, yes prediction of future values based on trends is the key ask. There is also the objective of developing a data collection framework to support continued use of this model.
	(ii) "When incorporating sex-disaggregation in the data collection framework, the following should be considered: the experience of and lessons learned from BTCA members, including Bangladesh, Kenya, Mexico, and Peru, which have been collecting sex-disaggregated data on payments." **Are these learnings publicly available and can it be shared?**	BTCA can facilitate the introduction to member governments where relevant. However, it is expected that the selected firm also has a view of where these good practices are in place and lessons can be captured and learnt.
	(iii) Would the UNCDF-BTCA be willing to share the existing Data collection framework?	The data collection framework is the expected output of this assignment. We would like to develop a framework that allows data collection in a regular manner.
5. Data sharing	Does the BSP have the mandate to request data from the private sector and from government departments? How much knowledge do we require of the local context to know whether it will be possible to obtain data from a certain source?	As the Central Bank, BSP has oversight on FSPs/ PSPs and requests data from them in this capacity. Where there are no existing processes for collection of required data (specific to model), this assignment calls for development of these processes together with BSP. The firm is expected to have at least an understanding of how Central Banks interface with supply-side actors including oversight function and the possible strategies for data collection, based on global good practices.