



Technical Assistance Report

Project Number: 47159
Capacity Development Technical Assistance (CDTA)
December 2013

Republic of the Union of Myanmar: Financial Sector Reforms

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 25 November 2013)

Currency unit	–	kyat/s (MK)
MK1.00	=	\$0.001020
\$1.00	=	MK 980.00

ABBREVIATIONS

ADB	–	Asian Development Bank
BSP	–	Bangko Sentral ng Pilipinas (Central Bank of the Philippines)
CBM	–	Central Bank of Myanmar
MFI	–	microfinance institution
MMSE	–	Myanmar Microfinance Supervisory Enterprise
TA	–	technical assistance
TASF	–	Technical Assistance Special Fund

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Capacity development technical assistance (CDTA)
Targeting classification	–	General intervention
Sector (subsectors)	–	Finance (banking systems, microfinance, finance sector development)
Themes (subthemes)	–	Capacity development (institutional development, organizational development); economic growth (promoting macroeconomic stability, widening access to markets and economic opportunities)
Location (impact)	–	Urban (high), national (high)

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The government request for technical assistance (TA) to strengthen the financial sector through capacity development of the Central Bank of Myanmar (CBM) and to support financial inclusion arose from a series of technical exchanges organized by the Asian Development Bank (ADB) between the Central Bank of the Philippines (BSP) and CBM.¹ Through these engagements, the priority areas covered by this proposed TA were developed and government interest for ADB support was confirmed.² The government's executing agency (CBM) agreed on the proposed impact, outcome, outputs, implementation arrangements, cost and financing arrangements, and terms of reference for consultants.³ In line with the interim country partnership strategy, 2012–2014, this TA will support two key program areas, building human capacity and building institutional capacity. This TA will also help lay the foundation for medium and longer-term engagement and effective development processes. The project design and monitoring framework is in Appendix 1.⁴

II. ISSUES

2. The government has set out a challenging economic reform agenda to raise economic growth to sustainable levels and to ensure this growth is inclusive across different socioeconomic groups and subregions. This agenda was described in a policy-based loan, Support to Myanmar's Reforms for Inclusive Growth, approved by ADB's Board of Directors in January 2013.⁵ The agenda included (i) macroeconomic stabilization; (ii) trade, investment, and financial integration; (iii) stimulating rural development; and (iv) promoting human capital development. The government's reform agenda started with macroeconomic stabilization, based on a unified exchange rate the authorities floated in April 2012. To anchor the floating exchange rate, the government introduced a basic monetary policy framework targeting reserve money implemented through deposit auctions. The CBM also initiated a comprehensive and complex set of reforms for central banking and financial sector development. Importantly for the proposed TA, the new Central Bank of Myanmar Law was enacted on 11 July 2013, giving the CBM significant administrative and financial autonomy. The CBM will need to restructure its organization to implement the new central bank law effectively. Given its rapid assumption of significant oversight and control over monetary policy and the broader economy, the CBM considers capacity building of CBM staff in central banking functions and finance sector development as its highest and most urgent priority to support its reform agenda, including macroeconomic stabilization over the medium term, and financial sector development over the longer term. Support will be required across all areas of CBM operations, with emphasis on

¹ The first phase of this engagement took place in February 2013 and consisted of a joint ADB–BSP mission to the CBM in Nay Pyi Taw. The 2-day technical discussion workshop between staff from the CBM, ADB, and BSP focused on a variety of topics including financial sector development and microfinance. The second phase of this engagement consisted of a 2-week training course in June 2013 at BSP in Manila, which helped to identify the priority areas covered by this proposed TA and was attended by 12 senior CBM staff under ADB. 2012. *Technical Assistance to the Republic of the Union of Myanmar for Improving Fiscal Revenue Mobilization*. Manila (TA 8156-MYA).

² Having identified key areas of potential support during the exchanges, a reconnaissance mission in May 2013 and fact-finding mission in September 2013 were undertaken to meet with senior central bank staff, including with the newly appointed deputy governors. The mission included discussions with key microfinance sector stakeholders and a field visit with clients, which helped identify ways to support financial inclusion in Myanmar.

³ A technical assistance framework agreement was signed between the government and ADB on 10 July 2013.

⁴ The TA first appeared in the business opportunities section of ADB's website on 11 October 2013.

⁵ ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Policy-Based Loan to the Republic of the Union of Myanmar for Support to Myanmar's Reforms for Inclusive Growth Program*. Manila.

overall capacity development of functional competencies, human resources management, and payment systems.

3. The CBM is also looking at ways to develop the domestic financial sector to promote inclusive growth. Currently, the financial sector is shallow, inefficient, and high-cost. The outreach of financial services is focused primarily on urban areas. Significant institutional strengthening and the introduction of responsible finance practices are needed, particularly at the microfinance level, to address rapid financial sector development and growth. Without appropriate safeguards the consequence could be a destabilized economy, a decline in portfolio quality among financial institutions, and an increase in overindebtedness among clients.

4. Recognizing this, the government adopted a Microfinance Law in November 2011, which established a new framework for allowing local and foreign investors to operate as privately owned entities in the sector. Because of extremely low capital requirements for both non-deposit- and deposit-taking microfinance institutions (MFIs), 166 MFIs are now licensed (as of September 2013). Housed under the Ministry of Finance, the Myanmar Microfinance Supervisory Enterprise (MMSE) is responsible for licensing and supervising MFIs. The sector is further challenged by the limited differentiation between deposit-taking and non-deposit-taking MFIs and an interest rate ceiling.⁶ In light of the low capacity level of the microfinance regulator (MMSE), the ease of obtaining a license to issue credit or take deposits, and the recent consumer protection and credit crisis experience of neighboring countries, there is a critical need for the development of basic standards of consumer protection at the microfinance level and at the level of commercial banks. To further protect clients, a financial literacy strategy is needed. Because of the key role microfinance associations play as platforms for dialogue between service providers and the regulator and the assistance associations can provide in coordinating and monitoring client protection and in setting important standards for the sector, ADB's support through the TA will also help strengthen the newly formed microfinance association. ADB's meso-level support to the microfinance sector will complement the direct support currently being provided by other development partners to the microfinance regulator.

5. Packaged together, the two elements of the proposed financial sector support will strengthen the overall provision of financial services to the people of Myanmar.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

6. Through both targeted and flexible capacity building at the CBM and in the microfinance sector, the overall impact of the TA will be improved financial sector intermediation in the long term. A strong central bank and a strong framework for financial inclusion will improve the quality of financial services offered to businesses and individuals. The outcome of the TA will be a strengthened institutional and policy framework for financial sector development including establishment of a strategic framework for responsible finance. The outcome will support CBM's transition to institutional and budgetary independence by strengthening its human resources strategy, which will support both more effective implementation of fiscal and monetary policy and better regulation and supervision of the financial sector, and will promote financial inclusion to benefit all people in Myanmar.

⁶ In January 2012, the CBM lowered the minimum deposit rate from 10% to 8%, and the maximum loan rate from 15% to 13%. This narrow spread of 5% discourages banks from reaching the lower end of the market segment because of higher operating costs.

B. Methodology and Key Activities

7. This TA aims to respond to immediate and longer-term needs of the CBM through direct, targeted capacity building and through a flexible training fund that can support staff and institutional capacity building in a variety of ways. For financial inclusion, TA will focus on meso-level support for the development of a responsible finance and financial literacy strategy that will include microfinance institutions with consumer protection principles extending to commercial banks as well. To support achievement of the outcome, the TA consists of two outputs.

8. **Output 1: Central Bank of Myanmar institutional and staff capacity strengthened.**

Output 1 will utilize a team of consultants to support the CBM in a range of key areas including (i) human resources management, (ii) immersion training, and (iii) payments and settlement systems. The TA will strengthen the CBM's ability to manage its own internal and externally provided training. It will support the development of a human resources skills assessment, followed by a comprehensive human resources action plan with identification of compensation levels and clear career development paths. The TA will also identify the immediate and longer-term human resource needs of the CBM. Specific support will be provided for immersion training experiences to ensure that lessons learned can be applied after completion of the training. Finally, the TA will provide inputs to assist the CBM in managing and implementing planned reforms to the payment and settlement system. In particular, CBM has requested TA to provide independent advice to support the evaluation of alternative payment and settlement systems being offered by various donors, as the subsequent selection and implementation of the system. The consultant input will be enhanced through a variety of training and exposure activities as identified throughout the course of the support.

9. **Output 2: Support framework for financial inclusion enhanced.** Output 2 will focus on strengthening meso-level support for financial inclusion in Myanmar. This output will target key microfinance stakeholders in Myanmar, including the microfinance regulator (MMSE) and microfinance service providers. Areas of focus will include the development of (i) a responsible finance strategy, (ii) a strong microfinance association that will serve as a platform for dialogue between the microfinance regulator and microfinance service providers, and (iii) a financial literacy strategy. The TA will be part of a multi-donor effort to strengthen and grow the microfinance sector, and expand access and quality of access to financial services. The TA will help establish the foundation for a longer-term engagement around responsible finance, including consumer protection and market conduct, which includes Smart Campaign client protection principles, and financial literacy.⁷ An assessment of consumer protection measures within the Myanmar financial sector will be performed at the regulatory and institutional levels, and recommendations will be developed to strengthen the consumer protection framework. An exposure visit to relevant microfinance actors in the Philippines (regulators and supervisors, associations, and financial service providers) for key microfinance stakeholders from Myanmar will contribute greatly to the development of this output.⁸ Finally, this output will focus on assisting in the development of an action plan for strengthening dialogue between the microfinance regulator and microfinance service providers.

10. While a number of government and nongovernment entities will be engaged through the TA, the CBM will be the executing and implementing agency.⁹

⁷ The Smart Campaign is a global effort to unite microfinance leaders around a common goal: to keep clients as the driving force of the industry.

⁸ All associated activities will be carried out in close partnership with a number of development partners.

⁹ Depending on the need, a task force could be created to facilitate the development of the responsible finance and financial literacy strategy.

11. For both outputs, the CBM has requested that all capacity development efforts be linked, to the extent possible, with immersion opportunities wherein staff can experience how central banks fulfill their functions from an operational perspective. To meet this request, ADB has closely collaborated with the BSP to provide training to CBM staff, as the BSP implemented a similar transition process of strengthening operations and capacity development in mid-2000. Given the success of that engagement, and the CBM's request for additional partnerships of this type, this TA combines capacity development with "twinning" relationships that support all components as a crosscutting theme. Direct contact with additional regional peers will accelerate the CBM's capacity to apply newly learned skills, enhancing the effectiveness of the TA's outputs.

12. Improvements in financial sector intermediation assume that the political environment in Myanmar will remain stable and will continue to encourage foreign investment. They also assume that the CBM can effectively enhance financial sector intermediation while maintaining monetary stability and fiscal oversight. However, these improvements will be negatively impacted if the rapid growth in the size and complexity of the financial sector outruns the ability of the CBM to implement the necessary reforms. Similarly, slow reforms coupled with significant price instability or a macroeconomic shock could destabilize the economy and weaken consumer or investor confidence. To achieve the outcome of a strengthened institutional and policy framework for financial sector development, it is assumed that the government will continue to support the reform agenda of the CBM, support inclusive finance, and move toward an approach of proportionate regulation of the microfinance sector. Risks to achieving this goal would be if the political will is not sufficient to provide the CBM with operational and fiscal independence; or if the CBM is overwhelmed by capacity building opportunities and is unable to identify or focus on key priorities. A strong framework for financial inclusion will be even more important if the government maintains interest rate ceilings (on credit) and minimum interest rates (on deposits), restricting the ability of microfinance providers to offer sustainable financial services, or motivating unscrupulous practices such as charging of hidden fees. Both microfinance and commercial finance providers will need to commit to practicing responsible finance under proportionate prudential supervision and through self-regulation, so that consumers will be adequately protected.

C. Cost and Financing

13. The TA is estimated to cost \$1,010,000, of which \$1,000,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V).

14. The government will provide counterpart support in the form of office accommodation for international consultants. The cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

15. The executing agency will be the CBM. CBM will also be the counterpart or anchor for the microfinance sector, considering the CBM's interest in being engaged in responsible finance and a wider financial literacy strategy.

16. Under output 1, three international consultants will be engaged through individual consultant selection. A capacity development advisor (5 person-months, intermittent) will assist the CBM in implementing the lessons learned from immersion experiences. A human resources development advisor (9 person-months, intermittent) will be retained to develop and execute a

human resources strategy. A payments and settlements technical advisor (3 person-months, intermittent) will provide strategic advice on payments and settlements. Under output 2, two international consultants (a financial inclusion advisor and a financial literacy advisor) will be engaged through individual consultant selection to support MMSE and other microfinance stakeholders to develop and strengthen a framework for responsible finance. All consultants will be selected in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Outputs 1 and 2 will include funding for short- or medium-term immersion experiences, including courses, workshops, on-the-job training, secondments, and exchanges as identified by the CBM and ADB. Appendix 3 contains the terms of reference for consultants.

17. The TA, to be administered by ADB, will be implemented from January 2014 to December 2015. TA proceeds will be disbursed in accordance with *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). No procurement will be done under this TA.

18. As the majority of the TA activities relate to staff capacity building, the dissemination of outputs will have to rely on reports monitoring the development of skills among staff. The responsible finance and financial literacy strategies will become public documents. The dissemination plan for these strategies will be through public workshops.

IV. THE PRESIDENT'S DECISION

19. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,000,000 on a grant basis to the Government of Myanmar for Financial Sector Reforms, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Improved financial sector intermediation in the long term</p>	<p>By end of 2017:</p> <p>Total financial assets, measured as M2, as a % of GDP increases by 10%</p> <p>(Baseline 2013: 36%)</p> <p>Number of credit and savings accounts held in microfinance institutions increased by 10%</p> <p>(Baseline 2013: 2,808,982 borrowers and 2,657,353 deposit accounts)^a disaggregated by sex^b</p>	<p>CBM Reports</p> <p>Integrated Household Living Conditions Survey in Myanmar: Poverty Profile (tentatively expected in 2014–2015), Ministry of Planning and Economic Development</p>	<p>Assumptions Political environment remains stable and continues to encourage foreign investment</p> <p>CBM can effectively enhance financial sector intermediation while maintaining monetary stability and fiscal oversight</p> <p>Risks Rapid growth in the size and complexity of the financial sector outrun CBM's ability to implement necessary reforms</p> <p>Price instability or a macroeconomic shock destabilizes the economy and weakens consumer or investor confidence</p>
<p>Outcome Strengthened institutional and policy framework for financial sector development</p>	<p>By end of 2015:</p> <p>Increased transparency of financial indicators and government policy direction.</p> <p>(Baseline = 0; CBM does not publish regular macro-economic data and policy briefings)</p> <p>Clear policy framework for financial inclusion and financial literacy provided</p>	<p>CBM policy briefings</p> <p>ADB mission review</p> <p>Consultant progress reports</p> <p>CBM Reports</p>	<p>Assumptions Government will continue to support the reform agenda of the CBM and inclusive finance</p> <p>Government moves toward an approach of proportionate regulation of the microfinance sector</p> <p>Risks Political will is not sufficient to provide CBM with operational and fiscal independence</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
			<p>CBM is overwhelmed by capacity building opportunities and is unable to identify or focus on key priorities</p> <p>Government maintains interest rate ceilings (credit) and minimum rate (deposits), restricting ability of microfinance providers to offer sustainable financial services</p>
<p>Outputs</p> <p>1. CBM institutional and staff capacity strengthened</p> <p>2. Support framework for financial inclusion enhanced</p>	<p>By end of 2015:</p> <p>Number of staff participating in training programs, exposure visits, secondments, workshops = 100, of which at least 50% are female</p> <p>Comprehensive human resources action plan approved</p> <p>Installation of payment and settlement system begun.</p> <p>Strategic plan for microfinance association adopted</p> <p>Number of stakeholders participating in financial inclusion exchange visits = 8</p> <p>Financial literacy action plan developed</p>	<p>Participants and training curriculums</p> <p>Consultant progress reports</p> <p>CBM reports</p> <p>Consultant progress reports</p> <p>ADB mission review</p> <p>ADB mission review</p> <p>Consultant progress reports</p>	<p>Assumptions</p> <p>CBM is able to internalize training and capacity building and quickly translate the lessons into concrete results</p> <p>The microfinance industry is able to come together to form a viable platform for dialogue that represents the interests of all microfinance providers</p> <p>Risks</p> <p>The pool of qualified staff is inadequate to meet the needs of the CBM</p> <p>Efforts to increase institutional capacity for self-regulation in key areas are insufficient to counteract the problems created by low entry requirements for obtaining a microfinance license and low capacity of the microfinance regulator</p>

Activities with Milestones	Input										
<p>1. CBM institutional and staff capacity strengthened</p> <p>1.1 Recruit consultants; establish project implementation office within the executing agency (January 2014)</p> <p>1.2 Conduct assessment in preparation for drafting of the CBM human resource development action plan and long-term training program (January–April 2014)</p> <p>1.3 Finalize human resource action plan for approval (September 2014)</p> <p>1.4 Advise payments and settlements staff on priority issues as identified by senior management (January 2014–December 2015)</p> <p>1.5 Conduct training, exchanges, and secondments (January 2014–December 2015)</p> <p>2. Support framework for financial inclusion enhanced</p> <p>2.1 Coordinate the exchange visit to the Philippines of Myanmar stakeholders (Myanmar Microfinance Supervisory Enterprise, CBM, representatives of microfinance providers) interested or engaged in financial inclusion (February 2014)</p> <p>2.2 Conduct assessment of consumer protection measures within the Myanmar financial sector (regulatory level and institutional level) (February–March 2014)</p> <p>2.3 Develop recommendations for strengthening financial consumer protection in Myanmar (April–June 2014)</p> <p>2.4 Develop a responsible finance strategy for the microfinance sector (January–June 2014)</p> <p>2.5 Develop an action plan for strengthening microfinance associations (July 2014)</p> <p>2.6 Develop a financial literacy strategy (October 2014)</p>	<p>Asian Development Bank: \$1.0 million (TASF-V)</p> <table border="1" data-bbox="1063 373 1375 716"> <thead> <tr> <th data-bbox="1063 373 1252 436">Item</th> <th data-bbox="1252 373 1375 436">Amount (\$'000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1063 436 1252 468">Consultants</td> <td data-bbox="1252 436 1375 468">637.15</td> </tr> <tr> <td data-bbox="1063 468 1252 562">Training, seminars, and conferences</td> <td data-bbox="1252 468 1375 562">295.20</td> </tr> <tr> <td data-bbox="1063 562 1252 688">Miscellaneous administration and support costs</td> <td data-bbox="1252 562 1375 688">17.65</td> </tr> <tr> <td data-bbox="1063 688 1252 716">Contingencies</td> <td data-bbox="1252 688 1375 716">50.00</td> </tr> </tbody> </table> <p>Note: The government will provide counterpart support in the form of office accommodation for international consultants.</p>	Item	Amount (\$'000)	Consultants	637.15	Training, seminars, and conferences	295.20	Miscellaneous administration and support costs	17.65	Contingencies	50.00
Item	Amount (\$'000)										
Consultants	637.15										
Training, seminars, and conferences	295.20										
Miscellaneous administration and support costs	17.65										
Contingencies	50.00										

ADB = Asian Development Bank, CBM = Central Bank of Myanmar.

^a Duflos et al. (2013).

^b Disaggregated data by sex not available for current baseline data.

Sources: Asian Development Bank; E. Duflos et al. 2013. *Microfinance in Myanmar. Sector Assessment. IFC Advisory Services in East Asia and CGAP.*

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	637.15
a. Remuneration and per diem	525.55
i. International consultants	525.55
ii. National consultants	
b. International and local travel	104.80
c. Reports and communications ^b	6.80
2. Training, seminars, and conferences ^c	295.20
3. Miscellaneous administration and support costs ^d	17.65
4. Contingencies	50.00
Total	1,000.00

Note: The technical assistance (TA) is estimated to cost \$1,010,000, of which contributions from the Asian Development Bank (ADB) are presented in the table above. The government will provide counterpart support in the form of office accommodation for international consultants. The value of government contribution is estimated to account for 1% of the total TA cost.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-V).

^b Includes translation costs.

^c Further to Operations Manual (OM) Section D12/BP, Appendix 2, ADB's country eligibility requirements will apply such that any training or workshops to be conducted or conferences and seminars to be attended must occur in ADB eligible member countries.

^d Includes translation, office supplies, and other small item expenditures.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Output 1: Central Bank of Myanmar Institutional and Staff Capacity Strengthened

1. Under output 1, the following three international consultants will be engaged as individuals to work with the Central Bank of Myanmar (CBM) to increase skills and capacity as well as build CBM's institutional strength.

1. Capacity Development Advisor

2. The capacity development advisor (international, 5 person-months, intermittent) must have a master's degree in economics, finance, or a related field and have at least 15 years of experience working with a national central bank or regulatory agency. He or she must have experience in training and capacity development. The consultant will report directly to the director general of the monetary policy department of the CBM, director general of the planning and currency department, and the Asian Development Bank (ADB) task manager. Tasks include (i) working closely with the human resources development advisor to identify the short- and long-term training needs of CBM staff; (ii) supporting coordination efforts for external training offered to the CBM to maximize the benefit for CBM staff; and (iii) identifying training mechanisms for CBM staff to include formal short courses, 1-year degree programs, and economic conferences in Asia and the Pacific. The consultant will be responsible for administration of the training mechanisms and any other workshop, training, seminar, conference, and survey related to the tasks or outputs under this position.

2. Human Resources Development Advisor

3. The human resources development advisor (international, 9 person-months, intermittent) must have an advanced university degree in social sciences, human resources, administration, management, or any other related field; and at least 10 years of experience in recruitment, human resources management, and operations at the international level. Experience with other regulatory agencies or central banking experience is preferred. The human resources development work will be structured in two phases. Under phase I, the advisor will conduct a human resources assessment of current CBM staff in close collaboration with the capacity development advisor. Under phase II, the consultant will develop a human resources-focused transition plan and overall human resources action plan for CBM. The strategy will set out an organization structure under the new central bank law, conduct an analysis of current duties compared with duties required in the new structure, develop new job descriptions, conduct a comparative assessment of compensation among comparable employers such as commercial banks or other similar autonomous agencies, and develop a costed staffing plan for the new organizational structure. The expert will provide support to staff as needed through internal or external training or coaching during the transition period, when the CBM moves from being housed in the Ministry of Finance to being an autonomous entity.

4. The overall human resources action plan developed under phase II will establish an effective monitoring system for human resources management, including administration of a transparent and competitive recruitment and selection process, job classification, vacancy announcements, proper screening of candidates, organization and chairing of interview panels, making recommendations on recruitment, and appropriate levels of oversight throughout the recruitment process. The expert will establish a system for staff performance management and career development, and facilitation of knowledge building and knowledge sharing. Focus should be placed on the achievement of the following results: elaboration and implementation of

the guidelines for the performance appraisal process; facilitation of the process; elaboration of performance evaluation indicators in consultation with senior management; implementation of effective systems for performance evaluation; and training for supervisors in effective use of the evaluation, which includes a career development plan, advice on work plan, and monitoring and team performance evaluation.

3. Payments and Settlements Technical Advisor

5. The payments and settlements technical advisor (international, 3 person-months, intermittent) must have an advanced university degree in business or finance and have at least 15 years of experience working with payments and settlements systems at a national central bank or regulatory agency at the international level. Experience in information technology is also important. The expert will provide technical advice to senior level staff in the payments and settlements department to strengthen the administration and implementation of planned donor-supported reforms to the payment and settlement system. The consultant will be responsible for administration of any workshop, training, seminar, conference, and survey related to the tasks.

B. Output 2: Support Framework for Financial Inclusion Enhanced

6. Under output 2, two international consultants will be engaged as individuals to work with the Myanmar Microfinance Supervisory Enterprise and other support organizations to develop a stronger support framework for financial inclusion. All activities will be carried out in close coordination with other ongoing sector initiatives including the Making Access to Finance Possible (led by the United Nations Capital Development Fund), Financial Inclusion for National Development Program (led by the World Bank), and the International Finance Corporation's planned sector support.

1. Financial Inclusion Advisor

7. The financial inclusion advisor (international, 4 person-months, intermittent) must have an advanced university degree in banking, finance, development finance, or equivalent; and at least 10 years of recognized professional experience in microfinance, focusing on microfinance institution regulation, financial consumer protection, institutional reform, development, and project management. Experience in Southeast Asia, especially knowledge of microfinance in Myanmar, is preferred. Tasks include (i) conducting an assessment of consumer protection measures within the Myanmar financial sector (regulatory level and institutional level); (ii) developing a responsible finance strategy for the microfinance sector, including a set of recommendations for strengthening financial consumer protection in Myanmar; (iii) assisting in the implementation and dissemination of a responsible finance strategy; and (iv) in cooperation with other development partners, assisting microfinance associations in the development of an overall strategic plan. The consultant will be responsible for administration of any workshop, training, seminar, conference, and survey related to the tasks.

2. Financial Literacy Advisor

8. The financial literacy advisor (international, 2 person-months, intermittent) must have an advanced university degree in business administration, development finance, or a related field; and at least 10 years of recognized professional experience in microfinance, including 5 years of experience focusing on consumer protection and financial education. Experience in Southeast Asia, especially knowledge of microfinance in Myanmar, is preferred. Working closely with the financial inclusion advisor, tasks include (i) conducting a gap analysis of existing

financial literacy activities among all income segments with a focus on low-income populations in Myanmar, and of any existing financial literacy plan; (ii) assembling a stakeholder (government and nongovernment) task force for financial literacy; (iii) organizing participatory workshops with a task force to develop a national strategy for financial literacy; (iv) developing a standard for financial literacy in microfinance services in Myanmar; (v) proposing recommendations for addressing the gaps identified, taking into consideration the standard proposed, international best practice, and political and economic context; and (vi) developing a national strategy for financial literacy with an action plan (in close collaboration with other related financial inclusion initiatives such as the Financial Inclusion for National Development Program and the Making Access to Finance Possible program). The consultant will be responsible for administration of any workshop, training, seminar, conference, and survey related to the tasks.