



# Terms of Reference (Re-advertisement)

## Co-design of Financial Products and Capacity Building of Bamboo SMEs and Local Entrepreneurs

### 1. Organizational Background:

iDE (International Development Enterprises) is a nonprofit organization dedicated to ending poverty. With over 40 years of experience, iDE is a pioneer in market-based development. Our work within agriculture, sanitation, climate change resilience, and gender equality stand out because we don't simply provide handouts. Instead, iDE believes in powering small-scale entrepreneurs and building robust market ecosystems that lay the groundwork for low-income and marginalized people to prosper on their own terms. iDE has almost 1,300 global staff and offices in 10 countries across Africa, Asia, and Central America.

iDE established its first country program in Bangladesh in 1983. Today, it's the longest-standing NGO specializing in market systems in Bangladesh. Our diverse portfolio spans across agricultural markets, water, sanitation, and hygiene (WASH), renewable energy, and climate-smart technologies.

### 2. Program Overview:

The Bamboo for Climate Action (B4CA) Phase- I project is a three-year (April 2023-March 2026) initiative funded by the Swiss Agency for Development Cooperation (SDC) that aims to improve the resilience to climate change for refugees and host communities through bamboo as an effective nature-based solution with multi-purpose effects. The project is being implemented through a partnership of iDE Bangladesh and The CNRS in five sub-divisions (Teknaf, Ukhiya, Ramu, Cox's Bazar & Chakaria) under the Cox's Bazar district. iDE leads the MSD approach by engaging private sector market actors to work closely with MSMEs.

### 3. About the Assignment:

The project aims to enhance access to finance (A2F) by enabling a large number of enterprises to become "bankable," facilitating their ability to secure necessary financing at competitive rates. iDE seeks to establish partnerships with financial institutions (FIs) to connect beneficiary enterprises with attractive financial products, simplifying loan processes for clients living at the base of the economic pyramid. Under a Joint Venture Agreement (JVA) with 2-3 FIs, the assignment will utilize the expertise and resources of these institutions to strengthen the bamboo sector's access to finance, contributing to market systems development and broader economic growth. It is worth mentioning that this assignment is a co-creation initiative which allows the FI partners to design, create and/or implement collaboratively with iDE which implies iDE will share a certain portion of the operating expense (OPEX) and product development cost, while the cost of demand generation will be conducted by iDE.

### 4. Objectives and scope of work

The objective of this Joint Venture Agreement is to establish a partnership framework that enables the provision of financial services, training and products tailored to the needs of the bamboo sector in Cox's Bazar. This will involve collaboration with FIs to develop and deliver innovative financing solutions, and promote sustainable growth in the bamboo market systems.

**Conceptualization:** iDE will provide basic market characteristics, i.e., overall market size, market trends, nature of entrepreneurs' cash flow, subsectors of bamboo market in Cox's Bazar and existing practices of the clients, which will be used by FI partner(s) to conceptualize the idea of developing financial solution(s) for target customers. In this stage, iDE and FI partner(s) will develop a scenario analysis based on the elements of financial solution(s), e.g., ticket size, interest rate, loan term, periodicity and willingness to buy of the clients, in order to develop a tentative scenario analysis leading to estimate profitability plus sustainability of the product. It beggars description of the fact that the FI(s) might already have one or more products which fit/s to the target market, in which case conceptualization and product development are not necessary.

**Product development and market testing:** The adherence to the existing product development guidelines of the FI(s) will be upon the discretion of the FI(s). However, iDE will extensively involve the process of market testing, which includes but are not limited to – (a) outreach campaign to develop awareness of the product, (b) lead generation, (c) lead nurturing and (d) client profiling.

**Progress tracking and reporting:** iDE and the FI(s) will jointly develop a monitoring framework to track the performance and impact of the access to finance activities. Monthly report on the performance of the financial product(s) and adjust strategies as needed.

**Formulate elevation strategy:** Upon completion of the pilot phase, iDE and the JVA partner(s) will collaborate to formulate an expansion strategy for the product. It is noteworthy that the B4CA project is set to enter its second phase in April 2026, and will focus on implementing sectoral acceleration strategies.

### 5. Key Deliverables

The timeline for deliverables is subject to adjustment through discussions between the Firm and the iDE team, with payment contingent upon the successful submission of deliverables within the

mutually agreed time frame. In consideration of the field context, the Firm is expected to provide the following deliverables

SL	Deliverables	Tentative Date
1	Proposal Submission	20 January, 2025
2	Agreement Signing	February 2, 2025
3	Submission of Inception Report	February 16, 2025
4	Market Dynamics Analysis for Financial Solutions	28 February, 2025
5	Financial Product Co-design & Development	20 March, 2025
6	Outreach Campaign	13 April, 2025
7	Piloting of Financial Products	15 June, 2025
8	Finalization of Financial Products	15 July, 2025
9	Financial Product Orientation and full-deployment	27 July, 2025
10	Progress Tracking and Reporting Mechanism (loan portfolio reporting)	August 14, 2025
11	Elevation Strategy development	
12	Evaluation and Closure Report	

*Note: Payment will be based on the timely submission of deliverables however, the submission dates are tentative and can vary based on the discussion between the Firm and the iDE team.*

## 6. Tentative Work Schedule

The Firm is expected to start work on or around February 2, 2025. This assignment will be completed by August 14, 2025, which includes completing all tasks in the assignment and submitting the deliverables as detailed in Section 5. Based on unavoidable circumstances, the period for conducting the assignment might change depending on the situation. The Firm is expected to be able to accommodate these changes without additional cost. The detailed work schedule/plan will be finalized upon mutual understanding during the kick-off meeting.

## 7. Proprietary Rights:

Any document, information, or data entrusted to or produced by iDE in connection with this assignment shall be strictly confidential and cannot be used by the contract employee for any other purpose without the written consent of iDE. This provision shall remain valid even after the completion of this assignment. iDE-Bangladesh reserves the right to terminate this agreement at any time with the consultation of the contracted firm. iDE will reserve the copyright of all produced materials and should be permitted to use them without a time limit.

## 8. Deliverables and Schedule of Payment

This assignment will start on February 2, 2025 and continue till August 14, 2025 in seven consecutive phases. This work plan may be revised considering external situations and as per the needs of the project. The financial proposal should include the service's total cost, and consultancy fees detailing all transportation, logistics, and other costs (including accommodation and food expenses, etc.). The payment will be made in six (03) installments as follows:

S.N.	Deliverables	Tentative Deadline	Installment Value
1	Submission of Inception Report	February 16, 2025	35%
2	Finalization of Financial Products	15 July, 2025	40%
3	Evaluation and Closure Report	August 14, 2025	25%

*Note: Government VAT and Tax regulation will be applied as per the norms of the organization, and these costs must be included in the financial proposal.*

The following terms and conditions will apply:

- The payment will be made through account payee cheque/ wire transfer (account name, number, type, bank name, and branch name is/are required for wire transfer);
- As per the Government of Bangladesh VAT and tax regulation; International consultants are taxed at 15% VAT (on contract amount) and 20% tax (on contract amount +VAT); National consultants are taxed at 15% VAT and 10% tax;
- The Government VAT and tax regulation will be applied, and iDE Bangladesh will deduct all relevant VAT and Tax at source as per GoB rules;
- VAT Registration Certificate, TIN and Trade License (if applicable) must be submitted before the agreement is signed;
- In case of failure to deliver the final product in due time, iDE Bangladesh will deduct .05% of the total agreement amount for each day of delay in submitting the report beyond the closing date of the agreement;
- The selected firm will abide by other terms and conditions of iDE Bangladesh.

## 9. Eligibility Criteria

Financial Institutions (FIs) in the context of the Joint Venture Agreement (JVA) for the Bamboo for Climate Action (B4CA) project refer to any formal and non-formal financial organizations or entities that provide financial services to individuals, businesses, and organizations. These institutions are expected to collaborate with the B4CA project to develop, test, and implement co-designed financial products tailored to the needs of MSMEs (Micro, Small, and Medium Enterprises) in the bamboo sector in Cox's Bazar, Bangladesh.

Relevant financial institutions that can apply for the JVA partnership may include (may not be limited to the mentioned only):

### 1. Commercial Banks

- Role: Offer traditional banking services such as business loans, current accounts, and working capital financing.

### 2. Non-Banking Financial Institutions (NBFIs)

- Role: Provide financial services similar to banks but often with more flexibility in loan

terms, interest rates, and risk profiles. NBFIs typically cater to smaller businesses or sectors underserved by traditional banks.

### 3. Microfinance Institutions (MFIs)

- Role: Specialize in providing small-scale loans and financial services to low-income individuals and MSMEs, especially those lacking access to formal banking services.

### 4. Mobile Financial Service Providers (MFS)

- Role: Offer digital and mobile-based financial services, such as money transfers, payments, and microloans. MFS providers are especially valuable for reaching underserved and rural populations.

### 5. Cooperatives

- Role: Member-owned financial organizations that offer savings, loans, and other services to their members. Cooperatives are commonly found in rural areas and can facilitate community-based lending.

### 6. Digital-Only Banks

- Role: Provide all banking services through digital platforms without physical branches, focusing on convenience, low fees, and accessibility for underserved populations.

### 7. And, others.

General experience and expertise required for this assignment are mentioned below:

- FIs must possess a branch network or strong operational presence in Cox's Bazar or demonstrate the capability to operate effectively in the region.
- FIs are open to co-creation partnership with iDE Bangladesh to design, implement, and adapt financial products tailored to bamboo sector MSMEs, sharing part of the operational expenses and product development costs.
- green financing
- A minimum of 3 years of experience providing financing to agricultural MSMEs, with a proven track record of working with BoP customers, understanding their cash flow, borrowing needs, and repayment capacities. Experience in bamboo or forestry sectors is an advantage.
- Institutions must demonstrate the ability to innovate or adapt financial products that meet the specific needs of bamboo enterprises. This should encompass flexible loan terms, competitive interest rates, and the integration of advanced solutions such as digital platforms and microfinance initiatives.
- Must have the capacity to offer digital financial solutions, including mobile banking, online loan applications, and outreach programs aimed at BoP customers, simplifying loan processes and improving financial literacy for MSMEs.

## 10. Bid Submission

All proposals should include:

- Cover letter (maximum 01 page);
- Technical Proposal (maximum 04 pages) which should include:
  - Understanding of the assignment, methodology, and a detailed work plan
  - Relevant professional qualification and experience to carry out the assignment ensuring the highest quality of the work
- Financial Proposal (maximum one page): Breakdown of all the cost estimates mentioning the different activities to complete the task. This should include, but not be limited to, accommodation and travel costs, food expenses, and other items needed for the consultancy/service.
- **At least one sample of the portfolio of works completed**

- Please also include:
  - Company profile
  - Existing product portfolio suitable for Cox's Bazar
  - VAT Registration Certificate
  - TIN Certificate
  - Trade License Certificate
  - Joint Stock Company Registration Certificate (if applicable)

Interested and qualified firms are asked to submit their Technical and Financial Proposals to [bangladesh.procurement@ideglobal.org](mailto:bangladesh.procurement@ideglobal.org). Please write "Co-design of Financial Product and Capacity Building of Bamboo SMEs and Local Entrepreneurs" in the subject line. The proposals should be submitted by 11:59 PM Bangladesh Standard Time (BST) on **January 20, 2025**. We are only able to consider electronic submissions. Only shortlisted firms will be contacted and invited for a technical discussion.

*Applicants who have already submitted their applications do not need to reapply!*

Deadline: **20 January, 2025** (11:59 PM BST)