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Terms of Reference

**National consultant –To provide Technical Assistance to selected MFIs to provide inclusive Financial Services in East Darfur and West Kordofan**

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| **Project Title** | PROSPECTS: Partnership for improving Prospects for host communities and forcibly displaced persons |
| **Organization** | International Labour Organization (ILO) |

# **Start date: 01.07.2022**

# **End date: 30.11.2022**

# BACKGROUND

# As part of the launched Partnership for Improving Prospects for Forcibly Displaced Persons and Host Communities (PROSPECTS), the ILO aims to improve access to financial services for enterprises and entrepreneurs in one of PROSPECTS targeted localities of Assalaya (East Darfur) or Keilak or Muglad-Abyie (West Korodfan). In Sudan, this multi-year Government of the Netherlands funded Partnership brings together four agencies (IFC, ILO, UNHCR, and UNICEF) to devise collaborative and innovative approaches for inclusive job creation and education in contexts characterized by forced displacement. The program encompasses three pillars, namely: Pillar 1: Education and Learning; Pillar 2: Employment with Dignity and Pillar 3: Protection and Inclusion.

# While access to financial services is a key building block of economic development, in Sudan the financial sector suffers from multi-faceted challenges, a deteriorating economy, a difficult operating context, outdated microfinance practices and skewed gender-relations (specifically restricting women). These challenges result in a significant gap of formal finance provision at most localities across Sudan and chronic exclusion of the most vulnerable from the opportunities that formal finance have the potential to offer.

# To address this, in 2006, the Government of Sudan specifically reformed the microfinance sector to contribute to alleviating poverty. This has been delivered by developing a set of policies to improve access to finance with the aim to enhance livelihoods of vulnerable citizens. To systematically address the sector’s challenges, in 2008, the Central Bank of Sudan (CBoS) had also issued “The Organizational and Regulatory Framework for Microfinance Institutions” to facilitate the emergence of new and specialized microfinance providers. The Regulatory Framework specified Banks to allocate 12% of their portfolio to microfinance, of which 50% for women and 70% of total amount of loans should be channelled to rural areas. Another estimate indicates that around 8 million of the most vulnerable people in Sudan are fully excluded from microfinance service in the country.

# Despite the initial results of the government’s initiatives showing a positive impact of microfinance on the livelihood of low-income people in the country, there is still a significant gap in the supply of micro-finance. Estimates indicate it is only covering 3% of the total demand in country . This has been recently further excecated by the political instability and the ongoing conflict that have slowed economic and social development.

# To that end, the ILO is looking for a National Individual Consultant specialised in Business Development for Financial Service Providers (FSP), Microfinance Institutions (MFIs) and/or Financial Institutions (FIs) to provide technical assistance to a selected FSP/MFI/FI that will be introduced to him/her by the PROSPECTS project team. This technical assistance is expected to support the selected FSP/MFI/FI to deliver inclusive fit-to-context microfinance at only one of the targeted localities; Assalaya (East Darfur) or Keilak or Muglad-Abyie (West Korodfan).The National Consultant will work under the leadership of an ILO-selected International Consultant.

# The National Individual Consultant under this ToR would be expected to support the International Consultant in the technical assistant they will provide to the selected MFI/Financial Institution. That includesproviding specialized financial services, advisory on delivery methods that suit clients as well as marketing that successful microfinance would require. It is envisaged that the selected National Individual Consultant (under the leadership of the International Consultant) would support the FSP/MFI/FI to develop financial services that are driven by demand and priced at market rates that reflect costs of funds, risks, and transactions.

## OVERALL OBJECTIVE

The national consultant will work under the direct supervision and support of an international consultant and will provide technical, logistical and operational support to deliver technical assistance to selected FSPs/MFIs/FIs to extend their financial services in the project’s targeted location as detailed below:

1. Contribute and support in the delivery of Making Microfinance work for FDPs workshop,
2. Provide technical inputs and logistical, interpretation and administrative support in the the planned market analysis, institutional assessment and site selection,
3. Provide technical inputs and logistical, interpretation and administrative support in the financial product and services development and business model recommendation, and

 The broad aim of the technical assistance is to help the MFI/FI to deliver inclusive fit-to-context microfinance at one or more of the targeted localities; Assalaya (East Darfur) or Keilak or Muglad-Abyie (West Korodfan). That includes technical assistance and advisory on delivery methods that suit clients as well as marketing that successful microfinance would require. It is expected that the technical assistance would enable the MFI/FI to provide financial services that are driven by demand and priced at market rates that reflect costs of funds, risk, and transactions.

# Methodology

The consultant will describe in detail the methodology to address the above scope of work that they will use to deliver the assignment. This may among others include:

1. Desk research for background information such as the Central Bank of Sudan financial inclusion strategy and financial inclusion guidelines, overview of the market and/or any similar documents. Study of reports on access to finance in Sudan especially those related to delivery of financial services to refugees and host communities,
2. Sample surveys and/ or focus group discussions with target communities in the target areas essential for identifying real gaps and test product ideas,
3. Interviews with senior executives of the selected MFI to understand current organization structure and operations for designing and rolling out products to make sure recommendations build on existing resources and capabilities, and
4. Monitoring, evaluation and reporting mechanisms together with a plan on how to document lessons learnt from the assignment.

# Key Deliverables and timeline

The selected national consultant will be expected to deliver high quality work within the stipulated timelines. COVID-19 limitations to carrying out consultancy will be taken into consideration.

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| Key Deliverables  | Activity output | Timeline |
| Pre deliverables: An inception report after signing of the contract detailing how they will conduct the assignment along with work plan, data collection tools and other technical documents | 1 Report | 1-30 July 2022 |
| 1. Support the International Consultant in conducting the Making Microfinance Work for Refugees workshop. This is expected to include logistical support (in collaboration with the selected MFIs), interpretation, as well as **contributing to the activities below:**
2. Delivery of the adapted version of the ILO Making Finance Work for FDPs and Host communities to FSP
3. Identify FSPs interested in serving the market of FDPs and host communities in West Kordofan and/or East Darfur,
4. Build the capacity of this selection of FSPs to diversify their activities to other geographic locations and/or to serve other market segments,
5. To collect more information on the financial sector in Sudan and bridge the current knowledge gaps on the supply and demand of financial products and services in Khartoum, West Kordofan and East Darfur.
6. To identify which FSPs hold the most potential to participate in the technical assistance activities provided by ILO.
 | 1 training report including pre and post training findings. This to include the details of discussions in Arabic fully translated into English. | ***(01-30 August 2022).*** |
| 1. Provide technical inputs and logistical, interpretation, administrative support in the planned market analysis, institutional assessment and site selection. This might also includespotential missions to WestKordofan and East Darfur (15 days of travel at most) as requested by the International Consultant as well as contribution to the below:
2. The market research in four targeted localities: Assalaya (East Darfur) Keilak, Muglad-Abyie (West Korodfan), validating the findings, capacitating and transfer knowledge to the MFI to conduct similar market research in the future. This includes desk review and primary research (data collection to be done by the FSP/MFI/FI).
3. The market research to include: the financial market environment (e.g. market demographics, market size and marketing channel); customers at the targeted locations (i.e. Host Communities, IDP and Refugees); competition (including both formal and informal financial institutions) (e.g. branches or agents, market shares, pricing structures and financial products/services and compare the demand in each locality; and
4. Undertake institutional assessment that systematically assesses the FSP/MFI/FI governance, management, staffing, areas of operation, products, financial management and statements, portfolio, risk management and also conduct a SWOT analysis.

\***The National Consultatn will work hand in hand with the International Individual Consultant to report all of the above in English. All findings, recommendations are to be reached through direct engagement with the MFI/FI and followed by final validation for all final recommendations/findings. The Technical Assistance Meetings with MFI/FI are to be held in Khartoum. Data collection in the localities will be undertaken by the FSP/MFI/FI.**All logistical and administrative preparations are to be undertaken by the national consultant. | The national consultant to submit the below with a specific focus on translating all discussions, presentations, etc. that was shared in Arabic to English:1 Market assessment report, including focus group discussions (translated from Arabic to English) in the Khartoum and potentially the 2 target counties.1 Institutional analysis report reflecting data collected in Arabic to be fully translated in English. | ***(01, September - 30, October 2022).*** |
| 1. Based on the market research, in consultations and joint agreement with the MFI/FI, to contribute to the development of fit-to-context financial products/services and propose locality/ies that provides best return on investment and is promising to enable a sustainable business model. This to further include technically contribute to the adaptation and logistically and administratively support as requested on the below:
2. Tailored-to-context financial products/services to customer segment that are agreed with ILO (e.g. cooperatives, individual farmers, micro-entrepreneurs, traders, etc.),
3. Propose locality/ies to extend the designed financial services/products,
4. **I**ndicate in detail the selected financing methods for each targeted segments (e.g, Morabaha, Salam, etc.)
5. Detail the marketing approach,
6. Develop a business model; and
7. Propose the budgeted implementation plan with detailed cost breakdownbased on the selected and approved business model. This to take in consideration the operating context challenges, especially for financial products targeting farmers and cooperatives as a key segment that ILO priorities targeting under this project.
 | Financial products or services developed for roll are (in Arabic)tojointly (with ILO) hand it over to FSPs. | ***(01-30November- , 2022)*** |

## REPORTING LINES

The national consultant will report to the international consultant for technical matters and coordination, administratively report to the PROSPECTS team in Sudan. S/he will receive technical guidance and support from the ILO PROSPECTS Regional Specialist on Enterprise and Market Systems development based in Nairobi and Social Finance Specialists based in Geneva.

Throughout the course of this assignment, the national consultant will report once in 2 weeks on the progress of the assignment to the ILO for coordination and follow–up. If it appears necessary to modify the tasks or timeline of work or exceed the time allocated, the national consultant must discuss the circumstances with the ILO and obtain prior written approval. The ILO may disclose the draft or final report to any person and for any purpose ILO may deem appropriate.

## SUBMISSION

To be considered in the selection process the candidate must submit the following documents **to** **ADDIS\_PROCUREMENT@ilo.org** **no later than 10 June 2022, 4pm [CAT]**:

1. A Resume including their qualification as MFI Business Development Advisor;
2. Proven experience in providing Technical Assistance to a UN agency or a similar organisation;
3. Technical proposal including a description of the methodology to be used in the market research, institutional assessment and development of the pilot product, indicating detailed workplan and Technical Assistance to be provided in Khartoum;
4. A sample report of prior similar delivered work; and
5. The interested international individual consultants are requested to provide a financial offer that is deliverable based AND includes ONLY professional fees related to the activity. Number of field mission dates are also to be accounted and reported at the activity level.

**Note:**The following Table has been prepared to assist the Consultant in reporting their respective financial offers. Some deliverables have been reflected in the table as an example. However, all deliverables are to be reflected in the table.

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| **ID** | **Activity Deliverables** | **Total Activity Deliverable Days** | **Total Number of Mission Days** | **Total Deliverable Cost\*** |
| IMPORTANT NOTE: First activity below is provided as an example. Please ensure that this template table includes ALL activities detailed in the Key Deliverables section above. Also ensure that the last row is dedicated for Total Activity Days and Costs as shown below in the example. |
| A.1. | **Contributing to the:**Delivery of the adapted version of the ILO Making Finance Work for FDPs and Host communities to FSP |  |  |  |
| ... | Please provide breakdown **for each activity** in the Key Deliverables section above. |  |  |  |
| **Totals Activity Days and Costs** |  |  |  |

**\*****Deliverable Activity Cost = Daily Professional Fees X Total Activity Deliverable Days + Travel cost (mission daysX DSA) + flight cost**

All the above to be submitted to addis\_procurement@ilo.orgno later than **10 June 2022, 4pm Khartoum local time.** Only shortlisted candidates will be notified.

## SELECTION CRITERIA

The successful candidate will have a mix of expertise and qualifications in the focus areas related to this assignment. Evaluation of the suitability of the Consultant to work on this assignment will be made against the following technical criteria:

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| **Evaluation Criteria** | **Maximum mark** |
| 1. **Expertise/Qualification**
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| The individual consultant should have at least ten years of experience in MFI Business Development. University degree in Business Administration, Commerce, Economics, Finance and Accounting. A Masters in Business administration with specialisation in banking or financial services is an added advantage | 10 |
| At least 7 years’ experience working in or providing capacity building support to a Bank, MFI or similar financial institution, preferably focused on product development, innovation, customer relations, marketing, systems, policy and procedures development or implementation  | 10 |
| Conducted similar work for ILO (or another UN agency) in similar contexts to Sudan is an asset. | 10 |
| Fluency in English and Arabic is a must  | 10 |
| **Maximum Points** | **40** |
| 1. **Proposed approach to deliver the ToR’s scope of work**
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| Applicant demonstrates (via submitted technical proposal) their expertise providing technical assistance to MFI/FI in Business Development. The technical proposal includes a realistic workplan and technical assistance approach. The evaluation will assess the understanding of scope, objectives and completeness of response. | 30 |
| Quality of the sample report suggests that the applicant(s) possess the required level of knowledge and analytical skill. | 30 |
| **Maximum Points** | 60 |
| Total for Both Section A (30 Points) and Section B (70 Points) | **100** |
| Minimum Acceptable Score for the Proposal to be reviewed | 50 |

## PAYMENT SCHEDULE

The national consultant will receive fivepayments based on the following deliverables

Payment of Professional Fees will be made in six instalments:

* 1st payment of 20% upon signing the contract and submitting an inception report.
* 2nd payment of 15% upon delivering Deliverable A includes developing pre and post tests as well as reporting to ILO on the training.
* 3rd payment of 15% upon completions of Deliverable B ;
* 4th payment of 20% upon delivering the completions of of all activities under deliverable C;
* 5the payment of 20% upon delivering activity D1, which is designing monitoring tools and overall supervision for three months after the roll out of the financial services/products;
* Final payment of 10% upon submitting a 6-months evaluation report and case study D2 on the MFI/FI performance.
* 100% of DSA once all relevant receipts, boarding passes are submitted

All reimbursement cost items need to reflect the ILOs commitment to using the most economical,

direct, and standardized fares.

## INSTRUCTIONS TO CONSULTANT

* + All CVs submitted should include the Date of Birth and Nationality of the Consultant;
	+ Consultant should quote in USD prices and/or using prices calculated using the Official UN Exchange Rates for the country;
	+ Consultants should indicate a proposed Start and End Date for completion of the Deliverables requested by the ILO;
	+ Candidates should be prepared to submit a copy of their national Passport upon Notification of Award;
	+ Candidates planning field visits, movements, and/or DSA travel dates are required to completed the UN BSAFE security training course upon Notification of Award. Failure to complete the course will prevent the finalization of contracting between the Consultant and the ILO;
	+ Professional Fees should include all costs associated with the Activity Deliverable;
	+ Consultants are responsible for arranging their own travel arrangements to project sites;
	+ Consultants agree to be paid based upon compliance with UN Harmonized DSA rates set for the country;
	+ Consultants agree that all mission costs will be based upon the most economical direct fares AND that any travel-related costs cannot exceed those payable to an ILO official on the same itinerary;
	+ All mission cost days will be paid based upon actual receipts paid by the Consultant and actual travel/mission dates;
	+ Consultants are not to add the VAT to their financial offer unless they are a VAT Registered Individual with the Sudanese VAT Authority;
	+ Consultants should be aware that all intellectual property rights arising from the contract are vested with the ILO however authorship will be acknowledged by the Organization; and
	+ Consultants will bear all charges levied by their own bank in receiving of managing funds transferred by ILO.
	+ The consultant must adhere to Covid-19 measures and to factor that in his/her training approach
	+ The present assignment is a consultancy under the standard terms and condition of external collaborator contract of the ILO.

# Confidentiality and contracting conditions

All data and information received from the ILO for the purpose of this assignment are to be treated confidentially and are only to be used in connection with the execution of these Terms of Reference. All intellectual property rights arising from the execution of these Terms of Reference are assigned to the ILO. The contents of written materials obtained and used in this assignment may not be disclosed to any third parties without the expressed advance written authorization of the ILO.