

Date: February 15, 2021

## **Terms of Reference**

### **Consultancy Support for Business Incubation and Acceleration**

#### **1. Organization Background**

iDE is an international NGO with over 40 years of experience in designing and delivering market-based anti-poverty programs in 11 countries. We are a world leader in making markets work for the poor as well as the longest established market development specialist NGO in Bangladesh. iDE believes that markets can be a powerful force for improving smallholder prosperity by creating income and livelihood opportunities for poor rural households. iDE Bangladesh currently has eight projects in agricultural markets, water, sanitation and hygiene, and access to finance with a focus on women's economic empowerment and climate-smart technologies.

#### **2. Background**

Uddokta - empowering entrepreneurs - is a partnership between Chevron and iDE Bangladesh. The project, through a market-based approach, will seek to identify and support 1,100 enterprises to start or grow their businesses and achieve profitability. Through the systemic market change that they trigger, an anticipated 37,125 household members will benefit from increased incomes as a result of improved access to the goods and services that these enterprises will bring. iDE will apply a market-facilitation approach that aims for private-sector led promotion and sustained adoption of beneficial products, services and behaviors by communities and households in the target markets - which will ultimately lead to increased incomes. The project has two overarching goals: the first goal is to increase household incomes in a nine Union catchment area in the Sylhet region through improved access by targeted communities to a variety of market-based inputs and services. This goal is complemented by the second goal of the project which seeks to further strengthen Chevron's relationship with the beneficiaries and create sustainable impact in the community directly attributable to Chevron's investment through the project.

Micro, Small, and Medium Enterprises (MSMEs) are small businesses primarily engaged in the production, manufacturing, processing, or preservation of goods and commodities (i.e. selling goods and or services) in a local market with a limited number of individuals as employees. Village Development Organizations (VDOs) are registered cooperatives that legally operate loan funds, receive government services and overall serve as a forum for organizing villagers into self-help groups by providing skills training and seed funds to strengthen their management and financial capacity.



### **3. About the Assignment**

This is a six-month long consultancy position that will start from May 2021. This opportunity is open to any individual consultant or firm that will support iDE's Uddokta Project to provide technical and facilitation support on enterprise incubation and acceleration interventions. With income and business growth as the overall objective, Consultant/Firm will improve the business and finance management and ensure access to finance for high-performing micro-small-medium-enterprises (MSMEs) and Village Development Organizations (VDOs). These MSMEs are mostly under sectors such as agriculture, aquaculture, poultry and livestock. The consultant/firm will use or adopt where necessary, iDE's existing incubation and acceleration training modules. The consultant will work with the Project Manager under the contract. The assignment will require the consultant to spend approximately 60% of the allocated working days in the field and 40% based remotely. iDE is committed to equal opportunities for all, and does not discriminate on grounds of race, gender, religion, sexual orientation, or any other status. Women and minority candidates are encouraged to apply.

### **4. Objective of the assignment**

Business Incubator and Accelerator can be a transformative tool to unlocking the potential of MSMEs growth and expansion. iDE is seeking Consultancy service to build the capacity of MSMEs and VDOs to improve their business to get access to business loans. The specific objectives under this assignment would be to:

- develop capacity of the project field team to facilitate the Accelerator and Mentorship Program
- develop capacity of the selected 100 MSMEs and 10 VDOs following the Incubation and Accelerator strategy and modules
- Link MSMEs and VDOs with potential new markets for quality inputs, output sale, product diversification to maximize their production and income or adopting innovative business models.
- improve investment readiness and creditworthiness of the MSMEs, and VDOs to receive business loans from Financial Institutions (FIs)
- ensure investment increases and link 50 MSMEs and 4 VDOs with FIs for loan

### **5. Major responsibilities of the Consultant/Firm**

Major responsibilities of the Consultant or Consultancy Firm will be as follows:

- Review the Business Incubation and Acceleration Program strategy, modules and other assessment reports of iDE. Discuss with project staff to understand their learnings and expectations from this consultancy.
- Update the Incubation and Acceleration Program strategy and modules.
- Quickly analyze the market infrastructure of the project areas for potential linkages and access to finance interventions to support identified MSMEs and VDOs.
- Visit MSMEs and VDOs and develop the selection criteria to identify eligible MSMEs and VDOs for the Incubation and Acceleration Program.
- Facilitate a day-long orientation for the field team to facilitate classroom training and mentoring support for the selected MSMEs and VDOs.



- Facilitate field team (orientation and field demo) for assessment and screening of 500 MSMEs and 110 VDOs; identify high potential 100 MSMEs and 10 VDO for the Incubation and Accelerator Program.
- Capacity development of 100 MSMEs and 10 VDOs on business planning and financial management through classroom training and distance learning process/tools.
- Facilitate field team for one in one mentoring support for the 100 MSMEs and 10 VDOs for their business incubation and acceleration.
- Linking MSMEs and VDOs with potential new market for quality inputs, output sale or product diversification to maximize the production and income or adopting innovative business model
- Lead and collaborate for signing MoU/JVA with two private sector partner and VDOs/MSMEs for future market linkages interventions
- Facilitate field team for creditworthiness and investment readiness assessment to identify 50 MSMEs and 4 VDOs to get business loan
- Identify suitable Financial Institutions/NBFI/Informal Sector and relevant loan products to link 50 MSMEs and 4 VDOs for their business growth. Advocacy to the regulatory authority for flexibility of the requirements (if necessary)
- Facilitate field team for coaching and mentoring 50 MSMEs and 4 VDOs to improve creditworthiness by supporting them with their loan proposal, business plan, business pitch and negotiate with FIs to ensure business loan for them.
- Ensure increased business investment and loan for 50 MSMEs and 4 VDOs

## 6. Major responsibilities of iDE

iDE will provide the Consultant or Consultancy Firm with the necessary support to undertake and implement the assignment and execute the tasks outlined in this Terms of Reference. Such responsibilities include the following:

- Provide initial briefing, orientation, and existing work plan overview;
- Provide project materials and other relevant documents and reports;
- Provide feedback on different stages of the consultancy process;
- Support Consultant or Firm in organizing any event for MSMEs, VDOs and staff; and
- Disbursing payment as per payment tranches, after the acceptance of successful completion of specific deliverables.

## 7. Key Deliverable

*The days can vary based on the discussion between Consultant and iDE team; however, payment will be based on timely submission of deliverables.*

Sl No.	Deliverable	Tentative Date
1	Work plan and update/improve Incubation and Acceleration Program strategy and modules	1st week May
2	A report covering eligible criteria of the Uddokta MSMEs and VDOs for the Incubation and Acceleration Program; and identified market opportunities for business growth	2nd week May

3	Facilitate orientation for the field team (one batch) to implement Accelerator Program with the selected MSMEs and VDOs	3rd week May
4	Select high potential 100 MSMEs and 10 VDO for the Incubation and Accelerator Program and develop profile	4th week May
5	Facilitate training session for the 100 MSMEs and 10 VDOs through classroom training and distance learning process/tools (6 batch)	2nd week July
6	Identify suitable Financial Institutions/NBFI/Informal Sector and loan products to link MSMEs and VDOs for their business growth and develop a list	1st week Aug
7	Conduct creditworthiness and investment readiness assessment of identified 50 MSMEs and 4 VDOs to get business loan and develop a report	2nd week Aug
8	Develop loan proposal, business plan and business pitch of 50 MSMEs and 4 VDOs for access to finance	4th week Aug
9	Develop capacity to project field team for conduction one in one mentoring support for the 100 MSMEs and 10 VDOs for their business incubation and acceleration and develop a report	4th week Sep
10	Linking 100 MSMEs and 10 VDOs with potential new market for quality inputs, output sale or product diversification to maximize the production and income or adopting innovative business models and develop a report	4th week Sep
11	Signing MoU/JVA with two private sector partner and related VDOs/MSMEs for future market linkages interventions	1st week Oct
12	Ensure business investment and loan for 50 MSMEs and 4 VDOs from Financial Institutions and develop a report.	4th week Oct

## 8. Duration of the Assignment

This is a six-month long assignment which will start from 2nd May and continue till 31st October 2021. A total of 75 working days are tentatively required over the six months. This work plan may be revised considering situations related to the COVID19 outbreak or any political unrest.

## 9. 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 individual/firm.

## 10. Applicant Eligibility Criteria

Any qualified Individual Consultant or Firm can apply. Eligible candidates must meet the following criteria:

- University degree in Business, Economics, Social Science, International Development, or other relevant field
- A minimum of 8-10 years of progressively responsible experience in the financial industry,



business incubation and accelerator, market system and enterprise development.

- Experience to work with SMEs specifically on access to loan/capital from the formal sectors.
- Ability to communicate cross-culturally; collaborative nature.
- Personal commitment, efficiency and flexibility, together with the ability to work both independently under minimum supervision and with large diverse project teams.
- Excellent verbal and written English communication skills.
- Ability to create clear, logical data and other visualizations required.
- Ability and willingness to travel to remote areas

## 11. Schedule of Payment

The financial proposal should include the total cost of all deliverables including all travel to field locations. It is noted that Government VAT and tax regulation will be applied, 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 required for wire transfer);
- As per Government of Bangladesh VAT and tax regulation; International consultants are taxed at 15% VAT (on contract amount) and 20% IT (on contract amount +VAT); National consultants are taxed at 15% VAT and 10% IT
- Government VAT and tax regulation will be applied and iDE Bangladesh will deduct all relevant VAT and Tax at source as per GoB rule;
- 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 0.50% of the total agreement amount for each day of delay in submitting the report beyond the closing date of the agreement;
- The selected consultant/firm will abide by other terms and conditions of iDE Bangladesh.

### Payment Tranches

- 20% of the total payment amount will be paid on the submission and acceptance of **Deliverable 1 to 4**
- 40% of the total payment will be paid on the submission and acceptance of **Deliverable 5 to 8**
- 40% of total payment will be paid on the submission and acceptance of **Deliverable 9 to 12**

## 12. Bid Submission

The proposal should include:

- Cover letter (maximum one page)
- Technical Proposal (maximum two pages) which should include:
  - Understanding of the assignment and a detailed work-plan
  - Relevant experience of the consultant
  - Links to samples of previous work in a Google Drive folder
  - CV of the assigned key personnel, if a Consultant firm is submitting a proposal
- Financial Proposal: breakdown of cost estimates. This should include, but not be limited to accommodation, travel costs, food expenses, and other items needed for the consultancy.

Interested and qualified consultants/firms are asked to submit their Technical and Financial Proposals to [bangladesh.procurement@ideglobal.org](mailto:bangladesh.procurement@ideglobal.org). Please write "**Business Accelerator Consultancy**" in the subject line. The proposals should be submitted by **4:30 PM BST, 6 March 2021**. We are only able to consider electronic submissions.