

# Annex A | Terms of Reference

## Facilitating access to financial products and services for women-led/owned SMEs

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### 1. Background & Programme Overview

Women’s Economic Empowerment through Strengthening Market Systems (WEESMS) programme is a five-year (2016-2021) initiative funded by the Embassy of Sweden, designed to increase women’s participation in the labour market in rural and peri-urban Bangladesh, with a significant focus on reducing gender inequality in the country’s entrepreneurship ecosystem. The programme is being implemented through a partnership of iDE Bangladesh and The Asia Foundation across nine districts under the Khulna and Rangpur divisions of Bangladesh. During its inception phase, the programme conducted thorough market research to narrow down its focus from over hundreds of industries to specifically the sub-sectors of home textiles and jute diversified products, and processed and packaged foods.

The three outcomes of the WEESMS programme are:

1. Outcome 1: Increased number of women entrepreneurs and the growth of women-oriented/ led businesses (SMEs) in target sectors
2. Outcome 2: Improved women’s access to formal and informal productive employment opportunities in target sectors
3. Outcome 3: Increased retention rates of women in the labour market in target sectors

WEESMS programme is being implemented in 12 upazillas in 8 districts under 2 divisions. The following table details the programme’s geographical areas by division, district and upazilla level:

Division	District	Upazilla
Khulna	Khulna	Khulna Metropolitan
		Batiaghata
	Kushtia	Kushtia Sadar
		Kumarkhali
Jessore	Jessore Sadar	
Satkhira	Satkhira Sadar	
Rangpur	Rangpur	Rangpur Sadar
		Mithapukur
	Nilphamari	Saidpur
	Kurigram	Kurigram Sadar
Ulipur		
Thakurgaon	Baliadangi	

Disclaimer: iDE will not be liable for any loan/credit products between the FSP and SMEs.

## **2. Constraint Identification/Scenario Analysis**

A key component of SME business growth and expansion is having access to business financing. Across all stages of their life cycle, women SMEs require access to appropriate sources of financing for their growth. The learnings from WEESMS's implementation indicate that several schemes and financial products specifically targeted towards women SMEs exist in the market and yet they are underutilized in the rural areas. Difficulties in accessing finance for women SMEs have many reasons. They range from rural SMEs weaknesses in financial management, credit reporting systems, tedious loan application processes, etc. There appear to be structural barriers that impede rural women SMEs to the right financial product, including lack of knowledge on the different financial products available in the market and also lack of knowledge in the different documentation required for loan application. On the other hand, banks are often discouraged to lend to women SMEs as they lack data to assess and monitor the credit risks posed by rural women SMEs and higher transaction costs compared to larger corporate clients.

## **3. Objective of the assignment**

Access to Finance can be a transformative tool to unlocking the potential of SMEs growth and expansion. In light of these constraints, the project aims to explore new partnerships in order to facilitate linkages of SMEs with financial service providers to build the capacity of SMEs on loan documentation and thus increase the utilization of the existing financial products. This can be one of the pathways to address the gap in the demand side of the women SMEs and the supply side of the financial service providers.

iDE is seeking a financial service provider (FSP) to facilitate orientation for rural women SMEs on financial products and also build the capacity of rural women SMEs on documentation for loan applications. The specific objectives under this assignment would be to:

1. Facilitate orientation sessions for rural women SMEs on financial products and operations
  - Conduct ten orientation sessions on women SME loan product and embedded services
  - Documentation requirements to avail the loan
  - Preliminary assessment of the creditworthiness of women SMEs
  - Conduct four coaching sessions on improving creditworthiness
  - Aiding rural women SMEs in business facilitation services
2. Women Entrepreneur Platform
  - Develop an entrepreneur platform for facilitating business growth of rural women entrepreneurs
  - Support the forward market linkage creation for rural women entrepreneurs through at least two buyer-seller matchmaking events
  - Support the platform to organize regional fairs (for 40 SMEs) and national fairs (for 20 SMEs) for rural women entrepreneurs
3. Explore private-public dialogues with central bank and relevant stakeholders
  - Aid the project to explore areas of collaboration for policy advocacy in terms of Women SME financing

## **4. Timeframe**

The assignment is spread across twelve months, beginning 1st September 2019 until 31st August 2020 (tentative).

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## 5. Responsibilities of the Financial Service Provider Firm/Organization

- Understand the objective of the assignment through discussion with the programme team;
- Perform due diligence of the beneficiaries by studying relevant background materials on WEESMS and review them to grasp a better understanding of the programme's activities, targets, challenges, and opportunities;
- Perform due diligence of the women SMEs;
- Prepare a work plan for the total assignment in cooperation and collaboration with the programme staff.

## 6. Responsibilities of the WEESMS Programme

- Ensure that the financial service provider/organization fully understands the assignment objectives;
- Provide programme background, necessary documents and relevant reports to the firm;
- Support the financial service provider (FSP) in preparing the work plan for the assignment and its alignment with programme objectives;
- Support the financial service provider (FSP) in delivering the orientation sessions;
- Support the financial service provider (FSP) with buyer-seller match-making events and regional and national fairs, including help obtaining relevant venues;
- Policy Advocacy & Outreach Component of WEESMS – Invite senior management personnel as keynote speakers as specialist at Policy Dialogues/Advertorials/Press or Electronic Media;
- Promote the collaboration on mass media and social media (wherever applicable) and publish stories of challengers and success (as applicable).

## 7. Budget

The proposed budget shall include all costs incurred during the assignment period (format for the financial proposal is Provided-**Annex C**).

## 8. Deliverables

The tentative list of deliverables under this assignment include:

- 1) Selection criteria for rural women SMEs for orientation sessions
- 2) Monthly plan for conducting orientation sessions with rural women SMEs
- 3) Participant lists for orientation sessions conducted
- 4) Creditworthiness assessment tool of rural women SMEs
- 5) Coaching session plan to improve rural women SME's creditworthiness
- 6) Plan for buyer-seller matchmaking events
- 7) Plan for regional and national fair participation of rural women SMEs
- 8) Detailed list of loans (if any) facilitated by the financial service provider (including loan amount, interest rate, etc.) to rural women SMEs

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