

REQUEST FOR EXPRESSIONS

(CONSULTING SERVICES - FIRM SELE

DEVELOPMENT FINANCE PROJE

ASSIGNMENT TITLE: NIGERIA – TECHNICAL ASSISTANCE TO PARTICIPATING FINANCIAL INSTITUTIONS (PFIS) - MICROFINANCE BANKS, TO STRENGTHEN THEIR BUSINESS PROCESSES AND EXPAND THEIR LENDING TO TARGET MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs).

REFERENCE NUMBER: NG-DBN-231058-CS-QCBS

The Development Bank of Nigeria (DBN) has obtained a loan from the International Bank for Reconstruction and Development (IBRD) and intends to apply part of the proceeds of this loan to engage a qualified consulting firm for the implementation of Technical Assistance (TA) to ten (10) microfinance banks (five National and five State banks), aimed at strengthening their existing financing portfolios for Micro, Small and Medium Enterprises (MSMEs), through more appropriate offerings and improved processes. The goal of the technical assistance program is to expand their capacity to service more MSMEs, thereby supporting the DBN in achieving its key performance indicator – increasing the impact of financing on MSMEs. Profiles of the selected microfinance banks will be provided in the Request for Proposal stage which will be sent to short-listed firms, following this Expression of Interest stage.

An indicative list of the consulting services (“the Services”) to be provided to each of the ten microfinance banks over a period of seven (7) months includes:

1. Institutional Assessment and Formulation of TA Plan (3 weeks)
 - Review of existing business processes within each MFB to determine specific strengths, weaknesses, technical shortcomings and gaps, and capacity in lending to MSMEs.
 - Review of MSME products and services currently being offered by each MFB, including target segments, scope of engagement, limitations of products and services offered (terms, conditions, and requirements etc.).
 - Identification of areas where capacity building would be warranted including all the above listed business and other areas, and development of a detailed work plan for implementation of capacity building for each MFB. Work plans will outline measurable goals and objectives to be accomplished within a defined timeframe.
 - Draft Technical Cooperation Agreement to be signed between each of the microfinance banks and DBN, outlining agreed services to be provided, the microfinance banks' obligations under the technical assistance program, and envisaged reporting as regards outcomes.
2. Development of implementation plans (3 weeks).

Based on the gap areas identified, and the need analysis on each nominated PFI, a detailed framework of each business area addressed by the capacity building project should be developed for implementation. This stage will focus on:

 - Developing a robust framework for the Capacity Building Program that will support the PFIs in strengthening the business process areas identified.
 - Showing clear implementation plans for the framework designed across each specified business area.
3. Technical Assistance: Design and Implementation (5 Months).

This stage will involve the actual implementation of the TA program based on the identified needs and business gaps within the PFIs.
4. Monitoring & Evaluation of the TA programme (3 weeks and ongoing afterwards).

Whilst there will be monitoring & evaluation embedded in each of the preceding stages, it is expected that post implementation, there is a process to monitor and evaluate the entire program to ascertain effectiveness of the project. Specific tasks here will include:

 - Development of a test plan and test case for each business area covered by defining timelines as well as measurable qualitative and quantitative objectives of the program.
 - Test the monitoring and evaluation of the MFB's extended MSME offerings, process optimization and data quality evaluating the success at intervals, whilst adjusting as required.
 - Provide a periodic report as required (weekly, fortnightly, monthly) to the project team evaluating previous stages of the project implemented.
 - Undertake workshop for DBN management to present the results of the pilot for each of the banks.
 - Submit an assessment report summarizing achievements, lessons learned, both as regards the bank's engagement in the MSME market and as regards design of the technical assistance project across all the 4 stages. This report is to include a progress assessment designed to provide guidance and recommendations as to whether the respective MFB would stand to benefit from further program in similar or other business areas.
 - The report will also indicate if there will be a roll-over in engagement with the consultant for a second phase of TA with additional MFBs in partnership with DBN.

Details of the above outlined Services are described in the terms of reference which can be found on DBN's website at the following link bit.ly/PFITATOR

The DBN invites eligible consulting firms (“Consultants”) to indicate their interest in providing these Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform these Services.

The minimum shortlisting criteria are:

1. Evidence of at least 10 years experience with similar advisory projects related to MSME financing for Microfinance institutions.
2. Evidence of experience in optimizing the business processes of MFI's across various areas; risk management, product development, data analytics, information technology, compliance, business continuity planning, sustainability practices, corporate governance, and credit administration.
3. Evidence of demonstrated experience in setting up and training staff in MSME financing within Microfinance Institutions and of supporting banks to reach out to MSMEs across all sectors beyond their traditional client base, and utilization of digital solutions.
4. Evidence of extensive capacity building experience related to strengthening understanding and usage of appropriate (e.g., cash-flow based) lending techniques, use of digital solutions and process automation tailored to emerging market environments where MSME's financial record keeping and access to collateral is limited.
5. Demonstrated evidence of successful implementation of similar projects delivered to microfinance institutions in emerging markets; and
6. Experience on similar projects financed by international development institutions such as the World Bank Group, European Bank for Reconstruction and Development, and/or others as relevant.

The Consultant is expected to be able to conduct work on-site with the selected microfinance banks and will be responsible to secure all relevant facilities for project implementation (e.g., transport, accommodation, communication, etc.). The project would require some level of travel to the location of microfinance banks, as needed within the specified state to set up the project initiatives reaching the geographical zones where they can operate.

Interested Consultants should provide the following information as part of their Expression of Interest:

i) Firm qualifications and details of relevant experience specifically responding to each of the shortlist criteria above, including a brief description of the scope of the projects, the dates of implementation, budget and the funding organization.

ii) To illustrate achievement and sustainability, the expression of interest should indicate measurable results following each of the cited interventions (e.g., number of partner banks, volume and number of outstanding MSME loans per annum and over the period of the program, portfolio quality, average size of outstanding MSME loans, number of MSME loans per MSME loan officer and/or other relevant indicators).

The attention of interested Consultants is drawn to paragraph 1.9 of the World Bank's Guidelines: Selection and Employment of Consultants under IBRD and IDA Credits & Grants by World Bank Borrowers, May 2011, revised in July 2014 (“Consultant Guidelines”) setting forth the World Bank's policy on conflict of interest. Consultants may associate with other firms in the form of a joint venture or a sub-consultancy to enhance their qualifications. Each member of a Joint venture firm shall be reasonably qualified to undertake the assignment in case of withdrawal by any of the members.

A Consultant will be selected in accordance with the Quality and Cost Based Selection method set out in the Guidelines.

Further information can be obtained at the contact information below during office hours [0900 to 1700 hours Monday- Friday, local time].

Expressions of Interest must be submitted electronically to the following email address:
ndinwoke@devbankng.com
cc audit@devbankng.com
cc procurement@devbankng.com

Addressed to:
The Project Coordinator
Development Bank of Nigeria (DBN)
The Clan Place,
1386A, Tigris Crescent
Maitama, Abuja,
Nigeria.

All Expressions of Interest must be a maximum of 15 pages.

Submission Deadline: May 2, 2022