



TERMS OF REFERENCE (TOR)

Implementation of UNSHF Project

Client: Development Bank of Nigeria Plc.

Country: Nigeria

Terms of Reference (TOR) for Consultancy Services

United Nations Sanitation and Hygiene Fund Project

Issued by: Development Bank of Nigeria (DBN)

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I. Introduction

Development Bank of Nigeria (DBN) is seeking to engage a qualified consulting firm to provide targeted technical assistance (T.A.) to Micro Finance Institutions (MFIs) and capacity-building support to micro and small enterprises operating in the Sanitation and Hygiene sector. While there is growing interest in financing solutions for the sector, MFIs often lack the expertise to develop and manage sector-specific loan products, limiting their ability to extend credit to viable businesses. At the same time, micro and small enterprises struggle with financial access due to weak business structures, limited credit readiness, and inadequate knowledge of financing mechanisms. These challenges create a financing gap that constrains the expansion of sanitation and hygiene sector enterprises and their ability to serve communities effectively.

This consultancy will strengthen MFIs' ability to structure, deploy, and scale the sanitation and hygiene sector-related loan products while equipping micro and small enterprises with the necessary business development support to enhance financial sustainability and investment readiness. Additionally, it will explore scalable financing models, including consumer credit schemes, to improve access to finance, particularly for underserved businesses. This initiative aligns with DBN's commitment to improving financial accessibility, enterprise development, and the sustainability of financial services within the sanitation and hygiene sector.

2. Background

Access to finance remains a significant challenge for sanitation and hygiene sector enterprises in Nigeria. MFIs are often hesitant to lend to this sector due to a lack of familiarity with its business models, while micro and small enterprises frequently struggle with weak financial management, making them high-risk borrowers. The absence of tailored loan products further limits financing opportunities for sanitation and hygiene-focused enterprises.

Low-income households, particularly women, face additional barriers to accessing essential sanitation and hygiene sector services. Innovative financing solutions, including

consumer credit models are necessary to address affordability constraints and expand access to sanitation products and services.

This consultancy will bridge these gaps by equipping MFIs with the tools to finance sanitation and hygiene sector enterprises effectively while strengthening micro and small enterprises' capacity to access and utilize funding for sustainable business growth.

3. Objectives of the Assignment

The primary objectives of this consultancy are:

- Strengthening the capacity of MFIs to develop, deploy, and scale sector-specific loan products for sanitation and hygiene enterprises through innovative solutions, ensuring they can effectively assess, manage, and expand lending within the sector including support for the exploration of potential combined loan products with a menstrual health perspective.
- Enhancing the capabilities of micro and small enterprises by providing targeted capacity-building support, improving business viability, credit readiness, and access to tailored financial solutions including support for consumer credit scheme solutions through innovative solutions.

4. Scope of Work

The consultant will provide technical assistance to MFIs, capacity-building for micro and small enterprises, and explore financing solutions for underserved businesses in the sanitation and hygiene sector. The scope includes:

I. Stakeholder Engagement & Industry Collaboration

- Organize stakeholder meetings with relevant stakeholders to align on sector needs, financing gaps, and technical assistance strategies and to ensure complementarity as well as synergies to create a pathway to catalyze existing statelevel initiatives.
- Facilitate partnerships to integrate best practices into financial product development and build on sector specific lessons learnt.

2. Selection & Onboarding of MFIs and Micro and small enterprises

- Develop structured selection criteria aligned with project objectives to ensure inclusivity and impact-driven selection.
- Shortlist and onboard MFIs and Micro and small enterprises, ensuring alignment with the program's overall goals.
- Onboard selected Micro and small enterprises onto BizAid, ensuring access to tailored business support and financing readiness training.

3. Diagnostic Assessment & Business Model Refinement

- Conduct a detailed assessment of Micro and small enterprises' business models, financial structures, and operational challenges to tailor capacity-building interventions.
- Review MFIs' existing lending structures, risk appetite, and technical capacity to determine gaps in sanitation and hygiene sector financing.

4. Capacity-Building for Micro and small enterprises

- Develop and deliver a structured capacity-building curriculum via BizAid and inperson workshops.
- Provide business advisory support to Micro and small enterprises to improve financial management, operational efficiency, and market positioning.
- Support the development and implementation of consumer credit schemes to enable household financing solutions via sanitation and hygiene enterprises.

5. Technical Assistance for MFIs

- Support MFIs in structuring and scaling sanitation and hygiene sector-specific loan products.
- Provide training on risk assessment, product design, and financing models to improve credit accessibility for micro and small enterprises.
- Support the exploration of potential combined loan product solutions with a menstrual health perspective.

6. Monitoring, Evaluation & Reporting

- Establish clear performance metrics to track progress and refine interventions.

- Provide periodic project reports detailing key achievements, challenges, and recommendations.
- Conduct learning sessions and develop reports to support future DBN initiatives.

5. Work Plan and Timeline

The consultancy is expected to run for approximately 12 months, with the following timeline:

Month 1: Stakeholder consultations to assess needs and align project objectives.

Month 2: Issuance of Expressions of Interest (EOI), evaluation, and shortlisting of MFIs and micro and small enterprises, along with the design of training course content and structure.

Months 3-8: Delivery of capacity-building training for MFIs and micro and small enterprises. This includes virtual preliminary training, in-person workshops, 1:1 in-person training and post-training assessments.

Months 9-10: Pilot testing of financial products and business support services, alongside ongoing monitoring and technical assistance.

Months 11-12: Full rollout of tested solutions, final project evaluation, reporting, and recommendations for scaling successful initiatives. The consultancy will conclude with close-out meetings with key stakeholders.

6. Proposal Evaluation Criteria

The selection process will be based on the following weighted criteria:

Technical Approach and Methodology (40%):

- Understanding of the Assignment - Depth of insight into the challenges and opportunities of MFIs and MSEs in the sanitation and hygiene sector and Clear articulation of how the consultant will tailor the T.A. and capacity-building to local context and needs.
- Proposed Soundness, clarity, and practicality of the approach to deliver technical assistance and capacity-building; Use of participatory methods and scalable models; Consideration of gender, environmental sustainability, and financial inclusion.

- Work Plan and Deliverables - Realistic and well-structured implementation timeline; Clarity on key milestones, outputs, and delivery mechanisms.

Team Composition and Qualifications (Relevant Experience) (30%)

- Relevant expertise of proposed team members (finance, SME development, WASH, training, monitoring). Prior work in financial sector development, micro and small enterprises capacity building, or sanitation and hygiene sector financing (ensure to source additional expertise where needed to deliver on envisaged programme outcomes).
- CVs demonstrating previous experience with similar work

Institutional Capacity (20%)

- Ability to deliver results based on team expertise and past performance.
- Proven history of delivering similar projects (technical assistance, capacity building, MFI support, etc.).
- Experience working with donors, governments, NGOs, or development finance institutions.
- Partnerships and Networks: Established collaborations with local institutions, government agencies, or sector actors; Ability to leverage partnerships for fieldwork, outreach, or policy advocacy.

Innovation/Added Value (10%)

- Innovative tools, approaches, partnerships, or capacity-transfer mechanisms that go beyond the ToR requirements
- Knowledge transfer mechanisms (e.g., toolkits, manuals).

7. Submission Guidelines

Interested consultants should submit the following:

- A technical proposal detailing the methodology, work plan, sub-contracting modalities and expected impact.
- CVs of key personnel and organizational capability statements.
- Samples of past work related to capacity building and financial sector development as well as ideally, sanitation financing interventions for the Nigerian market.

8. Deadline for Submission

The deadline for the submission of Request for Proposal (RFP) is set for a two (2) weeks period, commencing on **11th June 2025** and closing on **28th June 2025**. All proposals must be submitted via email to audit@devbankng.com only. All requests for clarification should be directed to the Project Implementation Unit (PIU) at piu@devbankng.com from **11th June 2025** to **28th June 2025**.