

TERMS OF REFERENCE

Market Studies and Product Feasibility Studies to Improve MSME Access to Finance and Market Integration

I. BACKGROUND AND PURPOSE

Micro, Small, and Medium Enterprises (MSMEs) in Latin America and the Caribbean (LAC) account for 99% of businesses and 61% of formal productive employment, being critical motors for growth and social inclusiveness in the region. However, a significant number of MSMEs in the region tend to stay small, compete with a large informal sector, and have lower productivity than other larger firms in the region. This is mostly caused by the lack of knowledge about adequate productive investments and technologies and convenient financing alternatives. The microenterprise finance gap in LAC is estimated at \$718.8 billion, and the SME finance gap at \$4.5 trillion.

Given this context, the IDB is supporting financial intermediaries (banks and specialized financial service suppliers) and anchor companies inside value chains to develop adequate and competitive MSME financing solutions – including new financial products, instruments, methodologies and other financial services that enable access to finance for MSME and increase MSME integration in regional value chains.

II. OBJECTIVES

IDB is seeking to hire a firm to develop market assessments and product feasibility studies directed to generate cutting-edge knowledge through and for key players in the MSME ecosystem, including Financial Commercial Intermediaries (FCIs) or anchor companies (large companies who reach MSMEs through their value chain). These knowledge products shall allow them to better respond to MSME financing needs; improve or increase access to finance for MSMEs; assess new technologies to improve accessibility and affordability; and assess new market segments currently underserved.

III. KEY ACTIVITIES

Activities include:

- Analysis of key trends in the market
- Analysis of FCI/Anchor company current state
- Identification of potential opportunities to increase reach among MSMEs in the market. The opportunities identified shall be prioritized by scalability and replicability, to foster uptake within the broader MSME ecosystem in the region

- Feasibility and cost-benefit analysis of identified opportunities
- Digitalization readiness assessment
- Recommendations and build roadmaps for implementation

IV. EXPECTED OUTCOMES AND DELIVERABLES

- Market assessment(s)
- Current state assessment of FCI/ Anchor company in terms of products, services, processes and channels
- Evaluated and prioritized opportunities for servicing MSMEs
- Feasibility analysis
- Cost benefit analysis
- Digitalization readiness assessment
- Roadmap and recommendations for implementation of identified opportunities

V. SCHEDULE AND MILESTONES

To be determined according to specific needs

VI. REPORTING REQUIREMENTS

Consulting firm is expected to provide bi-weekly or monthly updates on progress made.

Draft deliverable shall be sent to IDB for review and comments. Firm shall incorporate comments and provide a final report for IDB final acceptance of the work. In addition, firm shall present findings to the hiring team, in person or virtually, depending on location of the firm.

VII. ACCEPTANCE CRITERIA

All Deliverables shall be in Spanish or English language and should be prepared in MS Word format, MS PowerPoint and/or MS Excel, as required, and should be submitted by e-mail in electronic form to the Project Manager. Zip files will not be accepted as final deliverables, due to Records Management Section regulations.

IDB Invest will have the opportunity to provide comments on all the deliverables. The consultant firm will provide draft and final versions of all products. The deliverables and products derived from these terms of reference will be considered acceptable once the comments and feedback given by the project manager are incorporated into the final product.

VIII. SUPERVISION AND REPORTING

The consulting firm will report to the Project Manager through periodic calls and email reporting.

The consulting firm and the project team will hold monthly meetings and provide email reports on the progress of the work. All reports, comments and instructions for changes will be approved by the program manager.

It will be the responsibility of the Firm to ensure that such meetings are held, and the reports are submitted to the Bank.

IX. PAYMENT SCHEDULE

The consulting firm will be contracted based on an agreed lump sum that includes all costs of the consultant team, and travel costs if applicable. Payments will be based on the milestones or deliverables of the project. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required.

Payments will occur in the following manner:

- X% upon signature of the Contract;
- X% upon receipt of deliverable X
- X% upon receipt of deliverable X
- X% upon receipt of deliverable X
- 40% upon receipt and acceptance of all final deliverables

TERMS OF REFERENCE

Innovative Financial Products, Systems, Practices, and Services Developed to Enhance Access to Finance from MSMEs

I. BACKGROUND AND PURPOSE

Micro, Small, and Medium Enterprises (MSMEs) in Latin America and the Caribbean (LAC) account for 99% of businesses and 61% of formal productive employment, being critical motors for growth and social inclusiveness in the region. However, a significant number of MSMEs in the region tend to stay small, compete with a large informal sector, and have lower productivity than other larger firms in the region. This is mostly caused by the lack of knowledge about adequate productive investments and technologies and convenient financing alternatives. The microenterprise finance gap in LAC is estimated at \$718.8 billion, and the SME finance gap at \$4.5 trillion.

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II. OBJECTIVES

IDB is seeking to hire a firm to develop, test and/or iterate innovative MSME financing solutions – including new financial products, instruments, methodologies and other financial services that enable access to finance for MSME and increase MSME integration in regional value chains. These innovations shall draw knowledge for key stakeholders in the region to better respond to MSME financing needs; improve or increase access to finance for MSMEs; assess new technologies to improve accessibility and affordability; and assess new market segments currently underserved.

III. KEY ACTIVITIES

Services may include the development of financial schemes; improving risk management systems; design new delivery channels, products and services; structure partnerships with Fintechs and other relevant digital providers; and recommend/design trainings accordingly.

[If product/service] Specific activities include:

- Development of prototypes
- Support on the testing of prototypes
- Analysis and inputs for iteration
- Recommendations and roadmap for scaling up

[If processes or systems] Specific activities include:

- Identification and development of improved policies and/or processes
- Digital strategy development, as applicable
- Support on the testing
- Analysis and inputs for iteration
- Recommendations and roadmap for scaling up

IV. EXPECTED OUTCOMES AND DELIVERABLES

- Work plan for implementation
- Monthly advance reports
- Prototype design or Policy/process design
- Digital strategy, as applicable
- Final report on activities, drawing lessons learned and recommendations for replicability and scaling up

V. SCHEDULE AND MILESTONES

To be determined according to specific needs

VI. REPORTING REQUIREMENTS

Consulting firm is expected to provide bi-weekly or monthly updates on progress made.

Draft deliverable shall be sent to IDB for review and comments. Firm shall incorporate comments and provide a final report for IDB final acceptance of the work. In addition, firm shall present findings to the hiring team, in person or virtually, depending on location of the firm.

VII. ACCEPTANCE CRITERIA

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IDB Invest will have the opportunity to provide comments on all the deliverables. The consultant firm will provide draft and final versions of all products. The deliverables and products derived from these terms of reference will be considered acceptable once the comments and feedback given by the project manager are incorporated into the final product.

VIII. SUPERVISION AND REPORTING

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It will be the responsibility of the Firm to ensure that such meetings are held, and the reports are submitted to the Bank.

IX. PAYMENT SCHEDULE

The consulting firm will be contracted based on an agreed lump sum that includes all costs of the consultant team, and travel costs if applicable. Payments will be based on the milestones or deliverables of the project. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required.

Payments will occur in the following manner:

- X% upon signature of the Contract;
- X% upon receipt of deliverable X
- X% upon receipt of deliverable X
- X% upon receipt of deliverable X
- 40% upon receipt and acceptance of all final deliverables

TERMS OF REFERENCE

CONSULTANCY SERVICES FOR TECHNICAL SUPPORT WITH IMPACT MEASUREMENT OF FINANCIAL INNOVATIONS

I. BACKGROUND AND PURPOSE

Micro, Small, and Medium Enterprises (MSMEs) in Latin America and the Caribbean (LAC) account for 99% of businesses and 61% of formal productive employment, being critical motors for growth and social inclusiveness in the region. However, a significant number of MSMEs in the region tend to stay small, compete with a large informal sector, and have lower productivity than other larger firms in the region. This is mostly caused by the lack of knowledge about adequate productive investments and technologies and convenient financing alternatives. The microenterprise finance gap in LAC is estimated at \$718.8 billion, and the SME finance gap at \$4.5 trillion.

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IDB is seeking to hire a consultant or a firm to provide technical support for impact measurement of a selected financial innovation. The consultant will be required to have strong knowledge of data collection (including surveys and focus groups discussions); experience with impact evaluation methods (preferably with financial institutions and/or anchor companies inside value chains); and working experience in Latin America/Central America.

II. THE TEAM

As part of the work the consultant will interact with impact evaluation specialists from the Development Effectiveness Division and MSMEs experts from the Advisory Services team at IDB Invest. If needed, the consultant will also have to coordinate activities with the evaluation or focal team from the Financial Intermediary/Anchor Company (from now on “IDB client”) as well as other consultants or firms that will be

hired to support the evaluation exercise, such as a firm with expertise in data collection, among others.

III. ACTIVITIES (WHAT YOU WILL DO)

Key activities to be conducted as part of this consultancy include:

- Provide technical support with the design of experimental and quasi-experimental evaluations tied to the proposed financial innovation.
- Provide technical support with quality control of SME surveys data collection, as agreed during the design of the experimental or quasi-experimental evaluation. As needed, support might be requested for strengthening IDB client data systems or supervising an external firm, with expertise in the collection of firm-level surveys, that will be hired by IDB. The consultant will provide technical advice to guarantee the rigurosity of data collection.
- Conduct data analysis and produce reports to summarize the results of the impact evaluation conducted. The reports should propose best practices to scale financial innovations.

IV. DELIVERABLES

The selected Consultant will conduct all the necessary activities for the successful completion of the consultancy and to deliver the following products:

1. **Methodological report for impact evaluation:** The consultant will present a draft of the methodological approach for the impact evaluation. Required activities include, but are not limited to:
 - a. Proposed methodology to evaluate the intervention;
 - b. Defining the main indicators to measure the success of the intervention piloted;
 - c. Conduct power calculation to determine the sample size;
 - d. Questionnaire design for baseline and follow-up data collection, as needed;
 - e. Defining the sampling strategy;
 - f. Ensuring that the timeliness of the proposed evaluation is consistent with the deployment of the financial innovation intervention;
 - g. Drafting a preliminary proposal;

Following feedback and recommendations received from IDB, the consultant will adjust the preliminary proposal and produce a final report.

2. **Supervision of data collection work:** The consultant will contribute in the supervision of the data collection needed for the impact evaluation. Depending on the type of data collected, this might be performed by a firm with expertise

in firm-level surveys. It might also involve advising IDB Client with strengthening current data systems. Required activities include, but are not limited to:

- a. Quality control of survey data collection (in the field and via desktop reviews).
- b. Regular reporting on progress and quality of data collected to IDB.
- c. Prepare a final report summarizing the results of the data collection process and the main aspects identified during supervision.

3. Data analysis and draft report of results from the impact evaluation:

Based on the analysis of data collected, a final report will be drafted that summarizes the main findings and provides recommendations for scaling-up the financial innovation. Required activities include, but are not limited to:

- a. Data analysis
- b. Writing the report

V. PAYMENT SCHEDULE

- Payment Schedule will be done in the following way:
 - 40% of contract value due upon contract signature and delivery of products 1 and 2
 - 60% of contract value due upon delivery of product 3 and 4

VI. ABILITIES REQUIRED

Education: Ph.D. in Economics, Applied Economics or related fields.

Experience: At least 5 years of experience conducting research and impact evaluation, preferably in areas related to financial inclusion, value chains, behavioral economics, or others related. A plus will be if the consultant has experience in Latin America and the Caribbean.

Languages: Spanish and English

VII. SUMMARY OF OPPORTUNITY

- Contract duration: 12 months from contract signature.
- Starting date: January 2020
- Location(s) of work: External consultants. If not local Consultant, field visits to the country of the evaluation must be included in the Consultant's scope of work
- Requirements: Consultant must be a citizen of one of the [48 member countries of IDB](#) and should not have any family members that currently work for IDB.
- Responsible teams at the IDB: IFD/CMF. With support from Development Effectiveness Division (DSP/DVF) and Advisory Services and Blended Finance Division (INO/NFP) at IDB Invest.

TERMS OF REFERENCE

CONSULTANCY SERVICES FOR LOGISTICS SERVICES FOR DISSEMINATION WORKSHOPS AND COMMUNICATION MATERIALS

I. BACKGROUND AND PURPOSE

Micro, Small, and Medium Enterprises (MSMEs) in Latin America and the Caribbean (LAC) account for 99% of businesses and 61% of formal productive employment, being critical motors for growth and social inclusiveness in the region. However, a significant number of MSMEs in the region tend to stay small, compete with a large informal sector, and have lower productivity than other larger firms in the region. This is mostly caused by the lack of knowledge about adequate productive investments and technologies and convenient financing alternatives. The microenterprise finance gap in LAC is estimated at \$718.8 billion, and the SME finance gap at \$4.5 trillion.

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IDB is seeking to hire a consultant or a firm to provide logistic support for organizing dissemination workshops and developing high impact communication materials. The consultant will be required to have extensive experience in the organization of events and in the design of high impact communication materials including digital and print communication resources and working experience in Latin America/Central America.

II. KEY ACTIVITIES

Key activities to be conducted as part of this consultancy include:

- Logistic support to organize workshops and events to disseminate knowledge and results from activities financed by the TC
- Coordinate and convene key stakeholders

- Produce high impact communication materials, both print and digital and in English and Spanish
- Develop a communication strategy and related KPIs to measure the reach and success of the communication campaign

III. EXPECTED OUTCOMES AND DELIVERABLES

The selected Consultant will conduct all the necessary activities for the successful completion of the consultancy and to deliver the following products:

1. Deliver a report on workshops organized: Required activities include, but are not limited to:

- a. List of attendees and contact information
- b. Report of activities conducted
- c. Budget and budget expense report

Following feedback and recommendations received from IDB, the consultant will adjust the preliminary proposal and produce a final report.

2. Communication strategy and materials: Required activities include, but are not limited to:

- a. Develop communication strategy and materials.
- b. Develop a series of digital and print resources to disseminate knowledge to relevant stakeholders.
- c. Regular reporting on progress of communication efforts to IDB.
- d. Prepare a final report summarizing the results of the communication strategy, and the main aspects identified during supervision as well as key lessons learned.

3. Communication strategy and materials: Required activities include, but are not limited to:

- a. Develop communication strategy and materials.
- b. Develop a series of digital and print resources to disseminate knowledge to relevant stakeholders.
- c. Regular reporting on progress of communication efforts to IDB.
- d. Prepare a final report summarizing the results of the communication strategy, and the main aspects identified during supervision as well as key lessons learned.

X. SCHEDULE AND MILESTONES

To be determined according to specific needs

XI. REPORTING REQUIREMENTS

Consulting firm is expected to provide bi-weekly or monthly updates on progress made.

Draft deliverable shall be sent to IDB for review and comments. Firm shall incorporate comments and provide a final report for IDB final acceptance of the work. In addition, firm shall present findings to the hiring team, in person or virtually, depending on location of the firm.

XII. ACCEPTANCE CRITERIA

All Deliverables shall be in Spanish or English language and should be prepared in MS Word format, MS PowerPoint and/or MS Excel, as required, and should be submitted by e-mail in electronic form to the Project Manager. Zip files will not be accepted as final deliverables, due to Records Management Section regulations.

IDB Invest will have the opportunity to provide comments on all the deliverables. The consultant firm will provide draft and final versions of all products. The deliverables and products derived from these terms of reference will be considered acceptable once the comments and feedback given by the project manager are incorporated into the final product.

XIII. SUPERVISION AND REPORTING

The consulting firm will report to the Project Manager through periodic calls and email reporting.

The consulting firm and the project team will hold monthly meetings and provide email reports on the progress of the work. All reports, comments and instructions for changes will be approved by the program manager.

It will be the responsibility of the Firm to ensure that such meetings are held, and the reports are submitted to the Bank.

XIV. PAYMENT SCHEDULE

The consulting firm will be contracted based on an agreed lump sum that includes all costs of the consultant team, and travel costs if applicable. Payments will be based on the milestones or deliverables of the project. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required.

Payments will occur in the following manner:

- Payment Schedule will be done in the following way:
 - 20% upon contract signature
 - 20% upon delivery of communication strategy
 - 20% after workshop 1 and after delivery of workshop report
 - 20% after workshop 2 and after delivery of workshop report
 - 20% upon delivery of final report

IV. REQUIREMENTS

Experience: At least 5 years of experience providing logistics services and designing high impact communication materials.

Languages: Spanish and English

TERMS OF REFERENCE

CONSULTANCY SERVICES FOR FINAL EVALUATION

I. BACKGROUND AND PURPOSE

Micro, Small, and Medium Enterprises (MSMEs) in Latin America and the Caribbean (LAC) account for 99% of businesses and 61% of formal productive employment, being critical motors for growth and social inclusiveness in the region. However, a significant number of MSMEs in the region tend to stay small, compete with a large informal sector, and have lower productivity than other larger firms in the region. This is mostly caused by the lack of knowledge about adequate productive investments and technologies and convenient financing alternatives. The microenterprise finance gap in LAC is estimated at \$718.8 billion, and the SME finance gap at \$4.5 trillion.

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IDB is seeking to hire a consultant to produce a final report or final evaluation of the activities conducted during the execution of the RG-T3495. The consultant will be required to engage different stakeholders that participated or were benefited by the TC activities to assess the results obtained through this TC and draw key lessons learned.

II. THE TEAM

As part of the work the consultant will interact directly with the Project Team Leader for IFD/CTI and will engage the Advisory Services team at IDB Invest. If needed, the consultant will also have to coordinate activities with the evaluation or focal team from the Financial Intermediary/Anchor Company (from now on “IDB client”) as well as other consultants or firms that were hired to support the TC activities.

III. ACTIVITIES (WHAT YOU WILL DO)

Key activities to be conducted as part of this consultancy include:

- Gather information of the TC activities through a series of interviews.
- Perform a desk review of documents related to the activities financed by the TC
- Review the deliverables produced by the different consultancy services to extract the key takeaways and lessons learned from each activity supported by the TC.
- Assess the effectiveness of the executing mechanisms during the implementation of the TC, identifying areas of opportunity and provide recommendations.
- Assess whether the results intended for this TC were achieved, and what can be done to increase impact in the region. Propose a series of activities that could complement and build on activities financed to bolster MSME access to finance in the region.
- Produce a final report, a presentation, a one pager, and an executive summary.
- The report should propose best practices to scale financial innovations and provide a series of recommendations for future similar activities.

IV. DELIVERABLES

The selected Consultant will conduct all the necessary activities for the successful completion of the consultancy and to deliver the following products:

1. Proposed Outline for Final Report

2. Draft Report: The consultant will present a draft of the final report. Required activities include, but are not limited to:

- a. Gather information of the TC activities through a series of interviews.
- b. Perform a desk review of documents related to the activities financed by the TC
- c. Review the deliverables produced by the different consultancy services to extract the key takeaways and lessons learned from each activity supported by the TC.
- d. Assess the effectiveness of the executing mechanisms during the implementation of the TC, identifying areas of opportunity and provide recommendations.
- e. Assess whether the results intended for this TC were achieved, and what can be done to increase impact in the region. Propose a series of activities that could complement and build on activities financed to bolster MSME access to finance in the region.

Following feedback and recommendations received from IDB Group, the consultant will adjust the preliminary proposal and produce a final report.

3. Final report: Required activities include, but are not limited to:

- f. Produce a final report, a presentation, a one pager, and an executive summary.
- g. The report should propose best practices to scale financial innovations and provide a series of recommendations for future similar activities. Proposed methodology to evaluate the intervention;

V. PAYMENT SCHEDULE

- Payment Schedule will be done in the following way:
 - 20% at delivery of proposed outline for final report
 - 20% at delivery of draft final report
 - 60% at delivery of final report at satisfaction of IDB

VI. ABILITIES REQUIRED

Education: Ph.D. in Economics, Applied Economics or related fields.

Experience: At least 5 years of experience conducting research and impact evaluation, preferably in areas related to financial inclusion, value chains, behavioral economics, or others related. A plus will be if the consultant has experience in Latin America and the Caribbean.

Languages: Spanish and English

VII. SUMMARY OF OPPORTUNITY

- Contract duration: 3 months from contract signature.
- Starting date: September 2022
- Location(s) of work: External consultants. If not local Consultant, field visits to the country of the evaluation must be included in the Consultant's scope of work
- Requirements: Consultant must be a citizen of one of the [48 member countries of IDB](#) and should not have any family members that currently work for IDB.
- Responsible teams at the IDB: IDF/CMF.