



The First MicroFinanceBank
اولین بانک قرضه های کوچک

REQUEST FOR EXPRESSIONS OF INTEREST (CONSULTING SERVICES - FIRM SELECTION)

Country: Islamic Republic of Afghanistan

Assignment Title: Youth Entrepreneurship

Duration of Assignment: Around four (4) months

Implementing Agency: The First MicroFinanceBank – Afghanistan (FMFB-A)

Duty Station: Kabul, Afghanistan

Ref No.: CF-YE-2020-001

Issuance Date: 3rd June, 2020

Closing Date: 23rd June, 2020

1. Background

1.1. FMFB Overview

The First MicroFinance Bank (FMFB-A) is part of Aga Khan Agency for Microfinance (AKAM) network which has programs in over 10 countries throughout the developing world. FMFB-A has obtained its commercial banking license and started operations in 2004. Our prime objective in Afghanistan is to contribute to poverty alleviation and economic development through the provision of sustainable financial services to the poor and underserved.

The Bank provides credit and saving products as well as domestic and international payment services. It focuses on micro-enterprises and small and medium business, and the creation of productive source of income and employment. Across the country, the Bank operates in 14 provinces. Banking activities are carried out throughout the network of 39 branches catering for Microfinance, SME and corporate clients.

1.2. Objective:

The purpose of this assignment is to facilitate FMFB-A for the development and provision of sustainable Youth Financing product compliant to market needs in order to support youth population in income generation and avail business opportunities within the country. From the assignment, FMFB-A intends to achieve the following objectives:

- a. To support employment opportunities for young population, through increase access to finance to support new or existing youth entrepreneurs in the major cities of Afghanistan such as Kabul, Herat and Mazar. It will reduce the vulnerability of volatility in their income and support them with their current micro and small business expansion.
- b. To identify partnerships to provide supplementary non-financial services to young entrepreneurs to enhance their business performance.
- c. To promote the culture of savings among youth with the introduction of Youth Friendly Savings accounts.

2. Assignment Scope:

The scope of work of this assignment will include 3 main parts described below:

Part 1: Market Demand Study

1. The consultancy firm will carry out an in-depth market demand assessment in the select cities to identify the following (but not limited to):
 - a. Socio-demographic characteristics of the youth population in 3 cities
 - b. Specific financing needs
 - c. Business start-up intentions and requirements and expansion/scale-up plans
 - d. Sources of funding available to them
 - e. Challenges to start-up and grow the business
 - f. Types of business they are interested in and why do they see it as a potential business
 - g. Level of understanding in starting and running a business
 - h. Level of understanding of financial services and its usage
 - i. challenges in accessing financing to date
2. The consultancy firm will assess the existing market situation of youth financial services- through interviews and discussion with FIs practitioners and financiers in the informal sector, to identify the following (but not limited to):
 - a. What are the forms of formal financing facility available to support young population getting finances? And what are the lessons learned from these existing experiences of provision of Youth Financing? Also considering the regulatory requirements.
 - b. What are the gaps in the provided/available financial services (both formal and informal) and what are the youth financing related demands?
 - c. Based on assessment of existing youth clientele, the survey, and the overall operating environment to what extent FMFB-A needs to make adjustments in their existing credit and savings policies & procedures, regulatory compliance, and technological changes to incorporate Youth Entrepreneurship Product in its product suite.
3. The Consultancy firm will conduct a survey with existing youth clientele of FMFB – for their suggestions as well for additional layer of information.

Part 2: Product Development Manual

Based on the findings of the Market Demand Assessment, the consultancy firm will develop the Youth loan product and Youth friendly savings product. The consultancy firm will produce Product Development Manual to include (but not limited to) the following aspects of the product:

- a. Product features
- b. Pricing considerations
- c. Policy amendments (if required suggest)
- d. Risk appetite
- e. Product performance projections (3 years)
- f. Cost benefit analysis to know financial viability of the product
- g. Retailing procedures
- h. Complementary services-client financial education required

- i. Pilot process

Part 3: Staff Training on Product Manual and Retailing Procedures

The consultant will impart in-person training to key staff of the select branches and head office on the product manual, pilot process and retailing procedures. The training is expected to last for 3 days to approx. 20 staff. The training methodology adopted has to be interactive, technically advanced with real life examples and scenarios to participants for them to better understand product and educating clients about the same and facilitate clients with their business setup.

3. Short listing Criteria

To qualify for the assignment, the consulting firm must itself and its assigned consultant/s must possess following:

- At least 7 years of experience of conducting Market Assessment studies for financial institutions, government authorities, social development sector or civil society institutions. Provide at least 2 sample of work in this respect.
- Demonstrated product development experience for financial institutions is a necessary requirement.
- Experience of conducting similar trainings in the past.
- Excellent interpersonal, data analysis, report writing and presentation skills.
- Knowledge of national financial sector, regulations, economic environment, and experience in work with conflict inflicted communities will be added advantage.

4. Method of Selection

A firm will be selected through Selection Based on the Consultants' Qualifications (CQS) method in accordance with the procurement guidelines for Selection and Employment of Consultants under IBRD loans and IDA credits and Grants, January, 2011, revised July.

5. Submission of EOI

Expressions of interest must be delivered in a written form to the address below (in person, by mail, or by e-mail) by 23rd June, 2020 at 14:00 Hours (Kabul Local Time).

Further information in respect to this REOI can be obtained at the address below by email or in person during office hours [08:00-16:00 Hours].

Mohammad Muhib Kabiri

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