

TERMS OF REFERENCE

APRIL 2024

ASSESSING THE IMANZI BUSINESS INSTITUTE TRAINING SERVICES OFFER

Terms of reference for consulting services in the framework of the project “Strengthening Rwandan MSMEs development through inclusive finance 2024-2026”

CONTENTS

- List of acronyms 3
- 1. Background 4
 - 1.1. About ADA..... 4
 - 1.2. Project summary 4
- 2. Objectives of the consultancy assignment 5
- 3. Methodology 6
 - 3.1. Scope of the study..... 6
 - 3.2. Activities to be carried out 6
- 4. Deliverables..... 6
- 5. Implementation 7
 - 5.1. Role and responsibilities of ADA and PSF/IBI 7
 - 5.2. Budget 7
 - 5.3. Calendar 7
 - 5.4. Submission of the proposal 7
 - 5.5. Selection of the consultant 8

LIST OF ACRONYMS

ADA	Appui au développement autonome
AFR	Access to Finance Rwanda
IBI	Imanzi Business Institute
MSMEs	Micro, Small, and Medium-sized Enterprises
PSF	Private Sector Federation
TOR	Terms of Reference

1. BACKGROUND

1.1. ABOUT ADA

ADA (Appui au développement autonome) is a Luxembourgish, non-governmental organisation that has been increasing the autonomy of vulnerable people in Africa, Latin America, and Asia with inclusive finance since 1994, thereby contributing to achieving the sustainable development goals.

ADA leverages its resources and expertise to innovate, support local partners, implement technical support programmes, give investment advice, and manage knowledge to positively and sustainably impact targeted populations.

ADA's activities focus on three main topics: youth entrepreneurship, agricultural and forestry value chains as well as access to basic services. These activities touch upon three transversal themes: climate change, gender, and the use of digital technologies.

In organisational terms, the team includes around 45 employees and a dozen project advisors in the field. ADA manages an average annual budget of 15 million euros.

The Luxembourg Development Cooperation has been actively supporting ADA's work since its creation in 1994, through co-financing, grants, and mandates. ADA also partners with the Luxembourg Development Cooperation Agency, LuxDev, in countries where the Luxembourg Development Cooperation is active.

1.2. PROJECT SUMMARY

Micro, Small, and Medium-sized Enterprises (MSMEs) are the backbone of Rwanda's private sector. However, these enterprises face a number of challenges such as limited access to loans from financial institutions, inadequate financial solutions, and a lack of capacity and skills. To address these issues, LuxDev and ADA are collaborating on a three-year project that aims to increase financing for bankable MSME projects in Rwanda. The overall target will be on marginalized segments, including youth and women-led enterprises, those in the agriculture sector, and those with an impact-driven orientation.

Two key local partners, the Private Sector Federation (PSF) and Access to Finance Rwanda (AFR), will play pivotal roles.

- PSF, as an umbrella organization uniting ten professional chambers organized under five clusters, will work with its Imanzi Business Institute to support MSMEs through skills training and capacity building in the areas of access to finance.
- AFR will provide technical assistance through the Terimbere MSME Village acting as a one-stop shop for tailored investment readiness support. The Village will conduct diagnostics, connect SMEs with qualified and approved business service providers, and facilitate access to SME centric financing, develop networks, and offer financial support through the Terimbere Village Catalytic Fund.

The project is expected to yield the following outcomes:

- **Outcome1.** MSMEs, especially youth or women-led or owned agribusinesses, are investment ready.
--> Output 1: Selected business development service providers support MSMEs to become investment ready.
- **Outcome 2.** SMEs, especially those led or owned by youth or women or with an impact focus, access innovative financial solutions adapted to their needs.
--> Output 2: Selected financial institutions offer innovative solutions adapted to the needs of MSMEs

The first output “*Selected business development service providers support MSMEs to become investment ready*” aims to empower MSMEs, including those led by youth and women in the agribusiness sector, to not only enhance their investment readiness but also to thrive in a supportive ecosystem that encourages sustainable growth and development. The comprehensive approach encompasses capacity building, financial linkages, and collaborative learning.

This output targets 200 entrepreneurs selected among PSF members, with 50% of them being women, who will improve their investment readiness:

- All of them will receive comprehensive entrepreneurship support through PSF’s Imanzi Business Institute and Agriculture cluster.
- Among these, 100 SMEs will undergo individualized assessments of their investment readiness to ensure a response tailored to their needs through Terimbere Village.
- 50 of them will then be provided with access to tailored business development services through AFR’s Terimbere SME Village and linked with suitable financing solutions available on the market.

The first activity foreseen to achieve this output is to assess the current entrepreneurship support services offered by PSF to support MSMEs and to identify any improvement needed to answer the needs of PSF members.

2. OBJECTIVES OF THE CONSULTANCY ASSIGNMENT

The overarching aim of the consultancy assignment is to evaluate the services offered by PSF supporting its members MSMEs to grow and become investment ready.

This comprehensive analysis will address seven specific questions outlined below:

Question 1: Who are the Entrepreneurs Served by PSF

1.1 Clarify their profile

- Sector or sub-sector of activity
- Stage of Business Development:
 - Newly established businesses in the start-up phase
 - Businesses in the expansion phase but not fully established
 - Established companies seeking to fortify their market position
 - Other, please specify
- Geographical Area:
 - Rural
 - Urban
- Type of Entrepreneur:
 - Champions
 - Young Entrepreneurs
 - Women Entrepreneurs
 - Entrepreneurs with Disabilities
 - Other, please specify
- Level of support needed:
 - Entrepreneurs in their initial stages requiring comprehensive assistance
 - Entrepreneurs with some experience seeking skill enhancement
 - Experienced Entrepreneurs looking for specific strategic support
 - Other, please specify

1.2 What is their membership path within PSF structures?

Question 2: What are the different services offered by PSF to the entrepreneurs and their impact, especially on business operators from the agriculture sector?

Question 3: What are their needs in terms of investment readiness?

Question 4: How PSF addresses MSMEs' investment readiness needs through its services?

- 4.1 How efficient are PSF services related to investment readiness?
- 4.2 How does Imanzi's work align with and complement the clusters in this regard?

Question 5: How can the current offer be enhanced?

- 5.1 Confirm the unique selling proposition of Imanzi (what is Imanzi core services offer in regard to other PSF entities and other BDS providers) and determine which elements should be specifically tailored for agriculture, specifying focus crops.
- 5.2 Suggest strategies for Imanzi and other clusters to improve the coordination of these efforts.
- 5.3 Propose specific actions for improving existing services and developing new ones, including staff trainings if needed.
- 5.4 Develop a comprehensive action plan encompassing the identified elements/interventions.

Question 6: Provide a concise overview and mapping of relevant private sector service providers in the ecosystem.

3. METHODOLOGY

3.1. SCOPE OF THE STUDY

This initial phase entails a comprehensive assessment of PSF's services offer, with a specific focus on IBI and the agriculture cluster.

The detailed assessment will encompass institutional and organizational capacities, the training catalogue — emphasizing entrepreneurship skills development — and agriculture-specific skills enhancement, alongside an assessment of delivery capabilities.

The resulting action plan will provide a detailed roadmap for the implementation of the identified recommendations.

3.2. ACTIVITIES TO BE CARRIED OUT

- Review documentation provided by PSF.
- Desk research.
- Prepare interview questionnaires.
- Organize and conduct interviews with
 - PSF relevant staff
 - PSF members (especially, specialised and Agriculture clusters)
 - Other players from the entrepreneurship sector
 - Other stakeholders as relevant

4. DELIVERABLES

The assignment will result in:

- Inception report following the signing of the contract including adjusted methodology, work plan and list of stakeholders that will be interviewed (individual and institutions), to be validated by ADA and PSF.
- Draft Report of the assessment including

- An executive summary
- A reminder of the objectives
- A brief description of the methodology and limitations
- A presentation of the findings addressing the six questions outlined in section 2
- Recommendations and actions to be undertaken.
- Annexes if needed.

The report should not exceed 30 pages (without annexes).

The draft report will be presented to ADA and PSF during an online session.

- Final Report after incorporating the comments/inputs from PSF/ADA
- An action plan for the implementation of the recommendations
- A presentation of the final report to relevant stakeholders

5. IMPLEMENTATION

5.1. ROLE AND RESPONSIBILITIES OF ADA AND PSF/IBI

ADA and PSF will be responsible for:

- Selection of the consultant for the assignment (ADA & PSF)
- Signing and financing the assignment contract (ADA)
- Validation of the inception report (ADA & PSF)
- Facilitation of contact with the partners and stakeholders to be interviewed (PSF)
- Participation in the presentation of the draft report and provision of comments (ADA & PSF)
- Validation of the action plan (ADA & PSF)

5.2. BUDGET

The expected working time for this assignment is 30 working days.

5.3. CALENDAR

The timetable to be followed:

Step	Deadline
Receipt of proposals	29.04.2024
Announcement of the selected offer	08.05.2024
Signing the contract	14.05.2024
Kick-off meeting	14.05.2024
Sending of support documentation by PSF	14.05.2024
Submission of inception report detailing the approach and the assessment tools	21.05.2024
Submission of the interim report	16.06.2024
Sharing of comments by PSF & ADA	19.06.2024
Delivery of the final report (first draft)	28.06.2024
Reporting and discussion of results with PSF & ADA	30.06.2024
Delivery of the final report (final version)	03.07.2024

5.4. SUBMISSION OF THE PROPOSAL

The response to this call must be sent to ADA by email no later than 29.04.2024.

The email must include the following attachments:

- A technical proposal including an outline of the recommended approach and methodology to conduct the assessment, a tentative work plan for the assignment and list of stakeholders to be interviewed.

- A financial proposal.
- CV(s) of the proposed consultant(s) and in the case of a team specify the division of roles and the incumbent; The CV should outline the consultant's level of education, qualification and experience, and language proficiency.
- References to previous work done on the topic.
- Any other element deemed useful.

The email should be sent to both of the following persons:

- *deus@ibi.org.rw*
- *s.hartman@ada-microfinance.lu*

5.5. SELECTION OF THE CONSULTANT

Technical proposals will be evaluated against the following criteria:

- Understanding of the TOR
- Adequacy of the proposed work plan and methodology
- Key expert(s)' qualification and experience for the assignment
- References

The financial proposal will contribute 20% to the final selection of the consultant.



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