

# Amendment to Request for Proposal

**Amendment number:** 1  
**Reference Request for Proposal Number:** RFP-CATALYZE-WBR-2024-0406

**Amendment effective date:** May 31, 2024

**Description of Amendment:**

1. This amendment serves to modify the questions deadline to June 3<sup>rd</sup>.
2. This amendment serves to modify the applications deadline from May 30<sup>th</sup> to June 7<sup>th</sup>.

## Request for Proposal (RFP)

Subject RFP #:	RFP-217772-WBR-2024-0406
RFP Issue Date:	May 16, 2024
Terms of Reference / Specifications:	
Project	CATALYZE Innovative Blended Finance
The Company	Palladium International, LLC
Country of Performance	Sri Lanka
Closing Date and Time	June 7, 2024
Questions Deadline	<input checked="" type="checkbox"/> Accepted at <a href="mailto:catalyze.procurements@thepalladiumgroup.com">catalyze.procurements@thepalladiumgroup.com</a> with a copy to <a href="mailto:maria.furtado@thepalladiumgroup.com">maria.furtado@thepalladiumgroup.com</a> by 5PM EST on June 3, 2024 (Washington DC time) <input type="checkbox"/> N/A
Bidders' Conference	<input type="checkbox"/> Insert Date, Time, and Place Here <input checked="" type="checkbox"/> N/A
Details for Submission	Submissions will be accepted: <input checked="" type="checkbox"/> Electronically: email to <a href="mailto:catalyze.procurements@thepalladiumgroup.com">catalyze.procurements@thepalladiumgroup.com</a> with a copy to <a href="mailto:maria.furtado@thepalladiumgroup.com">maria.furtado@thepalladiumgroup.com</a> <input type="checkbox"/> In hard copy (sealed bids)
Offer Validity Period	90 days

Thank you for your interest in the above procurement. As implementer for the CATALYZE Innovative Blended Finance Project funded by United States Agency for International Development (USAID), Palladium invites you to submit a proposal for the scope of work attached in Annex A. Your proposal must be valid for the Validity Period.

Please email your notice of intention to submit a proposal by the Questions Deadline. Answers to questions shall be distributed to all offerors that have indicated an intention to submit a proposal by the deadline.

Please submit your proposal in accordance with the Details for Submission above by the Closing Date and Time. This RFP in no way obligates Palladium to award a contract nor does it commit Palladium to pay any cost incurred in the preparation and submission of a proposal. Palladium bears no responsibility for data errors resulting from transmission or conversion processes.

Yours sincerely,

CATALYZE Procurement Team

## Terms and conditions

### 1. Proposal Conditions

By submitting a proposal, potential suppliers are bound by these terms and conditions. Potential suppliers must submit offers with all details provided in English and with prices quoted in a single currency.

### 2. Proposal Lodgement

The Company may grant extensions to the Closing Time at its discretion. The Company will not consider any quotes received after the Closing Time specified in the RFP unless the Company determines to do so otherwise at its sole discretion.

### 3. Evaluation

The Company may review all proposal to confirm compliance with this RFP and to determine the best proposal in the circumstances.

### 4. Alterations

The Company may decline to consider a proposal in which there are alterations, erasures, illegibility, ambiguity or incomplete details.

### 5. The Company's Rights

The Company may, at its discretion, discontinue the RFP; decline to accept any proposal; terminate, extend or vary its selection process; decline to issue any contract; seek information or negotiate with any potential supplier that has not been invited to submit a proposal; satisfy its requirement separately from the RFP process; terminate negotiations at any time and commence negotiations with any other potential supplier; evaluate proposals as the Company sees appropriate (including with reference to information provided by the prospective supplier or from a third party); and negotiate with any one or more potential suppliers.

### 6. Amendments and Queries

The Company may amend, or clarify any aspect of the RFP prior to the RFP Closing Time by issuing an amendment to the RFP in the same manner as the original RFP was distributed. Such amendments or clarifications will, as far as is practicable be issued simultaneously to all parties.

Any queries regarding this RFP should be directed to the Contact Person identified on the cover page of this RFP.

### 7. Clarification

The Company may, at any time prior to execution of a contract, seek clarification or additional information from, and enter into discussions and negotiations with, any or all potential suppliers in relation to their proposals. In doing so, the Company will not allow any potential supplier to substantially tailor or amend their proposal.

### 8. Confidentiality

In their proposal, potential suppliers must identify any aspects of their proposal that they consider should be kept confidential, with reasons. Potential suppliers should note that the Company will only agree to treat information as confidential in cases that it considers appropriate. In the absence of such an agreement, potential suppliers acknowledge that the Company has the right to disclose the information contained in their proposal.

The potential supplier acknowledges that in the course of this RFP, it may become acquainted with or have access to the Company's Confidential Information (including the existence and terms of this RFP and the TOR). It agrees to maintain the confidence of the Confidential Information and to prevent its unauthorised disclosure to any other person. If the potential supplier is required to disclose Confidential Information due to a relevant law or legal proceedings, it will provide reasonable notice of such disclosure to the Company. The parties agree that this obligation applies during the RFP and after the completion of the process.

### 9. Alternatives

Potential suppliers may submit proposals for alternative methods of addressing the Company's requirement described in the RFP where the option to do so was stated in the RFP or agreed in writing with the Company prior to the RFP Closing Time. Potential suppliers are responsible for providing a sufficient level of detail about the alternative solution to enable its evaluation.

### 10. Reference Material

If the RFP references any other materials including, but not limited to, reports, plans, drawings, samples or other reference material, the potential supplier is responsible for obtaining the referenced material and considering it in framing their proposal. And provide it to the Company upon request.

### 11. Price/Cost Basis

Prices or costs quoted must show the tax exclusive price, the tax component and the tax inclusive price.

The contract price, which must include any and all taxes, supplier charges and costs, will be the maximum price payable by the Company for the Goods and/or Services.

### 12. Financial information

If requested by the Company, potential suppliers must be able to demonstrate their financial stability and ability to remain viable as a provider of the Goods and/or Services over the term of any agreement.

If requested by the Company, the potential supplier must promptly provide the Company with such information or documentation as the Company reasonably requires in order to evaluate the potential supplier's financial stability.

### 13. Referees

The Company reserves the right to contact the potential supplier's referees, or any other person, directly and without notifying the potential supplier.

### 14. Conflict of interest

Potential suppliers must notify the Company immediately if any actual, potential or perceived conflict of interest arises (a perceived conflict of interest is one in which a reasonable person would think that the person's judgement and/or actions are likely to be compromised, whether due to a financial or personal interest (including those of family members) in the procurement or the Company).

### 15. Inconsistencies

If there is inconsistency between any of the parts of the RFP the following order of precedence shall apply:

- (a) these Terms and Conditions;
- (b) the first page of this RFP; and
- (c) the Schedule

so that the provision in the higher ranked document will prevail to the extent of the inconsistency.

### 16. Collusion and Unlawful Inducements

Potential suppliers and their officers, employees, agents and advisors must not engage in any collusive, anti-competitive conduct or any other similar conduct with any other potential supplier or person or quote any unlawful inducements in relation to their proposal or the RFP process.

Potential suppliers must disclose where proposals have been compiled with the assistance of current or former the Company employees (within the previous 9 months and who was substantially involved in the design, preparation, appraisal, review, and or daily management of this activity) and should note that this may exclude their proposal from consideration.

Potential suppliers warrant that they have not provided or offered any payment, gift, item, hospitality or any other benefit to the Company, its employees, consultants, agents, subcontractors (or any other person involved in the decision-making process relating to this RFP) which could give rise to a perception of bribery or corruption in relation to the RFP or any other dealings between the parties.

### 17. Jurisdiction

This RFP shall be subject to the laws of the District of Columbia, United States of America. The language of the arbitration will be English.

The Potential Supplier and the Company will use their best efforts to settle amicably any dispute, controversy, or claim arising out of, or relating to this RFP or the breach, termination, or invalidity thereof. If no agreeable settlement can be found, any dispute, controversy, or claim arising out of or relating to this RFP or the breach, termination, or invalidity thereof, shall be settled by mediation through the American Arbitration Association by filing a request for mediation with the AAA and the other party. The Parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute.

## Company Information

Palladium is a global leader in the design, development and delivery of Positive Impact — the intentional creation of enduring social and economic value. We work with corporations, governments, foundations, investors, communities and civil society to formulate strategies and implement solutions that generate lasting social, environmental and financial benefits.

## Project Background

The CATALYZE Blended Finance Mechanism is a \$250 Million, 8-year contract (5-year base period, with a single 3 year option period) which uses a facilitated partnership model to craft solutions to crowd in \$2 Billion in blended finance (i.e. blended concessional and commercial finance) to USAID partner countries and initiatives. CATALYZE allows USAID Bureaus and Missions to efficiently deploy investment facilitation solutions that respond to the needs of specific sectors, issues, and geographies. Initial programs focus on education finance to implement sustainable education business models serving low-income communities, and achievement of the W-GDP objectives, but the mechanism can be applied to any development challenge or region.

Under the USAID CATALYZE project, the CATALYZE Women Building Resilience (WBR) Activity has the objective of increasing women's economic opportunities worldwide through increasing access to finance for women-owned small and medium-owned enterprises (W-MSMEs). Through its work, CATALYZE WBR helps its financial institution partners understand how to better serve W-MSMEs.

## Purpose

CATALYZE WBR seeks to contract a firm that can conduct an internal portfolio analysis (phase 1) and market research (phase 2) to support the Sri Lankan NBF in developing a gender-focused customer value proposition (phase 3); adapting or developing additional financial products and/or non-financial services for W-MSMEs (phase 4); support in the development of an operational plan for embedding the CVP and targets for reaching W-MSMEs (phase 5); and, finally, build capacity of the staff of the NVFI to roll-out the CVP and operational plan (phase 6).

A complete scope of work is attached as Annex A.

## Type of Contract

Palladium intends to issue a Firm Fixed Price subcontract to the selected offeror.

## Anticipated Contract Period of Performance

The subcontract will be for a period of 90 days and is expected to start on June 17, 2024.

## Place of Performance

The activities to be performed under this contract will take place in Sri Lanka.

## Key Deliverables and Timeline

The Subcontractor will deliver the following deliverables:

#	Deliverable	Due Date	Payment %
1	Work plan and focus group discussion and in-depth interview guides.	15 calendar days after the subcontract is signed	10% of total subcontract amount
2	Internal Portfolio Analysis report that details the profiles of existing W-MSME clients and recommends how the NBF can build upon its base of W-MSME clients to expand its	30 calendar days after the subcontract is signed	10% of total subcontract amount

	portfolio through its existing products and offerings that are already popular with them.		
3	<p>Market Research Report that details:</p> <ul style="list-style-type: none"> <li>• Methodology used for FGD and in-depth interviews</li> <li>• Findings of the market research regarding what products and services are sought by W-MSMEs and their preferred pathways for NBFi engagement.</li> <li>• Recommendations for actionable steps the NBFi can take to implement these findings</li> </ul>	48 calendar days after the subcontract is signed	15% of total subcontract amount
4	<p>Market scan and competitor mapping which include the following:</p> <ul style="list-style-type: none"> <li>• Brief market scan to identify what financial and non-financial services are available to W-MSMEs in Sri Lanka (including products that target and do not target W-MSMEs specifically)</li> <li>• Map competitor positioning in order to identify market gaps that could be filled by the NBFi. The competitor map must include the following financial institutions: NDB Bank, Nations Trust Bank, Sampath Bank, HNB, People's Leasing, Commercial Credit, LB Finance, LOLC, and Central Finance.</li> </ul>	55 calendar days after subcontract sign	15% of total subcontract amount
5	<ul style="list-style-type: none"> <li>• Customer Value Proposition (documented in a PowerPoint), which is based on the findings of deliverables #2-4 and positions the NBFi to be responsive to the needs and wants of W-MSMEs, which differentiating it from other NBFis in the market</li> <li>• Strategy for operationalizing the CVP within the bank, including recommendations for training staff, developing marketing materials, etc.</li> </ul>	65 calendar days after the subcontract is signed	20% of total subcontract amount
6	<p>Financial Product and Non-Financial Services Recommendations which include:</p> <ul style="list-style-type: none"> <li>• An outline of how current financial products and non-financial services, including the platform prototype, could be adapted in order to reflect the CVP and the results from the market research</li> <li>• Key messages and channels for communicating the product and CVP with W-MSMEs.</li> <li>• A road-map of additional financial products and/or non-financial services the NBFi should consider</li> </ul>	80 calendar days after the subcontract is signed	10% of total subcontract amount

	implementing in the next 12-18 months to further increase W- SMEs' access to finance within the NBF1.		
7	<ul style="list-style-type: none"> <li>Operational Guide in Microsoft Word including key performance indicators aligned to investor requirements (including the United States Development Finance Corporation, hereafter DFC), timelines for monitoring progress against KPIs, internal processes for communicating KPIs at all levels of the organization and measuring process against them, roles and responsibilities for achieving KPIs, and an incentive scheme to motivate staff to meet and/or exceed targets, among other topics.</li> </ul>	80 calendar days after the subcontract is signed	10% of the total subcontract amount
8	<ul style="list-style-type: none"> <li>Content from training-of-the-trainers sessions for trainers focusing on HQ staff and branch staff respectively.</li> <li>Attendance sheets from training conducted with three (3) trainers.</li> </ul>	90 days after the subcontract is signed.	10% of the total subcontract amount

**Instructions to Offerors**

Separate technical and cost proposals must be submitted by email no later than the time and date specified on the cover page.

**1. Technical Proposal**

For the technical proposal, the offeror must submit:

- (a) Cover letter with the following information:
  - 1. Firm contact info and address
  - 2. Type of company or organization
  - 3. Unique Entity Identification (UEI) Number (Company must have a UEI number or obtain one within 5 days of being notified of selection)
  - 4. Signed by an authorized representative of the company
- (b) Background on the firm and relevant expertise (max 1 page)
- (c) Technical Proposal & Management Approach (max 3 pages)
- (d) Proposed work plan showing how the firm would execute this project including a timeline (max 2 pages)
- (e) Description of relevant projects previously performed by the firm, demonstrating experience in (max 4 pages):
  - a. Conducting market research, developing customer value propositions, and advising on financial product development within the financial sector in Sri Lanka. Preference will be given to those applicants who have specialized experience in gender lens financing and SME finance.
  - b. Designing and implementing focus groups
  - c. Conducting key informant interviews
  - d. Synthesizing findings of Focus Group Discussions (FGD) and key informant interviews into strategy recommendations
- (f) Contact details for three referees (max 1 page)
- (g) No more than three (3) key personnel CVs detailing at least 3 years of experience relevant to the objectives and tasks of this SOW.
- (h) All supporting documentation specified below in the pass/fail evaluation criteria.

**2. Cost Proposal**

Offerors must submit a cost proposal. CATALYZE will provide a budget template upon request through catalyze.procurements@thepalladiumgroup.com. The cost proposal consists of:

- (a) Budget in Microsoft Excel with all formulas visible (unlocked)
- (b) Accompanying Word Document with all cost assumptions and explanations

Key assumptions

- Budget in US Dollars (since the project is HQ-based, the contract will need to be in USD).
- All prices are to be inclusive of relevant taxes
- Separate unit cost and number of units
- Break down activity costs into as much detail as possible
- Offeror should budget for:
  - Defense Base Act (DBA) insurance in accordance with FAR 52.228-3, as applicable.

The selected offeror will be required to complete the Due Diligence Questionnaire (attachment 1), the FFATA form (attachment 2), the Certifications and Representations document (attachment 3), the Anti-Corruption Questionnaire (attachment 4) and provide a UEI number within 5 days of being notified of selection.

### Submission of Offers

Electronic proposals must be submitted by sending two separate emails, one for technical proposal and one for cost proposal with the RFP number in the subject lines. If submitting in hard copy, the technical proposal and cost proposal must be in separate sealed envelopes. Mark envelopes with the RFP number and offeror's name. Ensure all required documents are attached. The RFP number can be found on the cover page.

Offers received past the deadline stated on the cover page will be deemed non-responsive and will not be considered for award.

### Evaluation and Award Process

Proposals will be evaluated using a best value trade off methodology. This is a three-stage process.

- (1) The first set of criteria is graded on a pass/fail basis. Offerors must meet the following minimum eligibility qualification criteria and provide supporting documentation:

	Requirement	Supporting Documentation
(a)	Must be a registered legal entity in Sri Lanka for a minimum of one year	Copy of certificate or articles and memorandum of associate
(b)	Must not have any active exclusions from the working with the US government ( <a href="http://www.sam.gov">www.sam.gov</a> ), the UN (Sanctions List), or the US Department of the Treasury Office of Foreign Asset Control	N/A
(c)	Must have experience conducting market research, developing customer value propositions, and advising on financial product development within the financial sector in Sri Lanka..	Technical proposal (e) Description of relevant projects previously performed by the firm.
(d)	Experience in the design and implementation of focus groups, key informant interviews, and synthesis of relevant findings into strategy recommendations.	Technical proposal (e) Description of relevant projects previously performed by the firm.
(e)	Key personnel with at least 3 years of experience relevant to the objectives and tasks of this SOW.	Technical proposal (h) Key personnel CVs detailing at least 3 years of experience relevant to the objectives and tasks of this SOW.

- (2) If these minimum criteria are met, the offer's technical proposal will be evaluated as follows:

Evaluation Criteria	Documents Evaluated	Points
<p><b>Methodological approach</b></p> <p><i>In response to the RFP, the bidder must demonstrate a clear understanding of the scope of work, indicate the methodology for constructing and analyzing focus group discussions and key informant interviews and their outputs, indicate how they will leverage market research and scan results to develop a unique customer value proposition for the NBF, and describe how they will apply the findings to support the NBF in product adaptations.</i></p>	<p>Technical Proposal</p> <p>(c) Technical Proposal &amp; Management Approach (max 3 pages)</p>	40
<p><b>Past Experience and Key Personnel</b></p> <p><i>Experience in similar assignments. The offeror should emphasize experience within the past 5 years conducting similar assignments in market research to inform customer value proposition and financial product adaptation. Experience in SME banking and gender-lens financing will be more highly valued.</i></p> <p><i>The offeror must designate key personnel, including a team leader, with relevant experience performing tasks similar to that required in this SOW. The CV of key personnel, including the team leader, must be included. The key personnel will be graded based on the amount and quality of relevant experience to this SOW.</i></p>	<p>Technical Proposal</p> <p>(g) Description of relevant projects previously performed by the firm, demonstrating experience in (max 4 pages):</p> <ul style="list-style-type: none"> <li>a. Conducting market research, developing customer value propositions, and advising on financial product development within the financial sector in Sri Lanka. Preference will be given to those applicants who have specialized experience in gender lens financing and SME finance.</li> <li>b. Designing and implementing focus groups</li> <li>c. Conducting key informant interviews</li> <li>d. Synthesizing findings of Focus Group Discussions (FGD) and key informant interviews into strategy recommendations</li> </ul> <p>(h) No more than three (3) key personnel CVs detailing at least 3 years of experience relevant to the objectives and tasks of this SOW.</p>	40
<p><b>Work Plan and Timeline</b></p> <p>The offeror must include a work plan showing how the firm would execute this project including a Gantt chart with a timeline.</p> <p>This timeline should be respected throughout the contract as no extensions or delays will be tolerated.</p>	<p>Technical Proposal</p> <p>(i) Proposed work plan showing how the firm would execute this project including a timeline (max 2 pages)</p>	20
TOTAL		100

(3) The offeror's cost proposal will be evaluated for:

- Proposed total price, relative to other offers received
- Realism and reasonableness of the work to be performed



- Price reflects a clear understanding of the requirements
- Price is consistent with various elements of the technical proposal
- Compliance with USAID cost principles (select one: Non profit entities – Cost Principles in 2 CFR 200 Subpart E or For profit entities – Cost Principles in FAR Part 31)

Palladium reserves the right to award under this solicitation without further negotiations. The offerors are encouraged to offer their best terms and prices with the original submission.

## **PROCUREMENT INTEGRITY AND ETHICS**

It is Palladium's Policy that no gifts of any kind and of any value be exchanged between vendors/contractors and Palladium personnel. Discovery of the same will be grounds for disqualification of the vendor/contractor from participation in any Palladium's procurements and may result in disciplinary actions against Palladium personnel involved in such discovered transactions.

### **Resulting Award**

This RFP in no way obligates Palladium to award a contract. Palladium may opt to select multiple offers in response to this RFP.

Any contract/purchase order resulting from this solicitation must be signed by both parties in order to be considered valid and in force. All costs associated with, but not limited to, production, preparation and/or delivery of goods or services, including deliveries, accepted by Palladium staff, without a fully executed (signed by both parties) contract/purchase order, are at the vendor's risk only. Palladium shall not pay for any costs, without limitation, associated with production, preparation or delivery of goods and/or services under this or any other contract/purchase order, which has not been signed by both parties.

If your proposal is successful, you will be required to enter into the Company's standard contract for the types of goods or services being provided. In the provision of the Goods and Services, you will be required to comply with the Company's policies, including (without limitation) its Business Partner Code of Conduct and any relevant client terms and conditions. Potential suppliers must also comply with the Company's Business Partner Code of Conduct in the submission of any proposals pursuant to this RFP.

If you are bidding as part of a joint venture, partnership or similar, please make this clear in your submission. Likewise, if you propose to subcontract any part of the goods or services provision, then disclose this fact within your submission. The Company may require additional information from you and approval for subcontracting will not be automatic as subcontractors will be subject to Palladium's Due Diligence process.

### **Attachments**

Please review the additional documentation and proposed contracts terms and conditions which should be given consideration when preparing your proposal. By submitting your bid you will certify that that you are in agreement with the contract terms and conditions as included in this solicitation and that all prices include all aspects of the required compliance with the terms and conditions of the proposed contract.

Attachment 1- Due Diligence Questionnaire

Attachment 2- FFATA Form (will be required only for successful offeror, where applicable – included for awareness only)

Attachment 3 - Certifications and Representations (will be required only for successful offeror, where applicable – included for awareness only)

Attachment 4 - Anti-Corruption Questionnaire (will be required only for successful offeror, where applicable – included for awareness only)

Palladium Business Partner Code of Conduct and Child Protection Guidelines can be downloaded in full at: <http://www.thepalladiumgroup.com/policies> or request through email from [Catalyze.procurements@thepalladiumgroup.com](mailto:Catalyze.procurements@thepalladiumgroup.com)

**Annex A: Scope of Work**

**SCOPE OF WORK**

# **Market Research to Support Sri Lankan Non-Bank Financial Institution in its Gender-Focused Customer Value Proposition and Design of Tailored Products and Services**

## **CATALYZE Women Building Resilience**

### **A. COMPANY OVERVIEW**

Palladium International LLC is a leading global consulting firm that manages nearly \$2 billion in donor-funded projects in more than 90 countries while simultaneously providing management consulting advice to private sector firms and local and national governments throughout the world. It is well-known for its work in private sector development, market systems, innovative/inclusive finance, and the formation of public-private alliances. Palladium adds value by aligning business interests with development objectives, leveraging donor resources with commercial assets and vice versa. This market-driven approach ensures interventions are impactful, inclusive, and address the root causes of today's biggest development challenges while also being sustainable beyond the life of a particular donor-funded program.

### **B. PROJECT AND BUY-IN OVERVIEW**

Palladium International, LLC is implementing the USAID CATALYZE contract which offers a facilitated partnership model that will craft solutions to crowd in \$2 billion in blended finance (i.e. blended concessional and commercial finance) in USAID partner countries; it can work in any development sector or region.

Launched in October 2019, CATALYZE is a buy-in mechanism that allows USAID Bureaus and Missions to efficiently deploy investment facilitation solutions that respond to the needs of specific sectors, issues, and geographies. The CATALYZE platform can:

- Develop a pipeline of financeable transactions in target geographies and sectors;
- Link financeable opportunities to sources of capital, structure funds, and close complex transactions;
- Support new financial intermediaries in developing countries to build or strengthen local financial ecosystems; and
- Identify and assess blended finance approaches

Under the USAID CATALYZE project, the CATALYZE Women Building Resilience (WBR) Activity has the objective of increasing women's economic opportunities worldwide through increasing access to finance for women-owned small and medium-owned enterprises (W-MSMEs). Through its work, CATALYZE WBR helps its financial institution partners understand how to better serve W-MSMEs.

### **C. BACKGROUND**

CATALYZE WBR is currently supporting a Sri Lankan non-bank financial institution (NBFI) to improve its offerings to W-MSMEs. CATALYZE WBR intends to provide comprehensive support to the NBFI to:

- Conduct market research to develop a customer value proposition (CVP) that helps the bank differentiate itself in the market and is responsive to the needs and wants of W-MSMEs.
- Facilitate the adaptation and/or development of new products and services specifically aligned with the needs of W-MSMEs in conjunction with the NBFI
- Guide the NBFI as it develops an operational plan to embed a focus on women across NBFI operations. The guide will include key performance indicators aligned to investor requirements (including the United States Development Finance Corporation, hereafter DFC), timelines for monitoring progress against KPIs, internal processes for communicating KPIs at all levels of the organization and measuring process against them, roles and responsibilities for achieving KPIs, and an incentive scheme to motivate staff to meet and/or exceed targets, among other topics.

- Build capacity in front-facing NBF staff to operationalize the CVP; pitch, underwrite, and monitor roll-out of new products targeting W-MSMEs; and

Furthermore, the bank has a prototype of a platform it intends to launch within the coming months to better attract and serve W-MSME clients. The findings from the market research and customer value proposition development will be used to inform recommendations for the adaptation of this platform and development of additional financial products and/or non-financial services for W-MSMEs.

## **D. OBJECTIVE**

In line with the above-mentioned background, CATALYZE WBR seeks to contract a firm that can conduct an internal portfolio analysis (phase 1) and market research (phase 2) to support the Sri Lankan NBF in developing a gender-focused customer value proposition (phase 3); adapting or developing additional financial products and/or non-financial services for W-MSMEs (phase 4); support in the development of an operational plan for embedding the CVP and targets for reaching W-MSMEs (phase 5); and, finally, build capacity of the staff of the NBF to roll-out the CVP and operational plan (phase 6).

## **E. TASKS AND RESPONSIBILITIES**

The Subcontractor's work will be divided into six phases. The Subcontractor must complete the following tasks in each phase..

### **Phase 1: Internal Portfolio Analysis**

- Lead the Sri Lankan NBF through an analysis of its current portfolio with the goal of understanding the profiles of existing W-MSME clients such as geographic dispersion, sector, the types of products they most commonly apply for and are approved for, approval rates, and average financing amounts.
- Synthesize findings and recommend how the NBF can build upon its base of female clients to expand its portfolio through its existing products and offering that are already popular with them.

### **Phase 2: Market Research**

- Conduct ten (10) in-depth interviews with W-MSMEs and ten (10) in-depth interviews with women as personal banking customers to explore their current financial behaviors, perceptions of current financial relationships, including banks, and available financial products, unmet financial needs, preferred channels for bank engagement, and non-financial service needs, among other topics.
- Conduct eight (8) focus group discussions (FGD) focused on SME banking products with six (6)-eight (8) W-MSMEs per focus group. Topics of discussion will include their current financial behaviors, perceptions of current bank relationships and available financial products (e.g. customer service, turn-around-time, etc.), unmet financial needs, preferred channels for bank engagement, and non-financial service needs, among other topics. Two focus groups should be held in each of the following locations: Kurunegala (North Western), Anuradapura (North Central), Jaffna (North), and Kalutara (Western). The FGDs must be conducted in person.
- Synthesize findings from the market research to develop clear recommendations around what products and services are sought by W-MSMEs, and their preferred pathways for NBF engagement.

### **Phase 3: Development of Customer Value Proposition**

- Undertake a brief market scan to identify what financial and non-financial services are available to W-MSMEs in Sri Lanka (including products that target and do not target W-MSMEs specifically).
- Map competitor positioning in order to identify market gaps that could be filled by the NBF. The competitor map must include the following financial institutions: NDB Bank, Nations Trust Bank, Sampath Bank, HNB, People's Leasing, Commercial Credit, LB Finance, LOLC, and Central Finance.

- Based on the results of the brief market scan, competitor mapping, and the market research, develop a clear customer value proposition responsive to the needs and wants of W-MSMEs that will differentiate the NBFi in the market.
- Develop a strategy to operationalize the CVP within the NBFi (training staff, developing marketing materials, etc.).

#### **Phase 4: Financial Product and Non-Financial Services Recommendations**

- Review current financial products and non-financial services, including the prototype of the platform the NBFi intends to launch within the coming months to better attract and serve W-MSME clients, and develop an outline of how they could be adapted in order to reflect the CVP and the results from the market research, as well differentiate the NBFi from its competitors.
- Identify key messages and preferred channels for communicating the CVP and marketing current financial products and non-financial services W-MSMEs.
- Develop a roadmap of additional financial products and/or non-financial services the NBFi should consider implementing in the next 12-18 months to further increase W-MSMEs' access to finance within the NBFi.

#### **Phase 5: Operational Plan for Embedding the CVP and targets for reaching W-MSMEs in NBFi Operations**

- Create an operational plan to steer the integration of the CVP and targets for reaching W-MSMEs in all aspects of NBFi operations. At a minimum, the template must include the following: key performance indicators aligned to investor requirements (including the United States Development Finance Corporation, hereafter DFC), timelines for monitoring progress against KPIs, internal processes for communicating KPIs at all levels of the organization and measuring process against them, roles and responsibilities for achieving KPIs, and an incentive scheme to motivate staff to meet and/or exceed targets, among other topics.
- Engage with NBFi staff to set KPIs and build consensus around all aspects of the operational plan.

#### **Phase 6: Build Capacity in the NBFi to Roll-out CVP & Operational Plan**

- Develop a brief in-person training program for NBFi staff using a training-of-the-trainers (ToT) approach.
- Train 3 trainers within the NBFi to train staff at the HQ and branch-levels respectively to implement the CVP and operational plan.