

MINISTRY OF INDUSTRY AND COMMERCE

DEPARTMENT OF SME PROMOTION

**MSME ACCESS TO FINANCE FOR EMERGENCY SUPPORT AND RECOVERY PROJECT IN
LAO PDR (MSME A2F- ESR PROJECT)**

TERMS OF REFERENCE

**CONSULTANT TO PROVIDE TECHNICAL ASSISTANCE TO PARTICIPATING FINANCIAL
INSTITUTIONS (PFIs) AND MICRO FINANCE INSTITUTIONS**

1. Background

The Government of Lao PDR received financing from the World Bank Group's International Development Association (IDA) for a proposed project to assist Micro, Small and Medium Enterprises (MSMEs) and the Financial Sector, specifically Participating Financial Institutions (PFIs). The proposed Project's development objective is to provide long-term funding sources for banks to provide long-term credit to small and medium enterprises (MSMEs) to overcome the impact of the COVID 19 Pandemic. Negative impacts of the global COVID-19 pandemic are expected to exacerbate Lao PDR's the weak fundamentals and lead to a deterioration in the macroeconomic situation, including the SME and Financial sectors. The proposed Project's aims are to strengthen the capacity of financial institutions and MSMEs to sustain operations and recover from the COVID-19 emergency. The proposed Project is to support the recovery and growth of privately-owned MSMEs by increasing the supply of long-term finance provided by commercial banks and by strengthening the capability of Department of SME Promotion to formulate and implement public policies that promote access to finance for MSMEs and strengthen the banking sector to recover from the effects of the COVID 19 Pandemic.

The proposed Project include three components: (i) Emergency and Recovery Line of Credit to MSMEs; (ii) Strengthening BOL Capacity to Supervise PCG Facility; (iii) Technical Assistance and Project Management. The proposed Project will be managed by Department of SME Promotion (DOSMEP).

2. ASSIGNMENT OBJECTIVES

DOSMEP is seeking a dynamic and experienced International Consultant to provide technical assistance to PFIs. PFIs are the vehicle for achieving project objective of improving access to finance for MSMEs. DOSMEP understands the challenges faced by PFIs and will provide TA under the project, to address capacity building needs on a selected basis. The TA is intended to strengthen the capacity of the PFIs and Micro Finance Institutions. The required services are part-time, under the MSME A2F ESR Project. The position will be selected by DOSMEP in accordance with the "World Bank Procurement Regulations for IPF Borrowers" dated July 2016, revised November 2017 and August 2018 edition".

DETAILED SCOPE OF WORK

- Assist selected participating financial institutions, including Micro Finance Institutions that have not fully complied with all the eligibility criteria to take part under the Line of Credit component, but are allowed to participate for an initial period subject to developing and implementing an Institutional Development Plan, acceptable to the World Bank. The consultant will develop the plan in collaboration with the PFIs, Micro Finance Institutions and help to implement the plans;
- Perform rapid assessment/screening of the PFIs and Micro-Finance Institutions, in close collaboration with senior managers (and participation of SME fund-mangers as part of their capacity building) to understand capacity building needs of each PFI;

- Develop individual capacity building plans in close collaboration with PFIs/Micro Finance Institutions and agree on time-bound action plans;
- Assist PFIs and Micro-Finance Institutions to address and support post-Covid recovery potential areas, including Portfolio Restructuring and management of NPL, Risk Management and Risk Preparedness including business continuity planning and Technology strategy; and
- Assist PFIs/Micro Finance Institutions to address capacity building needs to the extent possible without any external interventions.

Duration Assignment.

The assignment will be on a part time basis, requiring about 100 working days of international technical assistance according to the attached planned timeline during a two-year contract for this position to be extended if required, during the period of project including about 2-3 trips (if required) to Laos per year. Time required may be adjusted subject to project requirements. Consultant will work in Laos as well as from home as needed by DOSMEP. During the period of contract with project, the number of working days might be amended according to real practice and with mutual agreement between the Consultant and DOSMEP, subject to approval by the World Bank. DOSMEP will provide necessary facilities including local staff, interpreter, office space and IT to enable efficient working of the Consultant. Consultant will be supported by the local consultant team with specialization in the relevant areas to complete this assignment.

3. CONFIDENTIALITY AND CONFLICT OF INTEREST

The consultant undertakes to comply with the World Bank’s policies and rules with regard to corrupt and fraudulent practices, conflict of interest and confidentiality. The Consultant shall maintain confidentially on all sensitive information obtained during the assignment and shall not publish wholly or in part the findings or such information, without prior written consent by DOSMEP.

4. EXPERIENCE AND QUALIFICATIONS

The Consultant should have, at a minimum, the following criteria:

- Master Degree or above in Finance/banking, economics, business administration or related fields.
- Minimum of twenty (20) years of progressive international experience in handling similar assignments in developing countries;
- Prior experience in working on World Bank funded assignments will an advantage;
- Prior experience with working in the Banking sector in Laos is required;
- Experience in delivering trainings and capacity building programs in Banking at an international level;
- Strong organization skills and ability to work in a team-oriented, dynamic and diverse environment.

Attachments:

- Two-year work schedule for the Consultant
- KPI and Performance Assessment

First performance assessment will be undertaken six months after engagement and thereafter annually. Performance will be undertaken by the Project Director on behalf of the Ministry. Performance assessment will be based on the following results areas agreed with the consultant.

No	Description of Result Area	Result indicators	Performance
1	Development and Implementation of Institutional Development	At least one plan developed within the first six months and implemented within 12 months.	

	Plans for PFIs/microfinance institutions		
2	Rapid assessment/screening of PFIs completed	Development of a capacity development plans for at least 3 PFIs within a period of 18 months	