

# Digital Transformation for Inclusion

## Phase 1: Groundwork and program design

### Request for Expression of Interest

<b>Assignment Title:</b>	Digital Transformation for Inclusion: groundwork and program design
<b>Assignment country(/ies):</b>	N/A
<b>Publication Reference:</b>	Digital Transformation for Inclusion
<b>Publication Date:</b>	14/06/2023
<b>Deadline for Requesting clarification:</b>	21/06/2023, 23 :59 CET – responses on 28/06/2023
<b>Deadline for Expressions of Interest:</b>	05/07/2023, 23 :59 CET
<b>Individual/Firm:</b>	The implementer may be a firm or a consortium.
<b>Procedure:</b>	Open procedure. A minimum of three parties will be shortlisted and invited to tender.
<b>Provisional date of invitation to tender:</b>	July 2023
<b>Provisional commencement date of the contract:</b>	October 2023

## 1. Description of the Assignment

### Introducing the Programme

The [Dutch Good Growth Fund](#) is a “fund of funds” investment initiative from the Dutch Ministry of Foreign Affairs launched in 2014 with aim to improve financing for the “missing middle” – i.e. entrepreneurs who have outgrown microfinance but do not have access to conventional capital markets. DGGF has a rich portfolio consisting of financial institutions and funds with different asset classes and strategies, located in 50+ countries in Sub-Saharan Africa, MENA, Asia and Central and South America.

The Seed Capital and Business Development (SC&BD) program was established to further the impact of the DGGF by providing Seed Capital, Technical Assistance and Business Development Services to local financial service providers and entrepreneur support organizations (ESOs). In addition, the program incorporates a [knowledge development and sharing component](#) that supports research, tests assumptions and shares insights on financing SMEs in developing countries and emerging markets - fostering industry-wide knowledge exchange.

### Introducing this Assignment

DGGF invites qualifying consultants to submit expression of interest for the groundwork and design of a comprehensive program to improve access to appropriate finance for the ‘missing middle’ SMEs by accelerating the digital transformation of financial service providers (FSP) in DGGF countries. Following a positive assessment of the results of this project and subject to a separate approval from the SCBD Committee, DGGF would like the same consultant to carry out the follow-on program implementation.

In its current portfolio, DGGF has over 20 FSPs such as ‘upscaling’ MFIs (microfinance institutions that have started to serve SMEs) and ‘downscaling’ banks. These FSPs are well positioned to provide meaningful services to underserved SME segments such as youth and women-led livelihood sustaining SMEs, and will be the primary target audience for this program.

DGGF has identified four key areas of potential interventions as part of this program:

1. Promoting inclusive finance as business opportunity (e.g. awareness campaign, pilot grants for MFIs)
2. Accelerating digital transformation – through skills training and capacity building (e.g. a mix of e-learning, virtual workshops, physical events, peer-to-peer exchange, and individual TA support)
3. Promoting responsible digital SME lending (e.g. promoting non-discriminatory algorithms)
4. Provision of non-financial support services to livelihood sustaining SMEs (e.g. BDS, financial literacy training)

The consultant is invited to design a comprehensive program in two stages:

1. The groundwork: perform additional data gathering and analyses to lay the groundwork for the program;
2. The program design: develop a multi-annual program to help accelerate digital transformation for inclusion.

There are fundamentally four main questions we want answered during the groundwork stage.

- How does digitalization best contribute to promoting financial inclusion?
- How can financial service providers be best supported to accelerate their digital transformation for inclusion?
- What is the current level of digitalization and exact demand for support within the DGGF portfolio?
- What additional systemic interventions would be impactful and feasible to ensure that digitalization does contribute to inclusion?

We expect the project to kick off in October and conclude within 4 months. The key deliverables that are expected to be generated throughout the project are the following: (1) Portfolio survey, market mapping and off-the-shelf solutions mapping findings; (2) Case studies on successful digital transformation for inclusion and FSP-aligned non-financial support to SMEs, (3) Report answering the specific questions in the ToR, and (4) Comprehensive program design.

A more detailed overview of the Digital Transformation for Inclusion program design requirements and related research questions will be included in the Terms of Reference.

## 2. Qualification Criteria

The applicant may be a firm or a consortium and must meet the following requirements:

- ✓ A strong background as an advisor/expert in the field of digital transformation, and extensive experience in applying a range of tools and digitalization strategies in the context of financial service providers (especially upscaling MFIs) across Sub-Saharan Africa, Middle East and Northern Africa, Latin America, and South-East Asia.
- ✓ Demonstrated knowledge about SME lending in emerging markets, particularly digital SME lending. Proven background in and understanding of the financial inclusion topic, especially in regard to youth- and women-led SMEs. Knowledge of livelihood sustaining SMEs needs and barriers that youth and women entrepreneurs face in accessing debt finance.
- ✓ Good understanding of the global playing field on digital transformation for SME finance and inclusion –ongoing (policy) discussions, standard setting, running programs, main sponsors etc. Understanding of FSPs needs in the field of digital transformation.
- ✓ A proven ability to perform needs assessments through interviews and surveys on a related topic.
- ✓ Experience in designing practical interventions, such as capacity building programs, awareness campaigns, influencing campaigns, and policy work.
- ✓ Operational capacity to implement the Digital Transformation Program at scale following the design phase. Strong network of relevant subject matter experts and proven channels for reaching out to FSPs at scale.
- ✓ Fluency in written and spoken English, knowledge of French and Spanish is preferred.

## 3. How to apply

- Expressions of interest must be submitted electronically using the template. The template can be [accessed and downloaded here](#).
- Expressions of interest must be submitted electronically by 05/07/2023, 23:59 CET to Alina Vinogradova, [avinogradova@triplejump.eu](mailto:avinogradova@triplejump.eu) and must use the following subject line: “EoI Digital Transformation for Inclusion [applicant name]”.
- Any additional documentation, such as financial proposals or brochures, will not be considered.

## 4. Clarifications

- Requests for clarification may be submitted by 21/06/2023, 23:59 CET to Alina Vinogradova, [avinogradova@triplejump.eu](mailto:avinogradova@triplejump.eu) and must use the following subject line: “EoI Digital Transformation for Inclusion [applicant name]”.
- Answers to the requests for clarification will be provided no later than 14 days after the deadline for clarifications requests and will be published on the [DGGF news page](#).

*NB: We reserve the right to make changes and improvements to the scope of the assignment in the following phases of the tendering process.*