



International  
Trade  
Centre

## **Terms of Reference**

### **International Consultant**

#### **T4SD Small Traders Capacity Building Programme**

##### **IA37 - INT/75/28A**

Assignment title: *Consultant on access to finance for SMEs in LDCs*

Contract duration (including start/end date): 50 working days from 1 January 2013 to 31 December 2013, with possibility of extension.

Duty station: *Home-based*

Travel: *Possible travel to Geneva, Brussels and training mission in the field*

#### **Background:**

Small and medium enterprises (SMEs) form the backbone of many economies of lower-income developing countries. SME development is closely linked with economic growth and job creation. Nevertheless, SMEs in Least Developed Countries (LDCs) face various challenges in accessing finance. Particularly small firms rely on external financing for working capital and additional financial services such as cash management, insurance, transfers, and other transactional products. Most of these services are provided by commercial banks. But the likelihood of a small firm having access to a bank loan in low-income countries is about a third of what it is for a medium-sized firm, and less than half of what it is for a larger firm.

The goal of the T4SD small traders capacity building programme is to address some of these challenges. The International Trade Centre (ITC) will deliver, in conjunction with the European Commission, a series of trainings for LDC SMEs and supporting entities, e.g. trade support institutions and non-governmental organisations (NGOs) as well as two matchmaking workshops dedicated to European Diaspora communities from the programme LDCs (mostly Sub-Saharan Africa and Asia). The programme will strengthen the ability of SMEs to participate in global trade, benefit from export opportunities and meet importing countries' market requirements in a sustainable manner.

The capacity building actions will be developed by the ITC, with input from the EC, building on ITC's experience in the area of trade, market access, sustainability standards, access to finance and small-scale producer constraints while leveraging the previously developed ITC Market Analysis Tools (Trade Map, Market Access Map and Standards Map). ITC will also include in the training curricula the EU's trade-related information platforms such as the EU Export Helpdesk and DEVCO's economic development programmes.

The trainings will be calibrated to suit specific needs of SMEs and their support structures. Trainings will also address EU trade-specific opportunities for small operators and market requirements such as the import requirements (including SPS, labelling, etc.) and the preferential arrangements and their implementation (including the Generalised System of Preferences and its Rules of Origin). Special attention will be dedicated to sustainable trade practices and sustainability standards.

Capacity building beneficiaries' feedback and experience will be integrated into the curricula and will assist to develop training tools, thereby improving the programme's impact and relevance.

*Access to finance:*

A key component of ITCs small traders capacity building programme is improving access to finance for SMEs. Difficulties in accessing finance for SMEs have many reasons. They range from SME intrinsic weaknesses, flaws in provider delivery models and, most importantly, lingering deficiencies in the enabling environment for financial services: financial infrastructure (accounting and auditing standards, credit reporting systems, and collateral and insolvency regimes), and the legal and regulatory framework for financial institutions and instruments. Hence, the SME bankable universe, in which providers are able to meet their expected return on capital, while serving client needs, can be severely limited.

In the past few years, a number of initiatives provided trainings to SMEs in business development skills to increase access to business financing. Some banks also developed financial instruments specifically targeted at SMEs.

Duties:

The International Consultant will work under the direct guidance of the T4SD Project Manager and the overall supervision of the Chief of the Market Analysis and Research (MAR) section in ITC.

The assignment consists of the following duties:

1. Carry out an analysis that inventories all information provided by ITC and EU Export Helpdesk related to access to finance for SMEs. The consultant is expected to carry out the analysis taking into consideration:
  - a. ITC and EC programmes related to improving access to finance for SMEs.
  - b. The information offered in the training courses developed by ITC
  - c. The information/data provided on the following webpages:
    - i. The entire ITC website ([www.intracen.org](http://www.intracen.org))
    - ii. The EU Export Helpdesk related to diaspora trade. ([www.exporthelp.europa.eu](http://www.exporthelp.europa.eu))

This analysis aims to better understand how the information/knowledge provided on these webpages and by ITC and EC programmes can be used in developing training curricula with the objective to improve SMEs access to finance.

More importantly, this analysis will highlight the information missing in on the mentioned webpages and in ITC and EC programmes. Information provided should particularly serve (but are not limited to) the following objectives:

- Identification of the key financing constraints for SMEs;
- Provision of a set of practical tools and strategies to overcome these constraints;
- Identification of innovative and SME specific instruments to improve access to finance for SMEs (e.g. equity finance; SME stock exchanges to facilitate access to public funds) and recommendations on how to best use these instruments.
- Development of a set of recommendations about internal changes to be made by SME to improve access to finance, e.g. accounting and auditing standards.
- Develop recommendation on how to lower cost of finance;

It is expected that the incumbent carries out interviews with responsible ITC and EC staff in order to successfully carry out the analysis.

(Estimate of working days needed: 10)

2. Based on the analysis described under point 1, the information, knowledge and data gaps will be identified. The incumbent will determine and provide the missing information needed to successfully carry out trainings with the objective to improve SME access to finance.

(Estimate of working days needed: 10)

3. Development of a training methodology specifying the training methods to be used, e.g. (but not limited to) group work, cases, presentations; trainer instructions; hand-outs for participants and a training curriculum (the training content). The training curriculum (content) will be developed based on ITC and Helpdesk information offerings and additional information provided by the incumbent. The specific design of the curriculum and related expectations will be discussed with ITC, but a modular approach to the curriculum is expected, whereby different training modules address different target audience capacity building needs. The training is expected to last 4 days.

(Estimate of working days needed: 15)

4. The incumbent will identify existing access to finance supporting platforms, organisations, networks and initiatives (by other donors, NGOs, National Trade Support Institutions, Ministries in programme countries, etc.) and lay out how to collaborate with them in the course of the capacity building programme described above.

(Estimate of working days needed: 10)

5. Support the development of a dedicated website and an online training course for small operators in LDCs. This website will provide access to information/data/knowledge gathered and training materials created during this programme.

(Estimate of working days needed: 5)

#### Expected outputs and timelines:

Output 1: Analysis report (max 15 pages, excluding annexes) of access to finance related information provided by sources detailed under point 1 above. This report also lays out the data and information gaps in ITC/MAR training programmes vis-à-vis access to finance for SMEs. **(Delivery date: February 2013)**

Output 2: Report (max 15 pages, excluding annexes) providing the missing information/data /knowledge as identified in gap analysis (point 2 above), and indicate sources that provide the missing information, in the form of studies, reports, websites, databases, etc. **(Delivery date: March 2013)**

Output 3: Access to finance training methodology, trainer instructions, training material (hand-outs, presentations, etc.) and curriculum (content) for 4 days of training for SMEs in LDCs based on ITC and Helpdesk information offerings and additional information provided by the incumbent. Details relating to the curriculum development will be discussed with the responsible team at ITC. **(Delivery date: April 2013)**

Output 4: Report (max 15 pages, excluding annexes) on existing access to finance for SMEs supporting platforms, organisations, networks and other initiatives (by other donors, NGOs, National Trade Support Institutions, Ministries in programme countries, etc.). The report will lay out a strategy on how to collaborate with these in the course of the capacity building programme. **(Delivery date: February 2013)**

Output 5: Provision of advice and support (details tbd) to the development of a dedicated website and an online training course for small operators in LDCs. **(Delivery date: December 2013)**

Payment schedule:

Upon successful delivery of the first two assignments (output 1 and 2) a first lump sum (based on number of days spent on outputs) will be paid. Upon successful delivery of outputs 3 and 4 a second lump sum (based on number of days spent on outputs) will be paid. The remaining amount will be paid upon the successful completion of the full assignment. Lump sum amounts will depend on the consultant's daily rate negotiated per UN rules.

*(An advance for travel expenses may be paid for lump sum travel if requested by the Project Manager.)*

Qualifications, Competencies and experience required:

- At least advanced university degree (i.e. Masters Degree) in trade / economics / social science / international politics or in a related field;
- In-depth knowledge of market analysis issues; strong knowledge of the situation for SMEs vis-à-vis access to finance and related challenges;
- Fluency in written and spoken English;
- Proven experience in developing training methodology, curriculum and material. Proven experience in providing consultancy work on the delivery of capacity building in developing countries;
- Strong communication, analytical and presentation skills;
- Proven ability to work independently with minimum supervision.

Recruitment procedure:

To apply for this consultancy please send your full CV to Oliver von Hagen ([hagen@intracen.org](mailto:hagen@intracen.org)) including three references and add two samples of similar work/publications. Please note that only shortlisted candidates will be contacted for a short interview.

**Deadline for submission is 4 November 2012.**