



CREDIT GUARANTEE FUND AFGHANISTAN

Short-term Technical Assistance Terms of Reference / Scope of Work

Date: February 11, 2025

Project	Female-Only Section Support for GB	
Start Date	15.04.2025	
End Date	23.10.2025, or the final acceptance of the final deliverable to be provided hereunder, whatever occurs later	
Reports to	<i>Name - Title:</i>	Jana Büssing, TA Analyst
	<i>E-mail:</i>	j.buessing@acgf.de
Contract Type	Lump sum as per the acceptance of the achieved deliverables	

1. Background

1.1. Institutional Background

The ACGF - Afghan Credit Guarantee Foundation ("**ACGF**") was established in September 2014 by the German Federal Ministry for Economic Cooperation and Development ("**BMZ**") and DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH ("**DEG**") with approval and support from the Government of the Islamic Republic of Afghanistan and from the Central Bank of Afghanistan as well as from the Governments of both the United States of America and the Federal Republic of Germany.

ACGF has received all financial resources of a previous guarantee project managed by DEG, including its entire outstanding guarantee portfolio, and has been managing all operations since the beginning of 2015. ACGF provides partial guarantees to Afghan financial institutions which provide credit to local micro, small and medium enterprises ("**MSMEs**"). It also provides technical assistance ("**TA**") to Afghan financial and other institutions. ACGF is supported by its 100 per cent subsidiary SME Client Support Afghanistan LLC ("**SCSA**"), a Kabul-based financial consulting company focused on providing ancillary services to ACGF in the areas of credit guarantee business including TA for Afghan PIs on behalf of ACGF.

ACGF's mandate is to contribute to strengthening the emerging financial sector and to developing private-sector capacity in Afghanistan, thus, to support the creation of employment and income. ACGF facilitates access to finance for Afghan MSMEs. ACGF's objectives are achieved mainly by sharing credit risk with the Afghan partner financial institutions ("**Pis**") by providing credit guarantees for MSMEs and by providing comprehensive technical assistance ("**TA**", training, coaching, product development, risk management improvements etc.).

As per the end of September 2024, ACGF (including its legal predecessor) has issued approx. 16,000 guarantees to support a combined disbursement of USD 278m in MSME loans. The market share of ACGF was approx. 50 per cent of all MSME loans outstanding by banks and MFIs in Afghanistan. ACGF estimates a retention of close to 65,000 employees by unique borrower of the guaranteed businesses and creation of approx. 13,000 additional jobs.

1.2. Background to Project

Islamic finance operates under principles that emphasize ethical and socially responsible financial transactions. For many Afghan women, conducting financial transactions in a female-only environment is not just a preference but a necessity for observing modesty and privacy in line with Islamic values.

GB has proven a strong commitment to assisting Afghan women to gain access to formal financial services through various engagements with IFC and ACGF in the past. As such, GB sees its female-only activities not as mainly profit-seeking. However, the bank wants to achieve cost coverage in the medium term.

GB launched Bano Murabaha (meaning Lady), a female MSME loan product in 2018. After the change in power in Afghanistan and the followed conversion of the institution to Sharia compliance, GB has adopted a loan scheme specifically for female MSMEs. In 2023, GB has earned an Honorable Mention in the "Best Financier for Women Entrepreneurs" category of the Global SME Awards by the SME Finance Forum.

Currently, the bank provides services to female borrowers at the head office through female credit officers. In branches, however, male credit officers handle these responsibilities, including the appraisal process. To address the cultural considerations associated with this, GB has decided to open a female-only section (a separate premise in the vicinity of the existing main branch building). The female-only section will function as a female-only establishment and no male staff presence will be allowed to meet social norms. The female-only section features a coffee bar and mini-library, which is not featured in other branches. The female-only section in Kabul serves as a pilot for GB, and potentially further female-only sections in other regions will be opened in the future (e.g. in Mazar, Kandahar, Herat). The female-only sections will then substitute the female windows that are currently run in above-mentioned regions.

The bank's current HR plan outlines to hire seven female employees for the mentioned outlet in Kabul. With the exception of the credit department, the bank has employed a large pool of female staff across all branches and departments. There is a major concentration of female staff in the operations department. However, the availability of competent female staff in the country is seen as a strong limitation factor for increasing financing to female MSMEs.

GB estimates that 75% of female MSMEs need loan sizes below AFN 1m, while 25% of female MSMEs opt for loan sizes between AFN 1m and AFN 5m. Normally, branches reach MSMEs that

are located around 20 to 30 km within the branch vicinity. Currently, the outstanding portfolio volume of female customers amounts to AFN 4.5m. For 2025, GB expects this to increase to AFN 10-12m. As per end of September 2024, GB had 40 female applicants, whereof 22 were approved in 2024.

2. The Assignment

2.1. Summary

This project aims to support Ghazanfar Bank (GB) in catering to the unique needs of female clients who require financial services in an environment that aligns with Islamic values, particularly regarding gender interactions. Recently, GB has opened a female-only section in Kabul in order to enhance lending opportunities for female-owned micro, small, and medium enterprises (MSMEs). In order to ensure sustainable operations of the female-only section and its successful outreach to female MSMEs, an external Service Provider will support GB in several areas.

Firstly, the Service Provider will conduct a thorough assessment of current gaps for financing female MSMEs considering GB's products, delivery channels, processes, marketing, and HR. This gap assessment will suggest targeted actions.

Secondly, the project supports GB in creating business projections for loan portfolio growth and financial sustainability.

Thirdly, GB's HR structures will be adapted to the specific needs of the female-only section by defining job roles and establishing key performance indicators to motivate staff.

Fourthly, the project will design a culturally sensitive marketing and sales strategy that aims to increase engagement with female clients, featuring community-focused campaigns and a brochure to raise awareness.

Lastly, extensive capacity-building efforts will equip the section's and relevant headquarter staff with essential skills in marketing, customer relationship management, and portfolio management. As part of the capacity building efforts, the Service Provider will guide one selected Training and Development Manager and one Islamic Investment Officer/Manager from the GB head office staff to provide on-the-job and classroom training for the female-only section staff, which will be backstopped by the Service Provider.

This project will build a strong foundation for GB's female-only section to drive financial empowerment for women through accessible and tailored lending services. The project will be implemented over the course of 6 months.

2.2. Objectives

The primary objective of this project is to support GB's in increasing its portfolio of female MSMEs (as per the projections developed in activity 2.1 of the Work Plan) by establishing a well-supported,

female-only section in Kabul. This includes enhancing the section’s capability to provide tailored lending products and delivery channels, streamlining operational processes, and ensuring that staff are trained to meet the specific needs of female entrepreneurs. The female-only section will also strengthen the institution’s reputation as a leader in providing Sharia-compliant, culturally sensitive financial solutions.

The secondary objective of this project is to promote financial inclusion for female borrowers that are one of the most disadvantaged target groups in the Afghan financial sector

2.3. Result Framework

#	Expected Results	Indicators of Achievement
1.	Strengthened Staff Skills: Through training and improved performance review indicators, staff will be better equipped to manage customer relationships, assess loans, and manage the portfolio.	<ul style="list-style-type: none"> - Training participation - Pre- and post-evaluation of training
2.	Enhanced HR Structures and Incentives: Clear job descriptions and performance-based KPIs will be in place, contributing to higher staff motivation and retention rates.	<ul style="list-style-type: none"> - Job descriptions - Job requirements - Staff incentive KPIs
3.	Effective Outreach and Marketing: GB knows how to increase its visibility and engagement with female clients.	<ul style="list-style-type: none"> - Sales Strategy is developed - Structure and ToR for the Marketing Campaign
4.	Monitorable path to financial sustainability: GB has financial projections and scenario analysis in place to track the female-only section’s performance and revise its strategy if needed.	<ul style="list-style-type: none"> - Financial projections and scenario analysis is prepared along monitorable assumptions

3. The Proposed Implementation

3.1. Work Plan

No.	Phases, Activities, Deliverables	Suggested Time Frame
1	Gap Assessment	Week 1 - 4
1.1	Kick-Off Call with the Service Provider, GB and ACGF	

1.2	GB and ACGF share documents relevant to the assignment.	
1.3	<p>The Service Provider assesses (through desk review and interviews) the following areas with regard to their status for lending to female MSMEs through the female-only section in Kabul, and identifies gaps therein:</p> <ul style="list-style-type: none"> - Products - Delivery channels - Internal processes and procedures - Marketing strategies (also considering weblog) - HR structures and training needs <p>The Gap Assessment Report serves as basis for defining the concrete actions of the future phases.</p>	
1.4	The Service Provider presents the findings in a workshop with GB and ACGF in order to decide on a concrete action plan for the following phases.	
	Deliverable 1: Gap Assessment Report	Within 4 weeks of the assignment
2	Projections Development	Week 5 - 6
2.1	<p>The Service Provider supports GB in developing detailed business development projections for the female-only section in Kabul. The Service Provider will make sure that at least the following areas are covered:</p> <ul style="list-style-type: none"> - Loan Portfolio Development: Realistic projections for the growth of the female loan portfolio to be reached by GB. - Cost-Income Projections: Financial projections to calculate the head office contribution. This will include expected direct operating costs for operation of the section and revenues from lending and non-lending activities. 	
	Deliverable 2: Business development projections	Within 6 weeks of the assignment
2.2	If the assessment in Phase 1 identified gaps in the product features or internal processes and procedures, the Service Provider recommends respective adaptations in the existing product features or processes and procedures.	
3	HR Support	Week 6 - 9
3.1	The Service Provider supports GB's HR Department in the definition of job requirements and development of job descriptions.	
	Deliverable 3a: Job requirements and job descriptions	Within 7 weeks of the assignment
3.2	The Service Provider further supports in developing and calculating KPIs for the recently approved staff incentives.	

	Deliverable 3b: Staff incentive KPIs	Within 9 weeks of the assignment
4	Marketing and Sales Plan	Week 6 - 12
4.1	The Service Provider designs a sales strategy for Head Office and the female-only section staff to promote new female applications. This shall consider e.g. in Phase 2 developed monthly targets of the financing officers to include female borrowers and simplified decision processes for female financings.	
	Deliverable 4a: Sales Strategy	Within 8 weeks of the assignment
4.2	The Service Provider designs a strategy for a culturally sensitive marketing campaign, including the development of a flyer and a marketing brochure for female MSMEs, focusing on community engagement, partnerships with local women's organizations, and initiatives to promote financial literacy and economic empowerment for Afghan women and supports GB in selection of a provider for implementation of the campaign.	
	Deliverable 4b: Structure and ToR for the Marketing Campaign	Within 10 weeks of the assignment
4.3	The Service Provider develops the key content for the marketing brochure and drafts the ToR to procure a local illustrator for the design thereof. (Note: The Service Provider is not expected to provide design and printing thereof)	
	Deliverable 4c: Brochure content and ToR for the design	Within 12 weeks of the assignment
5	Capacity Development	Week 8 - 25
5.1	<p>Based on the training needs assessed in phase 1 and together with GB's HR Department (and the selected Training and Development Manager and Islamic Investment Officer/Manager in specific), the Service Provider develops a detailed training plan for the female-only section staff as well as other female HQ staff. Training will include the following topics:</p> <ul style="list-style-type: none"> - Marketing - Loan assessment - Conducting credit committees - Portfolio management - Customer relationship management - Staff management <p>The training plan shall consider the need of substituting university degrees with other training measures (certifications, higher level of trainings, etc.) due to the prohibition of females attending university.</p>	
	Deliverable 5a: Training Plan	Within 9 weeks of the assignment

5.2	The Service Provider develops all training materials for above topics to be used by the two selected GB staff and for the on-site training.	
	Deliverable 5b: Training materials	Within 11 weeks of the assignment
5.3	The Service Provider conducts (up to) one-week on-site training in Kabul for GB female staff together with the two selected GB staff (with a Training of the Trainer component).	
	Deliverable 5c: Training Report, signed participants lists and pre- and post-training knowledge assessment	Within 13 weeks of the assignment
5.4	The two selected GB staff provide on-the-job and classroom training for the above-mentioned topics (over a course of around 12 weeks).	
5.5	The Service Provider provides backstopping support for the GB female-only section team and especially to the two selected GB staff. When necessary, the Service Provider trains them (Training of the Trainer) and/or the whole team in specific topics (online), that have been identified by the staff.	
	Deliverable 5d: Training summaries and signed participants lists	Within 23 weeks of the assignment
5.6	The Service Provider provides an awareness session on the female-only section offerings for GB staff in Kabul.	
6	Project Closing Phase	Week 25
6.1	Project closing call with the PI and ACGF to discuss lessons-learnt, project satisfaction with project management and Service Provider	
Total LoE/Timeframe		25 weeks

The Service Provider should be available to hold discussions and present deliverables over conference call with ACGF/SCSA and the project beneficiary, when necessary.

3.2. Technical Details of the Assignment

3.2.1. Methodology

The activities and deliverables of the assignment are anticipated to be conducted in one continuous intervention of the Service Provider. Several phases of the project can and shall be conducted in parallel. The Service Provider may propose additional activities, adapt the structure of the assignment or the level of effort if deemed necessary for a successful implementation of the assignment.

All communication as well as written documentation / deliverables will be in English.

GB employs a female Training and Development Manager and an Islamic Investment Officer/Manager that will be strongly involved in this assignment. They will be the main counterparts for all activities related to capacity building, in addition to GB’s Project Manager. They will be available to provide on-the-job and classroom trainings to the female staff of GB over the course of around 12 weeks. Therefore, they will be involved in all activities, to ensure addressing the training needs of the GB staff and to implement any updates proposed by the Service Provider to the processes and procedures, products, sales strategy, etc. The Service Provider is expected to oversee and guide their training activities and to provide backstopping services to them. The Service Provider is expected to provide the respective materials that GB can use for the on-the-job and classroom trainings. The trainings will be developed together with GB to make sure the training content is closely aligned with the requirements and capacities of the bank. During the initial on-site classroom training in Kabul, the Service Provider is encouraged to include them as co-trainer as much as possible and potentially provide Training of the Trainer sessions. For topics that cannot be covered by the two selected GB Managers, the Service Provider shall provide online trainings for the female GB staff.

For the initial class-room training, the Service Provider shall consider an on-site visit of around 5 days.

While travels to Kabul are not mandatory, it is strongly recommended that the Service Provider will conduct (up to) one-week on-site training in Kabul for GB female staff.

3.2.2. Final outputs and Review Procedure

Deliverable	Estimated Week of submission
Deliverable 1: Gap Assessment Report	Week 4
Deliverable 2: Business Development Projections	Week 6
Deliverable 3a: Job requirements and job descriptions	Week 7
Deliverable 3b: Staff incentive KPIs	Week 9
Deliverable 4a: Sales Strategy	Week 8
Deliverable 4b: Structure and ToR for the Marketing Campaign	Week 10
Deliverable 4c: Brochure content	Week 12
Deliverable 5a: Training Plan	Week 9
Deliverable 5b: Training materials	Week 11
Deliverable 5c: Training Report, signed participants lists and pre- and post-training knowledge assessment	Week 13



Deliverable 5d: Training summaries and signed participants lists	Week 23
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The Service Provider will report to ACGF’s TA Analyst as well as to the designated contact of the PI. The Service Provider will be responsible for the timely delivery of activities and deliverables. The Service Provider will give notice to ACGF in writing or via e-mail of the completion of a deliverables and request acceptance. An approval and/or acceptance of deliverables by ACGF may require several feedback and revision rounds until deliverables are considered final. Review and acceptance of a deliverable must take place no later than 15 days after the Service Provider has given notice in writing or via email of a deliverable being ready for acceptance. Acceptance of a deliverable will be communicated in writing by ACGF’s TA Analyst.

3.2.3. Logistics

While travels to Kabul are not mandatory, it is strongly recommended that the Service Provider will conduct (up to) one-week on-site training in Kabul for GB female staff.

All travel to Afghanistan, if applicable, will occur on the own risk of the Service Provider and the Service Provider will be responsible for taking all precautions necessary to ensure the safety of its representatives, employees, or sub-contractors.

Any on-site work of the Service Provider can be conducted with logistical support from SCSA and in collaboration with the relevant officers and managers of the PI. All communication, as well as written documentation/deliverables, will be in English.

4. Application of Service Providers

The deadline for submission of proposals is March 17, 2025. Any proposals received beyond the mentioned deadline will be rejected and not included in the proposal evaluation process. ACGF reserve the right to decide to not implement the assignment or to terminate the procurement process if it is deemed appropriate. ACGF requests a minimum proposal validity period of 6 weeks after the date of deadline for submission of proposals (at least until April 28, 2025).

The Service Provider may request a clarification of any part of the Terms of References (“ToR”) until 7 days prior the submission deadline indicated above (i.e. March 10, 2025), any request for clarification must be sent by email to Jana Büssing, TA Analyst (j.buessing@acgf.de).

ACGF’s evaluation process is fair, transparent, free of discrimination, and adheres to the provisions in this document. ACGF exercises the authority to evaluate and select the best proposal. The proposal will be the basis for negotiation and ultimately signing the contract with the selected Service Provider.

The Service Provider is explicitly encouraged to present a detailed critical analysis and an interpretation of the assignment objectives and the ToR. This might encompass critical comments and doubts about suitability, consistency, and feasibility of individual aspects and the entire concept, if any. The methodology suggested must take a constructive account of these.

4.1. Qualification of Service Provider

The Service Provider is expected to provide a pool of experts that provide the necessary project skills as described in this section. The expert pool for this assignment shall comprise a minimum of 2 experts and a maximum of 3 experts.

1) Team Lead

- a. with at least 10 years international MSME finance experience
- b. Expertise in strategic advisory for the financial sector.
- c. Combined with the MSME Finance Expert at least 5 years of experience in the fields of financial inclusion and financial services delivery to women-led MSMEs in a similar environment.

2) MSME Finance Expert

- a. with at least 5 years MSME finance experience
- b. Combined with the Team Lead at least 5 years of experience in the fields of financial inclusion and financial services delivery to women-led MSMEs in a similar environment.

Further qualifications that will be an asset and can be provided by either member of the expert pool

- 1) Knowledge of Sharia-compliant financial products and services is an asset.
- 2) Familiarity with Afghan financial and MSME lending sectors is an asset.
- 3) Expertise in process development and capacity building for MSME lenders.

The qualification of the experts **shall be supported with a CV** and references to relevant past assignments including (a) assignment synopsis, (b) duration and period, (c) client name and contact details, (d) relevance for underlying project and (e) expert's respective roles, responsibilities, and LoE.

If a sub-contractor is foreseen by the plan, then proof of sub-contractor's qualification should be provided too.

4.2. Required Items for Application

In response to the posting of the ToR, the service provider must include the following items as part of its proposal:

- 1. Critical analysis** of ToR and suggested LoE (1-2 pages).
- 2. Methodology** for completing the activities and deliverables detailed in the ToR (2-4 pages).

3. **Work Schedule** including all intended activities, Level of Efforts (in mandays) by activity and per proposed expert.
4. **CVs of the proposed experts of maximum 4 pages.** Key Experts must be clearly marked with the respective role title as outlined in the TOR. Bidders are strongly encouraged to use the EU format for CVs. At a minimum, CVs should include relevant assignments (name of the project and synopsis of tasks), the timing ("from MM/YYYY to MM/YYYY) of these assignments, the name of the donor, the name of the client, and the country of the client/assignment.
5. **Financial offer** in Euro including
 - (1) Breakdown of total costs
 - a) Service fee: Fee per day or lump sum with breakdown of costs;
 - b) Project support costs: lump sum with breakdown of costs or to be reimbursed against invoices;
 - c) Expenses: international travel, national travel, transport, accommodation, per diem allowances, etc. to be reimbursed against invoices;
 - d) Taxes: if applicable
 - (2) Tentative payment schedule
6. Signed **Declaration of Undertaking**
7. **Written confirmation of proposal validity period** of 6 weeks after date of deadline for submission of proposals.

Annex 1: Declaration of Undertaking