



TERMS OF REFERENCE (TOR)
Implementation of AGFUND Project

Client: Development Bank of Nigeria Plc.

Country: Nigeria

TERMS OF REFERENCE (TOR)

AGFUND PROJECT

Development Bank of Nigeria Plc., in collaboration with the Arab Gulf Programme for Development (AGFUND) seeks to engage the services of a qualified Consulting firm to implement technical assistance for Start Ups in North-East and North-West Nigeria. Key components of this assignment include Ecosystem Support, Monitoring and Evaluation (M&E), Scaling and Sustainability of Start-ups

I. Background and Context

Development Bank of Nigeria (DBN) is a wholesale Development Finance Institution operating with the objective of addressing the access to finance gaps of underserved Micro, Small and Medium Enterprises (MSMEs) in Nigeria. With business and governance models based on internationally recognized good practice and substantial commitment of capital, DBN performs a catalytic role of facilitating financially sustainable and transparent access to finance for underserved MSMEs. This is achieved by supporting the development of diverse lending products, including the provision of medium – and long-term loans in local currency (Naira) and partial credit guarantees (through its wholly owned subsidiary Impact Credit Guarantee Limited)

DBN operates as a publicly listed limited liability company and falls under the regulation, licensing, and supervision of the Central Bank of Nigeria (CBN). Its operations receive backing from funding provided by various development partners, including the World Bank, the African Development Bank (AfDB), the German Development Bank (KfW), the French Development Agency (AFD), and the European Investment Bank (EIB).

From November 2017 when DBN commenced its business operations to December 2024, the bank has allocated N1.06 trillion in loans to 711,807 MSMEs throughout Nigeria. As at December 2024, N229 billion of these disbursements supported 530,791 women-owned businesses, while N114 billion aided 185,206 youth-owned enterprises. These figures underscore the bank's dedication to funding underserved segments of the MSME market, leading to the creation of more than 2,000,000 jobs.

This project will support the establishment of 500 start-ups in targeted states by the end of the Project lifecycle. A qualified consulting firm will be engaged to work in close partnership with DBN to design, implement, and monitor this initiative effectively.

2. Overview of the AGFUND Project

Project Duration	2 Years (2025 – 2027)
Proposed starting date of the project	2025
Objectives	To train at least 500 successful start-ups in economically disadvantaged areas in 2025. To lift 10,000 youths and women in economically disadvantaged areas out of poverty by 2027.
% of women	Achieve at least 50% women-owned businesses.
No. of beneficiaries to be trained	Train 500 start-ups and incubate 80 MSMEs.

3. Objectives of the AGFUND Project

- i. To train 500 start-ups in North-East and North-West Nigeria in 2025.
- ii. To enhance the efficiency and output of start-ups in North-East and North-West Nigeria by equipping them with essential skills and training. This initiative aims to boost productivity across various sectors, including but not limited to agriculture, trade and commerce, power and energy, manufacturing, education, healthcare, and financial services, ultimately driving economic growth in both regions.
- iii. To establish a network that connects producers with suppliers and end consumers, thereby minimizing waste resulting from inefficient distribution channels.
- iv. To scale MSMEs in economically disadvantaged areas such that they are able to access credit facilities through DBN's Participating Financial Institutions (PFIs) in those areas thereby decreasing poverty and improving their quality of life.
- v. To lift 10,000 youths and women in economically disadvantaged areas out of poverty by 2027.
- vi. The consulting firm will be responsible for supporting DBN to roll-out innovation hubs to:
 - Train 500 start-ups within the North East and North West regions.
 - Provide capacity building, mentorship, and technical assistance to entrepreneurs.
 - Develop a sustainable framework for start-up incubation and acceleration.
 - Facilitate access to finance and market linkages for the start-ups.
 - Ensure compliance with regulatory and operational standards.

4. Key Milestones of Project Implementation

CALL, TRAIN, INCUBATE and GRANT

A. ROLLOUT CALL

Objective: The rollout call aims to invite Micro, Small, and Medium Enterprises (MSMEs) operating in the Northeast and Northwest regions of Nigeria to participate in a capacity building training program funded by AGFUND. This initiative will leverage a combination of BizAid digital resources and formal classroom trainings to enhance business acumen, financial literacy, and growth potential. The ultimate goal is to train 500 MSMEs and incubate 80 high potential MSMEs through an accelerator program lasting 4-6 months.

Execution Process: The rollout call will be executed through a structured process involving the following key steps:

i. Stakeholder Engagement and Criteria Development

- Engage with relevant stakeholders, including government agencies, financial institutions, and business development organizations, to refine selection criteria.
- Validate eligibility criteria covering aspects such as:
 - Demonstrated potential for revenue growth.
 - Strong financial record-keeping and bookkeeping practices.
 - Business sustainability and market potential.
 - Willingness to participate in training and accelerator programs.
 - Registration status with relevant authorities (CAC registration preferred but not mandatory).

ii. Application and Outreach Strategy

- Design and launch an online and offline application process accessible to MSMEs across Northeast and Northwest Nigeria.
- Promote the call through:
 - Social media campaigns (Facebook, LinkedIn, Twitter, Instagram, WhatsApp groups).
 - Business associations, trade unions, and local chambers of commerce.
 - Radio and community announcements to reach underserved entrepreneurs.
 - MSME networks in Northeast and Northwest Nigeria.

iii. Review and Shortlisting of MSMEs

- Conduct an initial screening of applicants based on the agreed eligibility criteria.
- Prioritize businesses demonstrating strong potential for scalability and job creation.
- Shortlist **500 MSMEs** for training participation.

CRITERIA FOR THE CALL

Businesses in North-east and North-west Nigeria are required to meet some or all of the criteria listed below to be considered for shortlisting. The more criteria a business meets, the higher its score during the pre-qualification process.

- i. **Operational for at least 6 months.**
- ii. **Self-reported financial summaries or records** from ledger books, bank statements, POS, mobile money etc.

- iii. **Shows potential for growth, innovation, or impact through any of the following:**
 - Evidence of market demand (such as repeat buyers, consistent customer base, multiple shops etc.)
 - Digital marketing tools or social media presence (eg. Facebook, Instagram or Whatsapp Business pages)
 - Track record of informal growth (eg. Growth in capital, increase in revenue, expansion from one product line to multiple product lines etc.)
- iv. **Willing to participate in all training and mentoring sessions**
- v. **Has at least one of the following:**
 - Business Name
 - CAC certificate
 - Market/trade association membership
 - Cooperative or community group affiliation
 - Bank/mobile money/POS sales records
- vi. **Employs at least one staff (can include informal/family staff)**

B. TRAIN

- Deliver a structured training program to 500 start-ups through two key formats:
 - **Biz Aid Digital Training:** Self-paced online modules covering business fundamentals, financial management, marketing strategies, and regulatory compliance.
 - **Classroom-Based Workshops:** In-person sessions facilitated by industry experts focusing on practical business development skills.
 - **Incubation Determinant:** General test based on Biz Aid Digital Training and Classroom Workshops.
 - **Incubation Cohorts will be determined based on participation in the Bizaid Digital Training and classroom workshops.**

C. INCUBATE

Selection for Incubation and Accelerator Program

- Evaluate MSMEs based on financial records, customer base, track record of informal growth, training performance, commitment, business potential etc.
- Select **80 high potential MSMEs** for incubation and entry into the accelerator program based on:
 - Performance in training assessments
 - Business growth trajectory
 - Scalability
- Provide tailored mentorship, funding access, and structured growth plans over **4-6 months** to support their scale-up journey.

The incubator program will cover key areas essential for business growth and sustainability. These include:

- **Business Strategy & Growth Planning** – Developing scalable business models, market positioning, and long-term strategy formulation.
- **Financial Management & Investment Readiness** – Budgeting, cash flow management, bookkeeping, financial reporting, and investor pitching.
- **Marketing & Branding** – Digital marketing strategies, customer acquisition, brand positioning, and competitive analysis.
- **Operational Efficiency & Business Process Optimization** – Enhancing productivity, supply chain management, and quality control.
- **Legal & Regulatory Compliance** – Business registration, tax obligations, contract management, and intellectual property protection.
- **Technology & Digital Transformation** – Leveraging digital tools, e-commerce, automation, and innovation for business growth.
- **Customer Relationship Management & Sales Strategies** – Understanding customer needs, improving service delivery, and increasing sales conversions.
- **Access to Finance & Funding Opportunities** – Exploring grants, loans, venture capital, and alternative financing options.
- **Leadership & Human Capital Development** – Building strong teams, leadership skills, employee engagement, and corporate culture.
- **Pitching & Investor Readiness** – Crafting compelling business pitches, networking, and securing funding from investors.

D. GRANT – Execute Demo Day

- **GRANT CHALLENGE. Conduct demo-day to allow cohorts pitch for grant and catalytic funding.**
- The objective of the Grant challenge is to showcase how MSMEs would utilize the grant to grow their business, create jobs/employment opportunities for the unemployed within their community, and enhance the overall standard of living for local residents.

Key highlights of demo-day activities include:

- *Presentation to a wider audience of key stakeholders including PFIs, and other relevant stakeholders*
- *Award grant to top performers at the Incubator Program*
- *Announce mentorship programs for the twenty top performers to ensure scalability*
- *Graduate cohorts from the incubation program*

5. Beneficiaries of the AGFUND Project

Direct Beneficiaries

This project will be executed in 2 phases

Phase 1 - Train 250 and incubate 40 startups. Beneficiaries from the incubation and accelerator program will access a grant.

Phase 2 - Train 250 and incubate 40 startups. Beneficiaries from the incubation and accelerator program will access a grant.

Indirect Beneficiaries

Through job creation and MSME value chain, 10,000 youths and women in conflict-affected and economically disadvantaged areas will be lifted out of poverty by 2027.

6. Innovations Embedded in the Project

- i. Start-ups will incorporate technology in their operations. (eg. Agricultural start-ups will use machinery and equipment for food processing and cold rooms for storage)
- ii. They will utilize DBN's BizAid application to improve their accounting and finance operations
- iii. Start-ups will further leverage new technologies to scale.

7. Financial Education of Low-Income Beneficiaries

The youths and women who will be trained to establish start-ups will be taught financial education through DBN's Biz-Aid app and formal classroom trainings.

8. Impact of the Project on Targeted Groups

- i. Promote food security and resilience
- ii. Enhance the capacity of start-ups to access finance from DBN's Participating Financial Institutions (PFIs).
- iii. Increase standard of living for residents of economically-disadvantaged states.

9. Consulting Firm's Scope of Work

The consulting firm will undertake the following tasks:

1. Needs Assessment & Baseline Study: Conduct a comprehensive assessment to identify the entrepreneurial landscape, challenges, and opportunities in the focus regions.
2. Design & Implementation of Start-up Incubation Programs: Develop tailored incubation programs, training curricula, and mentorship frameworks.

3. Capacity Building & Training: Provide business development training, financial literacy, and technical skills enhancement for start-up founders.
4. Facilitation of Funding & Investment Readiness: Support start-ups in accessing finance through DBN and other funding partners.
5. Market Access & Linkages: Establish partnerships and linkages with industry players, corporate organizations, and government institutions.
6. Sustainability & Exit Strategy: Develop a sustainability plan to ensure long-term success beyond the AGFUND Project lifecycle.

7. Technical Assistance for Start-Ups

- a. Collaborate with innovation hubs in North-East and North-West Nigeria to identify and train 500 beneficiaries.
- b. Develop training curricula on entrepreneurship, agricultural practices, and financial management.
- c. Provide seed capital to start-ups through innovation hubs in focus regions.

8. Ecosystem Support

- a. Engage with regulators and ecosystem organizations to create an enabling environment for start-ups.
- b. Deliver capacity building programs to ecosystem stakeholders, ensuring sustainability and scalability of start-ups.

9. Scaling and Sustainability

- a. Collaborate with PFIs to provide additional credit facilities for scaling successful start-ups.
- b. Provide continuous technical assistance to start-ups to improve operational efficiency and expand market reach.
- c. Leverage technology for scaling, including DBN's BizAid app for financial management.

10. Deliverables

The consulting firm is expected to deliver the following:

- a. Train 500 startups (leveraging biz aid and formal classroom settings)
- b. Shortlist 80 startups for the incubator and accelerator program
- c. Run accelerator programs for 4 – 6 months
 - Conduct demo day and pitch for grants
 - Award grants and mentorship support
 - Graduate cohorts
- d. Partnerships with ecosystem stakeholders for sustainable support

- e. Inception Report: A detailed work plan, methodology, and timelines
- f. Needs Assessment Report: Findings from the baseline study and stakeholder consultations
- g. Training Modules & Incubation Framework: Structured content for entrepreneurship development
- h. Monthly & Quarterly Progress Reports: Status updates on program implementation
- i. Investment Readiness Report: Assessment of start-ups' preparedness for funding
- j. Final Project Report: Comprehensive documentation of project outcomes, challenges, and recommendations.

11. Key Performance Indicators (KPIs)

Quantitative measures that will be used to assess the success of AGFUND project include:

- a. Number of start-ups trained and operational in focus regions.
- b. Enhanced business capacity for 500 MSMEs in the Northeast and Northwest regions.
- c. Successful incubation of 80 MSMEs with structured growth plans.
- d. Percentage increase in MSMEs accessing credit through PFIs.
- e. Increase in women-owned and youth-owned businesses in both regions.
- f. Number of additional jobs created in Northeast and Northwest regions of Nigeria.
- g. Strengthened entrepreneurial ecosystem contributing to economic development in target regions.

12. Measures

Measures to Ensure that Expected Results are met:

- a. An M&E framework will be designed and implemented to track project progress and outcomes.
- b. Upon project completion, the bank will carry out an independent review of the project outcomes.

Measures to ensure Sustainability of the Project:

- a. Additional Technical Assistance to support the start-ups.
- b. Monitoring and Evaluation of start-ups per Quarter.
- c. Onboarding of MSMEs in North-west and North-east (focus states) to meet PFI requirements.
- d. Incentivize PFIs to lend to end-borrowers in the focus states.

13. Team Expertise and Composition

- a. Project Manager with experience in MSME development.
- b. Training Specialist with expertise in entrepreneurship and agriculture.
- c. M&E Specialist with a proven track record in project evaluation.
- d. Financial Inclusion Expert to liaise with PFIs and facilitate access to credit.
- e. Risks and Mitigation Measures

14. Reporting & Coordination

The consulting firm will report to the DBN Project Implementation Unit (PIU) and work closely with the Innovation Hubs in the target regions. Regular coordination meetings will be held to review progress and address challenges.

DBN will offer oversight and strategic guidance as well as facilitate access to credit for start-ups through PFIs.

PFIs will participate in training, product design, and data collection efforts.

15. Duration of Assignment

The assignment is expected to be completed within 2 years, commencing from April 2025 to February 2027.

16. Required Qualifications & Experience

The consulting firm must meet the following requirements:

- Minimum of 5 years of experience in entrepreneurship development and start-up incubation.
- Proven track record of working with development finance institutions and government agencies.
- Experience in facilitating access to finance and market linkages for start-ups.
- Strong expertise in monitoring, evaluation, and impact assessment.
- Demonstrated capacity in delivering training, mentorship, and business support services.
- Presence or operational experience in North East and North West Nigeria is an advantage.

17. General Eligibility Criteria

i. Evidence of Certificate of Incorporation

- Provide a Certificate of Incorporation issued by the Corporate Affairs Commission (CAC), including Form CAC1.1 or CAC02 and CAC07.

ii. Tax Clearance Certificate

- Submit evidence of the company's Income Tax Clearance Certificate for at least two (2) of the last three (3) years (2021, 2022, and 2023).

iii. Minimum Annual Turnover

- Demonstrate a minimum annual turnover of N200 million aggregate for the referenced years (2021, 2022, and 2023).

iv. Company's Audited Accounts

- Provide audited financial accounts for at least two (2) of the last three (3) years (2021, 2022, and 2023)

v. Company Profile

- Include a detailed company profile which should include three (3) verifiable evidence of similar jobs being executed in the last five (5) years, with the Curriculum Vitae (CV) of key staff to be deployed for the consultancy. Attach copies of their academic and professional qualifications.

NB. *International bidders without a physical operational presence in Nigeria are required to provide valid proof of legal business registration in their respective countries as an alternative to the above-mentioned requirements.*

18. Application Process

Interested consulting firms should submit the following:

- A technical proposal outlining the approach, methodology, and work plan.
- A well detailed financial proposal detailing costs for delivering the assignment.
- Company profile, including evidence of relevant experience.
- CVs of key personnel to be engaged in the project.

19. Deadline for Submission

The deadline for the submission of Request for Proposal (RFP) is set for a three (3) weeks period, commencing on Monday, 28th April 2025, and closing on Sunday, 16th May 2025, at 5:00 pm. Any requests for clarification should be directed to the Project Implementation Unit (PIU) at piu@devbankng.com from 7th Mar to 14th May 2025. All proposals must be submitted via email to piu@devbankng.com, with a copy sent to audit@devbankng.com.