Terms of Reference (TOR)

Financial Inclusion Expert: Pilot Design and Implementation Roadmap for Access to FinanceDanish-Arab Partnership Program (DAPP)

Program: Youth Innovation and Employment Program (YIEP)

1. Who is the Danish Refugee Council?

Established in 1956, the Danish Refugee Council (DRC) is an international non-governmental organization with expertise in forced displacement. DRC operates in 40 countries with a workforce of 9,000 employees and 7,500 volunteers. The organization delivers protection, advocacy, and sustainable solutions for refugees and communities affected by displacement. DRC provides comprehensive support across all phases of displacement, including emergency response, ongoing assistance, integration, and repatriation. Services include protection activities, humanitarian aid, livelihood support, and collaboration with civil society and government stakeholders to assist refugees and the displaced, protect their rights, and empower them to build a better future and a dignified life.

Economic Recovery is one of DRC's five core sectors, aiming to move beyond emergency assistance by enabling conflict- and displacement-affected populations to regain self-reliance and reduce vulnerability. Programming is organized around three interlinked areas: (i) promoting decent and sustainable livelihoods, (ii) expanding access to affordable financial services, and (iii) improving food security for the most vulnerable.

2. Background and Rationale

Over the past decade, Tunisia has witnessed a surge in entrepreneurial initiatives driven by young innovators and a growing network of incubators, accelerators, and co-working spaces. Despite this national momentum, the growth of the entrepreneurial ecosystem has remained heavily concentrated in coastal and urban regions (notably Tunis, Sousse, and Sfax), while Southern Tunisia continues to face persistent structural barriers limiting local innovation dynamics.

These barriers include fragmented and under-resourced support structures; limited access to seed and early-stage capital; weak linkages between training institutions, incubators, and private investors; insufficient exposure to market networks, mentors, and diaspora investors; and the low participation of women and marginalized youth in entrepreneurship programs.

In addition, Southern Tunisia lacks consistent institutional mechanisms capable of structuring, supporting, and sustaining early-stage entrepreneurial initiatives. While innovation potential exists, many young innovators remain disconnected from formal support structures, and existing initiatives are often project-based, short-term, and insufficiently institutionalized.

Within this context, the Danish Arab Partnership Programme (DAPP), through the Youth Innovation and Employment Programme (YIEP) implemented by the Danish Refugee Council (DRC), seeks to promote inclusive economic growth, youth employability, and innovation in underserved regions of Tunisia.

The Ready for Tomorrow project (Youth Inclusion and Employment Project) aims to enhance the employability and entrepreneurial engagement of young women and men aged 18-35 in Tunisia. The project supports youth entrepreneurs through the development of life skills, integration into relevant business ecosystems, and the acquisition of technical and future skills, enabling them to establish and sustain viable businesses or secure wage employment. The project is implemented by DRC/DAPP.

Access to finance remains one of the most persistent barriers faced by young entrepreneurs in Tunisia, particularly those operating early-stage or informal businesses. While a range of financial and non-financial instruments exist - including bank credit lines, microfinance, public guarantee mechanisms, and an emerging angel and venture capital ecosystem - many youth-led startups struggle to access appropriate, affordable, and timely financing. This is often compounded by collateral requirements, limited financial track records, regulatory constraints, and information asymmetries between youth entrepreneurs and financial institutions.

These barriers are well documented: a 2025 EIB/EU survey of Tunisian SMEs found that among those seeking credit, unfavorable interest rates, complex procedures, and excessive collateral requirements are the main obstacles to borrowing. Underlying causes include a regulated ceiling on lending rates that discourages banks from pricing for risk on smaller borrowers, leading them to ration credit toward larger, safer clients rather than serve riskier ones; weak collateral and credit-reporting infrastructure that pushes microfinance rates well above bank rates; a "missing middle" gap, whereby many Tunisian entrepreneurs need loan sizes too large for microfinance institutions but too small for banks or venture capital; and Tunisian MFIs' near-total dependence on limited refinancing from the state-owned Tunisian Solidarity Bank, which keeps microcredit costly despite serving the population banks exclude. Women-led MSMEs face a particularly acute financing gap, and financing infrastructure remains concentrated in Greater Tunis and coastal governorates, leaving Southern, Central, and North-Western Tunisia structurally underserved.

To strengthen the project's ability to support youth entrepreneurs beyond training and mentoring, DRC wishes to recruit an expert consultant **in blended and innovative** finance to conduct a small, focused validation of the access-to-finance landscape for youth entrepreneurs, building on existing studies rather than mapping from scratch, identify the key roadblocks limiting access, design and support the piloting of a concrete financing mechanism tailored to the project's target participants (youth, women, SMEs, and cooperatives) - including on how DRC can engage directly with financial institutions and other relevant actors to help overcome these barriers.

3. Objective of the consultancy

The overall objective of this consultancy is to validate and update existing evidence on access-to-finance barriers for DRC's target participants under the Ready for Tomorrow project, and to design a concrete, pilot-ready financing mechanism - including innovative and blended finance approaches aligned with DAPP's objectives, together with a practical implementation and partnership roadmap.

Building on this overall objective, the consultancy will pursue the following four specific objectives:

1. Update, through rapid desk review, existing studies and mapping of access-to-finance instruments relevant to YIEP's target participants (youth, women, SMEs, and cooperatives), confirming which instruments remain applicable, accessible, and current for the Ready for Tomorrow beneficiary profile and geography, including. bank credit, microfinance, public guarantee schemes, angel/venture capital, crowdfunding, and blended finance mechanisms.
2. Confirm and refine, through a limited number of key informant interviews (KIIs) and focus group discussions (FGDs) with target participants, the specific barriers most relevant to beneficiary profile, with emphasis on concrete pathway-oriented insights (i.e., what would need to change, and for whom, to unlock access) rather than an exhaustive barrier catalogue.
3. Design **practical solutions and at least two** financial products or blended finance mechanism(s), such as a partial credit guarantee, matching grant, or group-lending facility, tailored to the financing needs, loan-size range, and repayment capacity of DRC's target participants (youth entrepreneurs, women, SMEs, and cooperatives) under the Ready for Tomorrow project, specifying for each: target beneficiary segment and eligibility criteria; loan or grant size range; risk-sharing or guarantee structure; pricing/cost-to-borrower implications; and the financial institution partner(s) required to deliver it.
4. Formulate an implementation roadmap for the mechanism(s) designed under Objective 3, defining the sequence of steps, partnership or MoU arrangements with financial institutions, budget and resourcing implications for DRC, and monitoring indicators needed to move from design to a time-bound pilot within DAPP's future programming.

4. Scope of Work and methodology

The consultancy will be implemented over an estimated nine-week period through four consecutive phases, each with a clear objective, focused set of activities, expected outputs, and working-day allocation. The phased structure ensures a progressive deepening of the analysis - from validation of existing evidence to targeted consultations, to the design of pilot financing mechanisms, and finally to a practical implementation roadmap and validation.

Phase 1 - Inception and Desk Review (Weeks 1-2)

The consultant will:

- Conduct a desk review of Ready for Tomorrow/DAPP project documents, results framework, and relevant M&E data on youth beneficiaries and startups.
- Review existing studies, national strategies, and regulatory frameworks relevant to access to finance and entrepreneurship in Tunisia (e.g. the Startup Act, financial inclusion strategy,

microfinance regulations and prior ecosystem mapping studies), with a specific focus on instruments and findings that remain applicable to YIEP/DRC's target participants and intervention regions.

- Develop an inception report including an updated mapping which access-to-finance instruments (bank credit, microfinance, public guarantee schemes (e.g. SOTUGAR), angel/venture capital, crowdfunding, blended/innovative finance mechanisms) are currently accessible and relevant for YIEP/DRC's beneficiary profile, and where key gaps or outdated elements appear in existing mappings.
- Develop and validate an inception report with DRC, including refined methodology, stakeholder consultation list, and data collection tools (KII/FGD guides) and detailed work plan.

Phase 2 - Stakeholder Consultations (Weeks 3-5)

The consultant will:

- Conduct key informant interviews (KIIs) with financial institutions, regulators, and existing entrepreneurship support actors active in the project's intervention areas, framed around "what would need to change for [institution] to serve YIEP/DRC-type beneficiaries?" rather than open-ended barrier cataloguing.
- Conduct focus group discussions (FGDs) and/or short interviews with a sample of Ready for Tomorrow youth beneficiaries, SME, cooperative and startup owners to capture their lived experience, highlighting the specific barriers and constraints they face in accessing finance, and to elicit pathway-oriented insights (e.g. acceptable collateral substitutes, preferred loan sizes, repayment modalities, appetite for group-based mechanisms).
- Consolidate findings into Barriers and Pathways report" that highlights the most appropriate financial products, as well a small number of priority bottlenecks and feasible change-levers for YIEP/DRC's target groups,

Phase 3 - Pilot Mechanism Design and DRC Engagement Strategy (Weeks 6-7)

The consultant will:

- Using the validated evidence and consultation findings, identify one or two priority mechanism types (e.g. partial credit guarantee facility, matching grant scheme, group-lending product for cooperatives) that best fit beneficiary profile, loan-size needs, and risk realities.
- Engage in focused working sessions with DRC and 2–3 selected financial institution partners (e.g. bank, MFI, guarantee fund) to co-design the selected mechanism(s), specifying for each: target beneficiary segment and eligibility criteria; loan or grant size range; risk-sharing or guarantee structure; pricing/cost-to-borrower implications; operational delivery channel; and basic monitoring requirements.
- Develop a Pilot Mechanism Design report for the one or two mechanisms, including a brief analysis of how DRC can position itself (e.g. as grant provider, risk-sharing partner, pipeline originator, or technical assistance provider) vis-à-vis the selected financial institutions.

Phase - 4 Implementation Roadmap and Final Recommendations (Weeks 8-9)

The consultant will:

- Formulate a practical implementation roadmap for the mechanism(s) designed under Phase 3, defining: the sequence of steps to move from design to pilot launch; partnership or MoU arrangements required with financial institutions and/or guarantee funds; budget and resourcing implications for DRC (including any loss-reserve or matching-grant envelopes); and key monitoring indicators and decision points (e.g. criteria for scale-up or adaptation after an initial pilot cycle).

- Consolidate all findings into a Final Report, presenting the revised access-to-finance mapping, the barriers and pathway analysis, pilot mechanism design, and implementation roadmap, DRC engagement pathways, and prioritized, actionable recommendations.
- Facilitate a short validation workshop with /DRC and, where relevant, selected financial institutions, to present and discuss the findings and recommendations prior to finalization.

5. Expected Deliverables

The Consultant will submit progressive deliverables from September 2026 to November 2026, corresponding to each implementation phase. The table below outlines, for each phase, the expected deliverables, a brief description of the outputs, the key submission deadlines, and the indicative number of working days foreseen for their completion.

Phase	Expected deliverables	Indicative description (outputs)	Expected Timeframe and deadline	Estimated number of working
Phase 1 Inception & Desk Review	Inception Report	Short report (max. 10-12 pages) presenting the refined methodology, a validated inventory of access-to-finance instruments and actors relevant to DRC's target participants, the stakeholder and consultation list, the updated mapping matrix/data collection tools, and a detailed work plan.	End of Week 2	4 days
Phase 2 Stakeholder Consultations	Barriers and Pathways Report (draft)	Analytical report summarizing findings from key informant interviews (KIIs) with financial institutions, regulators, and support actors, and from focus group discussions (FGDs) or short interviews with Ready for Tomorrow beneficiaries (youth, women, SMEs, cooperatives). The note will highlight the most relevant barriers for YIEP/DRC's target profile (both from FSP's side and participant perspective) and propose concrete pathways and change-levers (e.g. collateral substitutes, preferred loan sizes, group-based mechanisms).	End of Week 5	8 days
Phase 3 Pilot Mechanism Design & DRC Engagement Strategy	Pilot Mechanism Design Note	Design note (approx. 8–10 pages) specifying one or two financial products or blended-finance mechanisms (e.g. partial credit guarantee, matching grant, group-lending facility) tailored to DRC's target participants. For each mechanism, the note will detail target beneficiary segment and eligibility criteria; loan/grant size range; risk-sharing or guarantee structure; pricing/cost-to-borrower implications; operational delivery channel; and DRC's engagement role vis-à-vis partner financial institutions (e.g. grant provider, risk-sharing partner, pipeline originator, TA provider).	End of Week 7	7days

Phase	Expected deliverables	Indicative description (outputs)	Expected Timeframe and deadline	Estimated number of working
Phase 4 Innovative Finance & Final Recommendations	Final Consolidated Report	Final report (max. 20-25 pages excl. annexes) consolidating the revised mapping and phase 2 barriers and pathway analysis, and phase 3 pilot mechanisms design, aligned with DAPP objectives. The report will present a practical implementation roadmap for the selected mechanism(s), including sequence of steps from design to pilot launch, partnership or MoU arrangements with financial institutions and/or guarantee funds, budget and resourcing implications for DRC, and key monitoring indicators and decision points for scale-up or adaptation. Includes facilitation of a validation workshop with DRC and selected financial institutions to present and discuss the findings and roadmap prior to finalization.	End of Week 9	8 days

6. Duration, timeline, and payment

DRC intends to contract an individual consultant to implement this assignment over an estimated nine-week period, in line with the phases and deadlines set out in the deliverables section above. All deliverables must be submitted according to the agreed timeline, and draft versions of key outputs will be reviewed and validated by DRC before finalization.

Payment for the services will be made upon satisfactory completion of agreed deliverables and submission of an invoice and certificate of completion of services duly signed by DRC.

The indicative payment schedule is as follows:

- 20% upon submission and approval of the Inception Report;
- 30% upon submission and approval of the Pilot Mechanism Design Note (Phase 3)
- 50% upon submission and approval of the Final Report, including facilitation of the validation workshop (phase 4).

In all cases, payments will be made no later than fifteen (15) calendar days following DRC's written approval of each deliverable.

7. Required Expertise

The consultancy is expected to be carried out by a single individual consultant with the following profile:

- Minimum 7-10 years of professional experience in finance, blended finance, or innovative finance, including work related to access to finance for MSMEs, startups, or youth entrepreneurs.

- Demonstrated familiarity with the Tunisian financial sector and regulatory environment, including relevant instruments such as the Startup Act, SOTUGAR guarantee schemes, microfinance institutions, and the emerging angel/venture capital ecosystem.
- Proven experience designing or analyzing blended and innovative finance mechanisms and specific financial products (e.g. guarantee funds, matching grants, results-based financing, gender-lens investing).
- Strong stakeholder engagement, facilitation, and interviewing skills, with the ability to engage effectively with both financial institutions and youth entrepreneurs.
- Experience engaging underserved segments in Tunisia (e.g. youth and women entrepreneurs, SMEs and cooperatives in Southern, Central, and North-Western regions) will be considered a strong asset.
- Excellent analytical and report-writing skills, with the ability to translate complex findings into clear, actionable recommendations.
- Working proficiency in French and English; Arabic is an asset.
- Prior experience working with NGOs, development partners, or donor-funded youth employment/entrepreneurship programs is an advantage.

8. Coordination, Reporting, and Quality Assurance

- The consultancy operates under the strategic guidance of the Project Manager, in close collaboration with the technical team.
- Bi-weekly check-in meetings will be held throughout the assignment to monitor progress and address any challenges.
- DRC will review each deliverable within five (5) working days of submission; the consultant will have three (3) working days to incorporate feedback before final submission.
- All deliverables shall be submitted in French, with an executive summary in English.
- All data, information, tools, and reports produced under this consultancy remain the property of DRC and shall be treated as strictly confidential; no part may be shared with third parties or reproduced without prior written approval.

9. Proposal Submission Requirements

Interested consultants are invited to submit the following:

1. Technical Proposal, including understanding of the assignment and context; proposed methodology and detailed work plan; and a brief risk analysis and mitigation plan.
2. Financial Proposal, including an itemized budget (professional fees and any applicable travel/logistics costs) and a proposed payment schedule linked to deliverables.
3. Curriculum Vitae, highlighting relevant experience and at least two references from comparable assignments.
4. A sample of a previous, comparable analytical report or mapping study (if available).

10. Evaluation Criteria

Evaluation Area	Weight
Technical Proposal (understanding of assignment, methodology, and clarity workplan)	**40 %**
Relevant Experience and Track Record (finance, blended/innovative finance, Tunisian context)	**30 %**
Consultant Qualifications and Language Skills	**30 %**

11. Administrative Information

- **Contract Type:** Service contract based on deliverables.
- **Submission Deadline: 17 August 2026 (midnight Tunis time)**
- **Submission Email:** tender.tun@drc.ngo
- **Information & Queries:** romane.hay@drc.ngo