

TERMS OF REFERENCE FOR
TECHNICAL ADVISOR – SME LENDING TRAINING COURSE
BANK SKILLS TRAINING AND CONSULTANCY COMPANY (BTC)

1. BACKGROUND

IFC:

The International Finance Corporation (IFC), a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing private capital in local and international financial markets, and providing advisory and risk mitigation services to businesses and governments. IFC's vision is that poor people have the opportunity to escape poverty and improve their lives. In the Mekong region, IFC manages the Mekong Private Sector Development Facility (MPDF), an advisory services program covering Lao PDR, Vietnam and Cambodia.

BTC:

The Bank Skills Training and Consultancy Company (BTC) was set up in 2001 as an initiative of IFC MPDF to help build capacity of Vietnamese banks. Currently, BTC is a private limited liability company owned by the ten largest Vietnamese joint stock banks. BTC is the only specialized professional bank training provider of international standard in Vietnam, offering practical training based on international best practice and adapted to local business context.

IFC is supporting BTC in developing the curriculum for a training course on SME lending for Vietnamese banks. The course aims to provide the banks with tools and techniques required for SME lending.

This TERMS OF REFERENCE describes the scope of work which BTC expects the consultant to accomplish in assisting with the development of the training course and an associate network for BTC.

2. OBJECTIVES

BTC wishes to hire a consultant/consulting firm for approximately 12 days during the period June - August 2008 to carry out the following:

- Coordinate with the Managing Director of BTC to deliver set of materials for SME lending course
- Conduct (together with local co-trainer) the first delivery of the course
- Provide on-the-job training for local co-trainers during the first delivery of the course

3. TASKS

Working closely with BTC team members and associates, the consultant will perform the following tasks:

- a. Develop materials for the SME lending training course (approximately 07 days)

b. Conduct the first delivery of the training course with the aim to pilot test the course quality and train the local co-trainers (03 days)

c. Based on the first delivery, revise and refine materials for the training course (approximately 02 days)

4. DELIVERABLES AND DEADLINE

a. Deliver a set of training materials for the SME lending training course (Deadline: 18 July, 2008)

All materials shall be based on international best practice and adapted to the local context. The materials must contain:

- Checklists of all materials covered in the trainer and trainee sets
- A detailed daily plan for the course
- Presentation slides
- Trainer notes
- Reference materials
- Exercises and case studies with answer key and tips for trainers (at least five exercises, examples and/or cases per training day)
- Games, simulation software, visual aids (such as DVDs, cassettes, video-tapes, etc.)
- Post-training assignment of approximately 15 multiple choice and/or true false questions per training day, with answer key for trainers

b. Conduct (together with the local co-trainer) the first delivery training course in Hanoi (or Ho Chi Minh City). The training must be evaluated by the trainees with a minimum average mark above 3.75 out of 5. (In case the average mark is below 3.75, the consultant will write a report clarifying the reason).

c. Provide on-the-job training for local co-trainers during this first delivery. The local trainers must be able to run subsequent trainings independently after the first delivery. (In case local trainers do not score above 3.75 out of 5 on trainee evaluation reviews, the consultant will write a report clarifying the reason).

d. Fine tune and improve materials for the training course based on this first delivery (Deadline: 31 August 2008)

5. LOCATION

The assignment requires the consultant to be based in Hanoi and make occasional trips if required.

6. REPORTING

The consultant will work closely with Ms. Le Mai Lan, Managing Director of BTC, on the content and the deliverables of the project. The consultant will report monthly regarding deliverables and deadline to Ms. Le Mai Lan and Mr. Dam Trung Kien, IFC Project Officer.

7. SELECTION PROCESS

The consultant will be selected through a competitive bidding process. Interested consultants are required to submit:

- CV as per the attached form in Appendix 2
- Comments on the TOR and content of the program outline in Appendix 1
- Proposal outlining an implementation plan and financial budget for each deliverable

8. ARRANGEMENTS

All logistics, scheduling, bookings, other support as necessary will be provided by BTC.

9. PAYMENTS AND CONTRACTS

- All contracts are signed with IFC and paid by IFC.
- Payments will be made in USD into the bank account specified by the consultant, within 10 days after receiving the consultant's reports.
- The payments will be made according to the following schedule:
 - + 10% of contract value within 10 days after contract signing
 - + 40% of contract value after delivering full set of training materials as specified in 4.a
 - + the remaining of contract value upon contract termination

10. DEADLINE FOR THE SUBMISSION OF THE PROPOSAL

The consultant's CVs, outline of the proposal (including the consultant's competitive quote), shall be submitted to the IFC and BTC by **e-mail** no later than 1 June, 2008 to the following addresses: kdam@ifc.org and thungadao@btc.com.vn

Appendix 1: Suggested Content of the SMEs Lending training course

a) *Overview about SMEs*

- Understanding SMEs – characteristics, financial needs
- Corporate vs. SMEs – key differences

b) *Key principles in SMEs lending*

c) *Pre – lending evaluation*

- SMEs analysis – financial condition, cash flow, business viability
- Collateral
- Credit risk – grading system
- Problems with lending to family businesses, SMEs

d) *Structuring a loan to SMEs – term of the loan, pricing (based on inherent risks and underlying collateral)*

e) *Servicing SMEs' loans*

f) *Risks management in SMEs lending:*

- Financial ratios/indicators analysis – early warning signals
- MIS reports to support risk management
- Arrears management

Appendix 2: Form Curriculum Vitae (CV)

1. Name of Consultant [*Insert full name*]: _____

2. Date of Birth: _____ **Nationality:** _____

3. Education: _____

4. Countries of Work Experience: [*List countries where consultant has worked in the last ten years*]:

5. Employment Record [*Starting with present position, list in reverse order every employment held since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.*]:

From [*Year*]: _____ To [*Year*]: _____

Employer: _____

Positions held: _____

6. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned

[*Among the assignments in which the consultant has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed in the TOR.*]

Name of assignment or project: _____

Year: _____

Location: _____

Client: _____

Main project features: _____

Positions held: _____

Activities performed: _____

7. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any willful misstatement described herein may lead to my disqualification or dismissal, if engaged.

Date: _____

[*Signature of staff member or authorized representative of the staff*] *Day/Month/Year*

Full name of the consultant: _____