

# Mercy Corps Indonesia

## Scope of Work for Consultants

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**Project/Consultancy Title:** Consultant for Strengthening Microfinance for Water and Sanitation

**Location(s):** Jakarta

**Finance Department Code:** 8500-607-20127-01 (BAPPENAS: Improvement of Financing Products and Services to strengthen investment and business of drinking water and domestic wastewater management)

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### **Background:**

Indonesia has an ambitious target on improved and safely managed water and sanitation in 2030. As part of its new national mid-term development plan (RPJMN) 2025 - 2030," Indonesia seeks to increase access to improved and safe water and sanitation for all by 100 percent access to improved water supply system, 30 percent safely managed sanitation and 45 percent safely managed drinking water. In 2024, Indonesia has successfully achieved 80 per cent of improved water, 15 percent of safely managed drinking water and 12 percent of safely managed sanitation.

To achieve the above ambitious target on water and sanitation, it takes massive investment in water and sanitation infrastructure. Currently, the government of Indonesia (GoI) have limited resources to be allocated to improve WASH sector. Many WASH infrastructures are not working appropriately. Due to its investment shortage, many households lack access to safely managed drinking water and sanitation.

WASH sector can't only depend on government investment, but also requires household investments and expenditures. Financing mechanisms such as microfinance provide alternative financing schemes to support the households, particularly households with low income in reaching access to WASH products and services.

### **Purpose / Project Description:**

The overall goal of USAID IUWASH Pasar is to catalyze and grow local markets for water, sanitation, and hygiene (WASH) products and services in Indonesia's vulnerable urban areas. To achieve the overall goal, the Project will focus on the following three main objectives:

- Improve business environment to foster greater private sector contribution for WASH services and products.
- Enhance viability of WASH businesses and increase availability of affordable, desirable WASH products and services to underserved market segments.
- Improved key WASH behaviors for increased demand with correct and consistent use of WASH products and services.

### **Objectives of Consultancy:**

The main purpose of the consultancy is to develop financing strategies for Individual and Enterprise Financing available in the 6 USAID IUWASH Pasar project areas. Individual financing to ensure that financial products are available and can be accessed by households in the project area for the purchase of WASH products<sup>1</sup> (septic tanks, household water filter, desludging services and PDAM/KPSMAS piped water connections) Enterprise Financing is mainly for the micro or informal

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<sup>1</sup> IUWASH Pasar is currently focusing on the products namely, septic tanks, household water filter, desludging services and PDAM/KPSMAS piped water connections

sector WASH enterprises to meet the capital requirement for expanding/retaining their businesses. Enterprise Financing also includes Institutions like PDAM, KPSMAS etc . Under the supervision of Objective Lead 1, the consultant will work closely with Objective Lead 2, Objective Lead 3 and regional teams.

### **Main Duties and Responsibilities:**

To perform the duties and responsibilities, the consultant will have the following scope of works:

- 1. Assess the need of the financing support for the individual households, informal enterprise, formal SMEs and the quasi-government**
- 2. Mapping and engaging financial service providers (FSPs) in USAID IUWASH Pasar project areas.**
  - Identify formal FSPs as regulated by the government (OJK, Bank Indonesia and Ministry of Cooperatives and SMEs) and non-formal FSPs including individual providers,
  - Identify financing products of those formal and non-formal FSPs including microfinance and loan products, other financing schemes, and requirements which might be relevant for WASH products,
  - Articulate clearly preferably in a matrix on the available and potential financial products for individual and enterprise financing with each of the FSPs.
  - facilitate discussion with the IUWASH Pasar team as and when required.
- 3. Developing loan schemes and business process for WASH products and services**
  - Select FSPs which are interested to provide loans/microcredits to households, enterprises, demand activators to buy WASH products,
  - Support the selected FSPs to develop microcredits/loans, business process, marketing strategies, risk mitigation strategies and delivery channels,
  - Facilitate business linkages between MFIs, Demand Activators, WASH small, micro informal enterprises
- 4. Getting feedback/inputs from potential customers (households and demand activators) on the loan/microcredit schemes**
  - Conduct FGDs with the households and demand activators to get feedback/input on the loan schemes, requirements, marketing strategy, delivery channels and loan repayment mechanism,
  - Revisit the loan schemes, requirements, marketing strategy, delivery channels and loan repayment mechanism based on feedback/input received from households and demand activators.

### **Outputs, Deliverables and Timeline:**

The consultant will be responsible for the following outputs and deliverables with timeframe as following details:

No	Task	Deliverables	Timeline	Working Hours
1	<b>Assess the need of the financing support for the individual households, informal enterprise, formal SMEs and the quasi-government</b>	Report of assessment of the need of the financing support for the individual households, informal enterprise, formal SMEs and the quasi-government	15 October – 05 November	Max 10 working days

2	<b>Mapping and engaging financial service providers (FSPs) in USAID IUWASH Pasar working areas.</b>	Report of mapping and engaging of financial service providers (FSPs) in USAID IUWASH Pasar working areas available	06 – 16 November 2024	Max 5 working days
3	<b>Developing loan schemes and business process for WASH products and services</b>	Report of developing loan schemes and business process for WASH products and services available	17 November – 31 December 24	Max 20 working days
4	<b>Getting feedback/inputs from potential customers (households and demand activators) on the loan/microcredit schemes</b>	Report of getting feedback/inputs from potential customers (households and demand activators) on the loan/microcredit schemes available	1 - 14 January 2025	Max 10 working days

### **The Consultant Project Location**

The consultant will be home-based.

### **The Consultant Working Period:**

The timeframe of this consultancy will effectively start from 15 October 2024 to 14 January 2025 with a maximum of 45 working days for 3 months.

### **The Consultant will report to:**

The consultant will report to WASH Business Enabling Environment Lead.

### **The Consultant will work closely with:**

The Consultants will work and coordinate closely with the Deputy Chief of Party, Business Development Lead, Social Behavior Change Lead and USAID IUWASH Pasar provincial teams.

### **Required Experience & Skills:**

- An advance university degree, majoring in Economics/Financial Management/Business Administration/Marketing or related field,
- At least 8 years' experience providing technical assistance or as a consultant of micro finance program and business development services (BDS).
- Experience in micro finance in relation to seeking financial source to small enterprise to improve its business.
- Having experience working in development programs, especially in relation to the microfinance and business development services (BDS).
- Familiar with private sector engagement, market system development (MSD)/market for the poor (M4P), and MSE financing,
- Demonstrated experience in formulating social policy and designing and implementing analytical activities,
- Proven ability to write policy briefs, research papers, articles, technical report, documents in English,
- Proven ability in arranging agendas for multi-stakeholder technical meetings, workshops, working groups and taskforces,

- Familiarity with the principles and/or practice of inclusivity issues (such as gender and disability) and how this applies to business ecosystem improvement,
- Experience of providing technical assistance to government for sector development and capacity building,
- Ability to work in a multidisciplinary team and have the initiative to work independently to a deadline,
- Fluency in written and spoken English is preferable.

### **How to Apply**

Prospective candidates shall email their Curriculum Vitae and price offered to **procurement@id.mercycorps.org** before **4 oct 2024**. Only shortlisted candidates will be contacted.

### **Diversity, Equity & Inclusion**

Achieving our mission begins with how we build our team and work together. Through our commitment to enriching our organization with people of different origins, beliefs, backgrounds, and ways of thinking, we are better able to leverage the collective power of our teams and solve the world's most complex challenges. We strive for a culture of trust and respect, where everyone contributes their perspectives and authentic selves, reaches their potential as individuals and teams, and collaborates to do the best work of their lives.

We recognize that diversity and inclusion is a journey, and we are committed to learning, listening and evolving to become more diverse, equitable and inclusive than we are today.

### **Equal Employment Opportunity**

We are committed to providing an environment of respect and psychological safety where equal employment opportunities are available to all. We do not engage in or tolerate discrimination on the basis of race, color, gender identity, gender expression, religion, age, sexual orientation, national or ethnic origin, disability (including HIV/AIDS status), marital status, military veteran status or any other protected group in the locations where we work.

### **Safeguarding & Ethics**

Mercy Corps team members are expected to support all efforts toward accountability, specifically to our stakeholders and to international standards guiding international relief and development work, while actively engaging communities as equal partners in the design, monitoring and evaluation of our field projects. Team members are expected to conduct themselves in a professional manner and respect local laws, customs and MC's policies, procedures, and values at all times and in all in-country venues.