



Near East Foundation Call for Expression of Interest

Assignment: Call for Expression of Interest (EOI): Research Firm to Conduct Comprehensive Market Research, Demand Assessment, and Feasibility Study on Inclusive Access to Finance in Anbar.

Location: Anbar

Category: Consultancy

I. About NEF

The Near East Foundation (NEF) is an international non-profit organization promoting economic development, financial inclusion, and community resilience across the Middle East, Africa, and beyond. In Iraq, NEF has been at the forefront of designing and implementing innovative programs that support entrepreneurs, small businesses, and underserved communities, particularly women-led enterprises and agribusinesses. Through its work in business development, access to finance, and workforce advancement, NEF has strengthened Iraq's private sector by fostering sustainable economic opportunities.

NEF's initiatives have focused on enhancing financial inclusion by introducing tailored financial products and business support services that enable micro and small enterprises to grow and thrive. By integrating digital financial solutions and market-driven interventions, NEF has helped businesses access essential resources, improve financial literacy, and expand their market reach. Its ongoing efforts to establish a sustainable Revolving Credit Fund (RCF) model reflect a commitment to providing affordable and accessible financing to those excluded from traditional financial systems. Through strategic partnerships and a deep understanding of Iraq's economic landscape, NEF continues to drive economic resilience and long-term growth in the country.

II. Purpose

This study will focus on rapidly revolving and efficiently scaling the existing RCF model, ensuring cost-effectiveness, sustainability, and leveraging proven demand and product performance. Research efforts will prioritize building upon past success rather than revisiting the ideation process. The study will provide clear, actionable insights that support immediate fund deployment while maintaining financial sustainability and regulatory compliance.

The research will analyze market competition, financial service providers, and institutional capacity to inform strategies for enhancing financial inclusion without re-initiating ideation. The study will identify barriers to scaling and sustainability while exploring product expansion, pricing models, and regulatory considerations for ensuring the long-term viability of the RCF.

Through a comprehensive market study, demand assessment, and feasibility analysis, the research will provide:

- A detailed market mapping of financial service providers, competitive positioning, and alternative lending models to identify additionality rather than competition.
- Consumer behavior insights assessing financial product preferences, adoption barriers, and scalability of existing demand.
- Affordability analysis exploring loan pricing structures, sustainability, and cost-efficient outreach models.
- Regulatory and governance structure assessment to align the RCF with compliance frameworks while ensuring sustainable operations.
- Feasibility modeling for the long-term sustainability of the RCF model, including outreach, cost-effectiveness strategies, and decentralized financial structures such as producer groups or village-level credit schemes.
- Risk mitigation strategies for decentralized lending models to ensure long-term sustainability.

III. Background Information

Access to finance remains a significant challenge for micro and small enterprises in Iraq, particularly for women-led businesses, agribusinesses, and home-based entrepreneurs. Limited financial infrastructure, restrictive eligibility criteria, and high borrowing costs have resulted in the exclusion of many businesses from formal financial services. While donor-driven initiatives have provided short-term financial relief through grants and subsidized loans, these models have often proven unsustainable, leading to market distortions and dependency.

To address these challenges, the Sustainable and Inclusive Access to Finance (SIAF) project, implemented by NEF under the ICCA initiative, aims to develop a locally managed, sustainable, and replicable Revolving Credit Fund (RCF) model. This initiative builds on the success of NEF's Women's Economic Empowerment in the Livestock Value Chain (WEEL) project, which achieved high repayment rates and strong business outcomes, highlighting the potential of debt financing for rural women entrepreneurs. Lessons from WEEL directly inform the emphasis on operational efficiency, digital integration, and strategic partnerships in the ICCA project. The project seeks to provide affordable, demand-driven financial services that empower underserved businesses while ensuring long-term sustainability. A key priority of this study is to identify the fastest, most efficient ways to revolve the current fund while ensuring sustainability and compliance. This research will not initiate new ideation but will instead refine and enhance already proven financial mechanisms.

Given the strong track record of successful financial products and demonstrated demand, this study will focus on optimizing and scaling the existing model rather than re-initiating ideation. The research will emphasize enhancements in operational efficiency, digital integration, and strategic partnerships that have already proven effective.

By leveraging NEF's experience in Syria, Jordan, Mali, and Sudan, and specially Iraq (WEEL initiative) the project will integrate market research, regulatory analysis, and institutional engagement to design a financing model that aligns with Iraq's economic realities. The research study outlined in this ToR will play a critical role in shaping this model by assessing market demand, financial service availability, affordability constraints, and operational feasibility, ensuring that the RCF model is both effective and scalable in the Anbar context.

IV. Theory of Change

If micro and small enterprises, agribusinesses, and women-led businesses in Anbar gain affordable and accessible financial services through a sustainable Revolving Credit Fund (RCF) model, then they will be able to invest in their businesses, increase productivity, and expand market opportunities, leading to greater economic resilience, job creation, and long-term financial stability.

This change will be achieved through the following key interventions:

1. **Enhancing Financial Access:** By addressing barriers such as high borrowing costs, restrictive eligibility criteria, and limited financial outreach, and by leveraging digital solutions to reduce operational costs and enhance accessibility, the project will develop tailored financial products that sustainably meet the needs of underserved micro and small enterprises, particularly women-led businesses and agribusinesses.
2. **Developing a Sustainable Financial Model:** Through market research, feasibility assessments, and benchmarking with global best practices, the project will design an RCF model that ensures long-term financial sustainability and is adaptable to Iraq's economic and regulatory environment.
3. **Building Institutional and Market Linkages:** By engaging MFIs, NGOs, banks, and policymakers, the project will create an enabling financial ecosystem that fosters collaboration and investment in inclusive lending mechanisms.
4. **Integrating Business Development Support:** By providing financial literacy, digital financial tools, and capacity-building services, the project will help businesses manage credit effectively, reduce risks, and enhance their growth potential.

As a result, micro and small enterprises that were previously excluded from financial systems will gain sustainable access to capital, enabling them to scale operations, increase household incomes, and contribute to local economic development. This will drive long-term socio-economic stability in Anbar by fostering a resilient, self-reliant entrepreneurial ecosystem.

V. Key Roles, Responsibilities and Methodology

The proposed methodologies should include a brief rationale explaining their suitability and feasibility given the project's limited timeframe, clearly outlining how these will ensure timely delivery of actionable recommendations.

1. Focused Research Questions

To ensure that the study builds on established success, please address the following core areas:

- **Operational, Structure/Governance, and Regulatory**
 - How can we immediately optimize the operational structure to make the RCF model more cost-effective, rapidly deployable, and sustainable, leveraging digital solutions?

- How can a distributed or decentralized model (e.g., producer groups, village-level credit schemes) be structured to rapidly scale lending, minimize administrative costs, and enhance fund circulation?
- What strategic partnerships need to be established or deepened (e.g., government, private sector, digital banking)?
- What legal, compliance, and regulatory considerations must be addressed?
- What governance structure should be in place for long-term sustainability?
- What cost-efficient systems and technology improvements (including LMS) need to be in place to deliver on the operational and regulatory requirements?
- Demand, Competition, and Complementarity
 - How can the already demonstrated demand be scaled rapidly while ensuring sustainability? What operational improvements would allow the RCF model to grow efficiently without slowing fund circulation?
 - How can the products complement rather than compete with existing financial services?
- Products and Services
 - Can the already successful financial product be immediately expanded beyond agriculture without delaying fund circulation?
 - What complementary products should be developed?
 - Are there additional financial products (e.g., NEF's Development and Grow products) that could be integrated?
 - What non-financial and wrap-around services are needed to ensure sustainability and scalability?
 - What governance and partnership structures will ensure that the fund is deployed quickly and efficiently, without administrative bottlenecks or regulatory delays?
- Scaling Proven Demand: How can we scale financial access for women-led enterprises, agribusinesses, and home-based businesses while ensuring the sustainability of proven financial products?
- Decentralized Models: What distributed or decentralized lending models (e.g., producer groups, village credit schemes) can complement and scale the RCF efficiently?
- Strategic Partnerships: What strategic partnerships need to be established or deepened to support private-sector-led delivery, collection, and digital banking integration?
- Regulatory and Governance Considerations: What legal, compliance, and governance structures must be in place to sustain the RCF while ensuring financial stability and risk mitigation?
- Product Expansion: How can the RCF model be adapted to non-agricultural sectors while maintaining additionality and avoiding market competition?
- Financial Product Innovation: How can NEF's Development and Grow financial products be integrated into the RCF model for complementary scaling?

2. Development of a Comprehensive Research Framework

- **Methodology:** Utilize a mixed-layered approach, incorporating market research methodologies, behavioral analysis, and financial feasibility modelling to assess access, affordability, and sustainability. Key components include:
 - **Market Mapping and Competitive Positioning:** In addition to competitive benchmarking, this study will analyze how RCF financial products can complement rather than compete with existing market solutions. The research will:
 - Map financial service providers, their products, eligibility criteria, and delivery models to identify market gaps where the RCF can provide additionality rather than direct competition.
 - Assess how the proven RCF model can be positioned within Iraq's financial landscape to enhance access for underserved businesses.
 - Explore potential partnership models with financial institutions, fintech solutions, and government-backed initiatives to strengthen the RCF's role in the ecosystem.
 - Recommend strategies for product integration that align with existing market demand while ensuring sustainability and differentiation.
 - **Consumer Insights and Demand Sustainability:** Behavioral studies to assess financial product scalability and loan adoption trends.
 - Behavioral studies should include a clear methodological approach (e.g., FGDs, surveys) with explicit attention to underserved segments (especially women and home-based entrepreneurs), detailing sampling techniques that balance comprehensiveness and practicality within the project timeframe.
 - **Decentralized Lending Models:** This study will evaluate the feasibility of alternative lending models, including decentralized and distributed financial models (e.g., producer groups, village-based credit schemes). The analysis will focus on reducing operational costs, enhancing scalability, and increasing outreach efficiency through these models. Additionally, the study will assess how decentralized models can complement existing financial structures rather than replacing them, ensuring they integrate effectively into the broader financial ecosystem while maintaining cost-effectiveness. Bidders should explicitly specify the evaluation criteria and analytical framework that will be used to determine the feasibility, scalability, and effectiveness of these decentralized lending models in alignment with the project's key priorities.
 - **Regulatory Compliance and Governance:** The study will conduct a legal feasibility assessment to determine the regulatory requirements for scaling the RCF. This includes:
 - Evaluating governance models that ensure long-term sustainability while maintaining compliance.
 - Exploring strategic partnerships with financial regulators, private sector players, and government institutions to align operations with the evolving financial landscape.

- Assessing necessary changes to existing financial management systems (including LMS) to accelerate fund deployment, minimize compliance delays, and support operational efficiency. This includes identifying fast-track mechanisms for regulatory approvals and partnership-based solutions to enhance fund movement speed.
 - Identifying cost-effective governance structures that reduce administrative burdens while enhancing transparency and financial oversight.
- **Scalability and Risk Mitigation:** Financial modeling to ensure RCF sustainability without undermining previous success.
 - **Risk Mitigation for Decentralized Lending Models:** Identification of risks and strategies to ensure sustainability in localized credit schemes.
- Design research instruments (e.g., interview guides, structured survey questionnaires) to systematically assess financial service supply (MFIs, NGOs, digital financial providers) and demand (market segments such as rural/urban populations, women-led enterprises, and home-based businesses) in Anbar.
 - Define key research variables, including financial accessibility, affordability, outreach strategies, operational feasibility, and sustainability factors.

3. Data Collection and Stakeholder Engagement

- **Methodology:** Implement a triangulated research design to validate findings through multiple data sources.
- Conduct **primary data collection** through:
 - **Key Informant Interviews (KIIs):** Engage with MFIs, NGOs, government agencies, and industry experts to understand financial service availability and market challenges.
 - **Focus Group Discussions (FGDs):** Capture diverse perspectives from NEF project participants, small business owners, and underserved market segments.
 - **Household and Enterprise Surveys:** Deploy structured surveys across rural and urban settings to quantify financial needs, gaps, and preferences.
 - **Moderated Roundtables:** Facilitate high-level discussions with policymakers, donors, and financial institutions to explore potential interventions.
- Utilize **secondary data** sources (existing reports, financial inclusion studies, market assessments) to complement primary findings.

All proposed primary data collection activities (KIIs, FGDs, surveys, roundtables) should clearly demonstrate feasibility and alignment with the available study timeline, considering the approximate 6-month design and planning phase and 12-month rollout period.

4. Market Mapping and Analysis

- **Methodology:** Employ both **descriptive** and **comparative** analysis techniques.

- Develop a **financial services landscape map** by categorizing providers, financial products, eligibility criteria, and digital financing tools across project's targeted districts, clearly distinguishing between rural and urban financial ecosystems.
- Conduct **segmentation analysis** using demographic and behavioral data to assess affordability, accessibility, and risk exposure across different market groups.
- Utilize **affordability and accessibility indices** to rank financial service penetration and identify key exclusion barriers.

5. Benchmarking and Feasibility Assessment

- **Methodology:** Adopt a comparative case-study approach, integrating global best practices with local market realities. Case studies should prioritize contexts comparable to Anbar, with clear relevance to decentralized and digitally supported financial models targeting underserved businesses.
- Conduct a **gap analysis** by comparing Anbar's financial ecosystem with NEF's experiences in Syria, Jordan, and other relevant contexts.
- Develop a **feasibility matrix** evaluating the viability, scalability, and sustainability of different RCF models based on economic conditions, regulatory constraints, and institutional capacity.
- Use **SWOT analysis** (Strengths, Weaknesses, Opportunities, Threats) to assess financial product adaptation potential.

6. Synthesis of Findings and Strategic Recommendations

- **Methodology:** Apply a **thematic analysis** approach to qualitative data, coding key patterns and stakeholder insights.
- Use **predictive modeling** techniques to estimate potential market uptake and financial sustainability of recommended RCF interventions.
- Develop a **decision framework** outlining tailored loan product structures, cost-efficient outreach strategies, and digital finance integration models adapted to Anbar's economic landscape.

VI. Key Deliverables and Expected Outcomes

All deliverables must provide clearly actionable insights, emphasizing immediate applicability, operational feasibility, and alignment with the project's strategic priorities of scalability, digital integration, and regulatory compliance.

1. **Comprehensive Market Research and Feasibility Report** detailing financial service penetration, regulatory challenges, and economic viability of the RCF model, clearly differentiating findings by target segments (e.g., women-owned enterprises, agribusinesses, home-based businesses)

2. **Affordability and Sustainability Study** analyzing price sensitivity and cost-efficient outreach models. The affordability analysis should provide practical recommendations for immediate integration into the operational model to ensure rapid scalability and financial sustainability.
3. **Competitive Benchmarking and Additionality Analysis** comparing RCF with alternative financial models (microfinance, fintech lending, informal credit systems) to ensure **product complementarity rather than competition**.
4. **Decentralized Lending Model Assessment** exploring scalable alternatives such as **producer groups and local credit schemes**. The assessment must explicitly propose risk mitigation strategies tailored specifically to decentralized lending models.
5. **Financial Product Innovation and Integration Strategy** exploring how **NEF's Development and Grow financial products** can be integrated into the RCF framework.
6. **Strategic Recommendations and Governance Plan** outlining partnerships, compliance measures, and product expansion strategies.
7. **Fund Revolving Strategy and Rapid Scaling:** The study will outline a structured approach for rapidly revolving the fund while maintaining financial sustainability and compliance. This will include:
 - Identifying bottlenecks that slow down fund circulation and proposing solutions.
 - Optimizing loan repayment and reinvestment cycles for greater efficiency.
 - Leveraging strategic partnerships to enable faster fund disbursement and collection.
 - Ensuring alignment with financial regulations while minimizing delays in fund deployment.
8. **Methodology and Research Documentation**
 - Detailed documentation of research design, data collection instruments, sampling techniques, and analytical frameworks used.
 - Justification for chosen methodologies, ensuring reproducibility and credibility.
9. **Stakeholder Engagement Summary**
 - Insights from KIIs, FGDs, surveys, and roundtables synthesized into a stakeholder needs matrix.
 - Key points of convergence and divergence among financial service providers, regulatory bodies, and end-users.
10. **Actionable Strategic Recommendations**
 - Development of **tailored RCF loan products** aligned with target group needs.
 - Introduction of **cost-efficient operational models** leveraging digital solutions and simplified cash flow mechanisms.
 - Design of a **low-cost outreach strategy** to improve financial inclusion in hard-to-reach areas.

- Proposal of **risk mitigation measures** and a structured approach for scalable implementation.

Recommendations must provide immediate, actionable steps for optimizing existing successful product and operational model, ensuring rapid, efficient, and sustainable scaling—without resorting to a complete re-ideation. These recommendations must include a clear roadmap for quick fund deployment, identifying bottlenecks, regulatory requirements, and partnership strategies to accelerate financial circulation while ensuring sustainability.

VII. Qualifications and Requirements

The selected firm must demonstrate **extensive experience and technical expertise** in conducting market research, financial inclusion studies, and feasibility assessments in complex economic environments. The firm should meet the following qualifications:

1. Proven Experience and Expertise:

- Minimum 5 years of experience in market research, financial sector assessments, or socio-economic studies, preferably in Iraq or the MENA region.
- Demonstrated expertise in microfinance, digital financial services, financial inclusion models, revolving credit funds, and experience engaging underserved populations such as women-led enterprises, agribusiness, and home-based businesses.
- Experience conducting supply and demand assessments, affordability analysis, and stakeholder engagement within underserved business communities.

2. Technical and Research Capabilities:

- Strong competency in qualitative and quantitative research methodologies, including surveys, group discussions (FGDs), key informant interviews (KIIs), and comparative case studies.
- Ability to apply statistical analysis, affordability indices, and feasibility modeling to evaluate financial service gaps and market needs.
- Experience in benchmarking financial models and conducting regulatory assessments related to access to finance.

3. Institutional and Team Capacity:

- A multidisciplinary research team with expertise in economics, finance, market analysis, and socio-economic development.
- Capacity to mobilize local researchers and field teams with knowledge of the Anbar context.
- Strong track record of working with international organizations, NGOs, financial institutions, or government entities on similar projects.

4. Reporting and Deliverables:

- Ability to produce high-quality reports, policy briefs, and actionable recommendations in English (mandatory) and Arabic (preferred).
- Experience in delivering data-driven insights and strategic recommendations for programmatic and policy-level decision-making.

5. Legal and Administrative Compliance:

- Officially registered and authorized to operate in Iraq.
- Demonstrated financial and administrative capacity to manage contracts of similar scope.
- Compliance with ethical research standards, including data confidentiality, informed consent, and transparency in findings.

VIII. How to Apply:

Interested firms must submit their applications to the Near East Foundation careers page no later than April 1, 2025:

<https://neareast.bamboohr.com/careers/446?source=aWQ9NA%3D%3D>

Application Requirements:

1. Cover Letter – Outlining relevant experience, expertise, and availability.
2. Technical Proposal – Detailing the proposed methodology, research approach, and work plan, including key phases such as:
 - Study Design and Planning
 - Data Collection and Stakeholder Engagement
 - Analysis and Feasibility Assessment
 - Final Reporting and Recommendations
 - Any previous work in such a field is supported by a reference letter from your previous work
3. Financial Proposal – Providing a detailed budget breakdown corresponding to the technical proposal.
4. Curriculum Vitae (CVs) of Key Personnel – Highlighting expertise in financial sector assessments, market research, and feasibility studies.
5. References – Contact details of three references from similar research projects, including email addresses and phone numbers.

Only shortlisted applicants will be contacted.

Applicants are encouraged to familiarize themselves with the Near East Foundation and its work by visiting www.neareast.org.