Terms of Reference (ToR)

for

Market Scoping and Research for an Inclusive Blended Finance Framework for Renewable Energy-Based Green Growth in Rural Bangladesh

Project Name: Blended Finance for Just Transition: Developing a Case for Renewable Energy-based Green Growth in Rural Communities of Bangladesh

BACKGROUND

ActionAid Bangladesh (AAB) is implementing the project "*Blended Finance for Just Transition: Developing a Case for Renewable Energy-based Green Growth in Rural Communities of Bangladesh*" to develop and pilot an inclusive financing framework that aggregates small-scale renewable energy investments and mobilises commercial, public and concessional capital for energy-poor rural communities, especially CMSMEs, women and young entrepreneurs.

The study will examine demand for renewable energy applications, market opportunities, access to finance and barriers affecting cottage, micro, small and medium enterprises (CMSMEs), particularly women and young entrepreneurs. The research will draw on market evidence and consultations with enterprises, potential users, financiers and intermediaries to assess financing needs, available products, risks and policy gaps. Its findings will inform the subsequent development of an inclusive blended finance framework for small-scale renewable energy business models in rural Bangladesh.

OBJECTIVE OF THE STUDY

To assess the market demand, investment opportunities, financing constraints, regulatory and policy gaps, and feasibility of blended finance and risk-mitigation mechanisms for commercially credible, socially inclusive renewable energy investments in rural Bangladesh, and provide evidence-based recommendations for framework development.

SPECIFIC OBJECTIVES

The specific objectives include, but are not limited to:

- Map investors and financing institutions, their characteristics and constraints, renewable energy investment opportunities and potential enterprise/project pipelines.
- Assess borrower and financier demand for blended finance, including financing amounts, affordability, preferred terms, risk-sharing needs and willingness to participate.
- Analyse market, financial, technical and regulatory risks; relevant de-risking instruments; and policy and implementation gaps.
- Examine local idea incubation, civil society and intermediary roles, and the compatibility of investments with existing standards, financial instruments and incentives.

KEY RESEARCH QUESTIONS

The study should address questions including, but not limited to:

• Which rural renewable energy applications and business models offer viable investment opportunities and measurable economic, social and environmental benefits?

• What is the demand for renewable energy finance and specifically for blended financing or risk-sharing products among potential borrowers, lenders and investors? At what scale and on what terms?

- What finance already exists, what is the addressable financing gap, and which constraints prevent otherwise viable investments from accessing capital?
- Which investors and intermediaries could participate, and how might guarantees, concessional finance, aggregation or technical assistance change financing decisions?
- Where are the policy, regulatory, institutional and implementation gaps, and which practical reforms, incentives or existing instruments could address them?

SCOPE OF WORK

The consultant will undertake Bangladesh-focused market scoping using desk research, stakeholder consultations, fieldwork and indicative financial analysis in approximately 2–3 potential energy-poor rural clusters, selected with AAB during inception. The assignment will generate market evidence for subsequent framework development. The following workstreams reflect the approved project activities:

Map investors and renewable energy market opportunities

- Profile banks, NBFIs, MFIs, DFIs, impact/private investors, renewable energy enterprises and relevant financing programmes, covering risk appetite, product terms, eligibility and participation constraints.
- Assess financing demand and supply, covering loan or investment size, pricing, tenor, collateral, repayment capacity, risk-sharing needs and participation conditions. Distinguish general interest from demand supported by financing needs and repayment capacity.
- Identify productive-use renewable energy opportunities (e.g., irrigation, agro-processing, cooling and energy services), screen candidate enterprises/projects and estimate indicative investment needs, cash flows and market/financing gaps.

Analyse risks, barriers & regulatory environment, assess risk-mitigation instruments

- Assess credit, market, technology, climate, environmental, social and operational risks, including transaction costs and constraints affecting women and underserved CMSMEs.
- Review relevant Bangladesh Bank guarantee, refinancing, insurance, concessional loan, CMSME and sustainable finance arrangements and renewable energy regulations. Identify financing, policy, regulatory and implementation gaps, responsible institutions and potential corrective measures.
- Compare credit guarantees, first-loss, concessional capital, tailored credit, leasing, aggregation and technical assistance. Identify the specific risks addressed and provide indicative financial/risk-sharing scenarios with transparent assumptions.

Explore civil society and intermediary mechanisms for bottom-up idea incubation and investor readiness

- Map local NGOs, cooperatives, community organisations, MFIs, enterprise associations and service providers, assessing capacity to identify, screen, incubate and aggregate community-led investment opportunities.
- Recommend intermediary roles and capacity support for financial literacy, enterprise support, financier linkages, gender inclusion, accountability and community feedback.

Review standards, instruments and incentives

- Assess priority technologies, borrowers and business models against relevant technical, environmental/social and financial eligibility standards, safeguards, equipment waste management, available schemes and incentives.

- Prepare a compatibility and policy-gap matrix indicating applicable instruments and incentives, institutional responsibilities, approval constraints and feasible recommendations for the next stages of framework and pilot design.

RESEARCH APPROACH AND METHODOLOGY

Consultants should propose a proportionate mixed-methods design incorporating: (i) desk and policy review and analysis of secondary market and financing data (ii) key informant interviews (KIIs) with financiers, regulators, renewable energy market actors and civil society (iii) field interviews and focus group discussions (FGDs) with enterprises, women, potential users and intermediaries and (iv) an assessment of market demand, financing supply, indicative market size, and financing gaps, clearly outlining the underlying assumptions and limitations.

The methodology must justify the sampling framework, respondent numbers and categories, locations, data collection methods and analytical techniques. Site selection should consider energy needs, enterprise potential, vulnerability and available delivery infrastructure.

DELIVERABLES

The consultant shall provide the following outputs in editable formats:

Deliverable	Required contents	Timeline
1. Inception report	Methodology, locations, sampling framework, stakeholder map and workplan.	Week 1
2. Research Tools	KII questionnaires, FGD guidelines, survey questionnaires and other relevant data collection instruments.	Week 2
3. Interim market assessment	Initial findings on investor and borrower demand, RE opportunities, financing barriers and policy/regulatory gaps.	Week 6
4. Comprehensive research report	Integrated findings on market demand, investor profiles, renewable energy opportunities, financing gaps, risks, financing instruments, intermediary roles and inclusion; policy-gap and standards/incentives matrices; and prioritised recommendations to inform subsequent development of a blended finance framework for small-scale renewable energy business models.	Draft: Week 10 Final: Week 12
5. Policy brief	Concise findings, specific policy/institutional gaps, relevant advocacy messages and feasible recommendations for public agencies, financiers, development partners and civil society.	Draft: Week 11 Final: Week 12
6. Validation and presentation	Present findings, incorporate feedback from AAB/RE-TAC as applicable, and submit final report, brief, executive summary and slide deck.	Week 11
7. Complete research data and materials	Submit all questionnaires and guides (including used versions), KII/FGD transcripts, field notes, cleaned data, codebooks, sampling documentation, and analytical files. Transfer identifiable materials or recordings only where consent and data-protection requirements permit.	With final outputs

DURATION OF THE ASSIGNMENT

Approximately three months, with deployment planned for November 2026 and completion targeted for January 2027, subject to contract signing. A detailed workplan and progress reviews will be agreed with AAB.

REPORTING AND SUPERVISION ARRANGEMENTS

The consultant/consulting firm will report to the Manager, Just Energy Transition, AAB. A designated Just Energy Transition team focal person will supervise the assignment, share relevant documents and follow up progress. The broader AAB team and Renewable Energy Technical Advisory Council (RE-TAC) will provide comments and feedback on the overall process and deliverables. The consultant will prepare, share, revise and finalise all outputs in consultation with AAB. Interaction with relevant stakeholders will be arranged as needed and subject to applicable approvals.

PROFILE REQUIREMENTS OF THE CONSULTANT

- At least five (5) years of experience in comparable consultancy assignments; for firms, the proposed lead consultant must meet this requirement.
- Demonstrated expertise in market research, development/blended finance, investment or credit-risk analysis, and Bangladesh's CMSME and financial-sector context.
- Knowledge of renewable energy business models, policy and regulation, risk-mitigation instruments, and gender-responsive/participatory research.
- Strong mixed-methods field research, market and financial analysis, data management and report/policy brief writing skills, multidisciplinary teams are welcome.

SUBMISSION OF PROPOSAL

Interested consultants'/consulting organisations should submit:

- Technical proposal (maximum 3 pages) with methodology, locations, team, timeline and quality assurance approach.
- Financial proposal in BDT with fees, field costs and applicable VAT/taxes
- Financial proposal in BDT, within a maximum budget of **BDT 12,00,000** (inclusive of all fees, field costs, applicable VAT and taxes)
- Consultant CV(s) with clearly defined roles, and at least three relevant work samples/references.

Deadline for Proposal Submission: 28 November 2026

• Please click below the link to submit your proposals

Link: https://consultancy.actionaidbd.org/

Disclaimer: ActionAid Bangladesh reserves the right to accept or reject any or all applications without assigning any reason thereof