



Request for Proposals: Scope of Work for Consultancy

Establishing the VIA Finance Cooperative to Support SME Distributors (A Blended Finance Pilot)

Background

VIA Global Health, through its global online procurement platform and network of commercial distributors in low- and middle-income countries, is filling a niche in the global distribution ecosystem for health equipment and supplies. Having served small and medium enterprise (SME) distributors in over 75 countries, and positively impacted the lives of over 4 million people with the products we deliver, VIA is scaling its business model through several priority initiatives, including developing a financing mechanism accessible to our buyers, many of whom confront considerable constraints in working capital, which reduces their ability to positively impact the health of their community.

The goal of a VIA Global Health Financing model (lending “product”) is to empower our clients- SME buyers of medical equipment and supplies in underserved markets, with access to credit to grow their businesses and better serve their healthcare communities. To fulfill our mission and increase access to healthcare technology and improve equity in global health product distribution, VIA will help SME businesses in the private sector who otherwise are unable to access affordable credit, or who are not included in other procurement mechanisms that would address their working capital constraints.

(More background available in Appendix A)

Statement of Purpose and Objectives

VIA is seeking a dynamic individual or team to lead a feasibility study focused on the preparation of a financing model (revolving credit fund) and identification of the ongoing compliance, governance, capital requirements, and key performance objectives to successfully implement the model.

The objectives of this engagement will be to apply expertise in areas of development finance to

- (1) Design the necessary structure and financial parameters to achieve alignment between VIA Global Health’s performance objectives (impact, growth, sustainability) and “suitability” by prospective investors
 - a. Size of fund
 - b. Turnover and repayment rate assumptions
 - c. Terms
 - d. Risk assessment (for prospective buyers) process
- (2) Provide alternative models for corporate structure of the financing model (e.g., within VIA Global Health, wholly owned subsidiary, affiliate, etc.) to optimize efficiency and resources while also managing risk.
- (3) Establish the key performance and learning objectives to inform scalability and impact.
- (4) Develop a compliance plan and technical advisory board to ensure adequate governance, oversight, and risk management.
- (5) Advise on a staffing plan with key functions, positions, and qualifications
- (6) Co-create an operational roadmap to secure funding, launch the model, manage the performance of the model from a financial and compliance perspective, and reporting to key stakeholders



Timeline

VIA seeks this technical assistance for a period not to exceed 60 days, beginning in January 2022.

Deliverables

- (1) 3-year financial model for the debt capital to be used to offer financing to SME distributors
- (2) Recommendations on legal structure
- (3) Risk assessment and risk management plan for prospective SME distributors
- (4) Compliance plan to manage overall risk of fund
- (5) 6-month operational roadmap to launch fund and secure key staffing positions
- (6) Monitoring and reporting plan for key performance indicators
- (7) Assistance in identifying candidate recruitment channels

Qualifications

- 8+ years of relevant working experience in the Financial Services sector (banking, consumer lending, or other FinTech services) in emerging markets (Development Finance)
- Understanding of Digital Financial Products and Platforms, especially lending or credit in emerging markets
- Strong problem-solving skills and highly analytical
- Track-record of leading dynamic teams and collaborating with executives and cross-functional stakeholders
- Strong verbal, written, presentation and interpersonal skills are required
- Preferred: Team members or team leader have Bachelor or Master's Degree in Finance, Accounting, or related-fields.

Evaluation Criteria and Process

Submissions for this Request for Proposals (RFP) are due to careers@viaglobalhealth.com by December 15.

Proposals, not to exceed 10 pages in total (Including CV(s) of key personnel) will be evaluated according to the following criteria:

50% - **Design and Approach:** Responsiveness to purpose, objectives, and deliverables

30% - **Qualifications of Individual and or Team:** Please include relevant experience, bios, CVs for individual or team who will be contributing to this SOW

20% - **Timeline and Budget:** Provide details related to achieving deliverables, including interim deliverables or reports, as well as salary and or consultancy rates and other expenses associated with this scope of work

VIA will notify finalists no later than January 5 with anticipated interviews and selection to be finalized by January 10th 2022. Anticipated start date would be no later than January 31, 2022.

APPENDIX A: Additional Background (More available upon request and expression of interest)

VIA Global Health, through its global online procurement platform and network of commercial distributors in low- and middle-income countries is filling a niche in the global distribution ecosystem for health equipment and supplies. Having served small and medium enterprise (SME) distributors in over 75 countries, and positively impacted the lives of over 4 million people with the products we deliver, VIA is scaling its business model through several priority initiatives, including developing a financing mechanism accessible to our buyers, many of whom confront considerable constraints in working capital.

According to a March 2021 study released by Salient Advisory debt capital remains largely elusive to SME, including medical product distributors. Issues related to access and the cost of debt provided by banks are driven by factors outside of the health sector.¹ With lending rates ranging from 12% (Kenya) to 23% (Ghana), and exorbitant collateral requirements, financing working capital to expand their medical product distribution business is untenable for most SMEs; and often deters them from any risk associated with introducing new potentially life-saving innovations. Equity financing and credit are often only available to larger companies.

VIA currently manages the financial transactions between buyers (SME distributors) and suppliers, and we are very familiar with the challenges posed by foreign exchange and trade finance and how that impacts the ability of our customers to manage risk and complete purchases.

Our experience, observations, and anecdotal reports from our network are consistent with the findings from a recent report by Salient Advisory that highlighted the following needs in order to achieve growth and sustainability:

1. Risk-tolerant capital to develop and deploy technology-driven innovations
2. Access to timely, affordable foreign currency to optimize product importation
3. The ability to secure affordable debt
4. Regulatory approaches that enable start-ups to expand scale and scope, while maintaining patient safety

There is growing realization of the significance of private sector engagement as a critical success factor for the universal health coverage (UHC). However, in fragmented markets that VIA serves, the SME distributors who represent the majority of VIA buyers are operating at a smaller scale, and with barriers to working capital. As a result, the barriers to scale are magnified by lack of access, affordability, and quality.

Goal:

To leverage VIA Global Health's platform structure, geographic reach, and existing network to test innovative blended financing pilot, or "financing cooperative" for eligible distributors that can contribute to greater efficiency and sustainability of health product distribution, and pool risk among SME distributors in Africa who become members of the VIA Finance Cooperative.

Program Objectives:

¹ Accelerating Improvements in Health Product Distribution: Examining Opportunities for Blended Financing in sub-Saharan Africa. Salient Advisory, March 2021



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- 1) Provide access to affordable debt for qualified VIA customers (SME Distributors in Sub-Saharan Africa) at better than market rates
- 2) Improve cash conversion cycles by extending credit terms on behalf of buyers and suppliers
- 3) Support SME growth and operational efficiencies in LMICs
- 4) Increase Average Order Value (AOV) which translates into higher impact and more credit available to existing or new SME customers
- 5) Consolidate demand for medical devices and supplies
- 6) Use pilot to evaluate key performance metrics for incentives, risk assessment, appropriate loan values and SME distributor engagement and transactions as basis for scaling a blended financing model