MICROCREDIT REGULATORY AUTHORITY (MRA)

MRA Bhaban, Plot # F-14(D/1), Agargaon,
Sher-e-Bangla Nagar, Dhaka-1207

INVITATION FOR EXPRESSIONS OF INTEREST (EOI)		
1	**Ministry/Division**	Financial Institution Division, Ministry of Finance.
2	**Agency**	Not Applicable
3	**Procuring Entity Name**	Microcredit Regulatory Authority (MRA)
4	**Title of Service**	Hiring a Research Institution / Consulting firm (National) for conducting a Study on "Debt Spiral in Bangladesh's Microfinance: An Assessment of its size and implication for indebted household and suggestions for remedial measures".
5	**Procuring Entity District**	Dhaka
6	**EOI for Selection of**	Research Institution/Consulting firm for conducting a Study.
7	**EOI Ref. No**	53.04.0000.002.07.011.25-746
8	**Date**	28th of April 2025
KEY INFORMATION		
9	**Procurement Sub-Method**	Quality and Cost Based Selection (QCBS)
FUNDING INFORMATION		
10	**Budget and Source of Funds**	MRA Own Fund
PARTICULAR INFORMATION		
11	**EOI Closing Date and Time**	**20th of May 2025, Time: 12:00PM**
INFORMATION FOR APPLICANT		
12	**Brief Description of Assignment**	Please go through Appendix-A
13	**Company details Information for Eligible**	Please go through Appendix-B
14	**Experience, Resources & Delivery Capacity Required**	Please go through Appendix-B
15	**Association with foreign firms is**	Not Encouraged.
Note: A short list of the qualified Solution providers will be made on the basis of verification of submitted information.		

EOI DETAIL INFORMATION

Ref No	Phasing of Services	Location	Completion days (approx.)
i)	Signing of the Contract	MRA Office, Dhaka	0 days
ii)	Submission of Inception Report to MRA	MRA Office, Dhaka	Day 30
iii)	Submission of preliminary findings from analyses of secondary data, following which hold 1st dissemination workshop	Will be informed	Day 120
iv)	Submission of draft report, with executive summary (policy paper), and policy brief with summary findings. following which hold a 2nd dissemination workshop	Will be informed	10 Months/ Day 305
v)	Final Report, along with revised a soft copy of the final data.	MRA Office, Dhaka	12 Months/ Day 365
	Total days of Completion		12 Months / Day 365

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PROCURING ENTITY DETAILS		
16	**Name of Official Inviting EOI**	Md. Abdul Hoque
17	**Designation of Official Inviting EOI**	Joint Director, Microcredit Regulatory Authority (MRA)
18	**Address of Official Inviting EOI**	Microcredit Regulatory Authority MRA Bhaban, Plot # F-14(D/1), Agargaon, Sher-e-Bangla Nagar, Dhaka-1207 Website: www.mra.gov.bd, Hot Line: 16133
19	**Contact details of Official Inviting EOI**	Tel-No: 88-02-8333245, 8332517, 8332986, 8333196, 8333340 Email: info@mra.gov.bd

The procuring entity reserves the right to accept or reject all tenders



Professor Dr. Mohammed Helal Uddin
Executive Vice Chairman
Microcredit Regulatory Authority

Appendix-A

1.1 Introduction

The Microcredit Regulatory Authority (MRA) was established in 2006 under the Microcredit Regulatory Authority Act, 2006, and it plays a crucial role in ensuring that microfinance contributes to poverty reduction and financial inclusion. The MRA is responsible for licensing and supervising Microfinance Institutions (MFIs) in Bangladesh. MRA ensures that MFIs operate transparently, follow financial guidelines, and protect borrowers from unethical lending practices. Besides the activities of MRA-licensed Microfinance Institutions (MFIs) other institutions like Grameen Bank, and various ministries and agencies of the government, Banks and NBFIs are providing financial services near to 7 crore people through conducting credit, deposits as well as various social development activities that help to develop micro-entrepreneurs and human resources as well. As of June 30 2024, only MRA-licensed 724 MFIs have provided microfinance related various services to about 4.16 crore clients. Apart from various cooperatives, money landers also provide financial services to the people.

1.2 Background of the Study

Microfinance Institutions (MFIs) are financial organizations that provide loans, savings options, and other financial services to low-income individuals and small entrepreneurs, particularly those who do not have access to traditional banking services. MRA has adopted and introduced a wide range of policy measures to advance the microfinance sector since recognizing that access to financial products and services among the poor and vulnerable groups is a key to inclusive and qualitative growth. Nevertheless, a growing concern in recent years is that -individuals/households borrowing from various microfinance service providers are increasingly getting trapped in financial debt, which is subsequently having adverse implications for the well-being of those households. The emergence of this debt spiral, where borrowers become trapped in a cycle of borrowing and repayment, exacerbates financial distress, rather than alleviating poverty. In some cases, such adverse conditions are alleged to have led to suicides among indebted households. This issue demands urgent academic attention and policy intervention. MRA wants to find the causes of the debt spiral by MFIs or any other agents/financial stakeholders. It is expected that the research findings will provide inputs to developing future MRA strategies to mitigate debt spiral and its adverse implications."

2. Objectives

MRA intends to engage a competent research institution/consulting firm in conducting a study on " Debt Spiral in Bangladesh's Microfinance: An Assessment of its Size and Implication for Indebted Households and Suggestions for Remedial Measures"

(i) To understand a detailed picture of the negative impacts of microfinance induced debt spirals and how these results into increasing poverty, asset loss, mental as well as social stress and ultimately diminishing the trust in microfinance.

(ii) Identify major trajectories of increasing household-level indebtedness (debt spiral), and factors that may cause those pathways. In addressing the latter, relevant policies and/or actions of MFIs and other relevant agencies having adverse effects should also be looked into.

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(iii) Recommend policy guidelines to MRA and other relevant agencies so that they may uphold the microfinance operation environment to achieve inclusive and sustainable growth.

3. Scope of Services

The research institution/consulting firm is required to work in close consultation with and guidance of MRA. The firm must carry out all necessary works collaboratively with the research section of MRA to complete the study smoothly within the stipulated period.

3.1 Population: All Microfinance Service Provider

3.2 Duration: 01 (One) Year

3.3 Study Location: All over the Bangladesh

4. Tasks and Responsibilities

The research institution/consulting Firm consider performing the following tasks and more if needed, in order to realize the study objectives:

(i) Conceptualize indebtedness in the context of MFI sector.

(ii) Compile secondary data from MRA, PKSF, MFIs, and relevant Government institutions. MRA will facilitate the process.

(iii) Undertake analyses of secondary data and literature review to assess possible reasons for indebtedness and adverse implications of the debt; and to identify key trends such as loan repayment struggle, multiple borrowing, default trends, etc. It is also expected that the analyses of secondary data and review of literature will identify gaps in our knowledge. It is expected that the existing policies on microfinance introduced by the MRA and other microfinance sector controllers, as well as the existing policies on microfinance client protection issues, introduced by the government, will be reviewed.

(iv) Use secondary data to define tentative statistical population apply appropriate statistical methods to draw a sample for survey of households and clusters in rural as well as urban areas.

(v) Undertake survey, digitize the data collected and undertake analyses.

(vi) Prepare the report drawing upon reviews, analyses of secondary data and upon analyzing the primary survey data.

(vii) Recommend remedial measures to help the microfinance sector to improve the situation.

(viii) Review the existing policies on microfinance introduced by the MRA and other microfinance sector controllers and suggest the introduction of a new policy and amendment to the existing policies, if needed;

(ix) Review the existing policies on microfinance client protection issues introduced by the government of Bangladesh and suggest introducing the new policy and amending the old policies, if needed.

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Appendix-B

5. Qualifications and Experiences

The applicant research institution/consulting firm must be locally enlisted as per domestic norms. It also should have a sound track record and institutional recognition to undertake comprehensive technical assistance to carry out the proposed comprehensive study. Besides, the interested firm and the principal researcher should preferably have the following eligibilities:

a) Having at least 15 (fifteen) years of institutional experience in carrying out comprehensive study in the relevant field;

b) Having experience in preparing quality research papers, policy papers, policy works, policy briefs, and policy summaries on economic dynamics;

c) Having a proven track record of providing advisory services on the financial system, its transition and transformation, and its implications in Bangladesh's economy;

d) Having experiences in working with the policies of financial sector regulators on rural economy, financial inclusions, microfinance, etc.

e) Having quality experiences in the ground of economics, statistics, banking, microfinance, etc.

f) Having experiences with advanced quantitative techniques for data analysis;

g) Working constructively and collaboratively with the varied stakeholders on sensitive issues, etc.

h) The institution/firm should have the following documents-:

- Registered with the RJSC,
- Regular audits and tax returns submission for the last 18 to 20 years,
- BIN and up-to-date Online VAT submission,
- Preferably a Not-for-Profit organization in the field of research and education,

i) Prior work experience with national and international organizations, including agencies under the government of Bangladesh;

j) The research organization may draw upon the services of other survey agencies to ensure reliable data/information, if needed.

k) The principal researcher should ideally have international publications on subjects related to Microfinance;

