

Terms of Reference (ToR) for Consultancy On Capital Market Readiness

1. Introduction

Swisscontact was established in 1959 as an independent foundation by notable figures from the worlds of commerce and science in Switzerland. It is exclusively involved in international development cooperation and has carried out its own and mandated projects since 1961. Based in Zurich, Swisscontact currently manages projects in 41 countries on behalf of public and private donors. Swisscontact's working principles include inclusive systems development, learning culture, and operation, and has carried out its own and mandated projects since 1961.

Swisscontact is implementing the PROGRESS project (Promoting Green Growth in the RMG Sector Through Skills) to support readymade garment (RMG) factories in becoming more environmentally and socially compliant, improving productivity, and enhancing economic viability and competitiveness. This -made garment (RMG) factories in becoming more environmentally and socially compliant, improving productivity, and enhancing economic viability and competitiveness. This fouryear initiative (2022–2026) is funded by the Embassy of Sweden and the Embassy of Switzerland in Bangladesh and implemented by Swisscontact-year initiative (2022–2026) is funded by the Embassy of Sweden and the Embassy of Switzerland in Bangladesh and implemented by Swisscontact.

The project aims to facilitate the green transition of RMG factories by strengthening resilience and competitiveness through a market-driven approach. PROGRESS comprises two major components. The Skills & Productivity Component focuses on improving technical skills and productivity among RMG workers. The Environmental & Social Compliance Component supports factories in their decarbonisation journey and helps them access sustainable, commercially viable solutions.

2. Background of the Assignment

The Ready-Made Garment (RMG) sector is the backbone of Bangladesh's economy, generating US\$39.35 billion in exports in FY 2024–25 (81.5% of total exports) ¹. Yet sectoral transformation is constrained by several interlinked financing gaps. First, most firms rely on short-term bank credit and fragmented donor supported programmes, which cannot finance the long-term investments required for productivity upgrading, climate adaptation, and compliance with rising environmental, social, and governance (ESG) standards in the global supply chains. Second, Bangladesh lacks sustainable, market-based financing pathways capable of supporting these capital-intensive transitions at scale.

Third, these firm-level constraints reflect deeper structural weaknesses in the capital market. Bangladesh's capital market remains underdeveloped: market capitalisation stood at ~20% of GDP

¹ BGMEA. (2024). BGMEA | Export Performance. [www.bgmea.com.bd. https://www.bgmea.com.bd/page/Export_Performance](https://www.bgmea.com.bd/page/Export_Performance)

in 2024, and only around 58 export-oriented RMG and textile firms are listed on the Dhaka Stock Exchange (DSE)². Limited corporate governance, weak transparency, and inadequate ESG disclosure constrain domestic and foreign investors' confidence and restrict sustainable capital flows³. As a result, long-term private domestic and foreign investments remain largely disconnected from one of Bangladesh's most globally competitive industries, reinforcing continued dependence on foreign aid and short-term finance for sector-wide upgrading.

At the same time, global capital markets are rapidly shifting toward ESG-aligned investments, while emerging markets face a US\$3.7 trillion annual ESG investment gap⁴. Without stronger capital-market integration and credible ESG investment, export-oriented firms risk falling behind in productivity, sustainability compliance, and global competitiveness. Anchoring ESG-driven transformation within Bangladesh's own financial ecosystem offers a more scalable, resilient, and nationally owned pathway for upgrading the RMG sector.

3. Objective of the assignment

The assignment is designed to support RMG factories in navigating the green transition and LDC graduation by exploring the feasibility of long-term financing through Bangladesh's capital market through the following objectives:

- ✓ Strengthen the readiness of private sector firms especially RMG factories to access Bangladesh's capital market by assessing their preparedness, identifying key gaps and opportunities, and determining relevant support requirements.
- ✓ Create a structured pathway for potential firms to progress towards capital market access through targeted incubation, preparatory support, and engagement with relevant market institutions such as Dhaka Stock Exchange (DSE), merchant banks, issue managers etc.
- ✓ Promote greater participation of private sector especially RMG industry in Bangladesh's capital market by increasing awareness of available opportunities, strengthening market linkages, and facilitating engagement among firms, investors, regulators, and market actors.

4. Scope of Work

Interested consultant/consultancy firms with demonstrated expertise relevant to the scope of the assignment may apply for either one or both streams:

Stream 1: Capital Market Landscape Assessment

1. Capital Market Landscape Assessment

- Identify policy, regulatory and institutional barriers and bottlenecks affecting the participation of RMG factories in Bangladesh's capital market, including barriers related to public listing, capital raising, corporate governance and ESG requirements.

² World Bank / The Global Economy. (2024). *Stock market capitalization (% of GDP) – Bangladesh*. https://www.theglobaleconomy.com/Bangladesh/stock_market_capitalization/

³ Beck, T., & Levine, R. (2002). *Industry growth and capital allocation: Does having a market- or bank-based system matter?* Journal of Financial Economics, 64(2), 147–180.

⁴ The Financial Express. (2025). *Emerging markets including Bangladesh face USD 3.7 trillion annual ESG funding gap*. <https://thefinancialexpress.com.bd/economy/emerging-markets-including-bangladesh-face-usd-37-trillion-annual-esg-funding-gap-study>

- Assess the capital market ecosystem and the feasibility of capital market-based financing as a long-term financing option for RMG factories, including the roles of BSEC, DSE, merchant banks, issue managers and other relevant intermediaries, and assess the opportunities, challenges and capacity gaps on both the supply and demand sides.
- Based on the assessment, support DSE in developing standardised ESG advisory tools, guidelines and procedures that enable DSE to better assess the ESG performance of listed companies and support informed investment and market decisions, while also guiding listed firms and RMG factories to systematically measure, manage and disclose ESG information in line with relevant standards and guidelines.

2. Strategic Recommendations and Pipeline Development

- Prepare a pipeline of private sector firms especially RMG factories with potential for future capital market engagement, including an assessment of their readiness and recommended next steps.
- Develop practical recommendations for Swisscontact on technical assistance interventions that could improve firms' investment and listing readiness.
- Recommend partnership modalities, implementation sequencing, and potential collaboration opportunities with DSE, BSEC, financial institutions, and other ecosystem actors to support future programming.

Stream 2: Capital Market Readiness Incubation

3. Identification and Initial Assessment of Potential Firms

- Develop selection criteria to identify growth-oriented firms especially RMG factories with potential interest and capacity to access capital markets.
- Conduct an initial assessment of shortlisted RMG factories to evaluate their business profile, governance practices, financial readiness, compliance status, and potential suitability for listing.
- Conduct comprehensive ESG, governance, financial and capital market readiness assessments; identify gaps, risks and financing needs; assess listing suitability; and develop firm-specific roadmaps with clear milestones towards capital-market readiness.

4. Capital Market Readiness Incubation

- Provide end-to-end technical assistance to selected export-oriented firms through an incubation programme, supporting firms from initial readiness assessment through preparation for potential capital-market listing or capital raising, including:
- Undertake financial and capital-market readiness assessments to identify key gaps and requirements for potential access to equity or debt financing, covering areas such as financial performance, reporting, governance, ESG and internal systems, and develop a prioritised readiness roadmap.
- Provide targeted technical assistance to strengthen financial and investment readiness, including financial planning, reporting, internal controls, governance and ESG-related

practices required to improve credibility and preparedness for engagement with financiers and investors.

- Provide technical support for the preparation and strengthening of sustainability- and climate-related financial disclosures and reporting aligned with IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information), IFRS S2 (Climate-related Disclosures), and other relevant sustainability disclosure standards and frameworks, as applicable.
- Support the development of financing strategies and financial models to assess financing needs, suitable capital structures and appropriate financing instruments, including financial projections, scenario analysis and business valuation where relevant.
- Support preparation for potential capital raising or listing by developing investment cases, financing plans, financial projections, valuation inputs, investor materials and other key documentation required for due diligence and potential transactions, in coordination with relevant licensed professionals.
- Facilitate engagement with capital-market institutions and potential investors, including DSE, BSEC, merchant banks, issue managers and financial institutions, and support the firms in responding to due-diligence requirements and progressing through relevant pre-listing or capital-raising stages.

5. Duration of the Assignment

The duration of the assignment will be finalised upon mutual discussions as per the requirements.

6. Deliverables

The deliverables shall be finalised through mutual consultation between Swisscontact and the selected consultant/consultancy firms during the inception phase, based on the agreed scope of work, methodology, and implementation timeline.

7. Required Documents for the Consultant/Consultancy Firms

All bidding consultant/ consultancy firms are required to submit the following:

- a) A technical proposal elaborating the understanding of the assignment, proposed methodology, assessment tools, timeline (activity plan), key staff profiles, roles, and individual time to be spent on the assignment
- b) A separate financial proposal setting out a detailed budget for the assignment (in BDT).
- c) A summary of relevant services provided during the last 3 years.
- d) CVs of the key personnel who will be involved in the assignment.
- e) A list of the existing clientele of the organisation.
- f) It is mandatory for the bidder/bidding organisations to submit documentary evidence demonstrating their legal, taxation, and financial status. This includes:
 - i. A certificate of incorporation (for individual companies, a trade license), Registration-related documents (trade license, registration with any government entities/NGO bureau registration).

- ii. An organisational organogram of key personnel, inclusive of the names of such personnel.
- iii. Tax Identification Number (TIN).
- iv. Business Identification Number (BIN).
- v. Latest PSR (Proof of Submission of the Return).
- vi. A signed statement testifying that all information contained within the proposal is correct and true.

8. Selection Criteria

PROGRESS will select the consultant/ consultancy firms based on the following criteria:

SL	What to evaluate	Description	Points
1	a. CV of the consultant/consultants b. A brief proposal (Aptos 10.5 point, single spacing, no more than 15 pages) outlines the following: • Understanding of the ToR • Summaries of the consultant/consultancy firms previous experiences that would be useful for this assignment. • Brief outline of how the consultant/consultancy firms will accomplish the tasks listed in the ToR	• Fit for purpose and track record of similar assignments. • To be evaluated as per professional experience against the requirements	60
2	Financial Proposal	• Financial proposals must be submitted in terms of Bangladeshi Taka (BDT), including 15% VAT	20
3	Presentation (Only with initially shortlisted applicants)		20

* Multiple service providers may be selected for both streams based on their area of expertise.

9. Working Conditions and Environment

This will be applicable according to the Swisscontact Business Administration Manual. Swisscontact is an equal opportunity employer. We strongly encourage female professionals to apply.

10. Reporting

The selected consultant/ consultancy firms will collaborate closely with PROGRESS team, providing regular updates and reporting directly to the PROGRESS Team Leader. Additionally, the selected consultant/consultancy firms is expected to maintain seamless communication with team members to ensure timely execution of project tasks and adherence to strategic objectives.

11. Submission Details

Interested applicants must submit their proposals via email to bd.progress@swisscontact.org by 03 November 2026. The email subject line must state: **“Consultancy on Capital Market Readiness”**. In addition to the email submission, a hard copy of the technical and financial proposal separately should be delivered to the following address by the same deadline:

Swisscontact Bangladesh Office

House 28, Road 43, Gulshan-2, Dhaka 1212, Bangladesh

Late or incomplete submissions will not be considered. Swisscontact reserves the right to accept or reject any application, in part or full, or cancel the entire procurement process without assigning any reason whatsoever. Submission of an application does not guarantee the award of the contract.