



Request for proposals for a consultancy to conduct financial needs assessment for selected Saving Group (SG) members and the capacity of Financial Service Providers (FSPs) to meet the identified needs

1. Background

1.1. About Access to Finance Rwanda (AFR)

AFR is a Rwandan not for Profit organization, established in March 2010 by the Governments of the United Kingdom (UK) and Rwanda and with support from the UK Department for International Development (DFID), and the World Bank. Existing funders of AFR include DFID, The MasterCard Foundation, Sweden, USAID, and Kfw.

AFR's strategic focus is stimulating financial sector development by partnering with financial institutions and other stakeholders to increase access to and use of financial services. AFR is guided by the making Markets Work for the Poor (M4P) approach recognizing that efforts to increase financial inclusion have to be market led and profitable for sustainability. AFR supports the Government of Rwanda's development objectives by aligning all its interventions to the national policy frameworks including the Financial Sector Development Programme (FSDP) II and the Economic Development and Poverty Reduction Strategy (EDPRS).

1.2. About CARE International in Rwanda

CARE International is a leading humanitarian organization fighting global poverty. CARE places special focus on working alongside poor women and girls because, equipped with the proper resources, women have the power to help whole families and entire communities escape poverty. CARE has been working in Rwanda for more than 30 years.

CARE's Women Empowerment strategy uses Village Saving and Loans (VSL) to contribute to the Rwanda Financial Inclusion Strategy and to serve as an entry point for socio-economic development of the poorest members of the Rwandan population. CARE supports more 18, 500 VSL groups in 24 Districts in Rwanda.

1.3. About Savings Groups and the Project

The Government of Rwanda, has recognized Saving Groups as first entry financial access points toward financial inclusion as their members receive basic financial education (savings, loans, insurance) that can be leveraged on to introduce them the formal financial market.

Based on this understanding, AFR previously partnered with CARE International Rwanda to implement a “Village Savings and Loan (VSL) Scale-Up Project” in 17 districts with the main goal of improving the livelihoods options, social capital and financial capabilities of poor and vulnerable Rwandans (70% women) by facilitating them to join community-based saving groups.⁵ 580 VSL groups with 172,142 members were created.

According to Finscope 2016, 72% of the Rwandan adult population use informal saving groups together with other formal financial products and services and 21% solely use informal groups. As noticed, majority of the members in the saving groups are women and smallholder farmers and they find it easier and friendlier to use SG for their financial transactions.

Despite their vital importance, Savings Groups are limited in terms of scope and capacity to deliver a wide range of financial products and services to their members. For example, as groups mature, they increasingly require more sophisticated products that cannot be offered by their Savings Groups, hence the need to formally include SGs members to Financial Services Providers (FSPs) that are well equipped to provide adequate financial products and services to the underserved low income segment of the Rwandan population.

In view of the above, AFR and CARE have entered into a partnership to build the capacity of 120,000 smallholder farmers organized into Village Saving and Loan Groups on financial education, business and hands-on agronomic skills and link them to formal FSPs.

The project will also support FSPs develop and provide agriculture and non-agriculture financial products that respond to the needs of the SGs members; thus farmers will be able to access and use appropriate financial products to increase productivity and access more rewarding markets and bringing a change in their livelihoods.

Though the problem statement seems to be well understood, CARE International in Rwanda and AFR seek the services of an Expert **consultancy firm** to assess the financial needs of the SG members and evaluate the capacity of selected FSPs to respond to the identified needs with a focus on agriculture financial products.

3. Scope of Work.

The consultant should be able to respond to the following two big questions:

- What should be done to facilitate/support linkages of small holder farmers to formal financial institutions?
- What is needed to give microfinance providers the necessary strong structures and capabilities to make them deliver demand responsive financial services specifically agriculture financial products to SG while pursuing a double bottom line approach?

More specifically, the consultant will closely work with the CARE Rwanda team, VSLA members and the selected Financial Institutions to assess and make recommendations on the following:

(i) Demand side: understanding the financial needs of the SG members

- The assessment should help to understand the financial needs of the SG members and provide responses to the following key questions :
 - What are the different sources of finance for SG members and what would be the most important considerations for them when choosing a financial service provider? What is the relative importance of MFIs and SACCOs to the SG members?
 - What are the nearest MFIs or SACCOs available to the SG members?
 - What products and services are needed by SG members in comparison to what is currently supplied by MFIs/SACCOs?
 - What is the actual effective cost (direct and indirect) of accessing financial services for the SG members? What are the key factors that smallholder farmers/VSLA members consider before deciding to apply for a financial product or service?
 - What are the experiences of the members in accessing loans through their groups? Focus should be on the process, good/ bad experience;

(ii) Supply side: Understanding the supply of financing to small holder farmers with a focus on agriculture

Specifically, the study will explore the following supply-side questions:

- Which institutions are providing group lending services in its true sense?
- What are the different products on offer, how are they developed and are they adapted to the profiles of the target client segments?
- Which MFIs (if any) are providing credit to borrowers without formal collateral? How does the portfolio quality of these MFIs compare with the others that insist on tangible collateral?

- Do they exclude lending to SG members? and if so what is the reason behind this exclusion?
- What are the MFIs and SACCOs loan terms and conditions; to what extent are they meeting needs of smallholder farmers?
- What are the gaps (both institutional and regulatory) that may be preventing FSPs from lending to smallholder farmers and how can these gaps be effectively bridged?
- To what extent do the FSPs incorporate Financial Education in their services to stimulate demand for financial products?
- How long does it take to process customer feedback from the SACCO/MFIs?

(iii) Legal and Regulatory enablers and hindrances

Besides the effort of the Government of Rwanda to established a conducive environment, to support the development of the Microfinance sector, the level of formal financial inclusion in Rwanda is still at 68% according to FinScope 2016; therefore if there are any legal and regulatory hindrances that prevent the performance of the microfinance sector;

- Are there any shortcomings in the market set up that need to be addressed?
- Are there any 'leakages' in the legal framework which need to be corrected?
- How has the regulation and level of supervision influenced the performance of the microfinance sector?

4. Approach and methodology

The consultant will determine appropriate methods to collect the necessary data and views from stakeholders such as key informant interviews, focus group discussions with clients, questionnaires, documentation review, as appropriate. The methodology will be shared with CARE and AFR at a kick-off meeting for validation.

5. Deliverables

- An inception report detailing the approach, methodology and work plan
- A detailed report of the financial needs of the SG members and identified gaps of the FSPs to support linkage activities
- Recommendations on how FSPs can be supported to offer appropriate financial products and services to SG members.
- A detailed implementation plan of the above recommendations with clearly defined timelines

6. Required competences

The following key competences are required for this assignment:

- Significant prior experience with conducting similar assignments in Rwanda or within the region;
- Demonstrated familiarity with regard to research relating to financial inclusion or access to financial services;
- An academically qualified team led by a principal with relevant Masters level qualifications and a track record of at least minimum of 8 years in the field of saving groups and microfinance;
- Demonstrated ability to work in a multicultural setting;
- Excellent report writing and communication skills in English and ability to communicate in French and Kinyarwanda (local language) for some of the team members.

7. Timeline

The consultant will be engaged for a period of **20 working days**.

1.1 SECTION 1: INSTRUCTIONS TO PROSPECTIVE BIDDERS

Preparation of Proposals: You are requested to submit separate technical and financial proposal, as detailed below. The standard forms in this Request for Proposal may be retyped for completion but the Consultant is responsible for their accurate reproduction.

You are advised to carefully read the complete Request for Proposals. Where an electronic copy of the Request for Proposals is issued, the paper or hard copy is the original version. In the event of any discrepancy between the two, the hard copy shall prevail

Technical Proposals: Technical proposals should contain the following documents and information and should **not exceed 15 pages**:

1. The Technical Proposal Submission Sheet in this Part;
2. An approach and methodology for performing the services;
3. A detailed work plan, showing the inputs of all key staff and achievement of deliverables;
4. Copies of previous contracts - at least 3 for similar projects
5. CV's of key staff;
6. A summary of your experience in similar assignments;
7. The documents evidencing your eligibility, as listed below;
8. The consultant's comments or suggestions on the ToR and appreciation of the assignment – the objectives, tasks and deliverables.

Financial Proposals: Financial proposals should contain the following documents and information and should **not exceed 5 pages**:

1. The Financial Proposal Submission Sheet in this Part;
2. A copy of the breakdown of Lump Sum Price form in this Part for each currency of your proposal, showing all costs for the assignment, broken down into fees and reimbursable and miscellaneous costs. The costs associated with the assignment shall be US dollars.

Validity of Proposals: Proposals must remain valid for 90 days.

Submission of Proposals: The technical and financial proposals should be submitted separately, both clearly marked with the Procurement Reference Number above, the Consultant's name, AFR and either "Technical Proposal" or "Financial Proposal" as appropriate.

Proposals (both technical and financial) should be submitted in Word/Excel or PDF formats by email to CARE at: care.rw@care.org and procurement@ afr.rw by **5.00 PM (CAT) on August 2nd, 2017** clearly indicating the subject line: **"Financial needs assessment for selected Saving Group (SG) members and the capacity of Financial Service Providers (FSPs) to meet the identified needs"**.

1.2 SECTION 2: ELIGIBILITY CRITERIA

Eligibility Criteria: You are required to meet the following criteria to be eligible to participate in the procurement exercise:

- have the legal capacity to enter into a contract;
- not be insolvent, in receivership, bankrupt or being wound up or subject to legal proceedings for any of these circumstances;
- not have had your business activities suspended;
- have fulfilled your obligations to pay taxes and social security contributions;
- have the nationality of an eligible (defined in the proceeding section) country;
- not to have a conflict of interest in relation to this procurement requirement; and
- Not have a conflict of interest in relation to this procurement project.

Documents Evidencing Eligibility: Consultants are requested to submit copies of the following documents as evidence of your eligibility and sign the declaration in the Technical Proposal Submission Sheet:

- Certificate of Incorporation
- A copy of the Bidder's Trading license or equivalent and a copy of the Bidder's Certificate of Registration;
- Evidence of statutory compliance such as a tax clearance certificate
- Power of attorney with a specimen signature of authorised representative
- Any other relevant documentation.

Nationality of Personnel: All personnel employed under any resulting contract shall have the nationality of an eligible country to conduct business in Rwanda.

All countries are eligible, unless as a matter of law or official regulation, the Government of Rwanda prohibits commercial relations with that country or by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Government of Rwanda prohibits any import of Supplies from that country or any payments to persons or entities in that country.

1.3 SECTION 3: EVALUATION OF PROPOSALS

Evaluation of Proposals: The evaluation of Proposals will use the **Quality Cost Based** methodology as detailed below:

1. Preliminary examination to determine eligibility (as defined below) and administrative compliance to this Request for Proposals on a pass/fail basis;
 2. Detailed Technical evaluation will contribute 80%;
 3. Financial scores will be allocated 20% to determine the best evaluated bid.
- Proposals failing at any stage will be eliminated and not considered in subsequent stages.

Technical Criteria: Proposals shall be awarded scores out of the maximum number of points

- Minimum technical score: The mark required to pass the technical evaluation is 70%.

Financial Criteria:

Pricing information should not appear in any other section of the proposal other than the financial proposal.

Financial scores shall be determined by awarding 100 points to the lowest priced proposal and giving all other proposals a score which is proportionate to this.

Total scores: Total scores shall be determined using a weighting of 80% for technical proposals and a weighting of 20% for financial proposals.

Currency: Proposals should be priced in **US dollars**.

Best Evaluated Bid: The best evaluated bid shall be the firm with the highest combined score and shall be recommended for award of contract.

Right to Reject: AFR reserves the right to accept or reject any proposal or to cancel the procurement process and reject all proposals at any time prior to contract signature and issue by AFR, without incurring any liability to Consultants.

AFR reserves the right, at its sole discretion, to reject all proposals received and seek fresh proposals, to negotiate further with one or more of the bidders, to defer the award of a contract or to cancel the competition and make no contract award, if appropriate.

1.4 SECTION 4: TECHNICAL PROPOSAL SUBMISSION SHEET

[Complete this form with all the requested details and submit it as the first page of your technical proposal, with the documents requested above attached. Ensure that your technical proposal is authorised in the signature block below. A signature and authorisation on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorised, it may be rejected.]

Proposal Addressed to:	CARE International In Rwanda (CARE) and Access to Finance Rwanda (AFR)
Date of Technical Proposal:	
Procurement Reference Number:	
Subject of Procurement:	

We offer to provide the services described in the Statement of Requirements, in accordance with the terms and conditions stated in your Request for Proposals referenced above.

We confirm that we are eligible to participate in public procurement and meet the eligibility criteria specified in Part 1: Proposal Procedures of your Request for Proposals.

We have signed and undertake to abide by the Code of Ethical Conduct for Bidders and Providers attached during the procurement process and the execution of any resulting contract;

Our proposal shall be valid until _____ *[insert date, month and year]* and it shall remain binding upon us and may be accepted at any time before or on that date;

I/We enclose a separate financial proposal.

Technical Proposal Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

Address: _____

CODE OF ETHICAL CONDUCT IN BUSINESS FOR BIDDERS AND PROVIDERS

1. Ethical Principles

Bidders and providers shall at all times-

- (a) maintain integrity and independence in their professional judgement and conduct;
- (b) comply with both the letter and the spirit of-
 - i. the laws of Rwanda; and
 - ii. Any contract awarded.
- (c) Avoid associations with businesses and organisations which are in conflict with this code.

2. Standards

Bidders and providers shall-

- (a) strive to provide works, services and supplies of high quality and accept full responsibility for all works, services or supplies provided;
- (b) Comply with the professional standards of their industry or of any professional body of which they are members.

3. Conflict of Interest

Bidders and providers shall not accept contracts which would constitute a conflict of interest with, any prior or current contract with AFR. Bidders and providers shall disclose to all concerned parties those conflicts of interest that cannot reasonably be avoided or escaped.

4. Confidentiality and Accuracy of Information

(1) Information given by bidders and providers in the course of procurement processes or the performance of contracts shall be true, fair and not designed to mislead.

(2) Providers shall respect the confidentiality of information received in the course of performance of a contract and shall not use such information for personal gain.

5. Gifts and Hospitality

Bidders and providers shall not offer gifts or hospitality directly or indirectly, to staff of AFR that might be viewed by others as having an influence on a government procurement decision.

6. Inducements

(1) Bidders and providers shall not offer or give anything of value to influence the action of a public official in the procurement process or in contract execution.

(2) Bidders and providers shall not ask a public official to do anything which is inconsistent with the Act, Regulations, Guidelines or the Code of Ethical Conduct in Business.

7. Fraudulent Practices

Bidders and providers shall not-

- (a) collude with other businesses and organisations with the intention of depriving AFR of the benefits of free and open competition;
- (b) enter into business arrangements that might prevent the effective operation of fair competition;
- (c) engage in deceptive financial practices, such as bribery, double billing or other improper financial practices;
- (d) misrepresent facts in order to influence a procurement process or the execution of a contract to the detriment of AFR; or utter false documents;
- (e) unlawfully obtain information relating to a procurement process in order to influence

- the process or execution of a contract to the detriment of the AFR;
- (f) withholding information from the Procuring Disposing Entity during contract execution to the detriment of the AFR.

I agree to comply with the above code of ethical conduct in business.

AUTHORISED SIGNATORY

NAME OF CONSULTANT

1.5 SECTION 5: FINANCIAL PROPOSAL SUBMISSION SHEET

[Complete this form with all the requested details and submit it as the first page of your financial proposal, with the documents requested above attached. Ensure that your proposal is authorized in the signature block below. A signature and authorization on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorized, it may be rejected. The total price of the proposal should be expressed in the currency or currencies permitted in the instructions above.]

Proposal Addressed :	CARE International In Rwanda (CARE) and Access to Finance Rwanda (AFR)
Date of Financial Proposal:	
Procurement Reference Number:	
Subject of Procurement:	

The total price of our proposal is: _____.

We confirm that the rates quoted in our Financial Proposal are fixed and firm for the duration of the validity period and will not be subject to revision or variation.

Financial Proposal Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____

Address: _____

Breakdown of Lump Sum Price

[Complete this form with details of all your costs and submit it as part of your financial proposal. Where your costs are in more than one currency, submit a separate form for each currency. Authorise the rates quoted in the signature block below.]

Procurement Reference Number: _____

Currency of Costs: _____

FEES				
Name and Position of Personnel	Input Quantity	Unit Input	of Rate	Total Price
TOTAL:				

REIMBURSABLE AND MISCELLANEOUS COSTS				
Description of Cost	Quantity	Unit Measure	of Unit Price	Total Price
TOTAL:				

TOTAL LUMP SUM PRICE IN CURRENCY: _____

Breakdown of Lump Sum Price Authorised By:

Signature: _____ Name: _____

Position: _____ Date: _____
(DD/MM/YY)

Authorised for and on behalf of:

Company: _____