



Terms of Reference

Date: 15.12.2024
Bid subject: Provision of Revolving Loan Fund with MFIs/Banks to 12 VSLA groups in Boluburte Hiran Region Somalia.
Reference: Provision of revolving Loan Fund with MFIs/Banks to 12 VSLA groups ACF/WARDI/EU-WV/SOM-2023/10

Content of the TOR:

- 1.1 Introduction
2. Project Overview
3. Description of the Assignment/Service
4. Scope of Work
5. Requirements of the bid/Qualification and Experience
6. Commitments
7. General application process
8. Instruction to bidders
9. Deadline for submission of bids
10. Evaluation process
11. Award and payment conditions
12. The contract
13. Cancellation of the quotation procedure
14. Annexes

1: Organizational Context

WARDI is one of the leading national non-governmental organizations in Somalia, with an operational presence across six regions in the South Central. Founded in 1993 and duly registered with the Federal Government of Somalia, WARDI's mission is to provide dignified support to people affected by crises to enable them to lead a dignified and prosperous life. WARDI has offices in Mogadishu, Beletweyne, and Buloburte in South Central, as well as a liaison office in Nairobi. WARDI specializes in responding to humanitarian emergencies, bridging the gap between crisis and resilience, as well as long-term developmental projects with a track record of implementing high-quality health and nutrition, food security and livelihood, education, protection, and WASH interventions. Our programming has the distinct attribute of applying a bottom-up approach that puts the communities, local authorities, and governments (national and federal) we work with at the center of our programs.

Currently, ACF/WARDI is implementing the Eu Riverine and The Somalia Resilience Programme (SomReP) uses sustainable approaches to tackle the challenges of recurrent droughts and the chronic vulnerability among pastoralists, agro-pastoralists, and peri-urban households and communities. The consortium has deep experience in Somalia context joined as a consortium in 2012 to build a resilience model based on the global resilience thinking, innovative livelihood approaches for the Somalia context, and bridging the relief to development continuum. SOMREP intends to partner with a bank/MFI so as to support our existing village saving and loans associations (VSLAs), Livestock associations, farmer groups by extending financial services to them. In this case SomRep project in Buloburte, Hirshabele State Somalia reputable and qualified MFIs/banks to support this process. The financial institutions/banks will provide access to a flexible source of

capital for our program cohort in business through a loan revolving fund. The VSLA concept involves groups of people collaborating to pool their savings together in order to create a fund for lending and borrowing. The primary goal of the of the MFI/bank will be to provide savings and loan services to this economic groups including livestock associations, farmer groups etc.

2.0 Project Overview.

The Somalia Resilience Programme (SomReP) is a consortium of seven international non-governmental organizations (INGO) and one Local NGO. SomReP works to enhance the resilience of chronically vulnerable households, communities and systems across Somalia.

The Somalia Resilience Program (SomReP) is an ambitious approach to tackle the challenge of recurrent droughts and the chronic vulnerability among pastoralists, agro-pastoralists, and peri-urban households in one of the poorest countries in the world. SomReP is being implemented through a consortium of 7 INGOs (ACF, ADRA, CARE, COOPI, DRC, Oxfam and WVI) and 1 Local NGO (Shaqodoon)

3. Description of the Assignment/Service

The objective of the ToR is to find suitable MFIs or banks that will provide demand driven quality and innovative financial services to small and micro enterprises. The key role of for the financial

Service provider will be to operate and manage a loan revolving fund on behalf of the agency. The loan revolving fund will be used to give out loans to agreed cohort between the bank/MFI and SOMREP program participants in Buloburte. Additionally, the financial service provider will also offer access to other appropriate financial services including savings, and fund transfer to the SomRep cohort. All this will ensure sustainability of the current programs

4: Scope of Work

The selected financial institutions will be responsible for managing a loan revolving fund on behalf of ACF/WARDI & SomRep and facilitate loans to economic groups identified by the project staff across project target locations. Additionally, the bank/MFI will also offer additional financial services like opening savings accounts etc. to the project participants The scope of work of the financial institution under this ToR shall include but not necessarily limited to the following;

a. Target location: Buloburte

We anticipate recruiting MFIs/Bank's which physical location in the target locations.

b. Eligibility Criteria for the MFIs/banks:

- ✓ The FIs must operate and have operational offices in the project locations, Buloburte district or willing to establish a branch unit in these locations
- ✓ Must be reputable and legally registered financial institution
- ✓ Relevant experience in facilitating transactions, implemented RLF activities, and other economic empowerment activities in the past with NGOs
- ✓ The FIs must have presence either premises or physical in the target project locations
- ✓ The FIs must have other alternative banking systems (mobile banking) whereby remote villages with limited access to physical financial institution could access and do transactions digitally.
- ✓ Experience in implementing Micro-finance related activities with mainly focusing micro, small and medium enterprises (MSME) those targeting small business owners.

- ✓ The MFI/bank should have or be willing to develop women friendly loan products

5 Requirements of the bid/Qualification and Experience

- ✓ Relevant experience in providing financial services to MSMEs in Buloburte
- ✓ Legally registered financial institution and have presence in the target locations/regional.
- ✓ Ability to engage with MSMEs from project locations
- ✓ Ability to work effectively and deliver all reports in English

d. Mandatory documents

Please also provide the below documents as part of the application

- ✓ Registration certificate by central bank of Somalia
- ✓ Commercial operating license from government of Somalia
- ✓ Clearance taxation certificate
- ✓ Company profile with detailed physically verifiable contact address and organogram
- ✓ Child Protection Polices Agreement or Annex (B) Signed and stamped
- ✓ Code of Conduct at Child Protection or Annex (C) Signed and stamped
- ✓ Capability statement

Evaluation Criteria

The Selection of the firm will be made based on cumulative analysis (i.e., mandatory requirement and technical qualifications as follows:

Mandatory requirements

- References including names and contact information from previous clients who can be contacted regarding relevant experience in managing a revolving loan fund (At least two)
- Successful bidder will be required to sign World Vision Supplier Code of Conduct form

Technical Evaluation

Applicants need to clearly articulate on the following, but not limited to: -

- A Consulting profile and cover letter outlining the suitability of the consultant in undertaking the assignment (Not exceeding two pages)
- Up to two-page statement of capability (referencing the selection criteria) and the approach to be take in undertaking this assignment
- Clear work plan including time frames for the financial services market assessment
- Detailed CVs of key personnel (including any formal qualifications) should be provided

Financial Evaluation

- A financial proposal with a detailed breakdown of costs quoted in USD. Applicable tax amount must be clearly stipulated and separated from the base costs.
- Payment Terms and credit Period

Financial proposal should not be part of the technical proposal; it should be a separate document.

6.0 Commitments:

WARDI has a Humanitarian Accountability Framework outlining its accountability commitments. All staff is required to contribute to the achievement of this

7 General application process

1. Expected Results:

- ✓ Provision of financial services including saving and loans to Economic groups i.e. saving groups, Farmer/Livestock groups etc.
- ✓ Increased access to formal financial institutions that provides savings and loan services.

Increased accessibility of financial transactions of MBIs through different platforms including mobile bank Expected Results:

All interested financial institutions are requested to submit technical and financial in separately attachment proposal as per the ToR

A. Delivery location of the goods/services:

- WARDI Boluburte office is allocated at Nation road in October Boluburte District, Hiran Region -Somalia.
- b. Currency: US Dollars
- c. Payments: After the fulfillment of the contractual obligations, within 14 days after receipt of invoice
- d. Additional information to be submitted: company registration, company profile. WARDI reserves the right to ask for more documentation.
- e. The Quotation price (Annex A), Child Protection Polices Agreement (Annex B), and the Code of Conduct at Child Protection (Annex C) must be signed.
- f. Completeness of documentation
- g. Partial bids will not be accepted.
- h.** Bidders are invited to bid for both lots.
- i. Language: English

Bids: Bids must be submitted on company letterhead in a sealed envelope. The bid must be stamped, signed, and dated by the responsible person and indicate the person's function and full name in capital letters the location is WARDI office, along Lami Yare Road, Bulla Xubey Mogadishu.

- j. By submitting the bid, the bidder agrees to the contract documents sent with the RFQs
- k. Alternative offers are not accepted.

8 Instruction to bidders

- a) All correspondence and documents related to the quotation procedure, contracts and reporting must be written in English.
- b) The financial offer must be drawn up using the BOQ form under The BOQ form can be typed or hand-written with indelible ink, including the company logo and responsible persons.
- c) Offered prices must be quoted in USD.
- d) Delivery times must be indicated.
- e) Delivery conditions, as stated in the attached contract, must be complied with. The regulations in the case of a delay or default of delivery can be found in the attached contract.
- f) Prices must be valid and fixed for a period of 14 days from the deadline of the offer submission.
- g) All submitted offers are final; no modifications will be accepted after its submission.
- h) This RFQ does not commit WARDI to enter into any contract or agreement for products or services with any supplier responding to it.
- i) WARDI reserves the right to accept or reject any quote, to annul the solicitation process, and reject all quotes at any time prior to award of PO, without thereby incurring any liability to the affected vendor.
- j) The process will be a competitive procedure without negotiation. WARDI also reserves its right to accept an offer without prior negotiation.
- k) Evaluations of Quotations: Only complete bids that include full documentation will be evaluated and bids that don't fulfill all requirements listed will be excluded from the evaluation.
- l) An Award of a Purchase Order (PO)/Contract: a PO/Contract will be awarded to the bidder with the most economic bid (price and technical qualifications). The successful bidder will sign a PO/Contract with the General Conditions of Contract for Procurement of Goods or Services.
- m) Please send all further questions and inquiries at the following address [procurement@wardi.org husseiniman@wardi.org , info@wardi.org]/[alongside Lami yare road, Wadajir, Mogadishu office. To maintain

Equal treatment among the bidders, all questions and answers asked before the submission deadline will be transferred to all applicants.

- a) Contract performance by subcontractors is not allowed.

9: Deadline for submission of bids

The invited bidders are required to submit their quotations at the WARDI Mogadishu office, Banadir region of Somalia. Original sealed envelopes with quotations should be dropped at the above-mentioned office address on **28 of December, 2024 latest at 4:00 pm.**

10: Evaluation process

The tender bids will be registered in an appropriate document immediately after reception and the bidder will receive proof of its consignment. The deadline mentioned above is fixed and WARDI will not accept any delay justification, even if due to the post-service or any other circumstance beyond the bidder's control.

If WARDI, either on its own initiative or in response to a request from a prospective contractor or supplier, provides additional information on the bid documents, it must send such information in writing to all other prospective contractors or suppliers at the same time.

1.1. Bids evaluation

the evaluation steps:

a. Exclusion criteria

- Administrative conformity of bids

The aim at this stage is to check that bids comply with the requirements of the RFQ. Bids that are submitted with missing or incomplete documentation are dismissed before further evaluation.

- Technical evaluation

The evaluation committee will analyze the technical and quality admissibility of each bid, classifying it as technically compliant or non-compliant. The technical evaluation will be based on both the task to be carried out under the bid, and the professional ability of the contractor or supplier.

To facilitate the examination, evaluation and comparison of bids, the evaluation committee may ask each contractor individually for clarification of their bid, including breakdowns of prices. The request for clarification and the response must be in writing only, but no change in the price or substance of the bid may be sought, offered or permitted, except to correct arithmetical errors or formulae.

b. Award criteria

The tender will be awarded on the basis of the following criteria:

- Price (100%)

11 Award and payment conditions

- The successful supplier will be informed in writing that its tender has been awarded (Notification of award).
- Payments shall be approved by WARDI Program director and made in USD, after the fulfillment of the contractual obligations, **within** 14 (fourteen) days after the presentation of regular invoices backed by certificate of interim or completion of works/Goods Received Note.
- Payments will be made by WARDI Main office through bank cheque or bank transfer.

12 The contract

The contract is included in the submitting your offer, you agree to its terms. Divergent contractual conditions such as delivery periods, payment modalities, etc. are inadmissible and cause the exclusion of the bidder. The conclusion of the contract occurs at the award of the bid. The signing of the contract, done after the award of the tender, is only a matter of formality.

13: Cancellation of the quotation procedure

In the event of a quotation procedure's cancellation, contractors will be notified by WARDI. If the quotation procedure is cancelled before of any bid has been opened, the sealed envelopes will be returned, unopened, to the contractors.

Changes to deadlines or the ToRs, as well as a transfer back to a previous state of the procedure are possible at any time.

A cancellation, transfer back or modification to the procedure is possible at any time and may occur for example if:

- The bidding procedure has been unsuccessful, for example if no qualitatively or financially worthwhile quotations have been received or there has been no response at all,
- The economic or technical parameters of the project have been fundamentally altered,
- Exceptional circumstances or force majeure render normal performance of the project impossible or all technically compliant quotations exceed the financial resources available,
- There have been irregularities in the procedure, in particular if these irregularities have prevented a fair competition
- Modifications to the requirements of the required an adjustment or cancellation of the tenderprocedure.

In no circumstances is WARDI liable for damages, whatever their nature (in particular damages for loss of profits) due to the modification of the procedure or the cancellation of a bid, even if WARDI has been advised of the possibility of damages. The publication of a procurement notice does not commit WARDI to implement the program or project announced.

14: Annex

- 1.** Child Protection Policies Agreement or Annex (B) Signed and stamped
- 2.** Code of Conduct at Child Protection or Annex (C) Signed and stamped