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Ministry of Water Development

PUBLIC INVITATION FOR PROPOSALS

SELECTION OF A MICROFINANCE INSTITUTION (MFI)
WASH FINANCING AND TRANSFORMATION (WASH-FIT) INITIATIVE

BORAMA DISTRICT, AWDAL REGION, SOMALILAND

PROCUREMENT INFORMATION	DETAIL
Issuing institution	Ministry of Water Development (MoWD), Republic of Somaliland
Programme partners	UNICEF and UNCDF
Pilot target	185 eligible low-income and underserved households, including IDPs
Closing date	Tuesday, 11 November 2026
Closing time	11:59 PM, Hargeisa local time (midnight at the end of 11 November)
Submission channels	BOTH email addresses AND signed, sealed hard-copy submission to the Director General's Office

A. Public Invitation and Purpose

The Ministry of Water Development (MoWD), in partnership with UNICEF and the United Nations Capital Development Fund (UNCDF), invites eligible, duly licensed Microfinance Institutions (MFIs) to submit technical and financial proposals for the implementation of the WASH Financing and Transformation (WASH-FIT) Initiative in Borama District, Somaliland.

The initiative aims to facilitate affordable household connections to the piped-water network for 185 eligible low-income and underserved households, including internally displaced persons (IDPs), through a Sharia-compliant revolving financing mechanism.

Scope of the Assignment

- Design and pilot appropriate Sharia-compliant financing products for household water connections.
- Identify, mobilize, assess and enroll eligible low-income households; establish their socioeconomic and water-access profiles.
- Coordinate with the Borama Water Management Authority to facilitate verified household connections.
- Manage financing disbursements, repayments, portfolio records and reinvestment through the revolving fund.
- Provide community awareness, financial education and transparent information on repayment terms.
- Provide regular financial, operational and performance reports to the Ministry, UNICEF and UNCDF.

Mandatory Eligibility Requirements (Pass / Fail)

NO.	MANDATORY DOCUMENT
1	Current Central Bank of Somaliland licence authorizing microfinance or the relevant financial service.
2	Valid business registration certificate issued by the competent authority in Somaliland.
3	Valid business/trade operating licence issued by the Ministry of Trade and Tourism of Somaliland.
4	Current tax clearance certificate issued by the relevant Somaliland revenue authority.

Proposal Evaluation

Mandatory eligibility is assessed first. The technical proposal carries 70 points; at least 50/70 are required to qualify for financial evaluation. The financial proposal carries 30 points. The evaluation criteria and formula in the attached Terms of Reference shall apply.

Submission Deadline and Address

DEADLINE: Wednesday , 11 November 2026, no later than 11:59 PM (Hargeisa local time). This means the end of 10 November, immediately before Wednesday, 11 November begins.

ELECTRONIC: Send the complete submission in PDF format to BOTH **planning.mowd@sldgov.org** AND **cabdirooblebaashe@gmail.com**, with identical copies sent to both addresses.

PHYSICAL: Deliver a signed and sealed copy of the complete proposal package to **the Office of the Director General, Ministry of Water Development, Hargeisa, Somaliland,** during the Ministry's working hours on or before 11 November 2026. The Ministry does not represent that the physical office will be open until 11:59 PM.

Email subject and sealed outer envelope: **"Application for WASH-FIT MFI Partnership – Borama Somaliland".** Both submission methods are mandatory. Prepare clearly separated technical and financial proposals, using the attached proposal forms.

Bidders must not insert financial offers into the technical proposal. Proposal submission does not guarantee selection or contract award.

B. Instructions to Applicants

B1. Complete Application Package

- Signed application letter and institutional profile.
- Copies of all four mandatory eligibility documents.
- Technical proposal, methodology, relevant experience and proposed technical team with CVs.
- Implementation plan, milestones and proposed staffing arrangements.
- Separate financial proposal using the Activity 1–5 schedule provided in Annex 4.
- Evidence of similar assignments, references, and any supporting material necessary to demonstrate capacity.
- Signed applicant declaration and submission checklist.

B2. Electronic and Physical Submissions

Electronic: send one email addressed to both specified addresses with clearly named PDF files. Suggested naming: [Institution]_Eligibility.pdf, [Institution]_Technical.pdf and [Institution]_Financial.pdf. Keep financial documents separate from technical documents.

Physical: submit one sealed outer package with the signed application and distinct marked inner sections / envelopes for Technical Proposal and Financial Proposal to the Director General's Office. Record the date and time of receipt.

In the event of a difference between an emailed copy and the physical copy, the issue will be documented and considered under the applicable procurement rules. Applicants should therefore submit identical versions in both formats.

B3. Clarifications and Amendments

Written requests for clarification may be sent to the Ministry through the advertised email addresses. Or call this number **+252634488887** Any material clarification or amendment affecting eligibility, evaluation or submission requirements must be issued through the appropriate official channels so all potential applicants can access the same information.

B4. Pricing and Seed Capital

No project budget ceiling or seed-capital amount is published in this invitation. Applicants are to quote their own service costs for Activities 1, 2, 3 and 5 and their proposed commission rate (%) for Activity 4, with a clear explanation of the calculation for 185 households. Seed capital must be identified separately from service charges; no seed-capital amount is represented as approved in this package.

For transparent financial comparison, the procuring institution should communicate any uniform basis needed to convert commission rates to an equivalent USD cost through a formal clarification before financial bids are evaluated. This explanatory note does not change the approved evaluation formula.

B5. Evaluation Integrity

Mandatory documentation is checked on a Pass/Fail basis, after which technical proposals are scored against the published criteria. Only proposals receiving at least 50/70 technical points are eligible for financial evaluation. Award remains subject to applicable approvals and due diligence.

C. TERMS OF REFERENCE

ENGAGEMENT OF A MICROFINANCE INSTITUTION (MFI)
WASH FINANCING AND TRANSFORMATION (WASH-FIT)

The Terms of Reference below set out the background, objectives, scope of work, eligibility requirements, evaluation method and financial proposal schedule for the Borama pilot. The submission instructions in Part A and Part B apply throughout this combined package.

1. Background

Current WASH service delivery in Somaliland is shaped by persistent affordability, infrastructure and financing constraints, alongside rapid urbanisation, population growth, displacement and recurrent climate shocks. These pressures have increased demand for reliable water and sanitation services while household capacity to absorb the upfront costs of service connections remains constrained. The sector consequently continues to depend substantially on donor financing and private-sector service provision, while investment needs remain significant.

Recent household evidence from Borama provides a more specific basis for understanding these challenges and for targeting the WASH-FIT intervention. The 2026 Borama household assessment indicates that 34.3% of households reported piped water as their main drinking-water source. This was broadly comparable with the Somaliland benchmark of 33.0%, but substantially below the Awdal benchmark of 65.0% reported in the 2020/22 Integrated Household Budget Survey (IHBS). The comparison is based on the rainy-season main source of drinking water and should therefore not be interpreted as a complete measure of water safety, reliability or the existence of a household connection. Nevertheless, the findings indicate that a substantial proportion of households in Borama continue to depend on non-piped sources and underline the importance of expanding affordable household access to the piped-water network.

The sanitation and hygiene evidence presents a similarly differentiated picture. Using harmonised categories that combine flush facilities and improved pit latrines, 64.2% of Borama households had access to an improved sanitation facility, compared with 60.0% in Awdal and 56.0% across Somaliland. However, only 42.8% of Borama households had a handwashing place with both water, below the corresponding benchmarks of 51.0% for Awdal and 48.0% for Somaliland. These findings demonstrate that relatively stronger sanitation infrastructure does not automatically translate into adequate hygiene readiness and that infrastructure, affordability and household practices need to be considered together in the design of inclusive WASH interventions.

The same household evidence also points to a potentially enabling environment for innovative service-delivery and financing approaches. Mobile-phone ownership or access is high in Borama, Awdal and Somaliland, while the Borama assessment indicates comparatively strong household internet access. These digital indicators should be interpreted cautiously because the Borama assessment records household access routes whereas IHBS measures recent internet use among persons aged 15 years and above. Even so, widespread mobile access provides an important operational opportunity for beneficiary communication, household profiling, payment reminders, repayment monitoring and other digitally enabled features of a social financing mechanism, while recognising that device availability does not necessarily imply affordability, regular internet use or digital capability.

Against this background, household access to piped water in Borama is constrained not only by network coverage and service conditions, but also by the affordability of upfront connection costs and the limited availability of financing products tailored to low-income and vulnerable households. The WASH Social Access Model is therefore proposed as a targeted financing mechanism to address the household connection barrier. At its core, the model will establish a revolving loan facility implemented through a selected Microfinance Institution (MFI), with catalytic financial support from UNICEF and UNCDF. Eligible households will be able to access affordable and flexible financing for household water connections, with repayment arrangements designed to be manageable and, where feasible, integrated into utility billing systems.

The model will operate through close coordination among the MFI, the Borama Water Management Authority, the Ministry of Water Development (MoWD) and other relevant partners, ensuring that household financing is directly linked to actual service delivery. Borama is an appropriate pilot location because the household evidence demonstrates both a continuing gap in piped-water access and the need for solutions that address affordability alongside infrastructure. The model will prioritise low-income and underserved households, for whom the upfront cost of connection may otherwise prevent access to safer and more reliable piped-water services.

Overall, the WASH Social Access Model is intended to demonstrate a practical and scalable approach that combines financial inclusion with sustainable WASH service delivery. By converting catalytic funding into a revolving financing mechanism, recovering repayments and reinvesting them in additional household connections, the initiative seeks to progressively expand access, strengthen the sustainability of service provision and generate evidence on the viability of pro-poor financing for household water connections in Borama.

2. Objective

The overarching objective of the WASH Financing and Transformation (WASH-FIT) initiative is to test and operationalize the Social Access Model to improve inclusive and sustainable access to safe water and sanitation services for low-income households, including internally displaced persons (IDPs). The Model is being piloted in Borama District, Somaliland

Specifically, the Ministry of Water Development (MoWD) aims to:

Pilot a Sustainable Social Access Fund to Expand Inclusive Access to Safe Water Services

Establish, through the Ministry of Water Development (MoWD), and in partnership with the Borama Water Management Authority, a selected Microfinance Institution (MFI), and with financial support from UNICEF and UNCDF, a financing mechanism to provide microloans covering household connection costs for piped water.

Ensure that these microloans are repaid through affordable monthly charges integrated into household water bills, thereby providing a seamless, accessible, and sustainable repayment mechanism for low-income users.

Expand Pro-Poor Access to Water Services

Facilitate access for low-income households, including IDPs, to safe and reliable piped water services that would otherwise remain unaffordable.

Leverage blended financing to mobilise donor resources, development partner contributions, and private capital, with a view to expanding the reach and sustainability of service provision.

Establish a Revolving Fund to Scale Impact

Reinvest repaid capital to finance additional household connections, thereby progressively expanding service coverage.

Demonstrate a scalable and financially sustainable model for pro-poor WASH service delivery in Somaliland.

Strengthen Institutional and Operational Capacities

Enhance the capacity of the Ministry of Water Development (MoWD), the Borama Water Management Authority, and the participating MFI to manage financing mechanisms, monitor service delivery, and ensure operational efficiency.

Build the technical and administrative systems required to effectively manage a revolving social financing facility for water and sanitation services.

Promote Durable Solutions and Household Resilience

Link access to essential WASH services with financial inclusion and broader socio-economic empowerment of households.

Contribute to improved well-being, health outcomes, and socio-economic integration of low-income and displaced populations.

Through this approach, the WASH-FIT initiative seeks to demonstrate an innovative, scalable, and sustainable financing model that addresses affordability constraints, strengthens institutional capacity, and promotes equitable access to safe water services for vulnerable populations.

3. Scope of Work

The WASH Social Financing Mechanism under the WASH-FIT initiative establishes a pro-poor revolving loan facility to enable low-income households, to access safe and reliable piped water services in Borama District, Somaliland. The revolving nature of the facility ensures that repaid capital is continuously reinvested to finance additional household connections,

thereby expanding access over time. The initiative is implemented by the Ministry of Water Development (MoWD), in partnership with the Borama Water Management Authority, with technical and financial support from UNCDF and UNICEF.

In this context, the Ministry of Water Development (MoWD) invites a qualified Microfinance Institution (MFI) to undertake the following tasks:

A. Design and Implementation of a Pro-Poor Water Connection Revolving Loan Facility

Develop tailored Sharia-compliant loan products for low-income households, including eligibility criteria, loan sizes, repayment terms, and disbursement procedures.

Pilot the loan products in Borama District and assess performance, including uptake, repayment compliance, and overall feasibility.

Integrate loan repayment mechanisms into the water utility billing system to ensure efficiency, transparency, and ease of collection.

Ensure that the facility operates as a revolving fund, with repayments systematically recovered and reinvested to finance new connections.

B. Mobilisation and Household Profiling

Conduct community-based targeting to identify eligible low-income households, including IDPs.

Collect and maintain household socio-economic and service access data to inform loan eligibility, targeting, and impact monitoring.

Enroll selected beneficiaries into the revolving loan portfolio and maintain accurate and up-to-date records.

C. Financing and Facilitation of Low-Income Household Water Connections

Identify and select eligible households for connection to the water supply network in coordination with the Borama Water Management Authority.

Disburse microloans to low-income households to cover connection costs and ensure sound financial management of the revolving fund.

Facilitate the installation of household piped-water connections in collaboration with the water utility.

Monitor loan repayment performance and ensure timely recovery and reinvestment of funds to sustain and scale the revolving facility.

D. Community Awareness and Demand Generation

Design and implement community awareness campaigns to promote understanding of the revolving financing mechanism, including eligibility criteria, loan terms, and benefits of piped water access.

Build household awareness of repayment modalities, particularly the integration of loan repayment into water bills, and the long-term sustainability of the revolving fund.

E. Monitoring, Reporting, and Performance Tracking

Track and report on agreed indicators related to loan performance, including uptake, repayment rates, portfolio quality, and fund utilisation.

Monitor and report on changes in household socio-economic conditions and access to water services among beneficiaries.

Provide regular progress reports to the Ministry, UNICEF and UNCDF, including analysis of performance, challenges, and recommendations to strengthen the effectiveness and scalability of the revolving fund.

Expected Outcomes

Establishment of a fully operational pro-poor revolving loan facility supporting household water connections.

Increased household-level access to safe and reliable piped water services for low-income and displaced populations.

Improved financial inclusion and repayment capacity among beneficiary households.

Replicable model demonstrating blended financing for inclusive, pro-poor WASH service delivery in urban and peri-urban contexts.

4. Mandatory Requirements of the MFI

No.	Mandatory Requirement	Assessment
1	Central Bank of Somaliland licence permitting the institution to operate as an MFI or relevant financial service provider.	Pass / Fail
2	Valid business registration certificate issued by the relevant Somaliland authority.	Pass / Fail
3	Valid business / trade operating licence issued by the Somaliland Ministry of Trade and Tourism.	Pass / Fail
4	Current tax clearance certificate from the relevant Somaliland revenue authority.	Pass / Fail

5. Technical Evaluation Criteria

Criterion	Assessment Focus	Points
Understanding and methodology	Understanding of WASH-FIT; practical approach to Islamic-compliant financing, household targeting and profiling, awareness, utility coordination, disbursement, repayment, revolving fund management and reporting.	30
Technical team	Relevant qualifications and experience in microfinance, Islamic-compliant financing, mobilisation, financial management, monitoring and reporting; clear roles and availability.	25
Implementation workplan	Realistic timelines, milestones, deliverables and responsibilities covering all TOR activities and utility coordination for 185 household connections.	15
Total technical score		70

Technical Qualification Threshold: An applicant scoring 50 points or more out of 70 is technically qualified and proceeds to financial evaluation; applicants below 50 points do not proceed.

6. Financial Evaluation Criteria

Financial proposals will be checked for completeness, arithmetic accuracy and consistency with the TOR. The evaluated price comprises service costs for Activities 1, 2, 3 and 5, plus the USD equivalent of the Activity 4 commission. Seed capital shall be shown separately.

Financial Score = (Lowest Evaluated Price ÷ Bidder's Evaluated Price) × 30. Only technically qualified bidders are compared. The lowest evaluated price receives 30 financial points, and other technically qualified bidders receive proportionately lower financial scores.

The calculation of Activity 4 commission must use a transparent and consistently applied comparative basis. Seed capital is accounted for separately and is not itself a quoted MFI service cost.

7. Application Submission

Interested Microfinance Institutions are invited to submit the following documents:

- Organisational profile demonstrating experience in microfinance, pro-poor lending, or related financial services.

- Technical proposal outlining approach to loan design, household mobilisation, coordination with MoWD and Water Utility, repayment management, and monitoring & evaluation.
- Financial proposal including proposed management of seed capital, revolving fund, and sustainability measures.
- Evidence of experience with similar projects, including references, contacts, or reports.
- Staff qualifications relevant to implementation, including loan officers, community mobilizers, and M&E personnel.

8. Financial Proposal – Required Activity Schedule

The bidder shall complete the table by entering the total cost in USD for Activities 1, 2, 3 and 5, with a separate cost breakdown. For Activity 4, the bidder shall enter only the MFI service commission rate (%) and explain separately how it is calculated for 185 households. Seed capital shall be shown separately from service costs and commission.

Activity 1 – Product design and piloting

Design and pilot pro-poor water connection financing products, including eligibility criteria, financing terms, disbursement procedures and repayment integration with the Water Utility.

Quantity: 185 households | Quoted amount/rate: USD _____

Expected results: Financing products developed and piloted, with clear eligibility criteria, affordable repayment terms and procedures agreed with the Water Utility.

Activity 2 – Household mobilization and enrolment

Mobilize and enroll low-income households through community-led targeting, awareness activities and client recruitment.

Quantity: 185 households | Quoted amount/rate: USD _____

Expected results: At least 185 eligible low-income households identified, informed about the financing mechanism and enrolled.

Activity 3 – Household profiling

Prepare socio-economic and water service access profiles for beneficiary households.

Quantity: 185 households | Quoted amount/rate: USD _____

Expected results: Complete and verified profiles prepared for 185 households to support eligibility assessment and monitoring.

Activity 4 – Commission-based management

Facilitate household water connections jointly with the Water Utility; manage financing disbursements and repayments; and reinvest recovered funds to sustain the revolving portfolio.

Quantity: 185 households | Quoted amount/rate: MFI commission: _____%

Expected results: At least 185 low-income households connected to the water grid, with financing disbursed, repayments tracked and recovered funds reinvested in additional connections. Indicate only the proposed MFI service commission rate (%)

Activity 5 – Community awareness

Conduct community awareness campaigns explaining access to financing, eligibility criteria and repayment through the utility billing system.

Quantity: 185 households | Quoted amount/rate: USD _____

Expected results: At least 185 households reached with clear information on financing eligibility, application procedures and repayment obligations.

9. Official Submission Details

Submission Deadline: Wednesday, 11 November 2026, no later than 11:59 PM Hargeisa local time (end of the day).

Electronic delivery: PDF documents submitted to BOTH

planning.mowd@sldgov.org and **cabdirooblebaashe@gmail.com.**

Physical delivery: signed and sealed documents submitted to the Office of the Director General, Ministry of Water Development, Hargeisa, Somaliland, within official working hours by 10 November 2026.

Contact telephone: +252 63 448 8887.

Submission reference: “Application for WASH-FIT MFI Partnership – Borama Somaliland”.

D. APPLICATION FORMS AND ANNEXES

Annex 1 – Application Letter and Institutional Profile

To: **The Director General, Ministry of Water Development, Hargeisa, Somaliland**

Subject: **Application for WASH-FIT MFI Partnership – Borama Soamlialnd.**

We, the undersigned, submit our application and accompanying technical and financial proposals for the WASH-FIT MFI assignment in BoramaSomaliland. We confirm that the documents provided are accurate to the best of our knowledge and that our offer is prepared in accordance with the published solicitation documents.

FIELD	APPLICANT TO COMPLETE
Legal name of institution	_____
Trade / business registration number	_____
Central Bank licence number	_____
Business operating licence number	_____
Tax clearance reference	_____
Registered office address	_____
Authorized contact person	_____
Telephone	_____
Email address	_____
Authorized signature / date	_____

Annex 2 – Mandatory Eligibility Checklist

CHECK	MANDATORY ATTACHMENT	FILE / REF.
☐	Valid Central Bank of Somaliland MFI / financial-service licence	_____
☐	Valid business registration certificate	_____
☐	Ministry of Trade and Tourism business / trade operating licence	_____
☐	Current tax clearance certificate	_____

Applicants must attach legible and valid copies. The procuring entity will determine responsiveness under the applicable approved rules.

Annex 3 – Technical Proposal and Workplan Template

A. Understanding of the WASH-FIT model and specific delivery challenges in Borama

Applicant response: _____

B. Sharia-compliant financing product design and household affordability safeguards

Applicant response: _____

C. Methodology: household selection, verification and enrolment of 185 beneficiaries

Applicant response: _____

D. Utility coordination, connection verification, disbursement and repayment processes

Applicant response: _____

E. Revolving fund records, internal controls, management information and reporting

Applicant response: _____

F. Community awareness, informed client consent, data protection and grievance handling

Applicant response: _____

G. Proposed technical team, experience, CVs and assignment of responsibilities

Applicant response: _____

H. Implementation milestones, deliverables, monitoring indicators and risk management

Applicant response: _____

Applicants may attach a more detailed methodology and implementation schedule as separate numbered sections.

Annex 4 – Financial Proposal Form

Applicant institution: _____ Date: _____

Quote the TOTAL COST IN USD for Activities 1, 2, 3 and 5. For Activity 4 quote the proposed MFI commission RATE (%) and explain the calculation for 185 households. Seed capital must be shown separately from service fees and commission. Do not treat a published project budget as available; none is stated in this tender package.

Activity	Pricing item / deliverable	Quantity	Bidder quote
1	Design and pilot pro-poor water connection financing products	185 HH	USD _____
2	Mobilize and enroll eligible low-income households	185 HH	USD _____
3	Prepare socioeconomic and water-service access profiles	185 HH	USD _____
4	Facilitate household connections, disbursements, repayment tracking and revolving fund management	185 HH	Commission ___ %
5	Conduct household/community awareness campaigns	185 HH	USD _____

Financial Breakdown and Commission Explanation

Breakdown of Activity 1 service cost: _____

Breakdown of Activity 2 service cost: _____

Breakdown of Activity 3 service cost: _____

Breakdown of Activity 5 service cost: _____

Activity 4 commission: describe the basis, rate, calculation for 185 households and any relevant assumptions:

_____

_____

Seed capital (separate statement; no approved amount provided in this package): _____

Financial offer validity period (if specified by the solicitation or addendum): _____

Authorized finance officer / signature: _____

Annex 5 – Applicant Declaration and Final Submission Checklist

We declare that our proposed services, staffing, financial charges and supporting documentation have been prepared independently and accurately. We disclose any material conflict of interest and agree to provide relevant clarifications under the applicable procurement procedure.

- ☐ Signed application letter and institutional profile included.
- ☐ All four mandatory licences / registration / tax documents attached.
- ☐ Technical proposal, workplan, staff CVs, experience and references attached.
- ☐ Financial proposal on Annex 4, with itemized service fees and MFI commission rate, attached separately.
- ☐ PDF application submitted to planning.mowd@sldgov.org.
- ☐ The same PDF application submitted to cabdirooblebaashe@gmail.com.
- ☐ Signed, sealed hard-copy package delivered to the Director General's Office.
- ☐ Both electronic and physical copies clearly labelled "Application for WASH-FIT MFI Partnership – Borama".

Authorized representative: _____ Signature: _____

Name of MFI: _____ Date: _____

NOTE: For administrative clarity, email copies must reach both advertised addresses no later than 11:59 PM on 10 November 2026; physical delivery must occur during the Ministry's working hours on or before 10 November 2026.