



REQUEST FOR PROPOSAL (RFP)

NAME & ADDRESS OF FIRM	DATE: June 16, 2016
	REFERENCE: UNDP/RFP/12/2016

Dear Sir / Madam:

We kindly request you to submit your Proposal **to develop producer and financial Cooperative Assessment/Rating Tool for wholesale lending to cooperatives**. The detailed Terms of Reference is attached as Annex 4

Please be guided by the form attached hereto as Annex 2, in preparing your Proposal.

Proposals may be submitted on or before **5.30 pm on 07 July 2016** and via courier mail or hand delivery to the address below:

Ref: UNDP/RFP/12/2016
The Registry,
United Nations Development Programme
UN House, Pulchowk, Lalitpur, Nepal

A pre-bid meeting will be held on 23 June 2016 at 1500 hours (Nepal Standard Time) in UN House, Pulchowk, Lalitpur, Nepal.

Your Proposal must be expressed in the English, and valid for a minimum period of 90 days.

In the course of preparing your Proposal, it shall remain your responsibility to ensure that it reaches the address above on or before the deadline. Proposals that are received by UNDP after the deadline indicated above, for whatever reason, shall not be considered for evaluation.

Services proposed shall be reviewed and evaluated based on completeness and compliance of the Proposal and responsiveness with the requirements of the RFP and all other annexes providing details of UNDP requirements.

The Proposal that complies with all of the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Any discrepancy between the unit price and the total price shall be re-computed by UNDP, and the unit price shall prevail and the total price shall be corrected. If the Service Provider does not accept the final price based on UNDP's re-computation and correction of errors, its Proposal will be rejected.

No price variation due to escalation, inflation, fluctuation in exchange rates, or any other market factors shall be accepted by UNDP after it has received the Proposal. At the time of Award of Contract or Purchase Order, UNDP reserves the right to vary (increase or decrease) the quantity of services and/or goods, by up to a maximum twenty five per cent (25%) of the total offer, without any change in the unit price or other terms and conditions.

Any Contract or Purchase Order that will be issued as a result of this RFP shall be subject to the General Terms and Conditions attached hereto. The mere act of submission of a Proposal implies that the Service Provider accepts without question the General Terms and Conditions of UNDP, herein attached as Annex 3.

Please be advised that UNDP is not bound to accept any Proposal, nor award a contract or Purchase Order, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

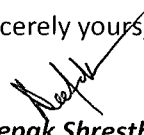
UNDP's vendor protest procedure is intended to afford an opportunity to appeal for persons or firms not awarded a Purchase Order or Contract in a competitive procurement process. In the event that you believe you have not been fairly treated, you can find detailed information about vendor protest procedures in the following link: <http://www.undp.org/procurement/protest.shtml>.

UNDP encourages every prospective Service Provider to prevent and avoid conflicts of interest, by disclosing to UNDP if you, or any of your affiliates or personnel, were involved in the preparation of the requirements, design, cost estimates, and other information used in this RFP.

UNDP implements a zero tolerance on fraud and other proscribed practices, and is committed to preventing, identifying and addressing all such acts and practices against UNDP, as well as third parties involved in UNDP activities. UNDP expects its Service Providers to adhere to the UN Supplier Code of Conduct found in this link: http://www.un.org/depts/ptd/pdf/conduct_english.pdf

Thank you and we look forward to receiving your Proposal.

Sincerely yours,


Deepak Shrestha
Procurement Analyst

Description of Requirements

Context of the Requirement	<p><i>[indicate project title or brief description of the project]</i></p> <p><i>United Nations Capital Development Fund (UNCDF), together with the Nepal Rastra Bank (NRB) - the Central Bank of Nepal is currently implementing the Support to Financial Inclusion in Nepal 2014-2018 through the Access to Finance (A2F) under broader umbrella of UNNATI. UNNATI – United Nations Capital Development Fund (UNCDF), together with the Nepal Rastra Bank (NRB) - the Central Bank of Nepal is currently implementing the Support to Financial Inclusion in Nepal 2014-2018 through the Access to Finance (A2F) under broader umbrella of UNNATI which works in the selected Value Chain i.e. Orthodox Tea, Ginger, Dairy and Large Cardamom in seven districts of Eastern Development Region (EDR): Ilam, Panchthar, Taplejung, Dhankuta, Tehra thum, Bhojpur and Sankhuwasabha. UNNATI – A2F provides financial and technical services to the Banks and Financial Institutions (BFIs) to effectively deliver the financial products and services to the client and has signed 13 Technical Assistance (TA) agreements with BFIs. In addition, UNNATI – A2F has recently launched a challenge fund. The project will have additional partnership with Banks and Financial Institutions that will comprise of commercial banks, microfinance institution, cooperatives and non-life insurance companies. With commercial banks interested in increasing agriculture portfolio through wholesale lending to cooperatives and Micro Finance Institutions (MFIs) as one of the option to increase their credit portfolio to rural areas, a need for the standardized cooperatives assessment and rating tool for the bank has been realized to increase its lending portfolio including in the agriculture sector. Therefore, UNNATI-A2F project plans to support banks in developing cooperative assessment and rating tool that can be used later by BFIs to rate the capacity of cooperatives and improve the performance of wholesale lending and increase agriculture portfolio.</i></p>
Implementing Partner of UNDP	
Brief Description of the Required Services ¹	To develop producer and financial Cooperative Assessment/Rating Tool for wholesale lending to cooperatives
List and Description of Expected Outputs to be Delivered	<ul style="list-style-type: none"> • Final Cooperative Assessment/ Rating Toolkit; • Imparting Training Session

¹ A detailed TOR may be attached if the information listed in this Annex is not sufficient to fully describe the nature of the work and other details of the requirements.

Person to Supervise the Work/Performance of the Service Provider	National Programme Coordinator, UNCDF, IF Nepal
Frequency of Reporting	[indicate if daily, weekly, monthly, or as needed] Fortnightly
Progress Reporting Requirements	Please see the schedule for submission of deliverables in the TOR
Location of work	<input checked="" type="checkbox"/> At Contractor's Location
Expected duration of work	Team Leader maximum of 60 Days and Team Members (2) 20 days each.
Target start date	20 July 2016
Latest completion date	20 November 2016
Travels Expected	As specified in the TOR
Special Security Requirements	
Facilities to be Provided by UNDP (i.e., must be excluded from Price Proposal)	[pls. specify]
Implementation Schedule indicating breakdown and timing of activities/sub-activities	<input checked="" type="checkbox"/> Required
Company Registration	<input checked="" type="checkbox"/> Required
Company Profile	<input checked="" type="checkbox"/> Required
VAT/PAN Registration	<input checked="" type="checkbox"/> Required
List of projects completed (Please indicate contract duration and contract value)	<input checked="" type="checkbox"/> Required
List of major clients with detailed contact addresses for last three years	<input checked="" type="checkbox"/> Required
Names and curriculum vitae of individuals who will be involved in completing the services	<input checked="" type="checkbox"/> Required
Currency of Proposal	<input checked="" type="checkbox"/> United States Dollars <input checked="" type="checkbox"/> Local Currency

Value Added Tax on Price Proposal ²	<input checked="" type="checkbox"/> must be inclusive of VAT and other applicable indirect taxes																	
Validity Period of Proposals (Counting for the last day of submission of quotes)	<input checked="" type="checkbox"/> 90 days In exceptional circumstances, UNDP may request the Proposer to extend the validity of the Proposal beyond what has been initially indicated in this RFP. The Proposal shall then confirm the extension in writing, without any modification whatsoever on the Proposal.																	
Partial Quotes	<input checked="" type="checkbox"/> Not permitted <input type="checkbox"/>																	
Payment Terms ³	<table border="1"> <thead> <tr> <th>Outputs</th> <th>Percentage</th> <th>Timing</th> <th>Condition for Payment Release</th> </tr> </thead> <tbody> <tr> <td>Deliverable 1: Inception report at the commencement of the assignment outlining detailed methodology of the study along with activities and time line. Upon receipt and acceptance by UNCDF</td> <td>20%</td> <td></td> <td rowspan="3"> Within thirty (30) days from the date of meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider. </td> </tr> <tr> <td>Deliverable 2: Submission of Draft Cooperative Assessment/ RatingToolkit; Upon receipt and acceptance by UNCDF</td> <td>30%</td> <td></td> </tr> <tr> <td>Deliverable 3: Submission of Final Cooperative Assessment/ RatingToolkit; Upon receipt and</td> <td>30%</td> <td></td> </tr> </tbody> </table>				Outputs	Percentage	Timing	Condition for Payment Release	Deliverable 1: Inception report at the commencement of the assignment outlining detailed methodology of the study along with activities and time line. Upon receipt and acceptance by UNCDF	20%		Within thirty (30) days from the date of meeting the following conditions: a) UNDP's written acceptance (i.e., not mere receipt) of the quality of the outputs; and b) Receipt of invoice from the Service Provider.	Deliverable 2: Submission of Draft Cooperative Assessment/ RatingToolkit; Upon receipt and acceptance by UNCDF	30%		Deliverable 3: Submission of Final Cooperative Assessment/ RatingToolkit; Upon receipt and	30%	
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² VAT exemption status varies from one country to another. Pls. check whatever is applicable to the UNDP CO/BU requiring the service.

³ UNDP preference is not to pay any amount in advance upon signing of contract. If the Service Provider strictly requires payment in advance, it will be limited only up to 20% of the total price quoted. For any higher percentage, or any amount advanced exceeding \$30,000, UNDP shall require the Service Provider to submit a bank guarantee or bank cheque payable to UNDP, in the same amount as the payment advanced by UNDP to the Service Provider.

	<div>acceptance by UNCDF</div> <div>Deliverable 4: Imparting Training Session and submitting report; Upon receipt and acceptance by UNCDF</div> <div></div>	20%		
Person(s) to review/inspect/ approve outputs/completed services and authorize the disbursement of payment	<p><i>[pls. indicate designations, not names]</i></p> <p>National Programme Coordinator, UNCDF and UNNATI – A2F, Team Leader</p>			
Type of Contract to be Signed	<p><input checked="" type="checkbox"/> Purchase Order</p> <p><input checked="" type="checkbox"/> Contract for Professional Services</p>			
Criteria for Contract Award	<p><input checked="" type="checkbox"/> Highest Combined Score (based on the 70% technical offer and 30% price weight distribution)</p> <p><input checked="" type="checkbox"/> Full acceptance of the UNDP Contract General Terms and Conditions (GTC). This is a mandatory criteria and cannot be deleted regardless of the nature of services required. Non acceptance of the GTC may be grounds for the rejection of the Proposal.</p>			
Criteria for the Assessment of Proposal	<p><u>Technical Proposal (70%)</u></p> <p><input checked="" type="checkbox"/> Expertise of the Firm (9%)</p> <p><input checked="" type="checkbox"/> Methodology, Its Appropriateness to the Condition and Timeliness of the Implementation Plan (7%)</p> <p><input checked="" type="checkbox"/> Management Structure and Qualification of Key Personnel (54%)</p> <p><u>Financial Proposal (30%)</u></p> <p>To be computed as a ratio of the Proposal's offer to the lowest price among the proposals received by UNDP.</p>			

⁴ Minimum of one (1) year period and may be extended up to a maximum of three (3) years subject to satisfactory performance evaluation. This RFP may be used for LTAs if the annual purchases will not exceed \$100,000.00.

UNDP will award the contract to:	<input checked="" type="checkbox"/> One and only one Service Provider
Annexes to this RFP ⁵	<input checked="" type="checkbox"/> Form for Submission of Proposal (Annex 2) <input checked="" type="checkbox"/> General Terms and Conditions / Special Conditions (Annex 3) ⁶ <input checked="" type="checkbox"/> Detailed TOR (Annex 4) <input type="checkbox"/> Others ⁷ [pls. specify]
Contact Person for Inquiries (Written inquiries only) ⁸	<p>UNDP Nepal UN House, Pulchowk, Lalitpur, Nepal Email: query.procurement.np@undp.org</p> <p>Written inquiries must be submitted via the above email address mentioning RFP Ref: UNDP/RFP/12/2016, by 5:30pm (Nepal Standard Time), 22 June 2016. UNDP shall respond to the inquiries during the pre-bid meeting and the minutes of the pre-bid meeting shall be uploaded in the website http://www.np.undp.org/content/nepal/en/home/operations/procurement.html. Inquiries received after the above date and time shall not be entertained.</p> <p>Any delay in UNDP's response shall be not used as a reason for extending the deadline for submission, unless UNDP determines that such an extension is necessary and communicates a new deadline to the Proposers.</p>

⁵ Where the information is available in the web, a URL for the information may simply be provided.

⁶ Service Providers are alerted that non-acceptance of the terms of the General Terms and Conditions (GTC) may be grounds for disqualification from this procurement process.

⁷ A more detailed Terms of Reference in addition to the contents of this RFP may be attached hereto.

⁸ This contact person and address is officially designated by UNDP. If inquiries are sent to other person/s or address/es, even if they are UNDP staff, UNDP shall have no obligation to respond nor can UNDP confirm that the query was received.

<p>Other Information [p/s. specify]</p>	<p>The Financial Proposal and the Technical Proposal Envelopes <u>MUST BE COMPLETELY SEPARATE</u> and <u>each of them must be submitted sealed individually</u> and clearly marked on the outside as either “TECHNICAL PROPOSAL” or “FINANCIAL PROPOSAL”, as appropriate. Each envelope MUST clearly indicate the name of the Proposer.</p> <p>The outer envelope shall be</p> <p>Addressed to:</p> <p style="text-align: center;">The Registry, United Nations Development Programme UN House, Pulchowk, Lalitpur, Nepal</p> <p>Marked with:</p> <p>UNDP/RFP/12/2016 - to develop producer and financial Cooperative Assessment/Rating Tool for wholesale lending to cooperatives</p>
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Evaluation Criteria

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable
1.	Expertise of Firm / Organization	10%	100
2.	Proposed Methodology for the Completion of Services	30%	300
3.	Management Structure and Key Personnel	60%	600
	Total		1000

I. Expertise of firm / organisation submitting proposal (Points obtainable 100 points)	
1.1 Demonstrated track record on need assessment, development of <i>Producer and Financial Cooperative Assessment Tool in line with Banks requirements</i> ,	20
1.2 Specialization in making rating toolkit and experiences in designing assessment/rating toolkit for the financial sector.	50
1.3 Strong quality assurance procedures, warranty on monitoring and feedback system.	30
Total for Expertise of firm / organisation submitting proposal (I)	100
II. Proposed Work Plan and Approach (Points obtainable 300 Points)	
2.1 To what degree does the Offeror understand the task?	50
2.2 Have the important aspects of the task been addressed in sufficient detail?	20
2.3 Are the different components of the project adequately weighted relative to one another?	20
2.4 Is there evidence that the proposal been prepared based on an in-depth understanding and prior knowledge of the project environment?	30
2.5 Is the conceptual framework adopted appropriate for the task?	40
2.6 Is the scope of task well defined and does it correspond to the TOR?	80
2.7 Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	60
Total for Proposed Work Plan and Approach (II)	300
III. Personnel (Points obtainable 600 points)	
3.1 Team Leader (Points obtainable 300)	
Qualification;	20
Professional Experience in the area of specialization;	100
Demonstrated track record in study, review, assessment, and analysis of bank and financial institutions;	70
A good understanding and knowledge about the policies and practices being applied by the commercial banks for lending (preferably wholesale lending to cooperatives);	40
Previous experience (at least completion two successful assignments) of designing assessment/rating tools for banks and financial institutions, and cooperatives/rotating savings and credit associations (ROSCAs);	35

Experience of designing and delivering training module for financial institutions and others,	25
Language Qualifications and report writing skill	10
Sub Total for Team Leader	300
3.2 Team Member (2) (points obtainable 300 Points)	
3.2.1 Commercial Bank Expert (points obtainable 150 points)	
Qualification	20
Professional experience in financial sector in commercial bank	50
Relevant Experience	40
Appropriate practical experience of whole leading in Nepal.	30
Language Qualifications	10
Sub Total for Commercial Bank Expert	150
3.2.2 Cooperatives Expert (Points obtainable 150 points)	
Qualification	20
Professional experience in cooperative sector (of which at least three years in savings and credit cooperatives) conducting research, review and assessing the strengths, weaknesses and capacity-building needs of cooperatives in Nepal,	50
Relevant Experience	40
Appropriate knowledge about the policies and practices being applied for cooperative sector in Nepal;	30
Language Qualifications	10
Sub-total for Cooperative Expert	150
Total for Personnel (III) (3.1+3.2.1+3.2.2)	600
Grand Total (I+II+III)	1000

FORM FOR SUBMITTING SERVICE PROVIDER'S PROPOSAL⁹

(This Form must be submitted only using the Service Provider's Official Letterhead/Stationery¹⁰)

[insert: Location].

[insert: Date]

To: [insert: Name and Address of UNDP focal point]

Dear Sir/Madam:

We, the undersigned, hereby offer to render the following services to UNDP in conformity with the requirements defined in the RFP dated [specify date], and all of its attachments, as well as the provisions of the UNDP General Contract Terms and Conditions:

A. Qualifications of the Service Provider

The Service Provider must describe and explain how and why they are the best entity that can deliver the requirements of UNDP by indicating the following:

- a) *Profile – describing the nature of business, field of expertise, licenses, certifications, accreditations;*
- b) *Business Licenses – Registration Papers, Tax Payment Certification, etc.*
- c) *Latest Audited Financial Statement – income statement and balance sheet to indicate its financial stability, liquidity, credit standing, and market reputation, etc. ;*
- d) *Track Record – list of clients for similar services as those required by UNDP, indicating description of contract scope, contract duration, contract value, contract references;*
- e) *Certificates and Accreditation – including Quality Certificates, Patent Registrations, Environmental Sustainability Certificates, etc.*
- f) *Written Self-Declaration that the company is not in the UN Security Council 1267/1989 List, UN Procurement Division List or Other UN Ineligibility List.*

B. Proposed Methodology for the Completion of Services

The Service Provider must describe how it will address/deliver the demands of the RFP; providing a detailed description of the essential performance characteristics and a work plan, reporting conditions and quality assurance mechanisms that will be put in place, while demonstrating that the proposed methodology will be appropriate to the local conditions and context of the work.

C. Qualifications of Key Personnel

⁹ This serves as a guide to the Service Provider in preparing the Proposal.

¹⁰ Official Letterhead/Stationery must indicate contact details – addresses, email, phone and fax numbers – for verification purposes

If required by the RFP, the Service Provider must provide :

- a) Names and qualifications of the key personnel that will perform the services indicating who is Team Leader, who are supporting, etc.;*
- b) CVs demonstrating qualifications must be submitted if required by the RFP; and*
- c) Written confirmation from each personnel that they are available for the entire duration of the contract.*

*[Name and Signature of the Service Provider's Authorized
Person]*

[Designation]

[Date]

Financial Proposal Form
(To be submitted in an envelope separate from the technical proposal)

D. Cost Breakdown per Deliverable*

	Deliverables <i>[list them as referred to in the RFP]</i>	Percentage of Total Price <i>(Weight for payment)</i>	Price <i>(Lump Sum, All Inclusive)</i>
1	Deliverable 1: Inception report at the commencement of the assignment outlining detailed methodology of the study along with activities and time line. Upon receipt and acceptance by UNCDF	20%	
2	Deliverable 2: Submission of Draft Cooperative Assessment/ Rating Toolkit; Upon receipt and acceptance by UNCDF	30%	
3	Deliverable 3: Submission of Final Cooperative Assessment/ Rating Toolkit; Upon receipt and acceptance by UNCDF	30%	
4	Deliverable 4: Imparting Training Session and submitting report; Upon receipt and acceptance by UNCDF	20%	
3			
	Total	100%	

**This shall be the basis of the payment tranches*

E. Cost Breakdown by Cost Component :

Description of Activity	Remuneration per Unit of Time	Total Period of Engagement	No. of Personnel	Total
I. Personnel Services				
1. Services from Home Office				
Team Leader			1	
Commercial Bank Expert			1	
Cooperatives Expert			1	
2. Services from Field Offices				
Team Leader			1	
Commercial Bank Expert			1	
Cooperatives Expert			1	
II. Out of Pocket Expenses				
1. Travel Cost				
2. DSA				
• Team Leader				

<ul style="list-style-type: none"> • Commercial Bank Expert • Cooperatives Expert 				
3. Stationery Cost				
4. Cost associated with the field (<i>a detailed break down may be presented in a separate sheet</i>)				
Subtotal (I + II)				
VAT 13% (if applicable)				
Grand total				
Grand total (In words)				

Note:

Administrative and other applicable associated costs need to be built into the one or more of the above cost items.

Proposal may be disqualified if it does not follow the above price schedule format.

Number of personnel to deliver the services has been set by UNDP as indicated on the table above.

[Name and Signature of the Service Provider's Authorized Person]

[Designation]

[Date]

General Terms and Conditions for Services

1.0 LEGAL STATUS:

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis the United Nations Development Programme (UNDP). The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNDP or the United Nations.

2.0 SOURCE OF INSTRUCTIONS:

The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its services under this Contract. The Contractor shall refrain from any action that may adversely affect UNDP or the United Nations and shall fulfill its commitments with the fullest regard to the interests of UNDP.

3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

4.0 ASSIGNMENT:

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNDP.

5.0 SUB-CONTRACTING:

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of UNDP for all sub-contractors. The approval of UNDP of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Contract.

6.0 OFFICIALS NOT TO BENEFIT:

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

7.0 INDEMNIFICATION:

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:

- 8.1** The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.
- 8.2** The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
- 8.3** The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.
- 8.4** Except for the workmen's compensation insurance, the insurance policies under this Article shall:
 - 8.4.1** Name UNDP as additional insured;
 - 8.4.2** Include a waiver of subrogation of the Contractor's rights to the insurance carrier against the UNDP;
 - 8.4.3** Provide that the UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.
- 8.5** The Contractor shall, upon request, provide the UNDP with satisfactory evidence of the insurance required under this Article.

9.0 ENCUMBRANCES/LIENS:

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the UNDP against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

10.0 TITLE TO EQUIPMENT:

Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

- 11.1** Except as is otherwise expressly provided in writing in the Contract, the UNDP shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for the UNDP under the Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract, and the Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for the UNDP.
- 11.2** To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor or of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, the UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to the UNDP a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.

- 11.3** At the request of the UNDP; the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the UNDP in compliance with the requirements of the applicable law and of the Contract.
- 11.4** Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of the UNDP, shall be made available for use or inspection by the UNDP at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNDP authorized officials on completion of work under the Contract.

12.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS:

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or THE United Nations, or any abbreviation of the name of UNDP or United Nations in connection with its business or otherwise.

13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:

Information and data that is considered proprietary by either Party and that is delivered or disclosed by one Party ("Discloser") to the other Party ("Recipient") during the course of performance of the Contract, and that is designated as confidential ("Information"), shall be held in confidence by that Party and shall be handled as follows:

- 13.1** The recipient ("Recipient") of such information shall:
- 13.1.1** use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser's Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and,
 - 13.1.2** use the Discloser's Information solely for the purpose for which it was disclosed.
- 13.2** Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 13, the Recipient may disclose Information to:
- 13.2.1** any other party with the Discloser's prior written consent; and,
 - 13.2.2** the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract, and employees officials, representatives and agents of any legal entity that it controls controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Contract, provided that, for these purposes a controlled legal entity means:
 - 13.2.2.1** a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; or,
 - 13.2.2.2** any entity over which the Party exercises effective managerial control; or,
 - 13.2.2.3** for the UNDP, an affiliated Fund such as UNCDF, UNIFEM and UNV.
- 13.3** The Contractor may disclose Information to the extent required by law, provided that, subject to and without any waiver of the privileges and immunities of the United Nations, the Contractor will give the UNDP sufficient prior notice of a request for the disclosure of Information in order to allow the UNDP to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.
- 13.4** The UNDP may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

- 13.5** The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.
- 13.6** These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

- 14.1** In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the UNDP of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the UNDP shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.
- 14.2** If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.
- 14.3** Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.
- 14.4** The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in or for any areas in which the UNDP is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute force majeure under the Contract..

15.0 TERMINATION

- 15.1** Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.
- 15.2** UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.
- 15.3** In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- 15.4** Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the UNDP may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNDP of the occurrence of any of the above events.

16.0 SETTLEMENT OF DISPUTES

- 16.1 Amicable Settlement:** The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.
- 16.2 Arbitration:** Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

17.0 PRIVILEGES AND IMMUNITIES:

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

18.0 TAX EXEMPTION

- 18.1** Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with the UNDP to determine a mutually acceptable procedure.
- 18.2** Accordingly, the Contractor authorizes UNDP to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with the UNDP before the payment thereof and the UNDP has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide the UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

19.0 CHILD LABOUR

- 19.1** The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

- 19.2** Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

20.0 MINES:

- 20.1** The Contractor represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.

- 20.2** Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNDP.

21.0 OBSERVANCE OF THE LAW:

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

22.0 SEXUAL EXPLOITATION:

- 22.1** The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all appropriate measures to prohibit its employees or other persons engaged by it from, exchanging any money, goods, services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof constitute an essential term of the Contract and that any breach of this representation and warranty shall entitle UNDP to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.

- 22.2** The UNDP shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

23.0 AUTHORITY TO MODIFY:

Pursuant to the Financial Regulations and Rules of UNDP, only the UNDP Authorized Official possesses the authority to agree on behalf of UNDP to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against UNDP unless provided by an amendment to this Contract signed by the Contractor and jointly by the UNDP Authorized Official.

Access to Finance (A2F) – UNNATI



**Terms of
of Producer and
Assessment Tool
requirements.**



**Reference: Development
Financial Cooperative
in line with Banks**

1) Information

Title: UNNATI- Access to Finance (A2F)Project
Organizational Unit: UNCDF Nepal

Expected Starting date: 20 July 2016
Expected duration of assignment: 4 Months

2) Background

a) Organizational Context

United Nations Capital Development Fund (UNCDF), together with the Nepal Rastra Bank (NRB) - the Central Bank of Nepal is currently implementing the Support to Financial Inclusion in Nepal 2014-2018 through the Access to Finance (A2F) under broader umbrella of UNNATI. The UNNATI works in the selected Value Chain i.e. Orthodox Tea, Ginger, Dairy and Large Cardamom in seven districts of Eastern Development Region (EDR): Ilam, Panchthar, Taplejung, Dhankuta, Tehra thum, Bhojpur and Sankhuwasabha.

UNNATI – Access to Finance (A2F) is a sub component of UNNATI project. The purpose of the UNNATI-A2F project is to support financial service providers to more effectively serve the agricultural value chain actors providing appropriate financial products and services. UNNATI-A2F has signed 13 Technical Assistance (TA) agreements with Banks and Financial Institutions (BFIs) and has called RFP for concept notes and concept notes are being under evaluation process. To expand the frontier of financial access, cooperatives would be more effective avenue to reaching out the massive population of remote locations as their networks are available across country.

In Nepal, the total estimated outreach of rural finance is approximately 1 million households against 2.7 households that require credit. There is an acute shortage of financial services in rural Nepal. Access to finance is especially limited in the hills and mountains. It is estimated that only 20% households in the hills and mountains receive credits from formal financial or semi-formal institutions, and the rest of the households have no access to credit or can rely only on informal sources of finance such as money lenders, friends and relatives. Different studies revealed the fact that the community-based cooperative model is a cost-effective and sustainable approach to providing financial services to areas with no access to formal financial services. Empirical evidence suggests that microfinance services through cooperatives can be operated sustainably and are highly responsive to local needs. Most cooperatives have

very low operating costs and charge affordable interest rates. However, cooperatives have limited outreach and require outside support and funding to increase their capacity and expand their outreach.

Further, Cooperatives face a number of challenges that make the institutions as they currently exist inadequate for financial service provision in the hills and mountains. First and foremost, cooperatives lack enough liquidity to accommodate the financial needs of its members. Cooperative loans are drawn exclusively from members' savings, and compulsory savings rates would be prohibitively high in order to provide loans to all members who require it. As a result, many cooperatives issue loans on a rotating basis or require debate among members over who deserves or needs the loan more. Borrowing externally is extremely rare because of commercial banks' disengagement from the hills, collateral required for loans from commercial and government banks, and MFI unwillingness to work with cooperatives. It is due the reasons that Bank and Financial Institution's (BFIs) do not have adequate knowledge and skill about the due diligence of cooperatives and lack of proper loan appraisal system.

However, wholesale lending has already been taking place to savings and credit cooperatives. National Federation of Savings and Credit Cooperative Union Ltd. (NEFSCUN) and Small Farmers Development Bank (Sana Kisan Bikas Bank), apex institutions provide wholesale loans to its cooperative members. RSRF established by Nepal Rastra Bank (NRB) also provides wholesale loans to cooperatives. Besides, RMDC and First Microfinance Development Banks also lends to cooperatives among others however, such lending is in limited scale.

NRB's deprived sector lending mandate has encouraged various commercial banks in Nepal to provide wholesale lending to MFIs including cooperatives. For the commercial banks identifying viable cooperatives to lend has been challenging due to many reasons.

A need for the standardized cooperatives assessment and rating tool for the banking industry has been realized in order to identify the potential cooperatives for lending so that commercial banks could increase the wholesale loan portfolio.

Therefore, UNNATI-A2F project plans to support banking industry in developing cooperative assessment and rating tool that can be used later by BFIs to rate the capacity of cooperatives before wholesale lending.

b)Rationale

Cooperatives are unable to lend to its members in a sufficient manner due to lack of sufficient fund along with its capacity. Besides this, commercial banks are not able to lend directly to rural population in a retail basis as the cost of leading is high and they do not have sufficient access points and branch networks in the rural areas. Wholesale lending to cooperatives from banks and financial institutions are already practiced however, banks has not been able to tap on the opportunity for providing additional loans to potential cooperative as there are around 33 thousand cooperatives (out of which 13 thousand savings and credit cooperatives) spread all over Nepal. Development and implementation of this tool will reduce cost for identification of potential borrowers, provide sufficient and reliable information of the borrowers to the banks, save time of the bank staffs for accessing each and every cooperative in the country.

With commercial banks interested in increasing agriculture portfolio through wholesale lending to cooperatives and Micro Finance Institutions (MFIs) as one of the option to increase their credit portfolio to rural areas, the rating tool will assist banks to increase its lending portfolio including in the agriculture sector.

As explained above, the project has already selected 13 Banks and Financial Institutions (BFIs) as its Technical Assistance (TA) partners and it has signed a TA contract with them. The project intends to sign additional TA agreement as well as challenge fund partners with other Financial Institutions.

The TA partners comprises of commercial banks, microfinance institution, cooperatives and non-life insurance companies. In addition, UNNATI – A2F has recently launched a challenge fund. The project will have additional

partnership with Banks and Financial Institutions (BFIs) that will comprise of commercial banks, microfinance institution, cooperatives and non-life insurance companies. Based on the various interactions with partner and non-partners banks, the project has identified a designing of Cooperative Assessment/ Rating Tool for wholesale lending to cooperatives in line with banks requirements. The tool is to provide a set of rating indicators to be used for assessing cooperative strengths, weaknesses, opportunities and threats among other. The tool should be formulated in close coordination with the Nepal Bankers Association (beneficiary institution) and also involve other institute recommended by NBA including specialized ranking institution. The goal of this assignment is to provide a set of standardized rating toolkit for the assessing cooperatives to be used by the members' commercial banks of Nepal Bankers Association (NBA). Additionally, this tools could also be used by the specialized ranking institutions in commercial basis for wholesale lending.

3) Functions/Key Results Expected

A) Objectives of the Assignment

The objective of this contractual service is to ;

- i) Develop Producer and Financial Cooperative Assessment/ Rating Toolkit in line with Banks requirements for wholesale lending to identify the borrowing capacity of the cooperatives.
- ii) Design a guideline for implementation of the assessment toolkit including sufficiently detailed criteria, indicators and methodology to apply for rating and reporting, differentiated as required for both the producer based and financial based cooperatives.
- iii) Test Pilot the assessment tool in selected cooperatives in one of the UNNATI programme district and finalize it incorporating the learning.
- iv) Provide a practical training in Kathmandu to interested banks including other institute recommended by NBA including specialized ranking institution in Nepal.

B) Scope of Work

For achieving the above mentioned objectives, the contracting firm will:

- i) Participate in an inception meeting with UNCDF and NRB officials in Kathmandu to clarify the expectations and understanding of the assignments and reach on mutual understanding on the roll-out of the consultancy including the formats/tools to be used and detail plan of actions with time line from consultant's perspective.
- ii) Conduct discussion/ meeting with the UNNATI Project, Nepal Bankers Association (NBA) and relevant commercial banks in Kathmandu to understand its requirements and make an agreement. This process result into agreement with the stakeholders especially with NBA to design a framework and assessment indicators and ranking methodology/toolkit.
- iii) Conduct similar discussion/ meeting with Nepal Federation of Savings and Credit Cooperative Unions Ltd. (NEFSCUN) and other relevant savings and credit cooperative apex body in Nepal.
- iv) The firm will also have in depth discussion/meeting with implementing institutions (recommended by NBA) and with specialized ranking agencies so that the implementing institution is involved in designing the required raking toolkit from the very beginning.
- v) Review regulatory frameworks, on-going practices and minimum eligibility criteria for wholesale lending to cooperatives in Nepal.
- vi) Review relevant documents/literatures including available reports, studies/publications through secondary sources.
- vii) Review selected Banks and Financial Institutions (BFIs) internal documents with regards to their existing cooperative ranking methodology for wholesale lending.
- viii) Travel to two UNNATI-A2F project districts to interact and share experience with cooperatives which have already mobili zed the wholesale/retail lending from the banks.
- ix) Gather information and interact with selected banks with regards to their requirement of credit delivery processes, procedures, terms and conditions in order to get familiarized with the existing processes and

procedures and risk mitigation strategies related to wholesale lending.

- x) Gather information on different parameters and consult with cooperative apex institutions and some of the sample cooperatives (both producer based and financial based) in the UNNATI districts on their capacity of fulfilling commercial banks requirements for receiving wholesale / retail loan from the banks.
- v) Provide a practical training to interested banks including other institute recommended by NBA including specialized ranking institution in Nepal and refine the assessment tool based on the learning of the training.

C) Deliverables

Deliverable 1: Inception Report: Following the review of the relevant documents and interaction with UNCDF/NRB officials including with the selected institutions, the consultant shall produce a brief report explaining how the consulting firm will carry on the assignment including detailed plan of actions with time line, methodology/ tools and feedbacks mechanism.

Deliverable 2: Draft Cooperative Assessment/ Rating Toolkit: After conducting necessary interactions / meetings with NBA, cooperative Apex bodies, sample cooperatives, selected commercial banks, and other wholesale lenders in Nepal, the consulting firm is required to prepare the draft report summarizing the findings on existing practice of cooperative assessment, tool and/or rating processes used by BFIs for wholesale lending and proposed the suitable/ practical cooperative assessment/ rating toolkit and its implementation guidelines based on the pre-testing of the toolkit presented this draft toolkit in a stakeholder workshop for review and feedback.

Deliverable 3: Final Cooperative Assessment/ Rating Toolkit: After incorporating the feedbacks of the concerned stakeholders provide the final cooperative assessment/ rating tool and its implementation guidelines.

Deliverables 4: Imparting Training Session and submitting report: Based on final toolkit and its implementation guidelines, conduct a training session to the stakeholders (Banks and relevant ranking institutions on how to practically use this toolkit for wholesale lending.

D) Methodology

The consulting firm willing to undertaking the assignment is required to propose an appropriate and acceptable methodology and tool to develop cooperative assessment tool including data collection formats, checklists and techniques; method of analysis with sufficient details and work plan. Following are the major activities to be covered at the minimum.

- 3) Desk review of relevant literatures, documents and publications on policies, practices and regulatory provisions regarding the BFIs' existing lending processes, terms and conditions, operational procedures and risk assessment aspects especially related to wholesale lending to cooperatives in Nepal.
- 4) Consult relevant stakeholders of agriculture value chain finance; i.e. banks and financial institutions, FINGOs, cooperatives, insurance companies, wholesale lenders (RMDC, First Microfinance, Sana Kisan Bikas Bank, National Cooperative Banks, NEFSCUN, RSRF/NRB), Nepal Banker Association (NBA), Nepal Microfinance Development Bankers Association (NMBA) and interview them on the constraints associated with wholesale lending to cooperatives and identify the process and mechanism that suits for wholesale lending to cooperatives,
- 5) Visit to commercial banks including wholesale lenders, microfinance and cooperatives and held interaction

with their staffs on need of improving the process of wholesale lending, administrative and management aspects, risk mitigation measures in order to maintain portfolio quality and better alternatives for cooperative assessment/rating and due diligence.

- 6) Consultation workshop comprised of regulators from banks and financial institutions, Nepal Bankers Association, Nepal Microfinance Bankers Associations, NEFSCUN, chamber of commerce and industry, etc.
- 7) Testing of rating tools in the selected cooperatives in the program districts for creating the better understanding and finalize the cooperative assessment/rating tool after incorporating feedbacks.
- 8) Conduct training for banks and financial institutions including wholesale lenders, Nepal Banker Associations, Microfinance Bankers Association, NEFSCUN, RSRF/NRB, NBTI and cooperatives on how BFIs can use such assessment /rating tool and how BFIs can analyse the information and recommend for wholesale lending.

E) Payments

Consultancy fees will be released upon the submission of each output and subject to acceptance by UNCDF

20%- upon signing contract that also includes payment for **(deliverables 1).**

30% amount will be paid after preparation and submission of draft report **(deliverable 2).**

30% amount will be paid after submission of final version of cooperative assessment toolkit with guideline **(deliverable 3).**

20% amount will be paid after submission of delivery of including training report **(deliverable 4).**

F) Timeline, Duration of Assignment, Duty Station and Expected Place of Travel

- i) Contract duration: 20 July– 20 November, 2016
- ii) Duty Station: Home based and Kathmandu with visit. Interaction with banks and cooperative apex bodies in Kathmandu and selected savings and credit cooperatives in the UNNATI project area to two UNNATI field districts in the Eastern Development Region of Nepal
- iii) Number of estimated working days: Maximum of 60 days for the Team Leader and 20 days for each 1) Commercial Bank Expert, and 2) Cooperatives Expert.

4. Impact of results

This assignment will have impact on UNCDF and NRB's work on increasing access to and usage of financial services in Nepal with standardized wholesale lending & improved capacity of cooperatives impacting on agriculture and value chain financing.

5. Required Qualifications and Experience

A. Required Qualification of Organization

- Demonstrated track record on need assessment, development of *Producer and Financial Cooperative Assessment Tool in line with Banks requirements*, designing training modules and conducting training for private sector organizations especially for banks, financial institutions and cooperatives on business planning, delinquency management, asset and liability management etc;
- The consulting Firm should be specialized in making rating toolkit and have a minimum of 4 years of experiences in designing assessment/rating toolkit for the financial sector. The consulting firm should have handle extensive work/ assignment with banks, financial institutions and cooperatives.
- Strong quality assurance procedures, warranty on monitoring and feedback system.

B. Required Qualification and Experience of Team Members

The assignment will be carried on by a team consisting a Team Leader and two team members. The

required qualification and experience is as follows:

Education:	<ul style="list-style-type: none"> • <u>Team Leader</u>: Master Degree in Economics, Agriculture, Finance, Business Administration, Rural Development or related discipline, preferably PhD. • <u>Team Members: Up to two (2) members of national expert (Commercial Bank Expert and Cooperatives Expert)</u>: Master Degree in Economics, Agriculture, Finance, Business Administration, Rural Development or related discipline.
Experience:	<p><u>Team Leader (International)</u></p> <ul style="list-style-type: none"> • At least 7 years professional working experience of managing research, review assessment studies in the area of financial sector with capacity of producing quality products and reports; • Demonstrated track record in study, review, assessment, and analysis of bank and financial institutions' products, processes, policies, personnel, operational models, risk assessment, monitoring and internal audits; • A good understanding and knowledge about the policies and practices being applied by the commercially banks for lending (preferably wholesale lending to cooperatives); • Previous experience (at least completion two successful assignments) of designing assessment/rating tools for banks and financial institutions, and cooperatives/rotating savings and credit associations (ROSCAs).; • Experience of designing and delivering training module for financial institutions and others, • Excellent command in English (spoken and written). • Proven analytical skills for report writing. <p><u>Team Members – 2 (Nepalese experts)</u></p> <p><u>Commercial Bank Expert-1</u></p> <ul style="list-style-type: none"> • Minimum 5 years' experience in financial sector in commercial bank. • Relevant experience on conducting review focus on credit processes, operational processes and risk assessment processes of the Commercial Banks; • Appropriate practical experience of whole leading in Nepal. <p><u>Cooperatives Expert-1</u></p> <ul style="list-style-type: none"> • Minimum 5 years' experience in cooperative sector (of which at least three years in savings and credit cooperatives) conducting research, review and assessing the strengths, weaknesses and capacity-building needs of cooperatives in Nepal, • Relevant experience on conducting review of credit processes, operational processes and risk assessment processes of the cooperatives, • Appropriate knowledge about the policies and practices being applied for cooperative sector in Nepal;

Language Requirements	<ul style="list-style-type: none">• Excellent command in English (speaking and writing) for Team Leader and Proficiency in English and Nepali language both for Team Members, with outstanding written and oral communication skills.
<i>The End</i>	

