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**Call for Proposals from MFI to support the Implementation of Livelihood Enhancement Plan (LEP) at Moheshkhali, Cox’s Bazar**

1. **BACKGROUND**

Summit LNG Terminal Company (Pvt) Ltd. (SLTCPL) set up an Offshore LNG Floating Storage and Re-gasification Unit 5 km off-shoreline of Maheshkhali, Cox’s Bazar with Re gasified natural gas pipeline connecting to an onshore delivery point at Kalirdhar Char of Kutujom Union under the same Upazila. A safety zone of 500 m around the FSRU and 500 m on two sides along the 5.32 km pipeline route has been established. As a result livelihood of local fishermen was anticipated to be impacted. ERM India Pvt Ltd was commissioned by SLTCPL to assess the social and livelihood impact and recommend mitigation measure. Accordingly they in their report recommended a LEP implementation plan which is to be implemented by a NGO. SLTCPL has engaged YPSA as the Implementing Agency. They have started the implementation of LEP for the affected fisherman at the village Ghotibhanga, Sonadia, Tajiakata and Nayapara of Kutubjum Union from April, 2020.

1591 affected fishermen have already been identified by YPSA. Out of them 330 fishermen are being given livelihood support initially. The support is now being given in the form of awareness raising, skill training on boat making, repairing and maintenance, net making , tailoring and fish drying and providing fishing gears to women fishers and follow up. ERM Report has recommended low interest credit to be disbursed by an MFI which will be identified by YPSA and appointed by SLTPCL. The credit will be disbursed initially to 170 fishermen and fisherwomen and gradually extended to others among the whole affected community of 1591 fishermen.

Young Power in Social Action (YPSA) is seeking applications from qualified Micro Finance Institutions to implement the credit disbursement programme of Livelihood Enhancement plan(LEP) at 4 project villages of Kutubjom Union under Moheshkhali Upazila of Cox’s Bazar district.

YPSA intends to select the MFI who best meets the objectives of this funding opportunity based on the merit review criteria described in this call subject to a risk assessment. Eligible MFIs who are interested in submitting an application are encouraged to read this Call and TOR thoroughly to understand the type of program sought, application submission requirements and selection process. To be eligible for fund, the applicant must provide all information as required in this Call and meet eligibility standards in Section 6 of this Call. All preparation and submission costs are at the applicant’s expense.

1. OBJECTIVE OF THE CALL

To select an MFI to provide Credit support to the selected fishermen to enhance the livelihood from existing level to compensate the disturbances caused due to the safety restriction zone, longer travelling time and access disruption to reach the fishing grounds.

1. PROJECT LOCATION

Ghotibhanga, Sonadia, Tajiakata and Nayapara ward of Kutubjum Union under Moheshkhali Upazilla, Cox’s Bazar

1. DURATION

The credit support shall be provided for a total period of 5 years after signing the agreement with SLTCPL.

1. REVOLVING CREDIT FUND AND INTEREST RATE

SLTCPL contribute a sum of BDT 10,142,500/= as revolving credit funded on the basis of no return (fund cost) / profit to SLTCPL

The Fund is to be transferred in instalments to the Second Party, in accordance with the Quarterly Plan and invoices submitted thereunder.

In the Livelihood Enhancement Plan (LEP) Document of Summit Floating Storage and Regasification Terminal, it was recommended that interest rate is to be charged around in the range of 2.5%-3.5%. However, discussions with YPSA revealed that 2.5%-3.5% would be inadequate for an MFI to operate.

Therefore, the bidder should clearly mention the net aggregate interest / service charge per annum that it will charge to the beneficiaries. The net aggregate interest / service charge per annum shall not be more than 10%. Subject to technical experience, the MFI will be selected who will quote the lowest net aggregate interest / service charge per annum. Any bidder who will bid net aggregate interest / service charge per annum more than 10% will not be considered for evaluation. SLTCPL will not charge any fund cost.

After 5 years 50 percent of the Fund recovered from beneficiaries will be utilized for area development within the limits of Kutubjom Union, if there is any need felt for the same. Any such area development program is to be jointly agreed upon by SLTCPL authorities, and officials of Maheshkhali Upazila and Kutubjom Union Parishad. The remaining 50 percent of the recovered Fund will be utilized by the Summit Group for Corporate Social Responsibility program for any of their other projects.

1. MFI’S ELIGIBILITY AND QUALIFICATION CRITERIA

Any local or national organization meeting the below programme-related criteria and administrative requirements are encouraged to submit an Expression of Interest.

1. Must have updated registration certificate under Social Welfare Department or Joint Stock Company
2. Must haven updated license from Micro Credit Regulatory Authority (MRA)
3. Total turnover of micro credit disbursement not less than 3,20,00,000
4. A coverage of at least 2500 household under micro credit
5. Must produce most recent audit report of microfinance programme
6. Must have office set up at Moheshkhali
7. Must have micro Finance programme at Moheshkhali preferably at Kutubjom Union or Cox’s Bazar District
8. Must have partnership with PKSF
9. Must produce evidence for duration of micro finance operation not less than 5 years
10. Must produce evidence of trained and experience micro finance staff ( a list of micro finance staff with qualification and years of experience in credit disbursement and recovery)
11. Most recent bank statement of micro finance fund

The identified MFI should submit a proposal with required documents stated in the Section of 7 of this call to SLTCPL through YPSA addressing these criteria and attaching the entire evidences, certificates and MRA license.

1. **REQUIRED DOCUMENTS**

Required following documents to be submitted as part of the Proposal:

1. Technical Proposal (as per provided format)
2. 5 years business implementation Plan for funding
3. Financial Proposal
4. Legal documents of MFI (e.g. valid NGO Registration, MRA license, TIN, and other updated documents) to run the MFI in a legal way
5. Past two years Audited Reports of microfinance program/organization
6. Evidence of PKSF funding
7. List of offices at Moheshkhali
8. List of trained and experienced micro finance staff (a list of micro finance staffs with qualification and years of experience in credit disbursement and recovery) at Moheshkhali
9. Most recent bank statement of micro finance fund

**8. SELECTION PROCESS:**The Proposal will be reviewed through the following four step process:

1. Determination of eligibility;
2. Technical review of eligible proposals;
3. Scoring and ranking of the eligible proposals
4. Round of clarification (if necessary) with the highest scored proposal

## 9. EVALUATION CRITERIA

The criteria presented below have been tailored to the requirements of this particular Call. All applications will be evaluated by the review committee based on the extent to which applications meet the selection criteria outlined below. To the extent that they are deemed necessary, negotiations may be conducted with highest rated applicants. Evaluation percentage scores are also provided against each of the selection criteria. The number of points assigned indicates the relative importance of each factor.

## Detail Technical Evaluation Criteria

|  |  |  |
| --- | --- | --- |
| **Summary of Technical Proposal Evaluation Forms** | | Breakdown of score |
| **1.** | **Capacity and Expertise of the NGO** | **(50)** |
| 1.1 | Experience to work as MFI | 10 |
| 1.2 | Amount of Total turnover of micro credit disbursement | 5 |
| 1.3 | Coverage of household under micro credit | 5 |
| 1.4 | Presence in the selected geographical location (Moheshkhali) | 5 |
| 1.5 | Partnership with PKSF | 5 |
| 1.6 | Registered with Social Welfare Department or Joint Stock Company | 5 |
| 1.7 | Registered with Micro Credit Regulatory Authority (MRA) | 5 |
| 1.8 | Loan recovery rate at Mohehkhali | 10 |
| **2.** | **Proposed Methodology of implementation** | **15** |
| **3** | **5 years business implementation Plan for funding (principal and additional service charge to be reimbursed by SLTPCL)** | **5** |
| **4.** | **CVs of team members** | **10** |
| **5.** | **Financial proposal (**Additional service charge to be reimbursed by SLTCPL in flat rate (based on calculation stated in 5)) | **20** |

1. **PRE BIDDING MEETING**

A pre bid online meeting on the Request for Proposal will be held on 31 October 2021 from 10.30 am to 12.30 pm. The interested applicants must send detail information of their nominated person (Name, Designation, Email ID and Cell no) to the e mail ID [nasimbanu.ypsa@gmail.com](mailto:nasimbanu.ypsa@gmail.com) by 27 October 2021.

1. **DATE OF SUBMISSION**

The project proposal should be submitted not later than 7 November 2021, by 5:00 pm. via the e mail [nasimbanu.ypsa@gmail.com](mailto:nasimbanu.ypsa@gmail.com).

1. **IMPORTANT ADDITIONAL INFORMATION**

Interested MFI can collect more information, (if needed) via the cell no- 01818126907 (Within 10 am to 5pm).

Proposal language must be in English. Proposal will be considered only if meeting all basic requirements set out in the Call for proposal. Short listed MFI will be contacted for further process.

**Annex - 1**

**Terms of Reference (ToR) for Micro Finance Institution to Support the Implementation of Livelihood Enhancement Plan (LEP) at Moheshkhali, Cox’s Bazar**

**1. Background of Project**

Summit LNG Terminal Company (Pvt) Ltd (SLTCPL) set up an Offshore LNG Floating Storage and Re-gasification Unit 5 km off-shoreline of Maheshkhali, Cox’s Bazar with regasified natural gas pipeline connecting to an onshore delivery point at Kalirdhar Char of Kutujum Union under the same Upazila. A safety zone of 500 m around the FSRU and 500 m on two sides along the 5.32 km pipeline route has been established. As a result livelihood of local fishermen was anticipated to be impacted. ERM India Pvt Ltd was commissioned by SLTCPL to assess the social and livelihood impact and recommend mitigation measure. Accordingly they in their report recommended a LEP implementation plan which is to be implemented by a NGO. SLTCPL has engaged YPSA as the Implementing Agency. They have started the implementation of LEP for the affected fisherman at the village Ghotibhanga, Sonadia, Tajiakata and Nayapara of Kutubjum Union from April, 2020.

1591 affected fishermen have already been identified by YPSA. Out of them 330 fishermen will be given livelihood support initially. The support will be in the form of awareness raising, skill training, low interest credit from the revolving fund for IGA, providing fishing gears to women fishers and follow up. ERM Report has recommended credit to be disbursed by a MFI which will be identified by YPSA and appointed by SLTPCL. This is the ToR for the MFI to be selected for the credit disbursement to affected fishermen and women.

**2. Activities to be performed**

* 1. The MFI will disburse credit to the affected fishermen and women in close cooperation with LEP Implementing Agency (IA) YPSA and as per list of beneficiary provided by them.
  2. It will prepare the borrower fishermen and women with necessary orientation as per its policy for proper utilization of loan,
  3. For disbursement and recovery it will use its own manpower. YPSA will support whenever and wherever necessary in disbursement and recovery process.
  4. SLTPCL will provide fund allocated for each activity as per LEP budget with no cost. The MFI will meet its management and operation cost from the service charge of disbursed loan. SLTPCL will pay no additional amount as service charge for operation and management of MFI.
  5. The net aggregate interest / service charge per annum shall not be more than 10%. (Flat rate).
  6. The MFI will be facilitated and providing support by the Implementing Agency YPSA and monitored by Monitoring and Supervision Consultant of SLTPCL during disbursement.
  7. A Tripartite agreement among MFI, YPSA and SLTPCL will be signed whereby SLTPCL will transfer the seed money fund to MFI. The MFI will disburse it to the selected beneficiaries and recovered it in easy installment. The recovered amount will be further disbursed to new beneficiaries. The installment recovery period will be decided by MFI and YPSA.
  8. The LEP has specified the activities and number of affected fishermen &women to be supported with credit. This is as follows:

|  |  |
| --- | --- |
| Name of activity | Initial number of beneficiaries  to be supported with credit |
| Thread and knitting | 50 |
| Procuring Yanmar brand engine | 5 |
| Purchasing sewing machine and start-up raw materials for women | 10 |
| Fish knitting material cost | 50 |
| Purchasing livestock, feed, & medicines | 50 |
| Alternate livelihood option | - |
| Solar Unit for remote area | 5 |

* 1. The recovered amount from the initial number of beneficiaries will be further disbursed to new beneficiaries as per list provided by YPSA and in this way the MFI will disburse loan to all interested beneficiaries out of total 1591.
  2. YPSA will guide the MFI for amount to be disbursed to each beneficiary of relevant activity. For any kind of weekly/monthly saving by the beneficiaries, if needed for MFI, will be settled in consultation with YPSA.
  3. After 5 years, on completion of the LEP programme, and covering all the affected fishermen from the four wards/settlements of Kutubjom Union, 50% of the Fund recovered from beneficiaries will be utilized for area development within the limits of Kutubjom Union, if there is any need felt for the same. Any such area development program is to be jointly agreed upon by SLTCPL authorities, and officials of Maheshkhali Upazila and Kutubjom Union Parishad. The remaining 50 percent of the recovered Fund will be utilized by the Summit Group for Corporate Social Responsibility program for any of their other projects.

Any further clarification on this programme will be made by YPSA as per request of interested MFI.

**Annex-2**

**Proposal format**

**Summit LNG Terminal Co. (Pvt.) Ltd.**

**Technical Proposal**

**for**

**Micro Finance Programme under the Implementation of Livelihood Enhancement Plan (LEP) at Kotubjum Union under Moheshkahli Upazila**

**Submitted**

**By**

1. **Name of MFI**
2. **Year of Establishment**
3. **Social Welfare/Joint Stock Company Registration No**
4. **Micro Finance Regulatory Authority License No (attaché latest scanned copy of license)**
5. **Office Address at Moheshkhali**
6. **Number of Branches and Staff at Moheshkhali**
7. **Name of Unions Covered under Microfinance Programme at Moheshkhali**
8. **Name of Villages covered under Kutubjom Union**
9. **Existing Number of beneficiaries under Microfinance Programme at Moheshkhali and Kutubjom Union**
10. **Amount of Total turnover of micro credit disbursement**
11. **Total Amount of Outstanding Loan at Moheshkhali**
12. **Recovery rate of loan at Moheshkhali**
13. **Number of Districts and Upazilas covered under Microfinance in Bangladesh**
14. **Coverage of households under Microfinance Programme in operating area**
15. **Methodology of Implementing Microfinance programme for LEP (**from which branch, number of staff to be deployed, loan group formation, selection procedure of loanee, orientation of group members, disbursement and recovery procedure, documentation/ accounts keeping procedure, grace period, saving, years of covering 1591 beneficiaries etc. under the auspices of ToR**)**
16. **Name of Head of MFI and Contact Address and address of Head Office**