

Tamil Nadu Rural Transformation Project
(Department of Rural Development and Panchayat Raj, Government of Tamil Nadu)
2nd Floor, Mother Teresa Complex, Nungambakkam, Chennai- 600 034.

Phone No.044-43443200 Email – tnrtpstate@gmail.com Website: www.tnrtp.org

File No: 381/TNRTP/2018

Dated: 20 /02 /2019

**REQUEST FOR EXPRESSION OF INTEREST FOR A CONSULTANCY AGENCY TO
DEVELOP THE OPERATIONAL AND CREDIT GUIDELINES FOR IMPLEMENTING THE
MATCHING GRANT PROGRAM PROPOSED UNDER TAMIL NADU RURAL
TRANSFORMATION PROJECT.**

The Tamil Nadu Rural Transformation Project invites “Expression of Interest” from the eligible registered consultancy agencies; to submit their interest for providing consulting services for World Bank funded TNRTP Project for **Developing the operational and credit guidelines for implementing the Matching Grant Program proposed under Tamil Nadu Rural Transformation Project.** Interested agencies may submit their “Expression of Interest” in a sealed envelope clearly super scribed as Expression of Interest for “**A Consultancy Agency for Developing the operational and credit guidelines for implementing the Matching Grant Program proposed under Tamil Nadu Rural Transformation Project**” latest by **15.30 hours on 13.03.2019.** This is **amplified Expression of Interest under Consultancy Agency’s Qualification Based Selection (CQS)** method under The World Bank. The agencies may obtain further information and procedures for submitting the “Expression of Interest” from the official website of TNRTP i.e. www.tnrtp.org

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REQUEST FOR EXPRESSION OF INTEREST FOR A CONSULTANCY AGENCY TO DEVELOP THE OPERATIONAL AND CREDIT GUIDELINES FOR IMPLEMENTING THE MATCHING GRANT PROGRAM PROPOSED UNDER TAMIL NADU RURAL TRANSFORMATION PROJECT

(CONSULTING SERVICES – FIRM SELECTION under CQS Method)

Tamil Nadu Rural Transformation Project

Chennai, Tamil Nadu, India

Assignment Title: “A Consultancy Agency for Developing the operational and credit guidelines for implementing the Matching Grant Program proposed under Tamil Nadu Rural Transformation Project”

Reference No: 381/TNRTP/2018

The project titled **Tamil Nadu Rural Transformation Project (TNRTP)** implemented through Tamil Nadu Rural Transformation Society, intends to engage consulting services for **Developing the operational and credit guidelines for implementing the Matching Grant Program proposed under Tamil Nadu Rural Transformation Project .**

The consulting services (“the Services”) include hiring of a **Consultancy Agency for Developing the operational and credit guidelines for implementing the Matching Grant Program proposed under Tamil Nadu Rural Transformation Project** for a period of two months (60 days) . The detailed activities are mentioned in the Terms of Reference in **Annexure ‘A’**.

The Tamil Nadu Rural Transformation Society now invites eligible consulting firms (“Consultancy”) to indicate their interest for providing the services. Interested Consultancy Agency firms should provide information demonstrating that they have the required qualifications and relevant experience to perform the services.

The detailed Eligibility & Evaluation criteria are attached in Format for Submission of EOI to TNRTP is attached as **Annexure-B**.

A Consultancy Agency firm will be selected in accordance with the – **Consultancy Agency’s Qualification Based Selection (CQS) method** set out in the World Bank’s Consultancy Agency’s Guidelines 2011. Attention of the interested Consultancy Agency is drawn to Section- III of the *"THE WORLD BANK Procurement Regulations for IPF Borrowers PROCUREMENT IN INVESTMENT PROJECT FINANCING Goods, Works, Non-Consulting and Consulting Services- July 2016"* (IPF: Investment Project Financing) relating to World Bank’s policy on Conflict of Interest. In addition, please refer to the following specific information on conflict of interest related to this assignment: conflict between consulting activities and procurement of goods, works or non-consulting services; conflict among consulting assignments; and relationship with Borrower’s staff.

Consulting firm may associate with other firms in the form of a Joint Venture (JV) (with joint and several liability) to enhance their qualifications, however this shall be stated very clearly in the EOI and subsequent modifications shall not be allowed.

Expression of interest must be delivered in a written form in person or through postal/courier services latest by **15.30 hours on 13.03.2019** at the following address.

Address:

**The Chief Executive Officer,
Tamil Nadu Rural Transformation Project,
Department of Rural Development and Panchayat Raj.,
(Government of Tamil Nadu)**

2nd Floor, Mother Teresa Complex, Nungambakkam, Chennai- 600 034 Phone No.044 – 43443200

Email: tnrtpstate@gmail.com

Website: www.tnrtp.org

Annexure-A

Terms of Reference

Background

MSME sector is the second largest employment provider in the country and has a significant role to play in the Tamil Nadu State economy. Despite being the second highest employment provider in the country, the MSME sector is plagued with challenges related to lack of technical skills, poor business acumen, inadequate access to markets, and most importantly, **insufficient access to finance**. Majority of the financing needs are expected and required to be met from the formal financial sector. The risk associated with lending to producer organizations, and Micro, Nano & Small sized enterprises is high, and availability of the collateral or a guarantor is often limited. In such situations, commercial banks and other financial institutions often shy away from lending to such enterprises.

TNRTP-Tamil Nadu Rural Transformation Project

Tamil Nadu Government has been focusing on poverty reduction through socio-economic empowerment of women by establishing Tamil Nadu Corporation for Development of Women (TNCDW). The proposed Tamil Nadu Rural Transformation Project (TNRTP) will leverage the strategies and investments made in the above projects to harness the institutional and knowledge capital for promoting inclusive economic development and growth for a transformative agenda in rural Tamil Nadu. This is envisaged through **enterprise promotion, value chain development, and skilling and employment generation in 120 blocks** from **26 districts** of Tamil Nadu. The objective of the project is to “to promote rural enterprise, access to finance and job opportunities” in selected blocks of the state of Tamil Nadu. The project will work with households across farm and non-farm sectors; producer and their organizations; entrepreneurs and enterprises; facilitating agencies; Government line departments; and market players. An important aspect of the project is to provide access to finance to the promoted enterprises. A financial instrument-**Matching Grant Program** is proposed to be set-up in the project. The instrument aims to address the issues of demand-supply gap in lending to the rural enterprises by the financial institutions. Matching grants would be intended for PCs, first-time entrepreneurs, women-led businesses, and other types of enterprises perceived as riskier by the financial sector. Such matching grants will be available together with a borrowing from the financial sector in the amount of up to 30 percent of the financing needed by the enterprise Matching Grant Program is expected to improve the repayment discipline of borrowers by subsidizing prompt repayers and the appetite of the financial institutions to lend to such enterprises.

Objective of the assignment:

The main objectives of the assignments are:

1. Develop the operational and credit guidelines for implementing the Matching Grant Program proposed under Tamil Nadu Rural Transformation Project.
2. Maximize the participation of the interested financial institutions, including public sector banks, private sector banks, NBFCs, NBFC-MFIs, small finance banks, etc in this project.
3. To study and implement the project fund flow through the PFMS(Public Finance Management System).

Scope of Work

A Consultancy Agency will be hired on a short-term contract to design operational guidelines for the Matching Grant Program. The expected deliverables are:

1. Secondary research and analysis of the Existing Matching Grant Programs, and their operational strategies. Conduct individual interaction with individual stakeholders – financial institutions and district project team on issues in the operationalization of the existing grant schemes.
2. Preferred and most suitable operational structures for the funds from the perspective of all stakeholders i.e. lenders, borrowers, support institutions etc.(Individual Interactions and One stakeholder workshop) Prepare the operational and credit guidelines of MGP-/Matching Grant Program with specific details on:-
 - A. **Process flow** for sourcing and processing of loan request and application. The process flow should be for all verticals i.e. ICT, technical and administrative and must have detail process flow mapping all stakeholders: for example - a) applicant -> PFI -> Fund Manager -> SPMU/ TNRTP; b) applicant -> BPMU -> Fund Managers-> PFIs.
 - B. **Fund Flow process for all transactions:** a) disbursement, b) collection/repayment, c) default cases, d) accounting for fund flow from the TNRTP to the Fund Manager.
 - C. **Monitoring and tracking systems, including integration of ICT process flows:** The guideline should specify the important monitoring aspects in the process and fund flow for example – a) timelines for overdue tracking, Turn-around-time, NPA portfolio and surveillance; b) sharing MIS from PFI to Fund Manager/ SPMU; c) Escalate triggers; d) frequency of report sharing, if manual e) Grievance Redressal Mechanism etc.
 - D. Suggest methods of integration wherever applicable such as – SIDBI-MUDRA platform etc.
 - E. Roles of Responsibilities of Fund Managerⁱ. Operational modalities of the Fund Manager along with PFIs and SPMU.

3. The Consultancy Agency will also look at implementing the project and the MGP through the PFMS of Government of India.
4. Validate the operational guidelines of MGP with the stakeholders.(One Stakeholder workshop)
5. Provide hard copies (minimum 100) of the finalized MGP Guidelines.

Methodology

The study requires collection of both secondary research from relevant sources and primary information (stakeholder consultations with Financial Institutions). The Consultancy Agency **should travel beyond Chennai and have one-on-one discussion with major stakeholders at state as well as at a few districts.** The report should be completed and submitted with proper references.

Expected Deliverables

Operational & credit guidelines for establishing Matching Grant Program

Activity	No of days from the date of contract	Payment Terms
Study outline – with clear explanation of Methodology.	15 days	Upon submission and acceptance of the Study Outline by the project, 10% of the payment will be done.
Mapping of existing schemes, first draft of the MGP Guidelines with Individual interactions and first round of stakeholder consultations	35 days	Upon submission and acceptance of the first draft of MGP Guidelines by the project, 30% of the payment will be done.
Prepare the final operational guidelines for the MGP and stakeholder consultation for Validations.	60 Days	Upon submission and acceptance of the final Guidelines of MGP by the project, 60% of the payment will be done.

The Consultancy Agency should have

- A. At least **10 years of relevant experience** in the financial sector with focus on MSME and Agri-business financing. Combination of private and public sector relevant experience including NBFC's will be preferred.

OR

At least 10 years or relevant consulting experience of working with Financial Institutions in MSME and agri business financing (combination of 10 years of relevant work experience with Financial Institutions and consulting organization is accepted).

- B. Applying Firms should have experience and expertise in preparing **operational process manuals/guidebooks/handbooks/toolkits** etc, and should be able to provide

acceptable evidence of the same. Any relevant publications to Consultancy Agency's credit would be an added advantage.

- C. Experience in setting up **ICT systems in banking** (*public, private, NBFCs*) would be preferred.

Monitoring the contract

Project Director of the Pudhu Vaazhvu Project (PVP) / TNRTP shall be responsible for review and monitoring the progress of the work.

Services to be provided by TNRTP

- All available and relevant background documentation and studies (e.g. regional, sectoral, Cumulative); including the financing study by the agency.
- Support in organizing the stakeholder consultations arrangements.

Annexure-B
Format for Submission of EOI to
TNRTP Submission Requirements

Expression of Interest (EOI) Consulting Firms

(Additional Soft copy of this filled format shall be provided in CD along with this EOI)

Project Name	Tamil Nadu Rural Transformation Project	
Address:	Tamil Nadu Rural Transformation Project, (Department of Rural Development and Panchayat Raj, Government of Tamil Nadu), 2nd Floor, Mother Teresa Complex, Valluvar Kottam High Road, Nungambakkam, Chennai- 600 034 Phone No.044 – 43443200. Email :- tnrtstate@gmail.com Website: www.tnrtp.org	
Assignment Title	Hiring “ <i>A Consultancy Agency for Developing the operational and credit guidelines for implementing the Matching Grant Program proposed under Tamil Nadu Rural Transformation Project</i> ”	
Reference No.	381/TNRTP/2018	
Date:		
Consultancy Agency’s General Profile [Maximum 2 Pages]		
Organization	Provide a brief description of the background and organization of your firm/entity. The brief description should include: <ul style="list-style-type: none"> • Proprietor details • Date and place of incorporation of the firm • Objectives of the firm • Availability of required capacities among staff. 	
Consulting Firm’s Information:		
Details Required	Particulars Furnished	Documents Required
Consultancy Agency Name:		Copy of Registration Certificate
Country of Incorporation: Independent legal existence and should be registered in India under the applicable Act.		Copy of Registration Certificate / Partnership deed
Year of Incorporation		Copy of Constitution Certificate

Assignment Requirements

A – Consultancy Agency’s Assignment related Profile [Maximum 2 Pages]

1	Consultancy Agency’s Experience related to the Assignment	Provide a brief description about	
		<ul style="list-style-type: none"> • Consultancy Agency <p><i>(The consultancy Agency should have adequate understanding of the financial sector /enterprise / rural financing and should have at least 10+ years’ of working experience in the Banking/finance and micro finance sector.-Please provide details of experience with documentary evidence</i></p>	
		Name of the Consultants proposed for this assignment	Years of Experience in Banking/NBFC/Small Finance Banks
		1.	

2 Experience of creating operational & credit guidelines relevant to financial products in the Indian Banking sector. (Experience in “*Matching Grant Program/Govt subsidy schemes*” would be preferable). Please quote the assignments and its details below. Provide details of at least 3 and maximum 5 assignments

No. of assignments:_____

Please provide details of such assignments (you may add more rows) Please enclose the copies of Contract as evidence.

Name of the Client:	Name of the product developed	Location and coverage (entire state, country, etc.)	Duration of Assignment (In month)	Value of Contract in INR
Central Govt /State Govt /Bank Name				

3 Experience of working with Government. (State govt and Central govt)
(Assignments related to banking sector will be preferred).

Please furnish details of such assignments (you may add more rows). Please enclose the copies of Contract as evidence. Provide details of at least 3 and maximum 5 assignments

Name of the Client: Central Govt Scheme/State Govt /Bank Name	Name of the product developed	Location and coverage (entire state, country, etc.)	Duration of Assignment (In month)	Value of Contract in INR

4 Experience of working with **MSME Schemes** in India. **Please furnish details of such assignments (you may add more rows).** Please enclose the copies of Contract as evidence

Name of the Client: Central Govt Scheme/State Govt /Bank Name	Name of the product developed	Location and coverage (entire state, country, etc.)	Duration of Assignment (In month)	Value of Contract in INR

5 Experience in setting up **ICT systems** in banking (*public, private, NBFCs* would be preferred). **Please furnish details of such assignments (you may add more rows).** Please enclose the copies of Contract as evidence

Name of the Client: Central Govt Scheme/State Govt /Bank Name	Name of the product developed	Location and coverage (entire state, country, etc.)	Duration of Assignment (In month)	Value of Contract in INR

Eligibility Declaration

I/ We, the undersigned, certify to the best of our knowledge and belief:

- I/ We have read the advertisement, including the terms of reference (TOR), for this assignment. Neither the consulting firm nor its associate or any of its experts prepared the TOR for this activity.
- I/ We confirm that the project references submitted as part of this EOI accurately reflect the experience of the specified firm/ consortium.
- I/ We further confirm that, if any of our experts is engaged to prepare the TOR for any ensuing assignment resulting from our work product under this assignment, our firm and the expert(s) will be disqualified from short-listing and participation in the assignment.
- All consulting entities and experts proposed in this EOI are eligible to participate in World Bank supported and administered activities.
- The lead entity and associates are NOT currently sanctioned by any MDB. Neither the consulting firm nor the associates has ever been convicted of an integrity-related offense or crime related to theft, corruption, fraud, collusion or coercion.
- I/ We understand that it is our obligation to notify World Bank should any member of the consortium become ineligible to work with World Bank or other MDB or be convicted of an integrity-related offense or crime as described above.
- Associate/s, including all proposed Consultancy Agencies named in this EOI, have confirmed their interest in this activity in writing.
- Associate/s, including all proposed Consultancy Agencies named in this EOI, have confirmed their eligibility to participate in this activity in writing.
- Associate/s, including all proposed Consultancy Agencies named in this EOI, have authorized us in writing to represent them in expressing interest in this activity.
- None of the proposed consortium are subsidiaries of and/or dependent on the Executing or the Implementing Agency or individuals related to them.

Name & Signature of the authorized Representative along with Dates:

Name of the Firm with Seal:

Annexure- C
Declaration
To whom so ever it may concern

Date: / /

I / We hereby solemnly take oath that I/We am/are authorized signatory in the firms/Agency/ Institute/ Company and hereby declare that "Our firms/ Agency/ Institute/Company do not face any sanction or any pending disciplinary action from any authority against our firms/ Agency/ Institute/ Company or partners." Further, it is also certified that our firm/ Agency/ Institute/ Company do not have a track record of unsatisfactory performance with any State / Central Government/ any other organization.

In case of any further change, which affects this declaration at a later date; we would inform the TNRTP accordingly.

Authorized Signatory (With seal)

Fund Manager:

A Financial institution which does the due diligence of PFIs (on a yearly basis) and enroll them under the Matching Grant Program based on the World Bank guidelines and MGP guidelines. The Fund Manager will work closely with the SPMU, mostly for reporting and liaison purposes. The Fund Manager will capacitate the PFIs in relation to the operations of the MGP .The Fund Manager along with the SPMU will monitor the portfolio under the MGP. The MGP funds will be routed through Fund Manager based on the demand generated by the PFIs. The fund manager and PFIs are responsible for any recovery related to MGP.