

## Amendment to Request for Proposal

**Amendment number:** 01  
**Reference Request for Proposal Number:** RFP-CATALYZE-217772-PSD-2023-0037

**Amendment effective date:** June 16, 2023

**Description of Amendment:**

1. This amendment serves to modify the closing date and time on the cover page of the RFP from June 16, 2023, 17:00 Colombo Time to June 23, 2023, 17:00 Colombo Time.

Changes are highlighted in yellow in the attached amended RFP. All other sections and attachments remain unchanged.

## Request for Proposal (RFP)

Subject RFP #:	RFP-CATALYZE- 217772-PSD-2023-0037
RFP Issue Date:	May 26, 2023
Terms of Reference / Specifications:	Call for a consultant/consultancy firm for the development and operationalization of the undermentioned policy and procedure manuals for a registered and licensed Microfinance Institution (MFI) in Sri Lanka.
Project	CATALYZE Sri Lanka Private Sector Development
The Company	Palladium International, LLC
Country of Performance	Sri Lanka
Closing Date and Time	<b>June 23, 2023, 17:00 Colombo Time</b>
Questions Deadline	<input checked="" type="checkbox"/> Accepted at <a href="mailto:SriLankaPSD.Procurement@thepalladiumgroup.com">SriLankaPSD.Procurement@thepalladiumgroup.com</a> by May 31, 2023, 17:00 Colombo Time <input type="checkbox"/> N/A
Bidders' Conference	<input checked="" type="checkbox"/> June 2, 2023, 14.00 Colombo Time, Bidder's conference thru MS teams <input type="checkbox"/> N/A
Details for Submission	Submissions will be accepted: <input checked="" type="checkbox"/> Electronically: email to <a href="mailto:SriLankaPSD.Procurement@thepalladiumgroup.com">SriLankaPSD.Procurement@thepalladiumgroup.com</a> <input type="checkbox"/> In hard copy (sealed bids)- N/A
Offer Validity Period	90 Days

Thank you for your interest in the above procurement. As implementer for the CATALYZE Innovative Blended Finance Project funded by United States Agency for International Development (USAID), Palladium invites you to submit a proposal for the scope of work attached in Annex A. Your proposal must be valid for the Validity Period.

Please email your notice of intention to submit a proposal by the Questions Deadline. Answers to questions shall be distributed to all offerors that have indicated an intention to submit a proposal by the deadline.

Please submit your proposal in accordance with the Details for Submission above by the Closing Date and Time. This RFP in no way obligates Palladium to award a contract nor does it commit Palladium to pay any cost incurred in the preparation and submission of a proposal. Palladium bears no responsibility for data errors resulting from transmission or conversion processes.

Yours sincerely,

CATALYZE Procurement Team

## Terms and conditions

### 1. Proposal Conditions

By submitting a proposal, potential suppliers are bound by these terms and conditions. Potential suppliers must submit offers with all details provided in English and with prices quoted in a single currency.

### 2. Proposal Lodgement

The Company may grant extensions to the Closing Time at its discretion. The Company will not consider any quotes received after the Closing Time specified in the RFP unless the Company determines to do so otherwise at its sole discretion.

### 3. Evaluation

The Company may review all proposal to confirm compliance with this RFP and to determine the best proposal in the circumstances.

### 4. Alterations

The Company may decline to consider a proposal in which there are alterations, erasures, illegibility, ambiguity or incomplete details.

### 5. The Company's Rights

The Company may, at its discretion, discontinue the RFP; decline to accept any proposal; terminate, extend or vary its selection process; decline to issue any contract; seek information or negotiate with any potential supplier that has not been invited to submit a proposal; satisfy its requirement separately from the RFP process; terminate negotiations at any time and commence negotiations with any other potential supplier; evaluate proposals as the Company sees appropriate (including with reference to information provided by the prospective supplier or from a third party); and negotiate with any one or more potential suppliers.

### 6. Amendments and Queries

The Company may amend, or clarify any aspect of the RFP prior to the RFP Closing Time by issuing an amendment to the RFP in the same manner as the original RFP was distributed. Such amendments or clarifications will, as far as is practicable be issued simultaneously to all parties.

Any queries regarding this RFP should be directed to the Contact Person identified on the cover page of this RFP.

### 7. Clarification

The Company may, at any time prior to execution of a contract, seek clarification or additional information from, and enter into discussions and negotiations with, any or all potential suppliers in relation to their proposals. In doing so, the Company will not allow any potential supplier to substantially tailor or amend their proposal.

### 8. Confidentiality

In their proposal, potential suppliers must identify any aspects of their proposal that they consider should be kept confidential, with reasons. Potential suppliers should note that the Company will only agree to treat information as confidential in cases that it considers appropriate. In the absence of such an agreement, potential suppliers acknowledge that the Company has the right to disclose the information contained in their proposal.

The potential supplier acknowledges that in the course of this RFP, it may become acquainted with or have access to the Company's Confidential Information (including the existence and terms of this RFP and the TOR). It agrees to maintain the confidence of the Confidential Information and to prevent its unauthorised disclosure to any other person. If the potential supplier is required to disclose Confidential Information due to a relevant law or legal proceedings, it will provide reasonable notice of such disclosure to the Company. The parties agree that this obligation applies during the RFP and after the completion of the process.

### 9. Alternatives

Potential suppliers may submit proposals for alternative methods of addressing the Company's requirement described in the RFP where the option to do so was stated in the RFP or agreed in writing with the Company prior to the RFP Closing Time. Potential suppliers are responsible for providing a sufficient level of detail about the alternative solution to enable its evaluation.

### 10. Reference Material

If the RFP references any other materials including, but not limited to, reports, plans, drawings, samples or other reference material, the potential supplier is responsible for obtaining the referenced material

and considering it in framing their proposal. And provide it to the Company upon request.

### 11. Price/Cost Basis

Prices or costs quoted must show the tax exclusive price, the tax component and the tax inclusive price.

The contract price, which must include any and all taxes, supplier charges and costs, will be the maximum price payable by the Company for the Goods and/or Services.

### 12. Financial information

If requested by the Company, potential suppliers must be able to demonstrate their financial stability and ability to remain viable as a provider of the Goods and/or Services over the term of any agreement.

If requested by the Company, the potential supplier must promptly provide the Company with such information or documentation as the Company reasonably requires in order to evaluate the potential supplier's financial stability.

### 13. Referees

The Company reserves the right to contact the potential supplier's referees, or any other person, directly and without notifying the potential supplier.

### 14. Conflict of interest

Potential suppliers must notify the Company immediately if any actual, potential or perceived conflict of interest arises (a perceived conflict of interest is one in which a reasonable person would think that the person's judgement and/or actions are likely to be compromised, whether due to a financial or personal interest (including those of family members) in the procurement or the Company).

### 15. Inconsistencies

If there is inconsistency between any of the parts of the RFP the following order of precedence shall apply:

- (a) these Terms and Conditions;
- (b) the first page of this RFP; and
- (c) the Schedule

so that the provision in the higher ranked document will prevail to the extent of the inconsistency.

### 16. Collusion and Unlawful Inducements

Potential suppliers and their officers, employees, agents and advisors must not engage in any collusive, anti-competitive conduct or any other similar conduct with any other potential supplier or person or quote any unlawful inducements in relation to their proposal or the RFP process.

Potential suppliers must disclose where proposals have been compiled with the assistance of current or former the Company employees (within the previous 9 months and who was substantially involved in the design, preparation, appraisal, review, and or daily management of this activity) and should note that this may exclude their proposal from consideration.

Potential suppliers warrant that they have not provided or offered any payment, gift, item, hospitality or any other benefit to the Company, its employees, consultants, agents, subcontractors (or any other person involved in the decision-making process relating to this RFP) which could give rise to a perception of bribery or corruption in relation to the RFP or any other dealings between the parties.

### 17. Jurisdiction

This RFP shall be subject to the laws of the District of Columbia, United States of America. The language of the arbitration will be English.

The Potential Supplier and the Company will use their best efforts to settle amicably any dispute, controversy, or claim arising out of, or relating to this RFP or the breach, termination, or invalidity thereof. If no agreeable settlement can be found, any dispute, controversy, or claim arising out of or relating to this RFP or the breach, termination, or invalidity thereof, shall be settled by mediation through the American Arbitration Association by filing a request for mediation with the AAA and the other party. The Parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute.

## Company Information

Palladium is a global leader in the design, development and delivery of Positive Impact — the intentional creation of enduring social and economic value. We work with corporations, governments, foundations, investors, communities and civil society to formulate strategies and implement solutions that generate lasting social, environmental and financial benefits.

## Project Background

The CATALYZE Sri Lanka Private Sector Development (PSD) program is a 5-year activity designed to bolster Micro, Small- and Medium-Enterprises (MSMEs) in high growth potential sectors in Sri Lanka. The PSD program will strengthen MSME products and services in high potential growth sectors including tourism, information and communication technology (ICT), commercial care, apparel and food processing. These sectors were selected for their potential to generate growth opportunities for MSMEs and for women in the workplace and as entrepreneurs.

CATALYZE PSD is organized around three primary objectives, interconnected with a fourth core cross cutting theme:

**Objective 1:** Improved Capacity and Competitiveness of MSMEs

**Objective 2:** Increased Access and Availability of Finance for MSMEs

**Objective 3:** Increased economic resilience to the economic impacts of COVID-19

**Cross Cutting Theme:** Increased women's labor force participation, access to finance and women's entrepreneurship

## Purpose

Palladium seeks the services of a consultant/consultancy firm for the development and operationalization of the undermentioned policy and procedure manuals for a registered and licensed Microfinance Institution (MFI) in Sri Lanka interested in securing funding from a DFI. In preparation for this process, the MFI will need to develop and implement the following documents, as a prerequisite for evaluation for potential investment.

- Customer Protection Policy and Procedures
- Environmental and Social Policy and Procedures
- HR Policy and Procedures
- Gender and child protection Policy and Procedures

A complete scope of work is attached as Annex A.

## Type of Contract

Palladium intends to issue a subcontract to the selected offeror as follows:

- For individual (consultant) offerors, a fixed price independent consultant agreement
- For organizational (business or firm) offeror, Firm Fixed Price subcontract.

## Anticipated Contract Period of Performance

From last week of June 2023 to November 2023, over 150 calendar days.

## Place of Performance

The activities to be performed under this contract will take place in Sri Lanka.

## Key Deliverables and Timeline

No	Deliverable	Criteria for Acceptance	Delivery timeline	Fee payment %
1.	<p>Conduct a gap analysis on the available information/documentation /policies of the subject MFI to determine the internal requirements and technical aspects which are needed to be included in respect of each of the following;</p> <ul style="list-style-type: none"> <li>• Customer Protection Policy and Procedures (CPPP)</li> <li>• Environmental and Social Policy and Procedures (ESPP)</li> <li>• HR Policy and Procedures (HRPP)</li> <li>• Gender and child protection Policy and Procedures (GCPPP)</li> </ul>	<p>Written report / presentation on each of the document to be shared with the MFI with copy to PSD signed and acknowledged by the CEO or designated officer of the MFI</p>	5 weeks from the date of commencement	15%
2.	<p>Conduct co-creation sessions with the relevant staff of the subject MFI in order to further understand the internal practices and concerns which need to be specifically addressed in drafting each of the subject documents.</p>	<p>Timeline of planned meetings to discuss each of the subject documents with agenda and intended participants.</p> <p>Recordings/Meeting Notes of Technical Support Meetings in respect of each of the document signed and acknowledged by the CEO or designated officer of the MFI</p>	2 weeks from the date of completion of deliverable 01	15%
3.	<p>Submit preliminary drafts of each of the above documents for validation of the relevant staff nominated by the subject MFI</p>	<p>Written report with acknowledgement by the MFI for each document signed and acknowledged by the CEO or designated officer of the MFI</p>	7 weeks from the date of completion of deliverable 02	20%
4.	<p>Submit finalized copies of each of the subject documentation for final approval for the subject MFI</p>	<p>Written report with acknowledgement by the MFI for each document signed and acknowledged by the CEO or designated officer of the MFI</p>	3 weeks from the date of completion of deliverable 03	30%
5.	<p>Conduct knowledge sharing session to relevant staff nominated by the subject MFI on each of the documents to create awareness amongst the relevant staff directly associated with the operationalization of the subject policy/documentation.</p>	<p>Timeline of planned meetings to discuss each of the subject documents with agenda and intended participants.</p> <p>Recordings/Meeting Notes of Technical Support Meetings in respect of each of the document signed and acknowledged by the CEO or designated officer of the MFI</p>	3 from the date of completion of deliverable 04	20%

### Instructions to Offerors

Separate technical and cost proposals (deliverable table) must be submitted by email no later than the time and date specified on the cover page.

## 1. Technical Proposal

For the technical proposal, the offeror must submit:

- (a) Cover letter signed by an authorized representative of the Firm with the following information:
  1. Firm contact info and address
  2. Type of company or organization
  3. Unique Entity Identification (UEI) Number (Company must have a UEI number or obtain one within 5 days of being notified of selection)
- (b) Background on the firm and details of relevant expertise including qualifications and experience of key personnel who would undertake the consultancy (Max 3 pages)
- (c) Past Experience Information/Capability Statement (Max 2 pages)
- (d) Technical Proposal & Management Approach (Max 3 pages)
- (e) Proposed work plan detailing how the firm would execute this project including a timeline (Max 2 pages)
- (f) Contact details for three referees (Max 1 page)
- (g) Executive summary of previous assignments of similar nature and references (Max 3 assignments, max 1 page each)
- (h) All supporting documentation specified below in the pass/fail evaluation criteria.

Note: GSA has developed a useful interactive PDF tool that guides through the most common scenarios about UEI ([https://www.fsd.gov/sys\\_attachment.do?sys\\_id=af05f8fb1b44851006b09796bc4bcb6d](https://www.fsd.gov/sys_attachment.do?sys_id=af05f8fb1b44851006b09796bc4bcb6d))

## 2. Cost Proposal

Offerors must submit a cost proposal. CATALYZE will provide a budget template upon request through [catalyze.procurements@thepalladiumgroup.com](mailto:catalyze.procurements@thepalladiumgroup.com). The cost proposal consists of:

- (a) Budget in Microsoft Excel with all formulas visible (unlocked)
- (b) Accompanying Word Document with all cost assumptions and explanations

### Key assumptions

- Budget in Sri Lankan Rupees (LKR)
- All prices are to be inclusive of relevant taxes.

The selected offeror will be required to complete the Due Diligence Questionnaire (attachment 1) and provide a UEI number within 5 days of being notified of selection.

### **Submission of Offers**

Electronic proposals must be submitted by sending two separate emails, one for technical proposal and one for cost proposal with the RFP number in the subject lines. Ensure all required documents are attached. The RFP number can be found on the cover page.

Offers received past the deadline stated on the cover page will be deemed non-responsive and will not be considered for award.

### **Evaluation and Award Process**

Proposals will be evaluated using a best value trade off methodology. This is a three-stage process.

- (1) The first set of criteria is graded on a pass/fail basis. Offerors must meet the following minimum eligibility qualification criteria and provide supporting documentation:

	<b>Requirement</b>	<b>Supporting Documentation</b>
(a)	Must be a resident in Sri Lanka OR a registered legal entity in Sri Lanka for a minimum of one year	Copy of business registration (in case of Firms)

(b)	Must not have any active exclusions from the working with the US government ( <a href="http://www.sam.gov">www.sam.gov</a> ), the UN (Sanctions List), or the US Department of the Treasury Office of Foreign Asset Control	N/A
(c)	Minimum 10 years of experience working with financial institutions, in strategy formulation and policy making with special focus on micro lending	CVs <b>Note:</b> In case of firms applying for the requirement, the detailed CVs of key resource persons to be deployed for the consultancy should be submitted
(d)	In depth knowledge and familiarity in compliance, sustainability, human resources, gender aspects and understanding of financial sector policy, regulation, and operating landscape with emphasis on the micro finance industry.	CVs <b>Note:</b> In case of firms applying for the requirement, the detailed CVs of key resource persons to be deployed for the consultancy should be submitted
(e)	Experience in drafting of similar documents/ policy manuals/compliance documentation associated with the micro economic segment in FIs	Technical Proposal (Demonstrated with past performance/references)
(f)	Familiarity with the Sri Lankan business enabling environment including key challenges faced by MSMEs and MFIs in availing financial solutions to MSMEs.	Technical Proposal (Demonstrated with past performance/references)
(g)	Experience and exposure working with development finance institutions (DFIs)	Technical Proposal (Demonstrated with past performance/references)
(h)	Knowledge on the laws and regulations pertaining to the micro finance industry in Sri Lanka	Technical Proposal
(i)	Excellent verbal and written communication skills in English and local languages.	Technical Proposal/CVs
(j)	Experience presenting quantitative and qualitative data for decision-makers and relevant stakeholders.	Technical Proposal

(2) If these minimum criteria are met, the offer's technical proposal will be evaluated as follows:

Evaluation Criteria	Documents Evaluated	Marks
Prior experience working with financial institutions, in strategy formulation and policy making with special focus on micro lending.		20
In depth knowledge and familiarity in compliance, sustainability, human resources, gender aspects and understanding of financial sector policy, regulation, and operating landscape with emphasis on the micro finance industry.	Technical Proposal	20
Prior experience in drafting of similar documents/ policy manuals/compliance documentation associated with the micro economic segment in FIs	Submitted CVs of Key Resource Persons	10
Familiarity with the Sri Lankan business enabling environment including key challenges faced by MSMEs and MFIs in availing financial solutions to MSMEs.	past performance /References	15
Experience and exposure working with development finance institutions (DFIs)		10
Knowledge on the laws and regulations pertaining to the micro finance industry in Sri Lanka		15

Excellent verbal and written communication skills in English and local languages.		05
Experience presenting quantitative and qualitative data for decision-makers and relevant stakeholders.		05
<b>TOTAL</b>		<b>100</b>

(3) The offeror's cost proposal will be evaluated for:

- Proposed total price, relative to other offers received.
- Realism and reasonableness of the work to be performed.
- Price reflects a clear understanding of the requirements.
- Price is consistent with various elements of the technical proposal.
- Compliance with USAID cost principles (select one: Non-profit entities – Cost Principles in 2 CFR 200 Subpart E or for profit entities – Cost Principles in FAR Part 31)

Palladium reserves the right to award under this solicitation without further negotiations. The offerors are encouraged to offer their best terms and prices with the original submission.

### **PROCUREMENT INTEGRITY AND ETHICS**

It is Palladium's Policy that no gifts of any kind and of any value be exchanged between vendors/contractors and Palladium personnel. Discovery of the same will be grounds for disqualification of the vendor/contractor from participation in any Palladium's procurements and may result in disciplinary actions against Palladium personnel involved in such discovered transactions.

### **Resulting Award**

This RFP in no way obligates Palladium to award a contract. Palladium may opt to select multiple offers in response to this RFP.

Any contract/purchase order resulting from this solicitation must be signed by both parties in order to be considered valid and in force. All costs associated with, but not limited to, production, preparation and/or delivery of goods or services, including deliveries, accepted by Palladium staff, without a fully executed (signed by both parties) contract/purchase order, are at the vendor's risk only. Palladium shall not pay for any costs, without limitation, associated with production, preparation or delivery of goods and/or services under this or any other contract/purchase order, which has not been signed by both parties.

If your proposal is successful, you will be required to enter into the Company's standard contract for the types of goods or services being provided. In the provision of the Goods and Services, you will be required to comply with the Company's policies, including (without limitation) its Business Partner Code of Conduct and any relevant client terms and conditions. Potential suppliers must also comply with the Company's Business Partner Code of Conduct in the submission of any proposals pursuant to this RFP.

If you are bidding as part of a joint venture, partnership or similar, please make this clear in your submission. Likewise, if you propose to subcontract any part of the goods or services provision, then disclose this fact within your submission. The Company may require additional information from you and approval for subcontracting will not be automatic as subcontractors will be subject to Palladium's Due Diligence process.

### **Attachments**

Please review the additional documentation and proposed contracts terms and conditions which should be given consideration when preparing your proposal. By submitting your bid you will certify that that you are in agreement with the contract terms and conditions as included in this solicitation and that all prices include all aspects of the required compliance with the terms and conditions of the proposed contract.

Attachment 1- Technical Proposal

Attachment 2- Cost Proposal (Deliverable Table)

Attachment 3- Due Diligence Questionnaire

Attachment 4- FFATA Form (will be required only for successful offeror, where applicable – included for awareness only)

Attachment 5 – Sample Subcontract

Palladium Business Partner Code of Conduct and Child Protection Guidelines can be downloaded in full at: <http://www.thepalladiumgroup.com/policies> or request through email from [Catalyze.procurement@thepalladiumgroup.com](mailto:Catalyze.procurement@thepalladiumgroup.com)

## **Annex A: Scope of Work**

### **STATEMENT OF WORK USAID CATALYZE SRI LANKA PRIVATE SECTOR DEVELOPMENT PROGRAM DRAFTING OF COMPLIANCE/ SUPPORTIVE DOCUMENTATION FOR A REGISTERED MICRO FINANCE INSTITUTION**

#### **1. Introduction/Overview**

The CATALYZE Sri Lanka Private Sector Development (PSD) program is a 5-year activity designed to bolster Micro, Small- and Medium-Enterprises (MSMEs) in high growth potential sectors in Sri Lanka. The PSD program will strengthen MSME products and services in high potential growth sectors including tourism, information and communication technology (ICT), commercial care, apparel and food processing. These sectors were selected for their potential to generate growth opportunities for MSMEs and for women in the workplace and as entrepreneurs.

CATALYZE PSD is organized around three primary objectives, interconnected with a fourth core cross cutting theme:

**Objective 1:** Improved Capacity and Competitiveness of MSMEs

**Objective 2:** Increased Access and Availability of Finance for MSMEs

**Objective 3:** Increased economic resilience to the economic impacts of COVID-19

Cross Cutting Theme: Increased women's labor force participation, access to finance and women's entrepreneurship

#### **2. Background**

The PSD program aims to unlock inclusive and sustainable growth within its target sectors by mobilizing private capital and increasing the availability and accessibility of financing and business advisory services to MSMEs. PSD seeks to extend assistance to its partner Financial Institutions (FI) to address barriers to the same.

Through partner FI, PSD will provide assistance to MSMEs that have the potential to innovate within their sectors to drive increased competitiveness, market access and business solutions. In furtherance of the aforesaid objectives PSD will also facilitate availability of viable source of financing and credit guarantees for FI lending to MSMEs, which may be seen as too risky for commercial lenders or private investors, because of the current economic crisis.

In addition to these activities, PSD will support partner FIs interested in obtaining funding (or credit guarantees) from Development Financial Institutions (DFIs) and/or international financiers. PSD will support these FIs by identifying and supporting new transactions that can unlock financing directly to FIs, including banks, licensed finance companies and regulated microfinance institutions).

#### **3. Scope**

Palladium seeks the services of a consultant/consultancy firm for the development and operationalization of the undermentioned policy and procedure manuals for a registered and licensed Microfinance Institution (MFI) in Sri Lanka interested in securing funding from a DFI. In preparation for this process, the MFI will need to develop and implement the following documents, as a prerequisite for evaluation for potential investment.

- Customer Protection Policy and Procedures
- Environmental and Social Policy and Procedures
- HR Policy and Procedures
- Gender and child protection Policy and Procedures

#### 4. Objectives

The overall objective of this scope of work is to assist the subject registered MFI to develop key policies and procedures that need to be developed and implemented as a potential requirement from DFIs and/or international financiers in their funding evaluation process;

In fulfillment of the above, the broad objectives to be achieved through the subject four documents would include but not be limited to the following.

##### 4.1 Customer Protection Policy and Procedures (CPPP)

The CPPP should address inter-alia the following broader topics.

**Responsible Finance:** Implementation of procedures and practices that deliver transparent, inclusive, and customer-centric products and services which includes protecting customers from risks, such as over-indebtedness or lack of financial awareness, as well as maintaining customer trust.

**Consumer Protection Regulation:** Compliance of customer protection regulation and principles of transparency; responsible pricing; fair and respectful treatment of clients; privacy of client data; mechanisms for complaint resolution

**Grievance Procedures:** Guidance on basic principles and general process steps that the MFI should take into account when dealing with concerns and complaints from affected parties.

**MFI's Self-regulation:** Embedding responsible finance practices into business functions across strategy & governance, customer acquisition and relationship management, product design and delivery channels, processes and risk management, and financial education, self-assessment, and third-party evaluation on client protection)

**Financial Education:** Building capacity of end clients through broad-based financial awareness, financial literacy, and financial education programs at the sector level and through financial institutions.

##### 4.2 Environmental and Social Policy and Procedures (ESPP)

The ESPP should outline how MFI will put into practice its commitment to the development goals through its environmental and social review and monitoring processes and that all loans and investments made by the MFI is expected to result in minimal adverse environmental and social impacts. Specifically, the MFI should ensure through its processes that the clients and their projects receiving support: • Are compliant with applicable local and national laws and regulations related to environmental and social performance and applicable provisions • Are environmentally and socially sustainable. • Are compatible with low and no-carbon economic development. • Avoid prejudice and discrimination and respect Human Rights, including the rights of Workers • Avoid adverse impacts and, if such impacts are unavoidable, properly mitigate or compensate for the impacts.

Further the ESPP should also include the process through which prospective MSMEs and microfinance transactions are screened, assessed for risks, and monitored against its environmental and social standards.

##### 4.3 HR Policy and Procedures (HRPP)

The HR Policy and Procedures should ensure that the subject MFI has the right skills, capacity and resources to effect cultural change, establish risk controls, and deepen customer relationships to achieve resilient growth and shall include inter-alia the policies relating to diversity, equity and inclusion, employment terms and privacy, recruitment, succession planning, training and development, compensation/ pay, leave, performance reviews/ evaluations, employment benefits, communication, termination and resignation terms, office etiquette and conduct, safety and health, anti-harassment and non-discrimination, workplace Etiquette, confidentiality, security, use of social media.

#### **4.4. Gender and child protection Policy and Procedures (GCPPT)**

The GCPPT should inter-alia include the policy and process through which prospective MSME and microfinance transactions are screened, assessed for risks, and monitored against its social standards, including non-discrimination of women, prohibitions on forced and child labor, employment of minors and other applicable labor laws.

#### **5. Requirements or Tasks**

Specific responsibilities of the consultancy include, but are not limited to:

- Conduct a gap analysis on the available information/documentation /policies and procedures of the subject MFI to determine the internal requirements and technical aspects which are needed to be included in respect of each of the following;
  - Customer Protection Policy and Procedures (CPTT)
  - Environmental and Social Policy and Procedures (ESPT)
  - HR Policy and Procedures (HRPT)
  - Gender and child protection Policy and Procedures (GCPPT)
- Conduct co-creation sessions with the relevant staff of the subject MFI in order to further understand the internal practices and concerns which need to be specifically addressed in drafting each of the subject documents.
- Submit preliminary drafts of each of the above documents for validation of the relevant staff nominated by the subject MFI.
- Draft finalized copies of the subject documentation for final approval for the subject MFI
- Submit the documentation for final approval of PSD subject to approval of the subject MFI.
- Conduct knowledge sharing session to relevant staff nominated by the subject MFI on each of the documents to create awareness amongst the relevant staff directly associated with the operationalization of the subject policy/documentation.

**Consultants/firms should submit bids in respect of ALL the above policies**

#### **6. Required Qualifications:**

The consultant/firm should possess the below minimum qualifications to apply for this contract:

- Minimum 10 years of experience working with financial institutions, in strategy formulation and policy making with special focus on micro lending
- In depth knowledge and familiarity in compliance, sustainability, human resources, gender aspects and understanding of financial sector policy, regulation, and operating landscape with emphasis on the micro finance industry.
- Experience in drafting of similar documents/ policy manuals/compliance documentation associated with the micro economic segment in FIs
- Familiarity with the Sri Lankan business enabling environment including key challenges faced by MSMEs and MFIs in availing financial solutions to MSMEs.
- Experience and exposure working with development finance institutions (DFIs)
- Knowledge on the laws and regulations pertaining to the micro finance industry in Sri Lanka
- Excellent verbal and written communication skills in English and local languages.
- Experience presenting quantitative and qualitative data for decision-makers and relevant stakeholders.

#### **7. Payment Terms**

The consultant/firm will be compensated based on the completion of milestones based on the deliverables schedule below. **Consultants/firms should submit bids in respect of ALL the above policies**

#### **8. Deliverables**

No	Deliverable	Criteria for Acceptance	Delivery timeline	Fee payment %
1.	<p>Conduct a gap analysis on the available information/documentation /policies of the subject MFI to determine the internal requirements and technical aspects which are needed to be included in respect of each of the following;</p> <ul style="list-style-type: none"> <li>• Customer Protection Policy and Procedures (CPPP)</li> <li>• Environmental and Social Policy and Procedures (ESPP)</li> <li>• HR Policy and Procedures (HRPP)</li> <li>• Gender and child protection Policy and Procedures (GCPPP)</li> </ul>	<p>Written report / presentation on each of the document to be shared with the MFI with copy to PSD signed and acknowledged by the CEO or designated officer of the MFI</p>	5 weeks from the date of commencement	15%
2.	<p>Conduct co-creation sessions with the relevant staff of the subject MFI in order to further understand the internal practices and concerns which need to be specifically addressed in drafting each of the subject documents.</p>	<p>Timeline of planned meetings to discuss each of the subject documents with agenda and intended participants.</p> <p>Recordings/Meeting Notes of Technical Support Meetings in respect of each of the document signed and acknowledged by the CEO or designated officer of the MFI</p>	2 weeks from the date of completion of deliverable 01	15%
3.	<p>Submit preliminary drafts of each of the above documents for validation of the relevant staff nominated by the subject MFI</p>	<p>Written report with acknowledgement by the MFI for each document signed and acknowledged by the CEO or designated officer of the MFI</p>	7 weeks from the date of completion of deliverable 02	20%
4.	<p>Submit finalized copies of each of the subject documentation for final approval for the subject MFI</p>	<p>Written report with acknowledgement by the MFI for each document signed and acknowledged by the CEO or designated officer of the MFI</p>	3 weeks from the date of completion of deliverable 03	30%
5.	<p>Conduct knowledge sharing session to relevant staff nominated by the subject MFI on each of the documents in order to create awareness amongst the relevant staff directly associated with the operationalization of the subject policy/documentation.</p>	<p>Timeline of planned meetings to discuss each of the subject documents with agenda and intended participants.</p> <p>Recordings/Meeting Notes of Technical Support Meetings in respect of each of the document signed and acknowledged by the CEO or designated officer of the MFI</p>	3 weeks from the date of completion of deliverable 04	20%

## 9. Period of Delivery

The contract is expected to commence in the last week of June 2023 and is expected to take no more than 5 calendar months for delivery from the date of commencement.

## 10. Monitoring

The subcontractor shall be required to submit the following documentation / information to PSD on the progress of the project to enable delivery oversight and management. This will include submission of:

- Bi-Weekly Status Report
- Recordings/Meeting Notes of Progress Meetings with the MFI's
- Timeline detailing planned activities and deliverables for the consultancy duration.

#### **11. Miscellaneous**

All information, survey findings, promotional material etc. proposed or developed or recommended under the consultancy shall be the property of the Program. The consultant will be required to enter into Non-Disclosure Agreements / Data Use Agreements pertaining thereto as may be deemed necessary. In the event of unsatisfactory delivery, PSD will submit a contract termination notice in writing 30 days prior to the vendor.