



**REQUEST FOR PROPOSAL**

**Terms of Reference  
Managing Revolving Loan Fund in Erigavo District, Sanaag Region, Somaliland**

**RFP DOCUMENT [0000037733]**

**RFP ISSUE DATE: [17<sup>TH</sup> APRIL 2025]**

**PROPOSAL SUBMISSION DEADLINE: [23<sup>RD</sup> APRIL 2025]**

**CARE USA  
151 ELLIS STREET NE  
ATLANTA, GA 30303-2440**

**CONFIDENTIAL DOCUMENT**

*PREPARED BY  
CARE®*



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## 1. ABOUT CARE

At CARE, we seek a world of hope, inclusion, and social justice, where poverty has been overcome, and people live with dignity and security.

This has been our vision since 1945, when we were founded to send lifesaving CARE Packages® to survivors of World War II. Today, CARE is a leader in the global movement to end poverty. We put women and girls in the center because we know we cannot overcome poverty until all people have equal rights and opportunities. In 2019, CARE worked in 100 countries and reached 70 million people with an incredible range of life-saving programs.

To know more about CARE, visit: <https://www.care.org/our-work/>

## 2. GENERAL CONDITIONS AND CLAUSES

### 2.1. CARE'S GENERAL CONDITIONS

The enclosed document is not an offer to contract, but a solicitation of a vendor's proposed intent. Acceptance of a proposal in no way commits CARE to award a contract for any or all products and services to any vendor.

CARE reserves the right to make the following decisions and actions based on its business interests and for reasons known only to CARE:

- To determine whether the information provided does or does not substantially comply with the requirements of the RFP.
- To contact any bidder after proposal submittal for clarification of any information provided.
- To waive any or all formalities of bidding
- To accept or reject a proposal in whole or part without justification to the bidder.
- To not accept the lowest bid
- To negotiate with one or more bidders in respect to any aspect of the submitted proposal.
- To award another type of contract other than that described herein, or to award no contract.
- To enter into a contract or agreement for purchase with parties not responding to this RFP
- To request, at its sole discretion, selected Vendors to provide a more detailed presentation of the proposal.
- To not share the results of the bids with other bidders and to award contracts based on whatever is in the best interest of CARE.

Any material statements made orally or in writing in response to this RFP or in response to requests for additional information will be considered offers to contract and should be included by vendor in any final contract.

### 2.2. CONFIDENTIALITY/ NON-DISCLOSURE

All information gained by any vendor concerning CARE work practices is not to be disclosed to anyone outside those responsible for the preparation of this proposal. Any discussion

by the vendor of CARE's business practices could be a reason for disqualification. CARE, at their discretion, reserves the right to request a non-disclosure agreement.

Reciprocally, CARE commits that information received in response to this RFP will be held in strict confidence and not disclosed to any party, other than those persons directly responsible for the evaluation of the responses, without the express consent of the responding vendor.

Finally, the information contained within this RFP is confidential and is not to be disclosed or used for any other purpose by the vendor.

### 2.3. PUBLICITY

Any publicity referring to this project, whether in the form of press releases, brochures, or photographic coverage will not be permitted without prior written approval from CARE.

### 2.4. LIABILITY

The selected vendor(s) will be required to show proof of adequate insurance at such time as CARE is prepared to procure the services. The participating vendor will also be required to indemnify and hold harmless CARE for, among other things, any third-party claims arising from the selected vendor's acts or omissions and will be liable for any damage caused by its employees, agents or subcontractors.

### 2.5. FORCE MAJEURE

- a. Neither Party shall be responsible for a performance that is delayed, hindered, or is rendered inadvisable, commercially impracticable, illegal, or impossible by a "Force Majeure Event." A Force Majeure event includes, without limitation, an act of nature, a pandemic, emergency, civil unrest, or disorder, actual or threatened terrorism, war, fire, governmental action or interference of any kind, power or utility failures, strikes or other labor disturbances, a health warning issued by the Center for Disease Control (or similar agency), any other civil or governmental emergency and/or any other similar event beyond a Party's reasonable control.
- b. The Party that seeks to invoke this Force Majeure provision (the "Affected Party") shall provide the other Party (the "Unaffected Party") with a written notice within ten (10) days of the date the Affected Party determines a Force Majeure Event has occurred.

### 2.6. ERRORS AND OMISSIONS

CARE expects the vendor will provide all labor, coordination, support, and resources required based on the vendor's proposal and corresponding final SOW. No additional compensation will be available to the vendor for any error or omission from the proposal made to CARE. The only exclusions are add-ons, deletions, and/or optional services for which the vendor has received written authorization from CARE.

## 2.7. OWNERSHIP OF WORK

All work created during this evaluation must be original work, and no third party should hold any rights in or to the work. All rights, title and interest in the work shall be vested in CARE.

## 2.8. CONFLICT OF INTEREST

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

## 3. COMPANY PROFILE & BIDDER'S DECLARATION

Bidders are requested to complete this form, including the Company Profile and Bidder's Declaration, sign it and return it as part of your proposal. No alterations to its format shall be permitted and no substitutions shall be accepted.

### 3.1. COMPANY PROFILE

**Table 4.1.A Previous Work with CARE**

Have you already had previous transactions with CARE?	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
If marked <b>"Yes"</b> , please provide the year of the latest transaction with CARE and the requirement that was delivered. <i>(This is to inform everyone that this information is for system checking only. This will not be part of any evaluation process.)</i>		
If you marked, <b>"No"</b> on the table above, please answer the Table 4.1.A. below:		

**Table 4.1.B Other Information**

Item Description	Detail(s)
Legal name of bidder	
Legal Address, City, Country	
Website	
Year of Registration	
Company Expertise	
<b>Bank Information (Please answer below)</b>	
Bank Name:	
Bank Address:	
IBAN:	
SWIFT/BIC:	
Account Currency:	
Bank Account Number:	

Previous relevant experience: 3 contracts				
Name of previous contracts	Client & Reference Contact Details	Contract Value	Period of activity	Types of activities undertaken

### 3.2. BIDDER'S DECLARATION

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	<b>Ethics:</b> By submitting this Proposal/Quote, I/we guarantee that the bidder has not engaged in any improper, illegal, collusive, or anti-competitive arrangements with any competitors; has not directly or indirectly contacted any buyer representative (aside from the point of contact) or gather information regarding the RFP; and has not attempted to influence or offer any type of personal inducement, reward, or benefit to any buyer representative.
<input type="checkbox"/>	<input type="checkbox"/>	I/We affirm that we will not engage in prohibited behavior or any other unethical behavior with CARE or any other party. We also affirm that we have read the general clause and conditions included in this RFP and that we will conduct business in a way that avoids any financial, operational, reputational, or other undue risk to CARE.
<input type="checkbox"/>	<input type="checkbox"/>	<b>Conflict of interest:</b> I/We warrant that the bidder has no actual, potential or perceived Conflict of Interest in submitting this Proposal/Quote; or entering into a Contract to deliver the Requirements. CARE Procurement's Point of Contact will be notified right away by the bidder if a conflict of interest occurs during the RFP process.
<input type="checkbox"/>	<input type="checkbox"/>	<b>Bankruptcy:</b> I/We have not declared bankruptcy, are not involved in bankruptcy or receivership proceedings, and there is no judgment or pending legal issues that could hinder the ability to conduct business.
<input type="checkbox"/>	<input type="checkbox"/>	<b>Offer Validity Period:</b> I/We confirm that this Proposal/Quote, including the price, remains open for acceptance for the Offer Validity.
<input type="checkbox"/>	<input type="checkbox"/>	I/We understand and recognize that you are not bound to accept any proposal you receive, and we certify that the goods offered in our Quotation are new and unused.
<input type="checkbox"/>	<input type="checkbox"/>	By signing this declaration, the signatory below represents, warrants and agrees that he/she has been authorized by the Organization/s to make this declaration on its/their behalf

Supplier Name:	
Title/Designation:	
Company Name:	
Date:	

Signature	
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#### 4. CONDITIONS AND GUIDELINES FOR SUBMISSION OF PROPOSAL

##### 4.1. PROPOSOSAL GUIDELINES

This Request for Proposal represents the requirements for an open and competitive process.

All vendors must provide written notification via email to [som.bids@care.org](mailto:som.bids@care.org) of their intent to participate, or not to participate in the bidding process on 23<sup>rd</sup> April 2025

Proposals will be accepted until **23<sup>rd</sup> April 2025.**

**delivered via email solely to [som.bids@care.org](mailto:som.bids@care.org)** , no later than the above specified date.

Any proposals received after this date and time will not be accepted. All proposals must be signed by an official agent or representative of the company submitting the proposal.

If the organization submitting a proposal must outsource or contract any work to meet the requirements contained herein, this must be clearly stated in the proposal. Additionally, all costs included in the proposals must be all-inclusive to include any outsourced or contracted work. Any proposals which call for outsourcing or contracting work must include the name and description of the organizations being contracted.

All costs must be itemized to include an explanation of all fees and costs.

Contract terms and conditions will be negotiated upon selection of the winning bidder for this RFP. All contractual terms and conditions will be subject to review by the CARE legal department, and will include scope, budget, schedule, and other necessary items pertaining to the project.

You must respond to every subsection including statement, question, and/or instruction without exception.

Any verbal information obtained from, or statements made by representatives of CARE shall not be construed as in any way amending this RFP. Only such corrections or addenda as are issued in writing by CARE to all RFP participants shall be official. CARE will not be responsible for verbal instructions.

##### 4.2. PROJECT PURPOSE AND DESCRIPTION

CARE is issuing this RFP (Request for Proposal) soliciting qualified bidders to submit proposals intended TOR Terms of Reference Managing Revolving Loan Fund in Erigavo District, Sanaag Region, Somaliland

##### 1. Introduction

Under the Strategic Partnership (SPA) project, CARE Somaliland plans to support a cohort of Farmer Co-Operatives in Erigavo district Sanaag region with Revolving Loan Fund to provide a sustainable mechanism for financing scaling of drip irrigation solutions and related climate

smart agriculture technologies. The geographic target covers Erigavo district and 10 farmer Co-Operatives.

The proposed revolving fund approach intends to establish mechanisms for small scale farmers and pastoralist dropouts under co-operative bodies to access affordable credit /loans for acquiring agricultural climate smart solutions such as drip irrigation kits and green houses to boost climate -resilient food production and improve their household incomes. The approach will also strengthen the capacity of farmers' co-operatives in sustainable managing of revolving loans and improve their financial literacy skills

Item #	Other Requirements	
1	Delivery Date & Time	Bidder shall deliver the service at least _ after Contract signature.
2	Delivery Terms (incoterms)	<input type="checkbox"/> EXW [Ex-works (Place)] <input type="checkbox"/> FCA [Free Carrier (Port)] <input type="checkbox"/> FAS [Free Along-Side Ship (Port)] <input type="checkbox"/> FOB [Free On-Board (Port)] <input type="checkbox"/> CFR [Cost, & Freight (Port)] <input type="checkbox"/> CIF [Cost, Insurance & Freight (Port)] <input type="checkbox"/> CPT [Carriage Paid-To (Place)] <input type="checkbox"/> CIP [Carriage & Insurance Paid-To (Place)] <input type="checkbox"/> DAP [Delivered at Place (Place)] <input type="checkbox"/> DPU [Delivered at Place Unloaded (Place)] <input checked="" type="checkbox"/> DDP [Delivered Duty Paid (Place)]
3	Custom Clearance (Must be linked to Incoterms at origin)	<input type="checkbox"/> Not Applicable. Shall be done by _____ <input type="checkbox"/> Shouldered by CARE <input checked="" type="checkbox"/> Supplier/ Bidder <input type="checkbox"/> Freight Forwarder
4	Exact Address(es) of Delivery Location	Sanag Region, Somaliland
5	Warranty Period	Standard Manufacturer's Warranty (if applicable)
6	Payment Terms	30 Days upon Receipt of items
7	Quotation Validity	The quote needs to be valid for 90 days to cover all the days from bidding up to the award process. However, once the contract has been released, it shall be valid for the same coverage as reflected in the requirement above.

#### 1.6. PROJECT TIMELINE

All bidders are advised to strictly follow the timeline below as noted.

Any technical questions arising during the preparation of your response to this RFP should be submitted in writing via email ( [Amal.Omar@care.org](mailto:Amal.Omar@care.org) or [Sayid.Ismail@care.org](mailto:Sayid.Ismail@care.org) ) to no later than **20<sup>th</sup> April 2025**

Schedule of Activities/ To-do	Date of the Activity/ Deadline of Submission	Responsible	Remarks
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REVOLVING LOAN FUND WITH MFIs/BANKS			
RFP Issued	17 <sup>th</sup> April 2025	CARE	<b>RFP Issued</b>
Deadline for submission of clarification questions to CARE	20 <sup>th</sup> April 2025	Supplier	Deadlines must be strictly observed.
CARE to answer all clarifications	21 <sup>st</sup> April 2025	CARE	
<b>Supplier's Deadline for Submission of Proposal</b>	23 <sup>rd</sup> April 2025	Supplier	Deadlines must be strictly observed.
Finalists selected	n/a	CARE	Upon notification, the contract negotiation with the winning bidder will begin immediately.

#### Cost Proposal

	Item description	Unit	QTY	Rates USD	Amount USD
<b>A</b>	<b>Bank Commission Service %</b>	<b>L</b>	<b>1</b>		

### 1.7. PROJECT REQUIREMENTS

#### a. Technical Requirements

##### a.1 Technical Proposal of the Product

See below TOR

#### 2. Procedure for managing the Revolving Loan Fund

- CARE will open and deposit a sum of **USD 100,000(one hundred thousand USD)** into a Revolving Loan Fund Bank Account at a Bank that will manage the Revolving Loan Fund. The deposit excludes the service charge, which will be made at once or in installments to be agreed by the Bank and CARE.
- CARE and the Bank will continuously review the proposed approach/design of the revolving fund model/mechanisms and make necessary adjustments to increase the viability of the model and reduce potential risks.
- CARE will facilitate linkage between the Bank and the cohort of Farmer Co-Operatives in Erigavo district that will benefit from the fund.
- The Revolving Loan Fund targets small scale farmers and pastoralist dropouts grouped in Co-Operatives
- CARE, Ministry of Agriculture and the Bank will collaborate in training of the Co-Operatives on operations of the Revolving Loan Fund, group -saving and loan mechanisms, financial literacy, agri-business, organizational management and leadership skills

- f) The bank and CARE will develop standard loan application documents – such as member loan application form, standardized template for costing drip irrigation materials, and recommendation letter template for completion by the Co-Operatives Leadership
- g) The Bank will train Co-Operatives on completion of the required documentation for applying loans from the Revolving Loan Fund by their members, vetting procedure of the loan applicant and assessing of the proposed drip irrigation solutions to be funded.
- h) CARE, the Bank, Ministry of Agriculture and representatives of the farmer Co-Operatives will develop and document loan borrower vetting procedures and criteria.
- i) Banks will not release cash loans to borrowers but will directly finance the acquisition of the agricultural climate smart solutions through accredited agro-dealers. This is to minimize risks of misuse of cash by borrowers.
- j) The Bank will continuously monitor loans borrowing and re-payments and share update reports.
- k) The maximum amount each borrower can access to finance agricultural climate smart solutions will be determined jointly by CARE, the Bank and Ministry of Agriculture
- l) The Co-Operatives will act as a guarantor to the loan, but repayment will be made by the individual member who has borrowed the loan.
- m) The bank, CARE and Co-Operatives leadership will develop a staggered approach of loan disbursement to members of different Co-Operatives to ensure all eligible Co-Operatives benefit from the Revolving Loan Fund.
- n) The Bank will also facilitate opening of bank accounts for the 10 farmers Co-Operatives participating in the revolving loan fund for their members' monthly contributions, group savings and loan activities.
- o) In the last month of the Revolving Loan Fund Management agreement, the revolving fund will be deposited into the bank accounts of the 10 farmer Co-Operatives, enabling them to operate independently. The amount that each Co-Operatives will receive will be determined, based on the capacity of the Co-Operatives in revolving fund management.

### **3. Criteria for accessing loans from the revolving fund by Individual Farmer**

- a) The farmer or pastoralist drop out requesting the loan/financing of the drip irrigation solution will complete all the required loan application documents and take it to Co-Operatives Leadership for review and due diligence assessment.
- b) Once the loan application is approved by the Co-Operatives Leadership, the Borrower will take the signed loan application documents to the bank after which the bank confirms the completeness of documents, and all requirements met.
- c) The Bank will also conduct telephone confirmation with the borrower's farmers Co-Operatives Leadership.
- d) Co-Operatives will be responsible for following up with their members to ensure timely payback of the loans. This will minimize the risk of defaulting in paying back the loans and enhance the success of the revolving fund.

### **4. Risk mitigation measures for non-payment of loan/defaulting**

- a) Risk mitigation measures to counter defaulters will be discussed jointly by the Bank, Co-Operatives leadership and CARE. The risk mitigation measures will be put in place and reviewed periodically.
- b) Co-Operatives will vet their members borrowing loans before approval of loans to ensure only those who show commitment and capacity to repay are approved.
- c) Co-Operatives will act as guarantors for their members borrowing loans. Hence the Co-Operatives leadership will support in recovering from their members who default through measures such as freezing member savings with the Co-Operatives and depositing it in the revolving fund account in the bank to make up for the failed repayment.
- d) Co-Operatives whose members do not pay back their loans or do not show capacity to recover defaulted loans will be suspended from participating in the Revolving Loan Fund.

## **5. Revolving Loan Fund Management Committee**

The Revolving Loan Fund (RLF) will have a management committee to provide oversight mechanisms in the operations of the Revolving Loan Fund. The members of the management committee will be drawn from CARE, the Bank, Ministry of Agriculture- Sanaag Region and representatives of Co-Operatives. CARE shall be convening the management committee meetings, initially monthly, and transition to quarterly meetings once the fund is fully operational.

The key function of the Management Committee:

- a) Management and supervision of the Revolving Loan Fund
- b) Identify and address challenges and risks to sustainable operation of the Fund
- c) Develop and implement corrective actions and guidelines to improve operations of the Fund.
- d) Gather lessons and promote best practices in the Revolving Loan Fund scheme

## **6. Duration of engagement and service charge**

- a) CARE will enter into an agreement with the bank for management of the Revolving Loan Fund for a period of 12 months effectively from the signing of the agreement by both parties.
- b) The bank will quote service charge for this period after assessing the level of effort in managing the Revolving Loan Fund.
- c) CARE will cater for the costs of training the farmers Co-Operatives including per diems and transport of bank personnel who will deliver the training at CARE standard rates applicable to Government employees in Somaliland.
- d) After the end of the agreement period, the Revolving Loan Fund will be transferred into the bank accounts of the farmers Co-Operatives

## **7. Eligibility Criteria for MFIs/Banks:**

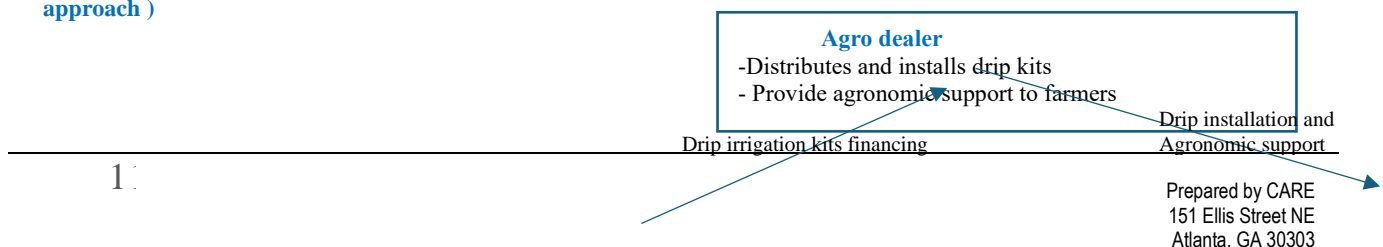
- Must be a reputable, legally registered financial institution with headquarters in Hargeisa, Somaliland.
- Must have operational presence in Erigaavo district.

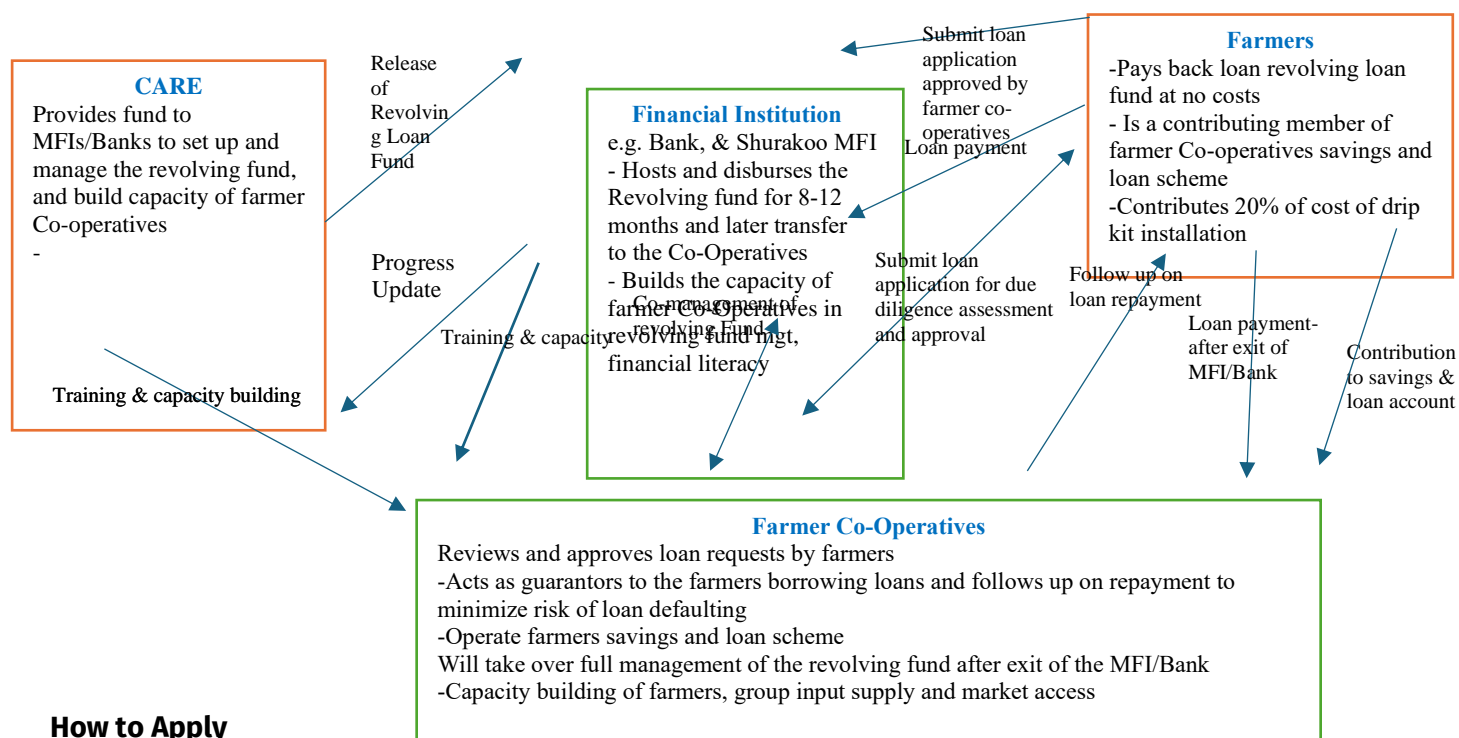
- Relevant experience in facilitating transactions, implemented Revolving Loan Fund activities, and other economic empowerment activities in the past with NGOs.
- The capacity to provide financial inclusion services such banking services for community economic groups in rural areas through mobile banking, saving and loans for remote areas, whereby remote villages with limited access to physical financial institutions could access and do transactions digitally.
- Experience in implementing Micro-finance related activities or experience working with micro, small, and medium enterprises (MSMEs), with a focus on vulnerable communities (small business owners).
- The MFI/bank should have the capacity to offer conflict and gender-sensitive financial products, especially for financing smart climate agriculture ventures

**8. Mandatory Requirements:**

Applicants must submit the following as part of the application. Documents should be the most current

- Central Bank of Somaliland registration certificate.
- Valid Tax clearance certificate.
- Company profile and organizational structure.
- Cost of the service charge for managing the revolving fund and modalities of payment.
- Provide 3 or more client experiences or testimonials (References whose environment, size, and scope are most like to CARE

**Model 1: Revolving Loan Fund Management (Financial Institutions & Co-Operatives joint management approach )**



## How to Apply

Candidates interested in the position should send their applications online to [som.bids@care.org](mailto:som.bids@care.org) to be received no later than 23<sup>rd</sup> April 2025. The application should be titled "Terms of Reference for." Managing Revolving Loan Fund in Erigavo District, Sanaag Region, Somaliland

## Compliance with Requirements

	Yes, we will comply	No, we cannot comply	If marked as "No", please provide counter proposal
Minimum Technical Specifications	<input type="checkbox"/>	<input type="checkbox"/>	
Delivery Lead Time	<input type="checkbox"/>	<input type="checkbox"/>	
Delivery Term (INCOTERMS)	<input type="checkbox"/>	<input type="checkbox"/>	
Warranty Period (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	
Validity of Quotation	<input type="checkbox"/>	<input type="checkbox"/>	
Payment Terms (30 Days after service delivery)	<input type="checkbox"/>	<input type="checkbox"/>	
Other Requirements (Please specify)	<input type="checkbox"/>	<input type="checkbox"/>	

CARE will review proposed budgets and pricing after the initial review of the criteria above.

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