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ALIMENTARE
AL REPUBLICII MOLDOVA

MINISTRY OF AGRICULTURE AND
FOOD INDUSTRY OF THE
REPUBLIC OF MOLDOVA

UNITATEA CONSOLIDATĂ PENTRU IMPLEMENTAREA PROGRAMELOR IFAD
THE CONSOLIDATED UNIT FOR THE IMPLEMENTATION OF IFAD PROGRAMMES



Investing in rural people

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AWPB 2015 -ref. A3.4
Category III

TERMS OF REFERENCE

for selecting the service provider to create an electronic information system with a database aimed for storage, consolidation, analysis and monitoring of financial data of the microfinance sector

I. INTRODUCTION

In order to stimulate the growth of strategic and business agricultural activities in the rural sector of Moldova, the Government of the Republic of Moldova has signed with the International Fund for Agricultural Development (IFAD) an Agreement on the financing of the Rural Financial Services and Agribusiness Development Project Project on (IFAD V).

The component of Rural Financial Services of the Project provides funding to Savings and Credit Associations (SCA), through microfinancing organizations (MFO), for crediting their members to develop rural, on and off agricultural businesses. The importance of SCAs and microfinance organizations is recognized to ensure access of low income persons to financial sources, as well as through financial support for small and middle-sized businesses aimed to implement development and initiating ideas for different businesses in the rural area.

According to the established provisions, SCA and MFO - that play the role of intermediary of financial resources of the Project to SCA – are under the assessment and monitoring of UCIP-IFAD, under established eligibility criteria which include a series of financial indicators.

In order to monitor the eligibility of SCAs by UCIP-IFAD, it was agreed that NCFM will provide on a quarterly basis the information on the financial activities of SCAs.

The National Commission of Financial Market (NCFM), as regulatory and supervisory authority of the non-banking financial market of the Republic of Moldova, monitors and supervises their activity, including through off-site analysis of financial and specialized reports.

The financial reports are submitted annually by those more than 300 SCAs and 100 MFOs, drafted under the provisions of the National Standard of Accountancy no 63 „*Presentation of information in the financial reports of savings and credit associations and other similar institutions*”, approved by Order of Ministry of Finance no 89 of 28.10.2002. In addition, the specialized reports are presented by SCAs of category A – on a quarterly basis (approximately 240 SCAs), and by SCAs of category B – on a monthly basis (approximately 60 SCAs), under the provisions of *Instruction on reporting of savings and credit associations*, approved by NCFM no 44/8 of 08/10/2009. Therefore, during the year NCFM consolidates and analyzes about 1800 financial and specialized reports, each of them containing approximately 10 forms.

The database *Financial Expert System (FES)* used for the introduction, consolidation, analysis and storage of the mentioned reports has been elaborated in 2003 and allows both the system analysis and aggregation of provided financial data and extracting of certain indicators and ratios.

It should be mentioned the request submitted by the IMF under the Memorandum of understanding on preserving financial stability according to which, the NCFM assures the collection, generalization and provision of financial soundness indicators. These indicators represent an important tool in the process of financial stability assessment and elaboration of

measures aimed to diminish system risks. As a result, the representatives of the IMF have elaborated the forms of standard reports which are provided on a quarterly basis and comprise the data on the activity of SCAs and MFOs, and which are currently not consolidated automatically by the NCFM.

Therefore, under the continuous relevant legislative changes, including the SNC 63, as well as together with the various rising requests for analysis of prudential, non-prudential and statistical indicators, the need for improvement of the existing NCFM database, or, eventually, the creation of a new database according to the existing one by obtaining data in order to assure the evolution analysis of sector indicators and progress in the field – is required.

IFAD supports the efforts of NCFM, and therefore, shall provide financial support for improvement of the existing database by contracting an expert, who shall be selected under the procurement procedures of IFAD.

II. SCOPE OF ACTIVITY

The main objective is:

- a) to assess the database system of NCFM and accounting and management information systems of SCAs and MFOs, and
- b) to create a database system for the storage, consolidation, analysis and monitoring of financial data of the microfinancing sector (SCAs and MFOs).

The input and output reports which are stored in the database system shall comply at least with the reports provided in the Annexes by applying the electronic signature.

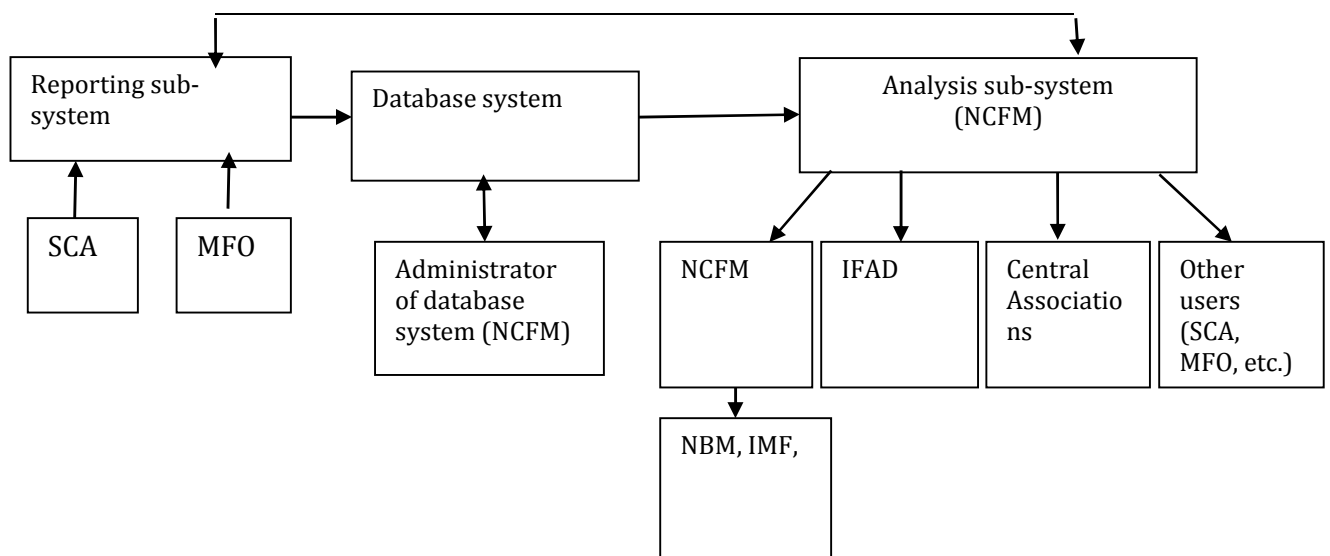
This software program will enable the subjects presenting the reports (SCAs and MFOs) to upload the reports online, being based on web technology, data import from the provided reports and drafted in Microsoft Excel format directly in the reporting forms. The database shall be configured in such a way that each violation of norms will be identified to allow for immediate corrective actions (‘alarm bell’ corrective functions).

The system will allow the monitoring of the status of reports by the subjects presenting the reports. NCFM will have the possibility to monitor in real time the data-entry process performed by the subjects presenting the reports, as well as the visualization of reported data, acceptance/rejection of reports, obtaining information about the subjects.

NCFM, as well as other operators appointed within the limits of competence, will have the possibility to analyze the data managed by the program (searching, sorting, filtering, exporting in other systems).

Model of database system shall be similar with Figure 1.

Figure 1 – Design of database system



III. TASKS SPECIFIC TO ACTIVITY

For the realization of objective, the provider shall perform the following tasks:

1. to assess the capacity of the database of NCFM – FES;
2. to assess the accounting and management information systems of SCAs and MFOs;
3. to create a database which will enable the storage, consolidation, analysis and monitoring of financial data of the microfinance sector (SCAs and MFOs);
4. to assure the compatibility and full migration of the existing database of NCFM and all SCAs and MFOs to the new database;
5. to revise and update the processes and forms of consolidation and aggregation of reports in the microfinance sector;
6. to optimize the database through assigning of simplified possibility for changes, updates and adjustments to different needs of the NCFM and/or other operators;
7. to perform a presentation and in-depth trainings for the administrator of database system (NCFM) regarding the management and use of the database (including as programmer);
8. to perform a presentation and trainings of users of database;
9. to test the database application among a selected number of SCAs and MFOs prior the submission to NCFM;
10. to provide services of maintaining and changing, if necessary, of the database during 12 months, from the date of signing the acknowledgment of fully operational functionality of the database in accordance with the specifications;
11. to adjust the database format in accordance with the new accounting standards for the microfinance sector once approved, provided that these enter into force within 12 months upon the date of signing the above mentioned acknowledgment;
12. to elaborate the following materials:
 - 12.1. guide on technical requirements of the database;
 - 12.2. guide on the use of database;
 - 12.3. guide on the administration of database system, which shall include the access keys on the installation, modification, addition of any data and functions to the database management.

IV. TERM OF TASK IMPLEMENTATION

The period established for the implementation of the task shall be specified by the company in the technical offer and shall include the time frame of implementation (*working days*) separately for each task described in paragraph III above (*plan of tasks implementation*).

V. TASKS AND RESPONSIBILITIES, REPORTING

In order to ensure a favorable environment for the implementation of task, NCFM will appoint a contact person that shall ensure the contact between the service provider and the NCFM during the period of task implementation. Moreover, this person will supervise the deadlines for the delivery of service provider reports.

NCFM shall ensure and provide to the service provider all the existing materials, a working place and a computer with internet access, if necessary.

The service provider will deliver monthly reports of the work done to the Administration Council of the NCFM. The technical approval of reports is the responsibility of Administration Council of the NCFM. The payments related to the contract shall be performed by the Consolidated IFAD Programs Implementation Unit (CPIU – IFAD), following the approval by NCFM of reports and signing the acknowledgment of fully operations of the database in accordance with the

¹As per the Government Decree no.246 dd. 08.04.2010 procurement of goods and services under the IFAD-funded programmes shall be carried out applying 0% VAT.

specifications (including receipt – delivery acts of services). All the reports shall be provided on paper (2 copies) and electronic form in the state language.

Results and reporting within this task shall refer to:

- **Initial report.** The initial report will include the following:
 1. scope, objectives and methodology of contract;
 2. working plan for the implementation of each activity, expertise field and list of deliverables;
 3. identification of the needs and establishing the obligations for the beneficiary, etc.;
 4. description of activities that have to be developed within the tasks implementation process and a plan of execution;
 5. presentation of commentaries related to any changes or activities (legal, institutional, etc.) that took place from the moment of elaboration of terms of reference and which may have an impact on the elaboration of tasks.

The initial report shall be based on the technical offer of the service provider and will be supplemented with additional necessary information acquired by the consultant during the ignition period of task. The initial report will be delivered in the state language.

- **Progress report.** The report shall include:
 1. description of the technical solution to create a database system on the storage, consolidation, analysis and monitoring of financial data of the microfinancing sector;
 2. update of processes and forms of consolidation and aggregation of reports in the microfinancing sector;
 3. description and optimization of the database by assigning of simplified possibilities for changes, updates and adjustments to different needs of the NCFM;
 4. elaboration of the software according to the technical solution and the tasks of the consultant;
 5. elaboration of the following materials:
 - i) guide on technical requirements of the database;
 - ii) guide on the use of database;
 - iii) guide on the administration of database system, which shall include the access keys on the installation, modification, completion of any data and positions to the database administration.
 6. elaboration of presentation and training of the database system administrator (including programmer) and the users regarding the administration on the use of database.
- **Final report.** This report shall contain a summary of all activities performed under the contract.

VI. ELIGIBILITY AND QUALIFICATION CRITERIA

1. Certification in the field of information technologies (the document shall be attached);
2. Staff with working experience of minimum three years in development, optimization and implementation of information systems (diploma; training certificates in the field of IT);
3. Staff with working experience of minimum three years related to IT in the microfinance sector;
4. The bidder must have a legal office/service center situated in Chisinau, [with a country-wide service and maintenance cover](#);
5. The bidder must have at least one contract executed in the last three years of similar nature, complexity and value with the contract that shall be drafted under the present reference term.

VII. EVALUATION CRITERIA

Qualification of the bidder shall be assessed according to the following criteria:

1. experience (years) of the company in the field of information technologies – 5 points;
2. staff with working experience (years) in the development, optimization and implementation of information systems – 30 points;
3. staff with IT related experience (years) in the microfinancing and/or accounting sector – 15 points;
4. number of software programs elaborated/modified in the last five years for the microfinancing institutions, with the name of the software and the company for which it was provided – 30 points;
5. the number of specialists that shall be involved in the realization of the task – 10 points;
6. management experience (years) of the team leader of the assignment in terms of handling similar tasks – 10 points.

VIII. CONTENT OF OFFER

Interested companies are required to submit their applications consisting of the following documents/information to demonstrate their qualifications:

1. The technical offer shall include:

- general data about the company: profile and experience of the company, relevant services provided in the last five years, with reference to the type of requested services;
- certification document in the field of information technologies (copy);
- list of relevant services provided in the last five years, indicating the name of the client, year of service implementation, value of contract and the scope and nature of services rendered;
- CVs of the staff which shall be involved in the above mentioned activities;
- **specification** of the programs and necessary systems, and the compatibility with the database system of NCFM;
- term and duration (hours) for the implementation of the task, detailed according to the activities (tasks time frame).

Each interested service provider may, upon making an appointment with NCFM, inspect the current database system.

2. **Financial offer shall describe in details each type of cost** by indicating the quantities in the view of the bidder, which are necessary to achieve the scope of the activity, unit price, totals and subtotals.

The cost of services shall be provided in USD dollars at 0% VAT¹. Companies which will not meet *this* requirements **will be excluded from the competition.**

IX. APPLIED METHOD OF EVALUATION:

- Assessment of bidder will be carried out according to the procedures set out in Procurement Guidelines of IFAD. The consulting company or consultants will be selected based on selection method “Quality and Cost-Based Selection (QCBS)”, the final score obtained by each company being composed of 70% of the score for the parameter, Quality” (evaluated based on technical bid) and 30% - score obtained for the parameter, Cost” (established based on financial bid).

¹ Conform Hotărîrii Guvernului RM nr.246 din 08.04.2010, achizițiile de mărfuri și servicii în cadrul Programelor IFAD se efectuează prin aplicarea TVA la cota 0%.

¹As per the Government Decree no.246 dd. 08.04.2010 procurement of goods and services under the IFAD-funded programmes shall be carried out applying 0% VAT.

- The financial offer will be opened only if the provided technical offer will pass the minimum technical score of 70 percent of the maximum score.

X. CONDITIONS FOR SUBMITTING THE OFFERS:

- **The set of documents shall include the Technical offer** (original and copy) and **Financial offer** (original and copy), **each of them being sealed in separate envelopes** (4 envelopes) **and all of them in a common envelope, as well sealed.** The envelope shall have the name of the bidder, contact person and phone number, email, name of competition.
- The set of documents shall be submitted at the office of UCIP-IFAD: 162 Stefan cel Mare si Sfint Boulevard, office 1303, not later than **November 20, 2015, 10:00.**
- Electronic bidding will be not permitted. Late bids will be rejected.
- UCIP-IFAD has the right to cancel the tender at any stage of competition because of the impossibility of financial coverage or for reasons of non-compliance of offers with the requirements established in the tender documents or any other grounded reasons.
- Any request for clarification must be sent in writing by standard electronic communication to office@ifad.md.

These ToR contain the following attachments:

1. Annex 1:
 - a) List of Input and Output reports;
 - b) Set of reporting forms of MFIs and SCAs for monthly/quarterly and annual reporting.
2. Annex 2:
 - Financial Prudential Norms for SCAs.

Annex 1a

Input reports in the database system of microfinancing sector, including under the provisions of National Accounting Standards and Instruction on the reporting of savings and credit associations (decision of NCFM no 44/8 of 08/10/2009):

- 1) Report on the financial situation;
- 2) Report on incomes and expenses;
- 3) Report on the cash flow;
- 4) Report on the maturity of assets and obligations sensitive to interest rate;
- 5) Report on the classification of granted loans and related interests for setting up provisions;
- 6) Report on the value and debts recorded in balance sheet accounts;
- 7) Report regarding other information;
- 8) Annex to the Report on financial situation;
- 9) Annex on incomes and expenses;
- 10) Report on compliance of financial prudential norms;
- 11) Report on the classification of assets and liabilities by institutional sectors;
- 12) Report on the classification of current accounts, deposits and bank credits received from each institution.

Output reports in the database system of microfinancing sector (associations of savings and credits and microfinancing organizations):

- 1) The consolidated report for the system of savings and credit associations and microfinancing organizations, according to the presented financial and specialized situations;
- 2) The report on standard and expired loans, separately for each reporting entity and consolidated;
- 3) The report on analysis of different positions related to the financial situation (as well as other annexes), separately for each reporting entity and consolidated;
- 4) Separate report for each reporting entity of data on performance indicators requested by the Crediting Manual of IFAD;
- 5) The consolidated report of data related to the requirements submitted by the IMF (under the Report on classification of assets and liabilities related to institutional sectors; Report on the classification of current accounts, deposits and bank credits received for institutions).

Annex 1b (attached)

Annex 2 (attached)