



No. BIRD.LKO/CRFIM/ 1308 /Study-19/ 2020-21
22 January 2021

Limited RFP by Invitation

Dear Sir,

Study on “One Decade of MFI Crisis: Revisiting Rural Credit Market in Andhra Pradesh” – Request for Proposal

The Centre for Research on Financial Inclusion and Microfinance (CRFIM), formerly Centre for Microfinance Research (CMR), established in Bankers Institute of Rural Development (BIRD), Lucknow invites proposal from experienced agencies for undertaking captioned study in Andhra Pradesh and Telangana.

2. The details indicating terms of references, methodology, sample size and other relevant information and format for submitting technical and financial proposal are enclosed for your ready reference.

3. The technical and financial proposal shall be submitted with all the requisite information latest **by 17:00 hrs on 12 February 2021**. The **Pre-Proposal meeting will be held on 05 February 2021, 15:00 hrs** through on-line mode to clarify queries regarding the proposal. In this regard, the link will be shared through e-mail.

4. The proposals have to be submitted in a sealed cover containing two separate sealed covers (i) Volume-I (Technical proposal) and (ii) Volume-II (Financial proposal). Cover should be clearly superscribed as " *Study on One Decade of MFI Crisis: Revisiting Rural Credit Market in Andhra Pradesh*" addressed to **Director, Bankers Institute of Rural Development, Sector- H, LDA Colony, Kanpur Road, Lucknow-226012**. Each page of the proposal should be signed and stamped. All queries in relation to the proposal may be sent to The Director, BIRD by email at cmr.bird@nabard.org and bird@nabard.org.

Thanking you,

Yours faithfully,

Sd/-
(Mukesh Vats)
Joint Director,
BIRD, Lucknow

Encl: As stated



सं. बर्ड. लखनऊ / सीआरएफआईएम / 1308 / स्टडी-19 / 2020-21
22 जनवरी 2021

आमंत्रण द्वारा प्रस्ताव हेतु अनुरोध

महोदय,

Study on “One Decade of MFI Crisis: Revisiting Rural Credit Market in Andhra Pradesh” – प्रस्ताव हेतु अनुरोध

वित्तीय समावेशन और सूक्ष्मवित्त अनुसंधान केन्द्र (सीआरएफआईएम), पूर्ववर्ती सूक्ष्मवित्त अनुसंधान केंद्र (सीएमआर), बैंकर ग्रामीण विकास संस्थान (बर्ड), लखनऊ के अंतर्गत स्थापित है। केन्द्र अनुभवी एजेंसियों से आंध्रप्रदेश एवं तेलंगाना राज्यों में अध्ययन हेतु प्रस्ताव आमंत्रित करता है।

2. तकनीकी एवं वित्तीय प्रस्ताव प्रस्तुत करने हेतु प्रारूप संलग्न है जिसमें आवश्यक शर्तें एवं अन्य संगत सूचनाएं निहित हैं।

3. सभी संगत सूचनाओं सहित तकनीकी एवं वित्तीय प्रस्ताव दिनांक 12 फरवरी 2021 को शाम 5 बजे तक जमा करना होगा। इस संदर्भ में किसी भी प्रकार की सहायता हेतु, प्रस्ताव-पूर्व मीटिंग दिनांक 05 फरवरी 2021, अपराह्न 3 बजे, आनलाइन माध्यम से होगी। इससे संबंधित लिंक आपको ई-मेल के माध्यम से भेजा जाएगा।

4. यह प्रस्ताव एक सीलबंद लिफाफे के अंदर दो अलग-2 सीलबंद लिफाफे में उक्त समय तक जमा करना होगा जिसमें एक लिफाफे के ऊपर खंड-1 (तकनीकी प्रस्ताव) तथा दूसरे लिफाफे के ऊपर खंड-2 (वित्तीय प्रस्ताव) अंकित होना चाहिए। लिफाफे के ऊपर, उपर्युक्त शीर्षक Study on “One Decade of MFI Crisis: Revisiting Rural Credit Market in Andhra Pradesh” स्पष्ट अक्षरों में लिखा होना चाहिए, जो निदेशक, बैंकर्स ग्रामीण विकास संस्थान, सेक्टर-एच, एल.डी.ए. कालोनी, कानपुर रोड, लखनऊ, को संबोधित होना चाहिए। सभी पृष्ठों पर मुहर सहित हस्ताक्षर अनिवार्य है। इस संदर्भ में किसी भी सहायता हेतु आप हमारी ई-मेल आईडी cmr.bird@nabard.org एवं bird@nabard.org पर संपर्क कर सकते हैं।

धन्यवाद सहित सादर!

भवदीय

ह.

(मुकेश वत्स)

संयुक्त निदेशक,

बैंकर ग्रामीण विकास संस्थान,

लखनऊ।

संलग्नक: यथोक्त।



1. Backdrop:

The MFIs movement in India originated in Andhra Pradesh in late 1990s. It was epicentre of the microfinance industry in India. In 2010, out of the 30 million households using microcredit in India, one third, were in Andhra Pradesh. It was further estimated that in 2010, average debt outstanding per poor household in Andhra Pradesh was Rs. 65,000 as compared to a national average of Rs. 7,700. The reason for such over indebtedness among the poor household was primarily due to the multiple lending due to strong presence of MFIs and state backed microfinance programmes through SHGs as well.

In order to restrict the activities of microfinance companies in the state in December 2010, Andhra Pradesh Government brought out an ordinance in the name of “The Andhra Pradesh Microfinance Institutions (Regulation of Money lending) Act, 2010”, which resulted in suspension of almost entire MFIs’ operations in the state and also slowed the growth of the industry in the entire country as well. Since banks, whose funds constitute 80 - 85 percent of lending resources of MFIs industry, had slowed down their loans. However, the crisis has been managed by RBI with series of regulatory changes. The MFIs have gradually shifted their operation from Andhra Pradesh to other geographical parts of India. A large number of MFIs of various categories which were meeting the credit needs of over 62 lakhs micro borrowers with an outstanding loan portfolio of about 5,210 crore in Andhra Pradesh during 2010 which included the present Telangana state . Over the year the number of operating MFIs have drastically reduced. Currently, in year 2020, there are only four MFIs which are operating with a client base of merely 2.57 lakhs with outstanding loan portfolio of only 783 crore.

Therefore, in absence of MFI loans in both Andhra Pradesh, it is proposed to conduct the study “*One Decade of MFI Crisis: Revisiting Rural Credit Market in Andhra Pradesh*” to examine the credit sources of micro borrowers. In the proposal, reference to Andhra Pradesh includes the parts now forming Telangana state.

2. Terms of References

The specific terms of references of the study are as follows:

- i) To diagnose the causes of the massive debt bubble in Andhra Pradesh
- ii) To analyse the impact on rural credit market of Andhra Pradesh in the post MFI crisis period



- iii) To assess the growth of SHGs credit linkage and microfinance in Andhra Pradesh, post crises period
- iv) To assess the credit sources for clients in the absence of MFIs loans
- v) To analyse the challenges in accessing credit from the alternative sources
- vi) To identify the best practices in microfinance, if any, in the post MFI crisis period.

3. Methodology:

The study will be based on empirical facts i.e. analysis of primary data collected through sample survey, focus group discussion, analysis of secondary data collected through various sources, review of literature etc. Districts and borrowers will be selected, using purposive random sampling technique.

3.1. Sample Size:

The study will cover both Andhra Pradesh and Telangana

- **Selection of Districts:** A total of six districts, two from Telangana and four from Andhra Pradesh covering two different geographical regions viz. Coastal Andhra and Rayalaseema, will be identified as sample districts for the study. The following criteria will be adopted for identification of districts:
 - Districts which had higher MFI loan outstanding in pre crises period
 - Districts having high SHGs loan outstanding as of March 2010.
 - Presence of large scale project related to SHGs and geographical diversity of the districts will also be taken into consideration for identification of districts.

Based on the given criteria the final selection of districts will be made in consultation with BIRD & Andhra Pradesh/ Telangana Regional Offices of NABARD and the identified agency.

- **Selection of Borrowers:** Fifty micro borrowers from each district associated with various promoting institutions, such as SERP, MFIs, cooperative credit institutions etc. will be interviewed as a part of the study.

In addition to above sample units, the study will also cover various stakeholders in SHG promotion, viz., DRDA officials, bankers, MFIs, Lead District Manager, District Development Manager of NABARD etc.

4. Deliverables:

- Submission of draft report (Two copies) – 04 months from date of award of contract
- Submission of final report within 15 days of approval of the draft report



- Submission of Final Report (10 copies) in the form of printed booklet - 06 months from date of award of contract
- Presentation of Final Report

Hard and soft copies (downloadable format) of the final report together with copies of data analysis and responses from the respondents shall be submitted to The Director, Bankers Institute of Rural Development, Sector: H, LDA Colony, Kanpur Road, Lucknow: 226012, Email: bird@nabard.org, cmr.bird@nabard.org.

5. Eligible Agencies and Study team:

- The Agency should have been in operation for at least 3 years as on 31st March 2020. (To submit the proof in this regard)
- The Agency should have average annual turnover of Rs.25 lakh from advisory/ consultancy in each of the last three financial years.
- The agency and Principal Investigator (PI) should have good academic / domain expertise and experience in similar studies with proven track record. The Project Lead should form a multidisciplinary team to undertake the study, considering the diversity of the topics to be covered. Proposal with a strong multidisciplinary teams will only be considered. Except some part of survey works for data collection, study cannot be outsourced by the agencies entirely or partly and has to be attended by the Agency/ Study Team, directly.
- The Agency must have prior experience of handling similar type of assignments for GoI, State Govt., other Public Institutions, International Agencies, etc. (To submit proof in this regard)
- Only organisations with domain expertise are eligible to apply for the assignment.

6. Selection Procedure:

The applicant needs to submit the proposal in prescribed application format (Annexure I & II). The proposals will be examined both in terms of technical and financial parameters. Technical parameters includes merit of study proposal, reputation of institutions, past experience and expertise of the agency as well as Principal Investigator (PI) of the study. Agencies who have secured the minimum score (Quality Score – QS) in the technical evaluation will be eligible for evaluating financial bids. If required, the agencies may be asked to make presentation preferably in the online mode before the Screening Committee. Based on the merit and appropriateness of the proposals, agencies



will be selected for awarding the study. BIRD's decision in this regard will be final and no further correspondence will be entertained.

All queries regarding the notification may be sent to the Director, BIRD, by email at bird@nabard.org & cmr.bird@nabard.org. The queries should be pertinent to the present assignment and RFP document.

7. Evaluation Process:

- Screening Committee in BIRD will evaluate the proposals submitted by the Agencies. The weightage for technical and financial bids for the proposals submitted by the agencies will be 70% and 30% respectively.
- The following broad criterion will be adopted to evaluate the technical bids:

Sr. No.	Particulars	Maximum Marks for evaluation
1	Agency's Profile	10%
2	Projects/survey completed by the Applicant, Previous experience of the agency as also experience of BIRD/CRFIM/NABARD with the agency, if any	20%
3	CVs of Professionals to be engaged in the assignment with emphasis on the similar work undertaken & manpower	20%
4	Methodology, approach and expected outcome defined in the proposal	40%
5	Infrastructure/Technological competence of the Agency	10%

- Agencies who have secured the minimum score (Quality Score - QS) of 70 at the technical evaluation will be eligible for evaluating financial bids. BIRD shall inform in writing to the agencies the time and location for opening of financial bids. However, the attendance of the agencies at the opening of Financial Bids is optional, but it shall be recorded and signed by all present.
- For evaluating financial proposal, the bid with the lowest cost shall be given a highest Cost Score (CS) of 100 and other bids would be given CS that is inversely proportional in relation to their prices. For example if there are three eligible agencies, who have secured minimum Quality Score of 70 and quoted a price of Rs. 120, Rs. 100 and Rs. 110. Therefore, the Cost Scores of the agencies will be as under:

$$\text{Agency 1} = (100/120) \times 100 = 83 \text{ points}$$



Agency 2 = $(100/100) \times 100 = 100$ points

Agency 3 = $(100/110) \times 100 = 91$ points

- The 'Total Score' (TS) for each Agency will be calculated by weighing the respective QS (Quality Score) and CS (Cost Score) as per the formulae ($TS = 0.7 \times QS + 0.3 \times CS$). On the basis of combined weighted score for quality and cost, the Agencies shall be ranked in terms of total score obtained. The bid obtaining the highest total combined score in evaluation of quality and cost will be ranked as H -1 followed by the bids securing lesser score as H2, H3, etc.
- The Evaluation Committee is empowered to correct any computational errors. When correcting computational errors, in case of discrepancy between a partial amount and the total amount, or between word and figures the former will prevail. In addition, activities and items described in the Technical Bid but not priced, shall be assumed to be included in the prices of other activities or items.

8. Time Frame of the Project:

The study has to be completed in all respect within 04 months from the date of acceptance of the offer/terms and conditions of the project. The agency has to submit the draft study report well in advance for vetting by BIRD. Extension of time period will not be allowed under any circumstances.

9. Final acceptance of the Report:

The draft report will be reviewed by the experts (internal/external) and comments will be communicated to the agency for incorporating and modifying the report. The agency may be asked to present the modified report in BIRD/CRFIM before the Screening/Expert Committee which will finalize the report/or suggest further modification for refining the report.

10. Budget and Release of fund

- The applicant may submit the financial proposal (in Annexure – II) along with the Technical Proposal for the study. The financial proposal must be acceptable to BIRD for award of the study.
- On acceptance of the terms and conditions of the study, 20% sanctioned amount will be released to the agency, as advance payment at the signing of the agreement. The remaining amount will be released in instalments @ 25% after successful completion



of the field study, 35% on acceptance of draft report and the remaining 20% after accepting the final report by BIRD. Agency to refund advance with 6% interest p.a if it fails to complete the study in time.

- If at any stage, the progress on study design/ field work/ draft report is not found satisfactory by BIRD/CRFIM, the remaining instalment of fee will not be released to the agency. Further, the agency shall be liable to refund the entire amount released in case of not submitting the report to the satisfaction of BIRD or failure in timely submission of draft report or abandoning the project before completion.
- The agency has to ensure that the Principal Investigator identified for the study is not changed till the study is completed in all respect. If at all it is essential to do so then the agency has to seek prior approval of BIRD.

11. Responsibilities :

- The agency awarded with the study has to accept the terms and conditions of the project within two weeks of the receipt of the offer letter. The date of acceptance of the offer may be considered as the date of commencement of the project. The agency has to adhere to the time schedule as approved for the study.
- Monthly Progress Report (in addition to ad hoc progress reports) of the study has to be submitted to BIRD regularly, within 5 days of completion of respective period.
- BIRD shall have the sole right to use the report or results of study for its internal use, for training purposes and/or any other manner/purpose it likes.
- Any statutory obligation arising out of the study Project / Programme, such as payment of income tax, etc. shall be the exclusive responsibility of the agency. Exemption, if any, is required to be sought by the agency from the competent authority and file the certificate of exemption with BIRD to avoid deduction at source. The details of this may be stated in the proposals.
- BIRD retains the right to withdraw the sanction and recall the amount released in case of study being a non-starter or in cases of unsatisfactory progress/ unwarranted delay.
- Agency shall be solely responsible for veracity of authentic source of any information/facts/data presented in the report.
- The agency shall not assign or subcontract the study project works except some part of survey works for data collection.
- The assessment studies, collected data in both raw as well as processed format, data analysis, reports, case studies and any other intellectual property / deliverables



prepared and submitted by the selected agency, BIRD shall be the sole owner of all intellectual property rights in such deliverables.

- The agency shall deliver all the documents / deliverables/primary and secondary data both in hard and soft forms to BIRD, together with a detailed inventory thereof, prior to termination or expiration of the project / survey.
- The agency shall not use these documents for any purpose other than related to the project without the prior written approval from BIRD.
- The agency shall consult CRFIM on study design and seek approval from BIRD-CRFIM at critical stages of the study.

12.Supporting Documents:

The agency has to submit the following documents along with the Technical and Financial proposal –

- (a) The copy of the certificate of registration of the Institution;
- (b) Copy of latest balance sheet and
- (c) Evidence of previous experience as mentioned in Annexures .



Technical Proposal

Study on “One Decade of MFI Crisis: Revisiting Rural Credit Market in Andhra Pradesh”

(Please attach additional sheets if required for furnishing the complete information)

A. Organisation Details			
1	Name of the Organisation and address:		
2	Contact detail of the head of the agency/institution/organisation	Name: Designation: Phone No: Fax No. E-mail address:	
3	Contact detail of the nodal person for the purpose of this Proposal.	Name: Designation: Phone No: Fax No. E-mail address:	
4	Registration Number with Year		
5	Nature of the organisation e.g. whether registered under Section 8 of the Companies Act, 2013/an autonomous body of the Central /State Government / Academic or Research Institution etc.		
6	Objectives of the organisation (as per statute/Articles of Association etc.)		
7	Overview of the activities undertaken by the organisation.		
8	Main fields of work		
9	Details of Regional/State offices, if any.		
10	Regular Staff strength of the organisation	Directorial/ Administrative	
		Academic/Market Research	
		Key Managers Personal	
		Accounts/Finance	
		Support Staff	



11	Annual turnover of the organisation in last 3 years (Rs in Lakh)	2017 – 18	2018 - 19	2019 - 20
12	Details of the projects undertaken in last 3 years, broadly similar to the proposed Study: A. Name & Nature of Project(s) B. Year of commencement C. Cost of project D. Fee earned by the organisation under the project E. Nature of responsibility undertaken F. Organisation for which undertaken G. Year of completion.			
13	Whether the organisation has ever been blacklisted by Central Ministry/Deptt. Or State Govt.? If yes, details.			
14	Any other related relevant information which the organization wishes to furnish.			
B. Study Proposal				
1.	Study Proposal details : (Approach note indicating, objectives, hypotheses, detailed research methodology including sampling technique, statistical analysis proposed, chapterisation plan, activity wise timeline, expected outcome - inputs to new policy or change in existing policy etc. may be submitted)			
2.	Details of Principal Investigator (PI) of the proposed study: (Attach a brief bio-data indicating name, designation, contact details, qualification, specialised area, experience, important publications, research projects / schemes undertaken/ being carried out, etc.)			
3	Name / designation of other research staff to be associated with the project: (Attach a brief bio-data indicating his/her qualification, specialised area, experience, important publications, important research projects / schemes			



	undertaken, being carried out, separately for each person.)	
C. Certificate / Undertaking:		
	We undertake:	
1	To commence and complete the Study as per the approved time schedule.	
2	That the study will be open to any designated team of BIRD at any point of time.	
3	To submit periodic expenditure statement and utilisation certificates prescribed by BIRD from time to time.	
4	That we shall not publish the reports or results of study without written prior permission from BIRD.	
D. Bank Account Details:		
1	Name of the account holder to whom the payment is to be made (as appearing in the bank account) :	
2	Name, Address & Contact details of the Branch :	
3	Account Number :	
4	RTGS /NEFT/IFS Code :	
5	Type of account (Savings / Current etc.)	
6	Permanent Account Number (PAN) of the Agency	
7	Whether exempted from TDS? If yes, attach the copy of exemption certificate as per Section 194 J of Income Tax Act, 1961	

1. Signature

Name and Designation

Date :

(Principal Investigator)

2. Signature

Name and Designation

Date :

(Head of the Institution)



Financial Proposal
Study on “One Decade of MFI Crisis: Revisiting Rural Credit Market in Andhra Pradesh”

Description	Amount (Rs.)
Fixed Lump sum Costs excluding GST (in Rs.)	
In Indian Rupees in words:	

Note:

- 1) No escalation on any account will be payable on the above amount.
- 2) All payments shall be made in Indian Rupees and shall be subject to applicable Indian laws, withholding taxes if any.
- 3) The fee quoted above shall be exclusive of GST. GST at the applicable rate will be paid extra by BIRD.

(Signature, Name and Designation of the Authorized Signatory's)

Name of the Firm:

Address:

Date: