



MINISTRY OF FINANCE

REQUEST FOR EXPRESSIONS OF INTEREST

(CONSULTING SERVICES – FIRMS SELECTION)

Name of Project	Ghana Financial Sector Development Project (GFSDP)
IDA Credit No.	6310 GH
Assignment Title	Short Term Technical Assistance for Implementation of VSLA Linkage Programme
Reference No.	GH-MOF-FSD-317024-CS-QCBS
Location	Zone 1-Volta and Oti Regions

The Ministry of Finance (MoF) has received financing from the World Bank towards the cost of the Ghana Financial Sector Development Project (FSDP), with the objective to promote financial sector soundness and access to financial services by individuals. Component 2.4 of the FSDP seeks to support the linking of Village Savings and Loans Associations (VSLAs) to formal financial services providers (FSPs).

In Ghana, savings groups (including VSLAs) have a large member base with a substantial amount of savings and outstanding loans. According to the Savings Groups Information Exchange¹ data for 2021, there are 34,112 savings groups (SGs) in Ghana, comprised of 852,800 members (an average of 25 members per group). These groups have approximately US\$15 million in savings and US\$8 million in outstanding loans. VSLAs are located mainly in the peri-urban and rural areas and women comprise the majority members (83%). The average income of members is GHC 500 or less and groups are mostly self-managed with support from NGOs or Community Volunteers.

VSLA groups, like most savings groups, are limited in scope and capacity to deliver a wide range of financial products and services to members. These groups can provide savings and credit up to the amount contributed by members. It is therefore important to formally link members of the savings groups to formal financial service providers who are well equipped to provide affordable and appropriate financial products and services to the financially excluded in Ghana. Linkage provides VSLA members with the opportunity to open group and individual accounts, allowing them to safely store their money and generate transactions histories needed to access other types of financial services. Linkages also give VSLA members access to e-wallets and the opportunity to transact more conveniently.

In its bid to increase financial inclusion in Ghana, the MoF has initiated a Linkage Program to link VSLAs to formal FSPs. The program is targeted at the least financially included regions of Ghana and will provide VSLAs the opportunity to interact with the formal financial sector.

As part of the program design, a Landscape Study was conducted into the VSLA landscape of Ghana, and it was established that: (i) VSLAs in the least financially included regions are willing to be linked to FSPs; (ii) Facilitating Agencies (FAs) are willing to partner with FSPs and link VSLAs; (iii) FSPs are willing to be linked with VSLAs, and (iv) there are Fintech's who are ready to provide the necessary technological support to make the linkage a success. The Study also established that the groups have a high demand for savings and loans, as well as capacity building and support in revenue generation activities. Moreover, the Study established that there is potential

¹ Savings Groups Information Exchange (SAVIX) and Partner Agencies

for successful linkages as FSPs, Facilitating Agencies, and mobile telephony services are available in the proposed project regions.

Based on the findings of the Landscape Study, the VSLA Linkage Program was designed for implementation in 10 regions – Ahafo, Bono, Bono East, Northern, North East, Savannah, Upper East, Upper West, Oti and Volta.

These regions are grouped into Zones

- Zone 1 Volta and Oti Regions
- Zone 2 Ahafo, Bono, Bono East Regions
- Zone 3 Northern and Savannah
- Zone 4 Upper West, Upper East and North East Regions

The Program seeks to engage a Consortium of Linkage Facilitating Agencies (e.g., Consulting Firms, NGOs and CSOs) and FSPs to develop financial products that respond to the needs of the VSLA members, thus enabling VSLA members' access to and use of appropriate financial products and services. The consortium, to be led by a Facilitating Agency, must include a FSP and contemplate the delivery of digital financial services. Inclusion of Fintech's is encouraged. **Each Consortium is to bid for not more than two Zones.**

This assignment will be undertaken in **Zone 1 - Volta and Oti Regions**. The objective of the assignment is to implement a VSLA Linkage Program to link approximately 319 existing VSLA groups in the Volta and Oti Regions to formal FSPs. The Program will target women (who form majority of VSLAs' members) and the poor. The aim is not to transition VSLAs to become formal FSPs but to give them the opportunity to interact with the formal financial sector and be a vehicle of formal access.

The selected consulting firm with the support of the FSDP Secretariat and the Steering Committee, is expected to carry out the following activities;

- Identify and engage existing VSLA groups in the target regions who are willing to be linked to formal FSPs.
- Assess the readiness of the VSLAs for the linkage and build any needed capacity (e.g., develop training materials, deliver training programs, etc.) of the VSLA members to enable their readiness for linkage;
- Build the capacity of VSLA members in financial and digital literacy;
- Building the capacity of FSPs and Fintech's who may be potential partners in the linkage on the VSLA methodology;
- In line with the overall Linkage Program, propose suitable VSLA linkage sub-program in the target region, including products and solutions, detailed targets, and expected outcomes, using affordable and efficient delivery methods.
- Develop and propose for adoption a standard on-boarding VSLA linkage guide;
- Implement the linkage program within the agreed timeline and budget;
- Maintaining a reliable, accurate and verifiable database on VSLAs linkage activities, costs, outputs, and results;

- Facilitate coordination and synergies between VSLAs and members of the consortium (Including FSPs/ FinTech's/MMOs);
- Provide quarterly progress reports to the MoF highlighting results achieved against targets for the reporting period.
- Provide end of project reports highlighting results achieved against contractual targets, success stories, lessons learnt and challenges if any

The consortium will work closely with the MoF and the Project Steering Committee to effectively implement the Program.

The consortium will be required to operate from their official premises and travel to the target regions where need be. The Consortium should indicate the location of their official premises

The detailed Terms of Reference (TOR) for the assignment can be obtained from <http://www.mofep.gov.gh>, fsdp@mofep.gov.gh or the address below.

The Ministry of Finance (MoF) now invites eligible Consulting Firms (“Consultants”) to indicate their interest in providing the Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the services.

The project will be implemented in the **Zone 1-Volta and Oti Regions** by a consortium led by a Facilitating Agency (FA) and including FSP (s). The Consortium should have the following experiences:

Experience in forming and developing VSLAs

- Demonstrate focus on financial inclusion, economic empowerment, and business facilitation;
- The FA must be a registered company, a Non-Governmental Organization (NGO) or Civil Society Organization (CSO) under Ghanaian law;
- At least eight (8) years of experience in the formation, training, and management of VSLA groups including Savings Group Management Information Systems (SAVIX);
- Proven record of facilitating existing VSLA groups;
- Proven experience working with women, the poor, the marginalized and other vulnerable groups;
- At least five (5) years of experience working with financial service providers; and
- Must have a presence in the proposed zones.

Experience in providing financial services to low-income and poor people (including VSLAs)

- Financial service provider registered under the laws of Ghana;
- Has the capacity to serve rural communities; and
- Proven experience in the provision of products and services to informal groups.

Experience in developing and providing digital solutions to low-income and poor people (including VSLAs) will be an added advantage.

- Registered to do business in Ghana;
- Have experience in customer on-boarding systems, digital identification services, Point of Sale (POS), mobile money, and digital payment solutions; and
- Experience in the provision of innovative financial services for groups.

Key Experts will not be evaluated at the shortlisting stage.

The attention of interested Consultants is drawn to Section VII, paragraphs, 7.36 and 7.37 of the World Bank's "Procurement Regulations for IPF Borrowers" July 2016 ("Procurement Regulations"), revised November 2017, August 2018, and November 2020.

Consultants may associate with other firms to enhance their qualifications but should indicate clearly whether the association is in the form of a joint venture and/or a sub-consultancy. In the case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

A Consulting Firm will be selected in accordance with **Quality and Cost Based Selection (QCBS) Method** set out in the Procurement Regulations

Further information can be obtained at the address below during office hours from 0900 hours to 1600 hours GMT or through fsdp@mofep.gov.gh

Expressions of Interest must be delivered in a written form to the address below (in person, by mail or by e-mail) **by 5:00pm GMT on October 28, 2022** to the address below. Envelopes must be marked **"Expression of Interest for Firm to Short Term Technical Assistance for Implementation of VSLA Linkage Programme (Zone 1-Volta and Oti Regions)"**

Address – For Submission of Expressions of Interest:

Attention: Project Coordinator

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For further enquiries you may also contact the Project Coordinator and the Procurement Specialist under mentioned Email Addresses:

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