TERMS OF REFERENCE

Integrated Microfinance Lending and Financial Management Solution (ERP & Core Loan Software) for Grameen Impact Albania

Albanian-American Development Foundation (AADF)
on behalf of Grameen Impact Albania Sh.a.
Tirana, Albania

1. About AADF

The Albanian-American Development Foundation (AADF) is the legacy organization of the Albanian-American Enterprise Fund (AAEF), a foreign assistance initiative of the United States Government targeting the development of a strong private sector in post-communist Albania. Established in 2009, AADF is one of the largest not-for-profit organizations in Albania. As an American institution operating in the country, AADF follows advanced philanthropic approaches while focusing on building and supporting models with national-scale impact.

2. Introduction

Grameen Impact Albania Sh.a. (GIA) is a newly established microfinance institution in Albania, currently in the licensing process with the Bank of Albania. The Institution is jointly supported by AADF and Grameen Trust Bangladesh and will apply the Grameen group-based lending methodology to serve low-income households, women borrowers, and microentrepreneurs in rural and peri-urban communities, beginning operations in Elbasan.

GIA will initially operate with unsecured microloans delivered through a group-lending methodology based on social collateral rather than physical collateral. The solution procured under this ToR must therefore be optimized for a lean, field-based microfinance operation rather than a broad commercial banking environment.

3. Purpose of this RFP

The purpose of this RFP is to select a qualified software vendor to supply, implement, configure, integrate, train users on, and support an integrated Core Loan / microfinance lending system and essential ERP/accounting solution tailored to the operational, financial, regulatory, and social mission needs of Grameen Impact Albania.

This RFP does not prescribe or favor any specific brand, software product, technology stack, database, cloud provider, core banking product, ERP product, payment provider, or proprietary architecture. Vendors may propose a single integrated platform or an integrated suite of interoperable systems, including third-party components, provided that the selected vendor remains fully responsible for end-to-end delivery, integration, data consistency, unified reporting, support, SLA compliance, data ownership, and exit assistance.

Any reference in this ToR to standards, APIs, hosting models, security controls, modules, reports, or technical mechanisms shall be understood as a minimum functional requirement or as an example. Equivalent or superior approaches are acceptable where the bidder demonstrates functional, technical, regulatory, security, and operational equivalence.

The proposal must clearly distinguish mandatory Phase 1 functionality from optional or future-phase functionality. Optional functionality may improve the proposal but shall not be allowed to inflate or complicate the mandatory launch scope unless expressly accepted by GIA.

4. Business Model and Grameen Methodology Requirements

The proposed solution must support the specific business model of GIA. The system should not merely provide generic loan administration functionality; it must support the operational logic of Grameen-style microfinance.

- Target clients: low-income individuals, with a focus on poor households, women borrowers, and microentrepreneurs.
- Initial products: unsecured microloans (Individual Consumer and Microenterprise), with no physical collateral requirement.
- Lending methodology: group-based lending using social collateral and repayment discipline.
- Field operating model: loan officers manage borrower groups and centers, conduct meetings, support applications, collect or verify repayments, and monitor arrears.
- Social impact objective: the system should allow collection of basic poverty, household, gender, business, and impact indicators.

4.1 Baseline Operating Assumptions and Sizing

Bidders must price the Launch baseline and provide unit rates for growth. Assumptions must be validated during inception. Any different assumptions, exclusions, dependencies or price impacts must be clearly stated in the proposal.

Metric	Launch (2027)	End Year 1 (2028)	End Year 3 (2030)
Branches	1 (Elbasan HQ + Branch)	1–2	2–3
Total Headcount	11	12	16
Loan Officers / Center Managers	2	3	7
Active Borrowers (approx.)	~200	~600	~3,000
SMS / notifications per month (est.)	1,000–3,000	5,000–15,000	40,000–80,000
Daily repayment transactions (est.)	50–150	200–500	1,500–3,000
Named users (all categories, approx.)	11–15	12–20	16–25
Concurrent users (peak, est.)	8–12	10–15	15–20

User licensing must cover administrators, finance/accounting, branch users, supervisors, loan officers/field users (including mobile/offline), and read-only/reporting users. Pricing models (named-user, concurrent, field-officer, mobile) must be clearly stated.

5. Objectives

- Automate and digitize the full unsecured microloan lifecycle for the planned products, from client registration and group formation to application, appraisal, approval, disbursement, repayment, arrears management, repeat loan eligibility, and closure.
- Support Grameen-style groups, centers, field officer assignments, group meeting schedules, attendance, and group-level repayment monitoring.
- Provide an integrated General Ledger and essential ERP/back-office accounting functionality suitable for a start-up microfinance institution, with automated double-entry postings.
- Support integration with relevant external systems, including the Bank of Albania credit registry, payment service providers, and SMS/notification gateways.
- Ensure secure access, role-based controls, MFA, encryption, audit logs, backup, disaster recovery, and compliance with Albanian personal data protection law.
- Provide mandatory offline-capable mobile access for field officers for core activities.

- Provide a modular architecture that supports future institutional growth without requiring GIA to procure unnecessary full-banking modules at launch.

6. Scope of Work

6.1 Mandatory Phase 1 Functional Scope

6.1.1 Client, Group and Center Management

- Centralized client profile and unique client identifier.
- Capture of national ID, address, contact details.
- KYC document capture (ID scan/photo, proof of address, client photograph) and AML screening fields.
- Household profile, household size, dependents, income sources, housing status.
- Social-impact indicators (gender, poverty level, occupation, business, first-time borrower flag, geographic classification).
- Group and center creation, member assignment, member exit/replacement, and group status tracking.
- Field officer, branch and supervisor assignment to groups and centers.
- Meeting schedule, attendance and group discipline records.
- Configurable eligibility rules for first and repeat loans, attendance thresholds and group standing.
- Client status lifecycle (prospect, member, active borrower, dormant, exited, blacklisted).
- Basic financial analysis and credit proposal support.

6.1.2 Loan Product Factory

The solution shall support at minimum the Institution's planned products (exact parameters to be confirmed with GIA during design):

- Individual / Consumer microloans: approximate range LEK XX,000 – XXX,000; indicative rate ≈ XX % p.a.; term 6–24 months; monthly or semi-monthly instalments; daily penalty on overdue amounts.
- Microenterprise loans: approximate range LEK XXX,000 – X,000,000; indicative rate range XX.xx % – XX.xx % p.a.; term 6–24 months; monthly instalments; defined daily penalty.
- Repeat-borrower preferential terms (lower rates, higher amounts where appropriate, simplified approval) based on repayment history.

Additional mandatory product-factory capabilities:

- Interest methods including declining balance and flat rate (where legally permitted and approved by GIA).
- Configurable rate ceilings adjustable without vendor change order.
- Weekly, bi-weekly, monthly or customized repayment schedules, including early repayment.
- Configurable fees, penalties, grace periods, holidays, write-offs, rescheduling and early-repayment rules.
- Loan-cycle management (first loan, repeat loan, graduated amount limits, repayment-history-based eligibility).
- Day-count convention, instalment rounding, final-instalment treatment, schedule regeneration after partial prepayment or restructuring.

6.1.3 Loan Origination and Approval

- Digital capture of identification documents, client photos, household information and business information.
- Credit appraisal workflow suitable for small unsecured loans.
- Four-eyes principle and maker-checker approval for credit decisions.
- Configurable approval limits by user role, branch, amount and risk level.
- Rejection handling with reason codes and reapplication rules.
- Application status tracking and turnaround-time reporting.

6.1.4 Disbursement, Repayment and Loan Maintenance

- Loan disbursement through bank transfer or integrated payment channel.

- Disbursement authorization workflow with maker-checker.
- Repayment recording by individual borrower, group, center, branch, field officer and external payment channel.
- Support for partial payments, advance payments, missed instalments, reversals, corrections and closures.
- Automatic allocation of repayments to principal, interest, fees, penalties and other charges according to GIA policy.
- Full transaction history and audit trail.
- Automatic repeat-loan eligibility flag on successful closure.
- Loan restructuring / rescheduling subject to approval workflow.

6.1.5 Arrears, Portfolio Quality and Collections

- PAR 1, PAR 7, PAR 30, PAR 60, PAR 90 and write-off reports.
- Arrears aging by borrower, group, center, branch, field officer, product and loan cycle.
- Automated SMS reminders and collection alerts.
- Configurable penalty rules.
- Collections workflow for early arrears, follow-up actions, promises to pay and escalation.
- Portfolio dashboards for management and supervisors.
- Group-level arrears view (peer-pressure / social-collateral monitoring).

6.1.6 Accounting and Essential ERP

- General Ledger with multi-level Chart of Accounts.
- Automated accounting entries for disbursement, repayments, interest accrual, fees, penalties, provisions, write-offs, recoveries and reversals.
- Trial balance, balance sheet, income statement, general ledger, journal voucher and subsidiary ledger reports.
- Cash and bank management, including cash desk, bank reconciliation and payment-file support.
- Accounts payable for supplier invoices and payments.
- Cost centers, branches and donor/project dimensions if required by GIA.
- Support for regulatory provisioning rates (Standard, Special Mention, Substandard, Doubtful, Loss) and configurable provision calculation.
- Period opening/closing and basic journal approval controls.

6.1.7 Reporting, Dashboards and Portfolio Analytics

- Operational reports: collection rate, repayment rate, disbursement volume, active borrowers, average loan size, portfolio by loan cycle, field-officer productivity, center/group performance.
- Risk reports: PAR and NPL by product, branch, officer, group; vintage/cohort analysis; restructured-loan performance; write-off and recovery.
- Social-impact and outreach indicators.
- Data-quality and exception reports; user activity and access-review reports.
- Export of key reports to Excel and PDF.

6.1.8 Mobile and Offline Field Officer Capability (Mandatory Phase 1)

Given the field-based Grameen group-lending model and operations in rural and peri-urban areas, the solution shall provide offline-capable mobile access for field officers as part of mandatory Phase 1.

Minimum requirements:

- Primary support for Android devices; responsive web interface for office users.
- Core offline functions: client and group data view/update, meeting attendance recording, repayment collection entry (individual or group), basic arrears and PAR status for the officer's portfolio, simple dashboards, offline receipt generation with unique numbering.
- Minimum continuous offline period of 72 hours (preferably 5–7 days) with subsequent secure synchronization.
- Local data encryption, conflict detection and resolution (configurable, with supervisor-review option), device authentication and basic remote-management guidance (lock/wipe capability preferred).

- Automatic or manual sync when connectivity is restored; full audit trail of offline transactions.
- Advanced capabilities (full offline loan origination, GPS tagging, biometrics, multi-day complex workflows) may be offered as optional and priced separately.

Bidders shall describe the technology approach (native, hybrid or progressive web app), supported OS versions and any hardware assumptions.

6.2 Optional / Phase 2 Modules

The following modules may be proposed as optional or future-phase modules and should be priced separately. Their value is not calculated as part of the ceiling fund published for this tender. They should not drive the cost or architecture of the mandatory launch scope unless specifically requested by GIA:

- Full HR and payroll
- Advanced procurement and purchasing workflows
- Inventory management
- Advanced budgeting
- Digital customer mobile banking / e-wallet
- Advanced litigation and recovery module
- Foreign exchange trading
- Full commercial-bank current-account operations
- Collateral registry and guarantor management beyond simple optional fields

6.3 Collateral and Guarantor Position

The initial loan products will be unsecured. Physical collateral is not expected for Phase 1. Collateral and guarantor functionality, if offered, shall be treated as optional or future functionality. Vendors must not assume that real-estate, vehicle or cash collateral workflows are mandatory for the initial implementation.

6.4 Integration Requirements

- External payment service providers (e.g. Albania Post, Western Union or others selected by GIA).
- SMS / notification gateway providers.
- Data migration from spreadsheets or existing files, if any.
- RESTful APIs for future integrations.
- Secure inquiry/validation plus payment-execution workflow for external payment collections.
- Bank of Albania credit registry (inquiry and reporting as required).

For each proposed or required integration the bidder must complete an integration matrix specifying: external system name and owner; integration method; data exchanged, direction, frequency and reconciliation; test environment availability; security model; acceptance test approach; one-off and recurring costs; assumptions and dependencies.

6.5 Security, Compliance and Data Protection

- Role-Based Access Control with granular rights (view, add, edit, delete, approve, reverse, export, administer).
- Mandatory MFA for privileged users and configurable MFA for all users.
- Secure password hashing using bcrypt, Argon2, PBKDF2 or an equivalent modern salted algorithm (MD5 or unsalted hashes not acceptable).
- Encryption in transit (HTTPS/TLS) and encryption at rest for sensitive data.
- Full immutable audit logging of user actions and system events.
- Segregation of duties and maker-checker controls.
- Configurable password policy, session timeout, account lockout and access-review reports.
- Backup, disaster recovery and business-continuity plan with stated RTO and RPO.
- Compliance with Albanian Law No. 124/2024 on Personal Data Protection and GDPR where applicable.
- Penetration testing or independent security assessment before go-live (unless waived by GIA).

- Security configuration checklist before go-live.
- Prompt notification of any confirmed or suspected security incident affecting GIA data, availability, privileged access or regulatory reporting integrity.

6.6 Hosting and Infrastructure

Vendors must propose and price the hosting model clearly (private cloud, vendor-hosted cloud or hybrid). The proposal must specify data location, system availability, backup frequency, disaster-recovery site, support responsibilities, licensing dependencies and all recurring infrastructure costs.

6.6.1 Minimum Availability, Backup, RTO and RPO Expectations

Expected minimums for Phase 1 (bidders may propose stronger levels):

Item	Expected minimum
Availability	≥ 99.5 % monthly for production core financial workflows (excluding pre-approved maintenance)
Backup	At least daily encrypted backup; retention and restore procedure to be proposed; preferred geo-redundant / off-site
RPO	≤ 15 minutes for financial transactions; ≤ 1 hour for other data
RTO	≤ 4 hours for critical services (disbursement, repayment, GL posting, regulatory reporting); ≤ 24 hours for non-critical
Restore testing	At least one successful restore test before go-live and annually thereafter
Maintenance windows	Pre-notified, scheduled outside critical operating/reporting periods where possible

6.7 Language and Localization

- User interface in Albanian and English.
- Contracts, notices and key reports available in Albanian.
- Regulatory reports generated in the format required by Albanian authorities.
- Fiscal documents localized to Albanian legal requirements where applicable.
- Currency support for ALL (and other currencies if later required by GIA).

7. Deliverables

Deliverable	Description	Indicative Timeline
Inception Report	Methodology, implementation plan, governance, stakeholder map, information requirements, risk register	Week 1
Requirements & Gap Analysis	Confirmed business, functional, technical, regulatory, Grameen-methodology, security, integration and reporting requirements	Weeks 2–4
Solution Design & Configuration Blueprint	Architecture, modules, workflow design, Chart of Accounts, product setup, group-lending setup, reporting design	Weeks 4–6
Implementation Plan	Detailed project plan, milestones, resources, dependencies, responsibilities, acceptance gates	Week 4
Data Migration Plan	Data templates, validation rules, migration approach, responsibilities, reconciliation method	Week 6
Integration Design	API design, security, testing approach and responsibilities for each integration	Weeks 6–8
Configured System	Configured CBS/essential ERP, loan products, user roles, reports and workflows	Weeks 8–14
Testing and UAT Protocol	Test cases, acceptance criteria, defect management, sign-off templates	Weeks 12–15
Training Materials & Delivery	User manuals, administrator manual, training sessions for loan officers, finance, operations, supervisors and administrators	Weeks 16–21

Migrated & Reconciled Data	Validated opening data, Chart of Accounts, clients, groups, loans (if any), opening balances	Weeks 18–22
Fully Deployed & Tested System	Live system with mandatory modules, reports, roles and agreed integrations operational	Month 6
Go-Live and Hypercare Plan	Go-live checklist, rollback plan, support team, issue management, stabilization plan	Month 6
Project Closure & Handover	Configuration documentation, admin guide, data dictionary, open issues, support model, lessons learned	After go-live
Warranty and Support Plan	Five (5) year warranty and three (3) year maintenance commitment, SLA, escalation, maintenance and update process	Post go-live

8. Duration and Timeline

The total implementation duration is expected to be no longer than six (6) months from contract signing, unless a different timeline is justified and accepted by GIA in writing.

Phase	Key Activities	Duration
Phase 1 – Inception & Requirements	Kick-off, governance, requirements, Grameen methodology confirmation, regulatory gap analysis	Weeks 1–4
Phase 2 – Design, Configuration & Development	System setup, product configuration, group lending, accounting setup, integrations	Weeks 5–14
Phase 3 – Testing and UAT	System testing, integration testing, UAT, defect resolution, regulatory report testing	Weeks 15–18
Phase 4 – Data Migration & Training	Data migration, reconciliation, staff training, operational readiness	Weeks 18–22
Phase 5 – Go-Live & Stabilization	Go-live, hypercare, daily issue tracking, handover	Weeks 23–24
Phase 6 – Warranty & Maintenance	Support, updates, warranty defect resolution, SLA reporting	5 years warranty + 3 years maintenance after acceptance

9. Technical Requirements

- Proposed solution must be a proven commercial product or developed upon an existing commercial solution for loan management of similar type, not a prototype from scratch.
- Ability to demonstrate Bank of Albania reporting readiness through existing functionality, sample reports or client references.
- Modern scalable technology stacks with APIs and documented integration capability.
- Local or dedicated remote support in Albanian and/or English.
- Clear software roadmap, version support policy and maintenance policy.

10. Proposal Requirements

- Technical proposal with company profile, proposed solution, architecture, modules, implementation methodology, project plan, team CVs and references.
- Functional compliance matrix responding line-by-line to this ToR, marking each item as Standard, Configurable, Customization, Third-party, Future/Optional or Not Available.
- Integration matrix identifying each external system, method, responsibilities, test approach, costs and assumptions.
- Phase 1 versus optional/Phase 2 scope table.

- Five-year TCO template separating implementation, licenses, hosting, support, integrations, optional modules, third-party costs, taxes and recurring fees.
- Separate explanation of how the solution supports Grameen-style group lending.
- Demonstration script response showing how the vendor will demonstrate the mandatory workflows.
- Financial proposal with itemized cost breakdown.
- Hosting/infrastructure proposal and recurring cost breakdown.
- Security and data-protection statement.
- Draft SLA and support model.
- List of assumptions, exclusions, dependencies and risks.

11. Mandatory Scripted Demonstration

GIA reserves the right to require shortlisted vendors to conduct a scripted demo. The demo should include at minimum:

1. Register a low-income borrower and capture KYC/social-impact data.
2. Create a group and center and assign the borrower to the group.
3. Assign the group/center to a field officer.
4. Create a first-cycle unsecured loan application.
5. Generate a repayment schedule (weekly/bi-weekly/monthly as configured).
6. Approve the loan using maker-checker controls.
7. Disburse the loan and show accounting entries.
8. Record a repayment individually and/or through a group meeting.
9. Record a missed instalment and show arrears status.
10. Generate PAR reports by field officer, group, center, branch and product.
11. Send or simulate SMS notification.
12. Generate GL postings and financial reports.
13. Generate or demonstrate Bank of Albania / credit-registry reporting.
14. Generate IFRS 9 / provisioning report (or configurable provision report).
15. Show field-officer dashboard and the mandatory offline mobile workflow.
16. Export key reports to Excel and PDF.

Any functionality shown in the demo but not included in the base Phase 1 price must be clearly identified as optional, custom, third-party or dependent on additional licensing.

12. Acceptance Criteria

- All mandatory Phase 1 workflows successfully tested and signed off by GIA.
- Initial unsecured loan products configured and approved by GIA.
- Group, center, member and field-officer workflows configured and tested.
- Loan disbursement, repayment, arrears, reversal, closure and write-off workflows tested.
- GL postings reconciled and approved by GIA finance team.
- Bank of Albania / credit-registry report tested using sample data.
- IFRS / provisioning report tested and reconciled.
- All agreed integrations tested or integration test plan accepted.
- User roles, approval limits and audit logs tested.
- Training completed for all user groups and documented.

- Data migration (if any) reconciled and signed off.
- Security checklist completed (MFA, encryption, password policy, backup).
- Go-live checklist signed by GIA and vendor.
- No unresolved Severity 1 defects; no unresolved Severity 2 defects without a written remediation plan accepted by GIA.
- Financial postings, cash/bank balances, loan balances and regulatory sample reports reconciled within tolerance levels approved by GIA.
- Rollback / fallback procedures tested or reviewed before go-live.

13. Methodology and Reporting

- Structured project management methodology with named project manager.
- Weekly or bi-weekly progress reports.
- Risk, issue and decision logs.
- Formal change-request process with written approval by GIA before additional costs are incurred.
- Steering committee or project governance meetings as agreed.
- Project closure report and handover documentation.

14. Support, Warranty and SLA Requirements

The proposal must include a warranty period of five (5) years and maintenance service for three (3) years after the acceptance day. The detailed severity-based response and resolution targets below apply throughout the warranty and maintenance periods. Warranty covers remediation of defects in the delivered mandatory scope at no additional charge; maintenance covers ongoing support, updates, and service levels.

Priority	Definition	Minimum response expectation
Severity 1 – Critical	Production system unavailable or critical process stopped (disbursement, repayment, accounting postings, regulatory reporting, or security incident) with no acceptable workaround.	Initial response within 1 hour during agreed support hours; workaround or recovery plan within 4 hours. During workdays and working hours.
Severity 2 – High	Major module, integration, report or workflow degraded with operational impact but temporary workaround available.	Initial response within 4 business hours; target resolution or agreed action plan within 2 business days. During workdays and working hours.
Severity 3 – Medium	Partial defect, incorrect non-critical report, usability issue, configuration issue that doesn't stop operations.	Initial response within 1 business day; target resolution within 5 business days or next release. During workdays and working hours.
Severity 4 – Low	General question, minor issue, documentation request or non-critical enhancement.	Initial response within 2 business days; resolution by agreement or future release plan. During workdays and working hours.

15. Data Ownership, Confidentiality and Exit

- The selected vendor shall sign an NDA before commencing work.
- All GIA data, client records, financial records, reports and configurations specific to GIA shall remain the property of GIA.
- GIA shall have the right to export all data in open, commonly usable formats (Excel/CSV, database backup or equivalent).
- The vendor shall provide a data dictionary and reasonable documentation necessary for audit, reporting and future migration.
- The vendor shall provide exit assistance at pre-agreed rates if GIA later migrates to another system.
- At contract exit the vendor must provide a final export package containing client, group, center, loan, accounting, user, audit, configuration and reporting data in open or documented formats.

- Where the solution is SaaS or vendor-hosted, the proposal must state how long data remains accessible after termination, how backups are handled, and how data deletion or return is certified.
- Vendor retains background IP and the standard product; GIA owns its data and GIA-specific configurations, reports, templates and GIA-funded bespoke deliverables; GIA receives a perpetual, irrevocable right to use GIA-funded customizations; third-party components must be fully disclosed.
- The vendor must comply with Albanian Law No. 124/2024 on Personal Data Protection and GDPR.

16. Licensing Contingency

GIA's ability to commence live lending operations is contingent upon the licensing of Grameen Impact Albania Sh.a. by the Bank of Albania. Accordingly:

- The last two payments (10 % go-live and 5 % warranty) will only be paid when the system is used for real lending operations — not when the system is only technically ready.
- If licensing takes longer than planned, GIA and the vendor will agree in writing on how to pause the project. During the pause no go-live payments are due. Any standby or restart fees will only apply if they were already included in the vendor's financial proposal.
- Long-stop: after technical acceptance, if licensing delay exceeds an agreed period (indicative 90–180 days), deferred amounts become payable unless the delay is attributable to the vendor.
- If the Bank of Albania confirms final report formats or licensing requirements after UAT is finished, the vendor must make these reporting adjustments at no extra cost, as long as the reports were part of the mandatory Phase 1 scope.

Work already completed and accepted before a pause will still be paid as scheduled, but GIA may hold the final 15 % until lending operations actually begin.

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