

## **Terms of Reference (ToR): Selection of Implementing Partner for Project Lift Off**

### **1. Context**

In Nepal, an estimated 80% of the country's 4.13 million farming households are smallholder or marginal farmers cultivating less than one hectare of land. These households face persistent and interlinked challenges, particularly in accessing formal finance. Today, only around 12% of farmers receive agricultural loans— a sharp decline from 22% a decade ago. Limited access to credit is driven by several barriers: lack of acceptable collateral, low levels of financial literacy, cumbersome banking procedures, and loan products that often fail to align with the seasonal and cash-flow realities of agriculture.

As a result, many smallholders continue to depend on informal lenders who charge high interest rates, further constraining their profitability and resilience. These financial challenges are exacerbated by shrinking landholding, rising costs of agricultural inputs, and increasing labor migration, all of which contribute to lower productivity and reduced capacity to invest in improved farming practices.

To address this, CARE Nepal will work within a collaborative ecosystem where a reputed commercial bank will extend credit access to smallholder farmers using the Kisan Card platform. A technical partner will be selected, who will then complement this by delivering Business Development Services (BDS) and improving market access for a cohort of 100 high-performing agro-entrepreneurs. Through this integrated approach, farmers will not only gain access to credit but also receive the various support needed to transition from subsistence to more sustainable, market-oriented agriculture.

### **2. Project Background**

In 2024, CARE Nepal, together in a consortium with a reputed commercial bank, and other project partners introduced the Kisan Card to strengthen smallholder farmers' agricultural livelihoods. The initiative aimed to provide integrated access to finance, input and output services, business development support, agricultural technologies, and market linkages through a closed loop model that connects farmers with value chain actors, service providers, and banks. Unlike open-loop systems, this structured model enables targeted investment, close monitoring, and systematic tracking of farmers' financial behavior to build their credit worthiness.

The initial phase deployed the Kisan Card to 6,000 women as a debit-only tool for cash grants targeted at homestead production. The card enabled cashless purchases of agricultural inputs, but broader services such as comprehensive BDS and market linkages were delivered at a reduced scale. CARE recognized that without improved access to finance, these complementary services would have limited impact.

With the new monetary policy now allowing banks to issue collateral free loans based on their own due diligence systems, there is a timely opportunity to upgrade the Kisan Card through Project Lift Off. The enhanced model will enable farmers to receive payments directly onto the card, creating a digital financial history that can support

access to collateral free credit in line with Nepal Rastra Bank guidelines. It will also integrate stronger BDS—including business planning, mentorship, and risk management—while working with the bank to address operational barriers and design tailored loan products. This upgraded approach aims to transition farmers from subsistence production to commercial agriculture, advancing digital financial inclusion, and driving sustainable rural growth.

### **3. Objective of the Assignment:**

The objective of this assignment is to support the effective design, enhancement, and implementation of the upgraded Kisan Card model to expand smallholder farmers' access to digital financial services, collateral free agricultural credit, and improved market opportunities. This includes providing business development services, strengthening the product design and underlying digital ecosystem; building farmers' digital, financial, and business capacities; improving market linkages and providing mentoring support to farmers; and documenting lessons learned to inform refinement and scaleup of the Kisan Card model.

### **4. Scope of Work**

The selected technical partner will be responsible for providing technical and implementation support for the design, deployment, and operationalization of the Kisan Card system and related farmer capacity building activities. The scope of work includes the following components:

#### *4.1 Technical Design and Product Development of Kisan Card*

- Work closely with the CARE Nepal team to identify and confirm key project intervention areas
- Support CARE Nepal and the bank in defining product features such as credit limits, repayment cycles, seasonal repayment options aligned with agricultural production cycles, revenue streams, and applicable fees and charges.
- Support enhancement of the Kisan Card system to include credit options and financial history tracking features.
- Ensure alignment of product design with banking processes, regulatory requirements, and farmer needs.
- Support testing and validation of Kisan Card credit functionality prior to deployment.
- Provide technical inputs to improve system functionality based on pilot testing and stakeholder feedback.
- Contribute to derisking of the loans by working with CARE Nepal to setup a credit guarantee at the bank.

#### *4.2 Inclusive Market System Assessment*

- Conduct an assessment of the inclusive agricultural market system that includes but is not limited to input supply systems, production practices, markets, and extension services.

- Identify intervention areas to strengthen supply chains of selected agricultural products and map market system actors.

#### 4.3 Capacity Building and Training

- Provide digital and financial literacy orientation on the operation and use of the Kisan Card.
- Deliver card usage training to farmers to ensure effective adoption.
- Provide financial and business literacy training covering budgeting, loan management, enterprise planning, and financial record keeping.
- Develop training materials tailored for women farmers and first-time financial service users.

#### 4.4 Mentoring and Market Linkages

- Provide mentoring and matchmaking support with markets and ecosystem actors
- Facilitate access to credit through loan guarantee mechanisms linked to partner bank processes

#### 4.5 Implementation Support and Learning

- Provide technical support throughout implementation and help address operational challenges.
- Document lessons learned and best practices from the pilot implementation.
- Provide recommendations for improving the Kisan Card model and scaling the intervention.

#### 4.6 Reporting and Documentation

- Track and report on key performance indicators including total users onboarded, number of active users, transaction volume and frequency, performance data of agents, credit uptake and repayment, and farmer and agent income/enterprise growth.
- Maintain disaggregated data (e.g., by gender and location) to enable analysis of outreach, usage patterns, and inclusion outcomes.
- Provide concise periodic reports highlighting progress, usage trends, operational insights, and actionable recommendations for scaling the Kisan Card model.

### 5. Proposed Activities

Task/activity	Duration
Identify and confirm the project intervention areas.	April 2026
Conduct co-design meeting with key stakeholders	April 2026
Conduct assessment of the agricultural ecosystem (input supply, production, markets, trade, extension services)	April 2026
Identify intervention areas to strengthen supply chains of selected products	April 2026
Onboard ecosystem actors (input suppliers, retailers, lead farmers, wholesalers) and provide digital/financial literacy orientation	April-May 2026

Deliver technical training on card usage and operations to farmers and ecosystem actors.	May 2026
Deliver financial and business literacy training	May 2026
Provide mentoring and matchmaking support with markets and ecosystem actors	May-June 2026
Facilitate access to credit through loan guarantee mechanisms linked to partner bank processes	July 2026
Document learning and implementation insights	June- July 2026

## 6. Deliverables

<b>Deliverable</b>	<b>Description</b>	<b>Timeline</b>
1. Inception and Co-Design Report	Confirmation of project intervention areas and documentation of co-design consultations with key stakeholders, including implementation approach and stakeholder roles.	April 2026
2. Agricultural Ecosystem and Supply Chain Assessment Report	Assessment of the agricultural ecosystem (input supply, production, markets, trade, extension services) and identification of priority intervention areas to strengthen selected product supply chains.	May-2026
3. Capacity Building and Ecosystem Engagement Report	Documentation of onboarding of ecosystem actors and delivery of technical, digital, financial, and business literacy trainings for farmers, including mentoring support and matchmaking with market and ecosystem actors.	June 2026
4. Final Kisan Card Deployment and Usage Report	Documentation of activities facilitating farmer access to credit through partner bank mechanisms, including tracking of total users onboarded, active users, transaction volume and frequency, agent performance, credit uptake and repayment, and farmer and agent income/enterprise growth. Consolidation of implementation of learning, lessons, and disaggregated data (example: gender and location) on card usage, along with actionable insights and recommendations for scaling the Kisan Card model.	July 2026

## 7. Duration of Assignment

The assignment will be implemented between April and July, aligned with the project implementation timeline and workplan.

## **8. Eligibility**

Open to **firms** with relevant expertise.

## **9. Submission Guidelines**

Interested applicants should submit:

- Technical proposal (approach, methodology and risk mitigation plan).
- Financial proposal.
- CVs of key personnel.
- Examples of similar work.
- Company VAT registration and company registration documents as mandated by Nepal government regulations, along with the latest tax clearance certificate 081/82.

## **10. Evaluation Criteria**

The evaluation will be conducted in four stages, with a total score of 100 marks as follows:

### Stage 1: Technical Evaluation - 70 Marks

- Assessment of methodology
- Team composition and expertise
- Demonstrated understanding of the assignment
- Workplan
- Organizational experience and relevant past work

### Stage 2: In Person Meeting and Discussion – 20 Marks

- Formal meeting with the top three (3) shortlisted consultancy firms
- Presentation of approach and clarifications on proposed methodology

### Stage 3: Financial Evaluation – 10 Marks

- 5 marks – Legal compliance
- 5 marks – Quality and clarity of the financial proposal

### Stage 4: Consolidation of Scores and Final Ranking

- Combined scoring from all stages
- Ranking of consultancy firms
- Recommendation for award of contract

**Note: A consultancy firm must obtain a minimum of 80% of the total technical evaluation score to be considered eligible for the further interview stage.**

## **11. Reporting and Coordination**

The selected technical partner will work closely with CARE Nepal and the partner financial institution. The partner will report to the Market Systems Development Specialist at CARE Nepal and participate in regular coordination meetings with CARE Nepal and project stakeholders including financial institutions, ecosystem actors, and local partners.

## **12. Required Expertise**

- Experience in financial product development, deployment of digital banking services for farmers, and in promoting financial inclusion.
- Expertise in agricultural value chains and market systems development.
- Experience delivering financial literacy and entrepreneurship training and relevant training programs
- Experience in coordinating with financial institutions and ecosystem actors.

## **11. Payments terms**

Jointly defined based on delivery of key deliverables as defined in section 6.

## **12. Submission of Proposals**

Please send a brief four-to-five-page proposal detailing the understanding of ToR, methodology and your firm's relevant experience, workplan, timeline, budget and daily rate(s) to [npl.carenepal@care.org](mailto:npl.carenepal@care.org) no later than 1 April 2026. Please also include resumes or CVs for any consultant included in the proposal. If you need any additional information, please send your email on [npl.carenepal@care.org](mailto:npl.carenepal@care.org) .