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| **Project/Consultancy Title:** **Project Location(s):**  | **ACSI -Digital Transformation Readiness Assessment** Amhara Region, South Wollo and Oromo Zones  |

**Background:**

Mercy Corps is a leading global organization powered by the belief that a better world is possible.
In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions
into action — helping people triumph over adversity and build stronger communities from within.
Now, and for the future.

Mercy Corps has been operating in Ethiopia since 2004, working in rural, peri-urban and urban areas in five regional states - Somali, Oromia, Afar, Southern Nations Nationalities and Peoples, Amhara - and the capital city of Addis Ababa. We engage in both development and humanitarian work, and seek to integrate approaches, programs and geographies as much as possible. Our partners include government, academic institutions, development and private sector actors, civil societies and communities.

**Overview of ACSI**

Amhara Credit and Savings Institution S.C (ACSI) is a micro finance institution operating primarily in the Amhara region. ACSI has been licensed as a microfinance share company in April 1997.ACSI is one of the largest Microfinance Institutions in Ethiopia as well as in Sub Saharan Africa. It has wide branch networks, covering all districts and sub-districts and more than 95% of kebeles1of Amhara Region, the second populous regional state in the country. ACSI provides all major kinds of banking services including voluntary savings, credit services, money transfer, and fund management services. To expand its reach to the community, ACSI is also currently constructing a huge datacenter in support of the digital transformation of the institute.

ACSI and Mercy Corps have successfully collaborated in first phase of the project G4F- Enhancing Market System for Improved Sustainable Livelihoods program that aimed at increasing access to financial products and services in South Wollo and Oromo Zones of Amhara Region.

Building on lessons learned and experiences in the piloting phase, G4F MSD project will scale up approaches that were successful and introduce new approaches to improve and expand digital financial services for Muslim population in the target areas, through the use of technology, such as Mobile and Agent Banking, and further customization of interest-free financial products to mobile banking agents.

**Purpose / Project Description:**

Mercy Corps has been sub-granted by international NGO Farm Africa to provide technical assistance to Amhara Credit and Saving Institution S.C(ACSI). The technical assistance will comprise market systems strengthening activities for financial services, in South Wello and Oromo Zones of Amhara Region. In July 2020, Mercy Corps began implementation of the Costed Extension activity for the Financial Inclusion market system project Mercy Corps in partnership with FARM Africa. The project will focus Building on ACSI’s systems and facilities of delivering a range of Interest-free financial products through dedicated Interest-free Finance Windows, it is important to further strengthen the Interest Free Unit to have business growth vision with clear targets and milestones for scaling and growing the Products offering in different Woredas of Amhara regions.

The general objective of the engagement is to assess ACSI’s digital transformation readiness and to develop appropriate digital financial service strategy for the institution. The strategy will support the institution from traditional microfinance service towards digital financial services after taking into consideration the various key elements in the institution’s environment and considering the peculiarities that exist in the political, economic, socio-cultural, and technological landscape as well as current changes in the policy and regulatory context in Ethiopia.

**Consultant Objectives:**

The consultant shall be required to undertake all such tasks to render requisite services and make available such resources as may be required for the successful completion of the engagement. Specifically, the objectives of the engagement include:

* Assess the country's as well as East African Banking financial services industry in terms of digital financial service in order to know the position of the institution.
* Conduct internal ACSI gap analysis with regards to Digital Financial Service performance and strategy
* Develop digital financial service strategy and implementation plan that could gradually move the institution from branch-based financial services towards digital financial services.
* Create awareness for managerial as well as non-managerial staff of the institution on digital financial service strategy in order to make the strategy practical.

The scope of the consultancy service ranges from developing a comprehensive strategy for provision of digital financial services that could be implemented by ACSI.

**Activities of the TA assignment:**

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| **Activity** | **Deliverables** | **Total Days per deliverable** |
| * Assess the current scenarios of the institution for digital financial services readiness such as capabilities, market dynamics, customer readiness, and regulatory environment.
* Explore the value and opportunity of digital financial service in the future financial services industry as well as for the institution.
* Conduct internal and external organizational review to understand the digital financial service performance of the industry in general and of the institution in particular.
* Review the institution’s current digital financial service experience vis-à-vis global and local best experience in order to understand the existing gaps.
* Identify digital financial services’ core challenges and means to overcome the challenges.
* Identify driving forces for digital financial services.
 | Inception report Digital readiness assessment report |  |
| * Co-create and formulate the digital financial services strategy for ACSI utilizing a structured approach to cover:
	+ Review the digital readiness assessment report to diagnose the current digital strategic position
	+ Define the Mission, Vision and Values at the core of digital strategy and the key objectives to be achieved
	+ Formulate the digital strategy. Set long-term vision and short-term execution plan of the digital financial service of the institution.
	+ . Identify the main digital opportunities including digitizing delivery channels, products, processes, or user engagement
	+ Identify the benefits for the customers and the impact on their interaction with and experience of SMFI
	+ Design high-level business case. Set annual targets from 2019- 2025 on key performances in digital financial service and project customers interaction with the institution’s channel.
	+ Develop a detailed implementation plan
	+ Identify potential risks and develop risk mitigation strategy in digital financial services
* Develop the roadmap to digitization and prioritize the digital opportunities that have been identified
* Identify gaps in the market and technical knowledge.
* Present the digital transformation strategy to ACSI’s board and senior management team.
 | Digital transformation strategyComprehensive rollout plan for digital financial service strategy |  |

**Timeframe / Schedule and Location:** The technical assistance project is expected to start in mid- March 2021 up to May -April 2021 (3 months). The consultancy will work with ACSI in the Amhara region and national financial market systems. The location of the assessment will be Bahir Dar, ACSI South Wollo and Oromo Zones and Addis Ababa.

**The Consultant will report to:** MercyCorps Ethiopia, Director of Programs

**The Consultant will work closely with:**The lead expert will closely work with CEO of ACSI and will coordinate his/her activities with G4F Project Manager. The lead expert will keep the parties informed on the progress of the Technical Assistance Assignment and discuss any challenges s/he is facing. During the consultancy period, the consultants coordinate and work closely with ACSI and its relevant stakeholders to share information and receive feedback. This could include organizing meetings and discussions among ACSI Board of Directors and Management Team, Association of Ethiopian Micro Finance Institutions, technology providers, regulators and policy makers, mobile banking agents and Mercy Corps management.

**Administrative information**

ACSI will be providing the necessary logistics support, namely the training infrastructure in terms of projectors, workstations, training room, training materials (and stationeries), local transport during working hours, access to phone lines, internet and photocopying facilities. ACSI will be providing all the necessary documents and promptly and timely response to the TA Operator.

**Expert profile**

* At least ten-year demonstrated leadership and dedicated experience in digital finance, payment systems or electronic payments required.
* Working experience in the formulation of strategies in the area of digital financial services and payments at public or private sector level.
* Working knowledge of current developments including innovative payment methods (e.g., mobile financial services, pre-paid cards, etc.) essential.
* Solid experience in project management, development and facilitation of planning sessions with senior leaders, directors and management.
* Solid working knowledge of Ethiopian and East African microfinance and banking sector.
* Excellent presentation and representation skills in multicultural contexts.
* Ability to work under pressure and meet tight deadlines
* Ability to translate complex technical ideas to a non-technical audience in both verbally and in writing.

**Instructions for the technical and financial proposal**

Technical and Financial Proposal Standard Forms shall be used for the preparation of the Proposal according to the instructions provided in the bidding documents of the Request for Proposal (RFP). The potential TA Operator should prepare a budget based on the proposed methodology and resources required for the assignment. It shall indicate full fees requested together with per diems and transport cost. USD is the currency to be used in the financial proposal and the currency in which the contract will be paid. Following the selection of competent applicant, the detail terms and conditions of agreement will be outlined in the MC contract of agreement with the consulting firm.

**Application process**

Eligible companies/firms have to submit the following:

* Company profile;
* Statement of interest, proposed methodology and work plan;
* Copies of renewed business registration certificates;
* Financial proposal with a detailed breakdown of costs (including all related costs) and in USD mentioning the terms of payment;
* Technical and financial proposal should be sent separately to **tenders@mercycorps.org**
* Failure to comply with any of the conditions indicated above will result in automatic rejection;
* Application deadline is 25th Feb.2021 10:00 AM EAT and proposals sent after this date may not be considered;
* Please collect the Tender package from [**www.mercycorps.org/tenders**](http://www.mercycorps.org/tenders)

Mercy Corps reserves the right to reject the bid fully or partially