



Association of Ethiopian Microfinance Institutions (AEMFI) **Request for Expression of Interest** **For the implementation of a Shared Core Banking Software (CBS)**

1. The **Association of Ethiopian Microfinance Institutions (AEMFI)** is one of the most developed microfinance networks in Africa. Since its establishment in 1996, AEMFI has been providing several capacity building activities, including:

- Training and Experience Sharing Visits
- Research & Publications
- Performance Monitoring & technical assistance
- National, Regional and International Networking
- Establishing a Resource Centre
- Knowledge Management and Communication
- Conducting Workshops, Conferences

AEMFI is an association of Ethiopian **Microfinance Institutions (MFIs) of all sizes**, from small institutions with ~1.000 borrowers to large-sized ones with more than 1.000.000 borrowers. As of June 2017, there are 35 microfinance institutions operating in the country, with an aggregate capital of 10.5 billion birr, and more than 4 million active borrowers.

2. Among the crucial challenges to the development of the microfinance industry in Ethiopia is the weak IT system of the practitioners in the sector, most of whom conduct paper-based operations. As a leading institution to support MFIs in using technology to improve their efficiency in information collection, processing and service delivery standards, AEMFI has already taken the following steps:

- Created Et Inclusive Finance Technologies S.C (ETIFT), an institution owned by the MFIs themselves, whose goal is to reduce the implementation challenges of new technology, and MIS software in Ethiopian Microfinance Institutions.
- Facilitated a wide-scale needs assessment and project implementation roadmap design with regards to the implementation of a Management Information System. The needs assessment was conducted in 22 small and medium MFIs and a report documenting the MIS needs of MFIs, reporting requirements, product features, present ICT infrastructures, branch details, etc. was prepared.
- Designed a detailed strategic plan for ETIFT to run the Management Information System implementation as a service to the MFIs.

In this context, AEMFI is now looking to select a common CBS solution to be implemented for its 25 small- and medium-sized MFI members, with a view for them to significantly improve their service delivery efficiency and quality.

After selection of the solution, the CBS will be customized (if necessary) according to the common needs of the 25 participating MFIs. It will then be implemented for one MFI member, before replicating the implementation process as simply and efficiently as possible for other participating institutions.

A central, shared data center will host application servers and databases for all participating institutions. **Branches with sufficient connectivity will have online connection to the data center, while some MFI branches will need to work offline and thus host some hardware.**

Each institution will choose a connectivity model for its individual branches according to their particular situation. **In any case, cloud-based solutions will not be considered.**

Given the envisioned model and scope of the CBS, the selected solution will have to be **flexible** enough to accommodate the varied needs and scales of AEMFI members (including small ones that currently work exclusively on paper), and **simple** enough for ETIFT to support its integration with minimal assistance from the software provider.

3. The solutions proposed by the respondents will have to cover at least the following modules and functionalities:

- Customer management and KYC
- Loan management, including Islamic finance products
- Savings management
- Teller operations
- Reporting and compliance (based on IFRS standards)
- User management
- Controlling and audit trails

Given the Ethiopian context regarding connectivity, proposed solution will need to work offline as well as online.

It should also be able to interface easily with any external software or platform (Mobile Banking, Credit bureau, remote access applications, partner institutions etc).

4. The scope of this Request for Expression of Interest will be as follows:

- **Provision, customization (if necessary) and parameterization of a Management Information System** suited to the needs expressed by AEMFI
- **Assistance in the implementation of the CBS** for pilot MFIs to integrate the solution, including data migration and training of trainers
- **Handover to ETIFT** of as many implementation tasks as possible for all subsequent implementations
- **Dedicated assistance** for the remaining tasks, such as system parameterization or system deployment
- **Support and maintenance** of the provided solution

5. The Association of Ethiopian Micro Finance Institutions now invites qualified CBS providers to express their interest to provide the above-mentioned services.

6. Interested CBS providers should **provide complete, and comprehensive information demonstrating that they are qualified to perform the assignment**, accompanied with explicit documentary evidences, which include:

- Description of the proposed solution
- Description of similar assignments undertaken, preferably in developing countries in the last 10 years,
- Description of experience in Ethiopia if any and at least in East-Africa
- Proposed Team members and their individual experience
- Appropriate licenses to deliver the required services
- Local representation for support during and after implementation

7. The Expression of Interest document should not exceed 10 pages.

8. Prospective Resource Organization(s) may associate to enhance their qualifications, but should mention whether their association is in the form of either "Joint-Venture" or "Sub-Consultancy". In

the case of an association, all members of such “association” should have real and well-defined inputs to the assignment and the same should be detailed in the Expression of Interest submitted.

9. Resource Organizations will be selected in accordance with the procedures set out in IFAD guidelines: www.ifad.org (Project Procurement Handbook). **In addition, the following criteria will be considered compulsory** for Expressions of Interest to be taken into account:
- At least 1 CBS implementation in East Africa
 - At least 5 years in existence as a CBS provider
 - Capacity to carry out several implementations in parallel
 - English- and if possible also Amharic-speaking team
10. Submission of EOI must be in sealed envelopes, clearly marked “Expression of interest for providing and implementing CBS - Shared MIS Project under RUFIP II (IFAD financing)” and delivered to the address given below on **April 30, 2018** (before 5:00pm Ethiopian time).

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Disclaimer: AEMFI reserves the right to accept or reject a part/all of the entire bid without being obliged to explain about the reasons thereof.