

**Association of Ethiopian Micro Finance Institutions  
(AEMFI)**

**Invitation for proposal and price quotes to facilitate  
an exposure visit for senior board members**

**September 8, 2019**

## **Introduction**

The Association of Ethiopian Micro Finance Institute (AEMFI) has been involved in managing and coordinating the implementation of the RUFIP II programme. The program is designed to enhance the capacity of micro finance institutions and financial cooperatives.

In relation to this program, tremendous efforts have been exerted towards supporting rural financial institutions to ensure their sustainability and improve quality of services provided to rural households. Despite the progress achieved, the sustainability of the financial service provision is constrained due to a number of factors: limited experiences of HR, lack of effective links between and amongst rural financial institutions, insufficient infrastructure, etc. AEMFI conceives strategic interventions and phased approach to address the prevailing issues. Exposure visit is a tool that is used to facilitate learning; it entails two or more parties where one is learning from the other. It promotes good practices and a process of building on underlying, two parties may also be learning from each other.

Accordingly, AEMFI considers that conducting exposure visit and experience sharing of other countries with relevant context as a strategic tool. As part of the institutional capacity building of the programme implementers, AEMFI has planned to undertake external exposure visit in the area of rural finance providers and the ways they are organized and regulated by their apex and other regulatory bodies so that explore international best practices which will contribute for the better programme implementation. In view of learning from the past and existing experiences of India or Bangladeshi, AEMFI is keen to draw lessons that suit best to the local context.

*The reasons to opt for India/Bangladeshi* from the perspective of poverty alleviation, socially relevant, or pro-poor, rural financial institution is of particular interest in a country like India since it is in rural areas that most of the poor live. The soundness and depth of Indian rural poor financial system with its regulatory and apex formation system has a clear impact on the exposure visit we have planned to undertake. India's financial system in absolute terms does impress next to other large countries such as China or Brazil, it compares well with other emerging economies. India can count an impressive number of formal financial institutions (both urban and rural) and has been passed through valuable experiences in providing inclusive finance to the financially neglected part of society via various organizations/institutions.

Currently in Ethiopia there happens a policy change by the government which is an opportunity to the micro finance industry in particular and the civic society in general. The new proclamation (Proclamation No. 1113/2019- ORGANIZATIONS OF CIVIL SOCIETIES PROCLAMATION) allows NGOs or civic societies to engage in business and other activities with freedom so as to expand their enrolments and play their development roles sustainably. MFIs in Ethiopia are considered by the government as the main tools for development and most are with non profitable nature. One of the main objectives of the exposure visit is, therefore, to see and learn how rural financial intuitions such as micro finance institutions, saving and credit cooperatives and others work and regulated by the regulatory bodies so that they operate sustainably and profitably.

### **Objectives**

The main objective of the exposure visit is to learn lessons from Bangladesh/India experiences in the operation and management of Financial Services provisions to the rural poor through MFIs /rural financial services providers and to gain practical experiences on how network organizations operate in providing various supports to their members through the existing regulations and control mechanisms. The specific objectives are to:

- Appreciate the regulatory issues pertaining to policy, strategy and legal aspects;
- Understand the governance, organizational structures and management of financial institutions and their apex organizations;
- Understand the structure and growth of rural financial system and network organizations
- Comprehend the financial service provisions vis-à-vis development programs through MFIs and Cooperatives;
- Visit and interact with successful Micro finance institutions , financial cooperatives and institutions of various natures to see their linkages; and
- Prepare an action plan and prepare drafts for recommendations to concerned government policy makers and implementers based on their learning that can be incorporated into our micro finance initiatives.

## **Expected Outcomes**

At the end of the study program and exposure visit, the participants will be able to:

1. Understand the structure and growth of the financial system in India/Bangladesh in relation to networks/apex organizations
2. Understand the regulations related to policies, strategies as well as legal aspects;
3. Have thorough understanding of governance, organizational structures and management of rural financial institutions as well as their selected apex organizations/networks;
4. Prepare an “Action Plan” based on their learning that can be consolidated and to formulate a framework of an “Action Plan” to take back home.

## **Methodology**

The learning methodology will involve roundtable sessions to the board members, managers, policy makers, advisors and expert group. The group will have discussions, analysis, and the preparation of report and presentations by facilitators, word documents, PPTs, and other data will be prepared and given to AEMFI and the participants.

## **Training Participants**

The number of the training participants will be about 10-12 some policy makers, program implementers and experts from AEMFI board and senior management, and other organizations..

## **Duration and Venue of the Training and Exposure Visit**

The exposure visit is planned to be undertaken starting from 11<sup>th</sup> of November 2019 for a total of 10-14 days in which 2 days are for transport from Ethiopia to India and the vice versa. Therefore, the exposure visit is expected to take place on 11<sup>th</sup> of November 2019 at the facilitating institution’s country. A team from AEMFI will select and approve the international facilitating institute based on the facilitating proposals and the quoted price for the program and a contract agreement will be signed. 80% of the weight will be given to the proposal which details about the places/institutions to be visited, quality of professionals/expertise present to the round table discussions, facilities or services to be provided, etc.

## **Experience visit and topics to be covered during the study program Sessions**

Experience sharing arrangements are going to be dealt with well known regulatory organizations in this regard and organizations, associations, micro finance and saving and credit organizations, apex institutions etc will be part of the visit. The visit should include program days, sightseeing, and other spots related to the overall objective of the program. The indoor sessions are going to be organized into various sessions to cover the topics identified during when contract agreement is to be signed. Audio video equipments, other written materials and furniture are assumed to be applied in the round table session. In more detail the sessions should include the following main areas:

**Session 1-2:** Overview of Rural financial Sectors and development programs in India

**Session 3:** Development programs, contributions and relationships of stakeholders (country experiences overview)

**Session 4-6:** Here under this session the following main titles will be covered in the discussion which may include:

- Risk & Financial Management for Microfinance Institutions
- Leading for results – how to fulfill the role of policy makers, regulators and senior manager

**Session 7 - 8:** Strategic Supports and Regulations (country experience general overview)

- Role of Government, apex banks/organizations, Associations and other regulatory bodies in developing the financial sector
- Improving the functioning of MFIs and other financial service providers: Recent policy initiatives by Government other development organizations

**Session 9-10:** Financial literacy, Financial Inclusion and mobile banking

## **Price/Budget**

In addition to the discussion sessions the facilitator organization is expected to arrange experience sharing/exposure visits for the delegates. This may include visiting 2-3 related and well organized institutions in their respective regions across India. Moreover, the arrangement may include other neighboring countries to India which have more operating experiences as a

network or apex organization. The facilitator is expected to consider these all costs and mention details in quoting its prices in clear and alternative manners.

The price should include non-residence tax payment of 15% according to the Ethiopian government regulation. The submission date for the proposal details and the quoted price is 15 days from the date this invitation notice is published on a local journal, on AEMFI's website or emailed to the bidding organizations. The bidder organization can send its documents to AEMFI through its email: [aemfiet@gmail.com](mailto:aemfiet@gmail.com) within the specified days.