Request for Proposals (RFP) - Recruitment of Implementing Partners to Promote Shariah-Compliant Transactional Accounts in Ethiopia

1. Introduction

The **National Bank of Ethiopia (NBE)**, in collaboration with **FSD Ethiopia**, is seeking proposals from eligible financial institutions to implement **Action A4.3** of the **National Financial Inclusion Strategy II (NFIS-II)**. This action focuses on promoting the uptake of **Shariah-compliant transactional accounts** among Ethiopia's underserved Muslim population.

This RFP is a **call to action** for financial institutions including full-fledged interest-free banks and MFIs, window-based providers, and fintechs to become implementing partners in a national effort to expand inclusive, ethical, and Shariah-compliant financial services.

2. Background

Ethiopia's second National Financial Inclusion Strategy (NFIS-II) identifies a significant gap in access to formal financial services among the country's Muslim population estimated at **25 million** adults[1]. Action A4.3 of NFIS-II aims to address this gap by promoting the uptake of **Shariah-compliant transactional accounts**.

The action sets ambitious targets:

- Reach **5 million Muslim adults** through awareness campaigns.

- Result in at least **500,000 new joiners** to the formal financial system.

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1 United Nations Department of Economic and Social Affairs (UNDESA), Population Division. *World Population Prospects 2024*. New York: United Nations, 2024. (Used for total population estimate (~132.06 million) and age distribution (estimated 58% aged 18+); Worldometer. *Ethiopia Population (2024)*. Accessed August 2025. https://www.worldometers.info/world-population/ethiopia-population/ (Source for updated population count and demographic trends.); Association of Religion Data Archives (ARDA). *Ethiopia – National Profile*, World Religion Database. Reported 34.38% Muslim population in Ethiopia.

This RFP seeks to recruit financial institutions, PIIs and Fintechs that can contribute to these goals through inclusive, gender-responsive, scalable, and Shariah-compliant financial services.

2.1   Objective

The objective is to identify and support implementing partners that will:

- Design and deliver **Shariah-compliant products and services** that are inclusive and responsive to the needs of marginalized groups, including women.

- Conduct **targeted outreach and awareness campaigns**.

- Expand **service delivery channels - branches, agents, digital channels etc.** in underserved and rural areas.

- Collect and report **disaggregated data** by gender, region, products etc. to track progress.

- Contribute to the **NFIS-II Action A4.3 targets** through measurable outcomes.

2. Focus Areas

Applicants are expected to focus on the following:

- Product innovation and delivery of Shariah-compliant accounts.

- Outreach and awareness targeting Muslim-majority communities.

- Expansion of branch, agent, or digital service points.

- Gender-sensitive and rural-inclusive financial service models.

- Achieve scale and ensure sustainability directed towards bringing impact.

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3. Scope of Work

Selected implementing partners will be expected to conduct the following activities sustainably over an extended period:

3.1 Product Development and Delivery

- Design or refine **Shariah-compliant products and services including digital financial services** that are affordable, accessible, and tailored to the needs of underserved Muslim populations Ensure all products are **compliant with Islamic finance principles**, with appropriate Shariah board oversight.

- Ensure women's needs are considered throughout the product design and delivery stages, including involving women's participation in the development process.

3.2 Outreach and Awareness

- Develop and implement **phased awareness campaigns** to reach at least 5 million Muslim adults by the end of 2026, with strategies to engage women and other marginalized communities.

- Use a mix of **traditional (radio, community events, women's network)** and **digital (social media, SMS)** channels.

- Engage **religious leaders, community influencers and CSOs** including women focused organizations to build trust and credibility.

- Tailor messaging to **regional, gender, and age-specific** audiences.

3.3 Service Delivery Expansion

- Expand **branch, agent, or digital service points** in high-demand and rural areas.

- Prioritize regions with **low financial inclusion** and high Muslim populations.

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- Ensure **gender-sensitive service delivery**, with specific outreach to women and youth.

- Integrate **digital delivery channels** (e.g., mobile banking, USSD, agent networks) to enhance accessibility and reduce cost-to-serve.

- Pilot and scale **innovative delivery models** (e.g., mobile agents, mosque-based kiosks), considering women's mobility constraints, low literacy levels and other negative socio-cultural norms.

3.4   Data Collection and Reporting

- Track and report on:

    o   Number of individuals reached by region and gender

    o   Number of accounts opened by region, fender and products

    o   Share of new joiners (previously unbanked) by region, fender and products

    o   Number of access points disaggregated by region and type.

- Submit **quarterly progress reports** and participate in **biannual learning sessions** facilitated by FSD Ethiopia.

3.5   Collaboration and Learning

- Participate in **coordination platforms** with other implementing partners.

- Share insights, challenges, and innovations to support collective learning.

- Engage with FSD Ethiopia and NBE for technical support and regulatory facilitation.

- Contribute to the development of **case studies and policy briefs**.

4. Deliverables

Item	Deliverable	Description	Timeline
1	Implementation Plan	Detailed plan with KPIs, outreach strategy, and product rollout roadmap	Within 2 weeks of contract signing
2	Quarterly Progress Reports	Data on outreach, account openings, and disaggregated metrics	Every month
3	Mid-Term Review Report	Summary of progress, challenges, and adjustments	End of Q1 2026
4	Final Report	Comprehensive report on outcomes, lessons learned, and recommendations	December 2026
5	Participation in Learning Events	Attendance and contribution to FSD-led learning and coordination sessions	Biannually
6	Case Study or Innovation Brief	Documenting a successful model, challenge, or innovation	At least one by Q1 2026

5. Duration

The implementation period is from **Q4 2025 through Q4 2026** (approximately 15 months).
This extended timeline allows for:

- Phased rollout of products and campaigns

- Iterative learning and adaptation

- Deeper outreach in rural and underserved areas

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- Stronger institutional capacity building

6. Eligibility Criteria

This RFP is open to a wide range of financial service providers that are actively offering or planning to offer Shariah-compliant transactional accounts. Eligible applicants include:

6.1   Types of Eligible Institutions

- **Full-fledged interest-free banks and microfinance institutions (MFIs)**

- **Conventional banks and MFIs with interest-free windows**

- **PIIs and FinTech** offering or developing Shariah-compliant financial services

6.2   Minimum Requirements

Applicants must:

- Be **licensed and regulated** by the National Bank of Ethiopia (NBE)

- Demonstrate **operational capacity** to bring th required scale, deepening (sustainability) and roll out to a larger geographic area.

- Show a **track record** or strong potential in serving **low-income, rural, or underserved Muslim populations including women and youth.**

- Commit to **Shariah compliance** in all products and services under this initiative.

- Have the ability to **collect and report disaggregated data** (e.g., gender, region, account type)

- Provide evidence of partnerships with local organizations/stakeholders including women focused organizations/groups to enhance outreach and impact.

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7. Proposal Submission Format

All applicants must submit their proposal using the official **FSDE Financial Inclusion Proposal (FIP) Template**, which is included as **Appendix** of this RFP.

The completed proposal must include:

7.1 Basic Information

- Title of the initiative

- Applicant entity and contact details

- Focus area(s)

- Duration and proposed start date

- Budget and co-funding

- Consent of Implementing partners (if any)

7.2 Proposal Narrative

- Description of the initiative

- Scope of work and implementation approach

- Timeline and phases

- Business plan and resource needs

- Qualitative and quantitative value proposition of the project

- Expected outcomes and measurement approach

- Vision for long-term relevance, scalability, and sustainability

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7.3   Target Distribution Table

- Regional breakdown of outreach targets

- Gender-disaggregated projections

- Monthly and quarterly targets through end of 2026

7.4   Logical Framework / Results Framework

- Outcomes and outputs

- Indicators and milestones

- Baseline and means of verification

7.5   Timeline and Budget Table

- Activity-based budget

- Quarterly implementation timeline

- Total budget summary

8. Evaluation Criteria

Proposals will be evaluated using rubric aligned with NFIS-II implementation priorities. The evaluation will consider both technical and strategic dimensions:

Criteria	Description	Weight
Strategic Fit with NFIS-II	Degree to which the proposal aligns with Action A4.3 objectives and broader NFIS-II goals, including outreach to underserved Muslim populations	25%

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Technical Capacity & Experience	Demonstrated experience in delivering Shariah-compliant or inclusive financial services; team qualifications; past performance	20%
Reach & Inclusion Impact	Strength of outreach strategy, especially to rural, low-income, and female populations; clarity of regional targeting	15%
Innovation & Sustainability	Use of innovative delivery models (e.g., digital, agent-based); potential for scale and long-term sustainability	15%
Financial & Operational Capacity	Soundness of financial plan; institutional systems to manage funds and operations effectively	15%
Monitoring & Evaluation (M&E) Readiness	Clarity of KPIs, data collection systems, and reporting mechanisms	5%
Governance & Compliance	Internal governance, Shariah compliance mechanisms, and regulatory adherence	5%
	Total	**100%**

Shortlisted applicants may be invited for interviews or clarification sessions before final selection.

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9. Submission Process and Deadlines

9.1 Submission Instructions

All proposals must be submitted electronically to:

Email: bids@fsdethiopia.org

Subject Line: *"RFP – Shariah-Compliant Account Promotion – Action A4.3"*

9.2 Key Dates

- **Deadline for Questions**: August 08, 2025

- **Responses to Questions**: August 12, 2025

- **Proposal Submission Deadline**: **August 20, 2025** (Close of Business)

- **Expected Contract Start**: September 2025

- **Project End Date**: December 2026

Late or incomplete submissions will not be considered.

9.3 Legal and Tax Compliance

All selected partners must comply with Ethiopian laws and regulations, including:

- **Tax obligations**: FSD Ethiopia will apply relevant **withholding taxes** as per Ethiopian tax law.

- **Licensing**: Institutions must be **licensed by the National Bank of Ethiopia (NBE)**.

- **Data protection**: Partners must ensure **confidentiality and security** of client data collected during implementation.

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10.   Commitment to Inclusion

FSD Ethiopia is committed to inclusive development and encourages proposals that:

- Prioritize **gender equity**, especially in outreach to women and youth.

- Include **regional representation**, particularly from underserved areas.

- Respect and reflect **religious and cultural sensitivities** in service design and delivery.

11.   Appendix: Proposal Submission Template

All applicants must complete their technical proposal using the official FSDE Financial Inclusion Proposal (FIP) Template. The template includes:

1. **Basic Information** (title, applicant, contact, duration, budget)

2. **Narrative Proposal** (initiative description, scope, approach, outcomes)

3. **Target Distribution Table** (regional and gender-disaggregated targets)

4. **Logical Framework** (outcomes, indicators, milestones)

5. **Timeline and Budget Table**

Proposal template

Title of proposed initiative	
Applicant entity	

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Focus area/s:			
Submission date:			
Proposal submitted by:		**Position**	

<div style="background:#13224a; color:white;">Proposal Details</div>

Duration of initiative		**Proposed start date**	
Requested budget Amount (USD)		**Co-funding (if applicable. Specify cofounding entity/ies)**	
Implementing partner (Kindly indicate if the partnership is secured or under discussion)			
Primary Contact person		**Email address**	

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In the below section please address these points.

a. **What is the proposed Initiative?**

b. **Overall Scope of Work**

c. **Describe the approach You will take to achieve the intended results of this Project:**

d. **Timing and/or phases,**

e. **Business Plan and Viability and**

f. **Narrative of resource needs to support the budget (including people, capabilities, technical expertise, experience, specific assets, including any collaborators/contributors to the Project).**

g. **What is the primary outcome(s) or result(s) this investment will achieve or significantly contribute to?**

h. **How will the result be measured?**

i. **Please describe the vision of long-term relevance, scalability, and sustainability of this Project.**

Target distribution:

Please fill in this section for the regions the initiative will target.

You can insert columns as per the project period.

Region	Total target	M1	M2	M3	M4	M5	M6
National	## (%female)						
Afar	## (%female)						
Amhara	## (%female)						
B-G	## (%female)						
Gambela	## (%female)						
Somali	## (%female)						
Sidama	## (%female)						
Oromia	## (%female)						
SWEP	## (%female)						
Tigray	## (%female)						

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Central Ethiopia	**## (%female)**						
South Ethiopia	**## (%female)**						
Addis Abbaba	**## (%female)**						
Dire Dewa	**## (%female)**						
Harari	**## (%female)**						

Logical framework

Please insert the project's logical framework table including indicators, output, and outcomes

	Outcome/outputs	Indicators	Target/Milestones	Baseline (if applicable)	Means of verification
Outcome 1					
Outcome 2					
Outcome 3					

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Output 1					
Output 2					
Output 3					

	Activity	Budget	Timeline (Month/Quarter)					
			Q3	Q4	Q1	Q2	Q3	Q4
1								
1.1								
1.2								
1.3								
1.4								
1.5								
1.6								
2								
2.1								
2.2								
2.3								
2.4								
3								

3.1								
3.2								
3.3								
3.4								
...								
	Total Budget							

1 United Nations Department of Economic and Social Affairs (UNDESA), Population Division. *World Population Prospects 2024*. New York: United Nations, 2024. (Used for total population estimate (~132.06 million) and age distribution (estimated 58% aged 18+); Worldometer. *Ethiopia Population (2024)*. Accessed August 2025. https://www.worldometers.info/world-population/ethiopia-population/ (Source for updated population count and demographic trends.); Association of Religion Data Archives (ARDA). *Ethiopia – National Profile*, World Religion Database. Reported 34.38% Muslim population in Ethiopia.