

Request for Proposals (RFP)

International Firm Based Consultancy service for Formulation of National Strategy for Movable Asset Based Lending (NSMABL) for Ethiopia

1. Introduction

The **National Bank of Ethiopia (NBE)**, in partnership with **FSD Ethiopia**, is pleased to invite qualified and experienced consulting firms to submit proposals for the **Formulation of National Strategy for Movable Asset Based Lending (NSMABL)** for Ethiopia.

FSD Ethiopia is supporting the National Bank of Ethiopia (NBE) to develop the National Strategy for Movable Asset Based Lending (NSMABL) and hence, is pleased to invite qualified and experienced consulting firms to submit proposals for the Formulation of National Strategy for Movable Asset Based Lending (NSMABL). It is believed that this strategy will provide guidance on improving access to finance through the established secured transaction and collateral registry system which becomes a base for movable asset-based lending and will have a comprehensive roadmap and actions that enable advancing access to finance and enhance financial inclusion across the country.

This strategy will articulate a clear vision, mission and objective, and actionable plans to guide stakeholders in the financial sector—including financial institutions, regulators, government institutions, local and international development partners, and industry associations—in implementing movable asset-based lending and expand access to finance to the unserved and underserved parts of the economy. It will also provide a robust framework for coordination, monitoring, and evaluation, ensuring that the strategy is aligned with Ethiopia's broader economic and transformation agendas.

The National Movable Asset Based Lending Strategy is expected to boost access to credit to unserved and underserved segment of the economy. The strategy will align with relevant national policies and strategies and legal frameworks like the Homegrown Economic Reform 2.0 (HGER 2.0), NAFIR, National Financial Inclusion Strategy, and harmonize with related policies, strategies, legal, regulatory, and institutional frameworks governing secured transactions and collateral management.

About the National Bank of Ethiopia

The National Bank of Ethiopia was established in 1963 and re-established with Proclamation No. 1359/2025 as an autonomous institution with its own juridical personality. The purpose of the National Bank of Ethiopia is to maintain stable rate of prices and exchange, to foster a healthy financial system, and to undertake such other related activities as are conducive to rapid economic development in Ethiopia.

More about NBE is found on their website: <https://nbe.gov.et/>

About FSD Ethiopia

FSD Ethiopia is a development agency that supports the development of accessible, inclusive, and sustainable financial markets for economic growth. It aims to address financial system failures by facilitating market actors to address constraints and build a functional financial sector that generates economic gains for all Ethiopians.

More about FSD Ethiopia can be found here: <https://fsdethiopia.org>

2. Background

Ethiopia's financial sector has historically faced significant challenges in extending credit to key segments of the economy, particularly Micro, Small, and Medium Enterprises (MSMEs), the agricultural sector, cooperatives and pastoralist communities. A primary constraint is the lack of acceptable collateral. These sectors often possess wealth in the form of **movable assets**—such as machinery, inventory, secondary level land certificate, livestock, crops, and other asset—but not traditional immovable properties that practically serve as collateral for loan like land, house or buildings.

Financial institutions have been reluctant to accept these types of movable assets as collateral due to the high risk and uncertainty associated with establishing a legally enforceable security right. This has created a critical financing gap that is setting back the development of entrepreneurship, agricultural productivity, and overall economic growth.

The specific problem this strategy should address is the alarmingly low uptake of the movable assets as collateral for credit that in particular reside in the agricultural, pastoralist, MSMEs and cooperative sectors, despite their immense economic contribution and asset wealth. Ethiopia has one of the largest livestock populations in Africa, a resource predominantly held by pastoralists and smallholder farmers. Furthermore, the government's extensive rural land certification program has issued more than **30 million secondary-level landholding certificates**, which represent a use-right that can be leveraged. However, these vast reservoirs of capital—**livestock and land use rights**—remain unutilized and unable to be used as collateral for loans to finance inputs, equipment, or resilience against climate shocks.

In addition, the MSME sector has difficulties and challenges in the access to finance by pledging their assets, inventory, machines and equipment as collateral for loan. This sector mainly employs the young generation of the country and has been creating employment opportunity and hence addressing the challenges of the sector will directly impact the society and the economy in general.

In a transformative step, the Government of Ethiopia enacted the **Movable Property Security Rights Proclamation No. 1147/2019**. This legal framework, operationalized by **Directives No. MCR/01/2020** and **MCR/02/2020**, established a modern, centralized and online Movable Collateral Registry (MCR) system. The MCR system provides a platform for lenders to register their security interest in movable assets, that gives them priority over other creditors and makes lending against such collateral safer and more secured.

However, the mere existence of a legal framework and a registry system is insufficient. Although the legal framework has been put in place, the credit transactions using movable assets as collateral has not yet been scaled up as expected.

Awareness, adoption, and utilization of the MCR system remains critically low, especially within the agricultural value chain, MSMEs and cooperative sector. There is a huge pressing need for a cohesive, multi-stakeholder **National Strategy** to specifically address the credit barriers faced by these sectors and other un/underserved parts of the economy, guide the development of tailored financial products, and drive the effective implementation of the legal framework and the NMABL strategy to achieve their intended socio-economic impact. To this effect, with the support of FSD Ethiopia NBE intended to develop National Movable Asset Based Lending Strategy in a bid to boost access to credit to unserved and underserved segment of the economy. The strategy will align with the Homegrown Economic Reform 2.0 (HGER 2.0), NAFIR, National Financial Inclusion Strategy, and harmonize with related policies, strategies, legal, regulatory, and institutional frameworks governing secured transactions and collateral management.

3. Rationale

The formulation of a National Strategy for Movable Asset Based Lending is critical for the following reasons:

- **Unlocking Unutilized Resource in Key Sectors:** The strategy will provide a roadmap to specifically mobilize Ethiopia's massive livestock wealth and the millions of registered land use rights as productive capital.
- **Realize the Impact of Existing Reforms:** The strategy will translate the legal provisions of Proclamation 1147/2019 and its associated directives into an actionable framework focused on agriculture, MSMEs, and the centralized online registry system established to ensure effectiveness of security rights and priority is fully realized.
- **Addressing the Agri and Pastoralist Finance Gap:** As articulated in the Movable Property Security Right Proclamation No. 1147/2019, warehouse receipts for stored crops, future harvests, livestock, right to use land, equipment and other similar assets

can be used as collateral. The proposed strategy will leverage to unlock working capital and investment loans from the finance sector against such assets as collateral.

- **Empowering MSMEs:** The strategy will address their biggest barrier to finance by leveraging on the movable assets they possess as collateral.
- **Empowering Cooperatives:** The cooperatives in Ethiopia comprise more than 100 thousand setups with more than 28 million members. They vary in their nature and size, and predominantly organized under agriculture, livestock, consumers, etc. The strategy will create affordable credit/financing opportunities for cooperatives.
- **Systemic Financial Sector Development:** A functioning MCR system promotes financial inclusion, enhances credit risk management for lenders, and develops a more robust, competitive and inclusive financial market.
- **Stakeholder Coordination:** The strategy will align and coordinate efforts of diverse stakeholders—including the NBE, Ministry of Agriculture, banks, microfinance institutions, insurance companies, leasing companies, associations, local and international development partners – towards common objectives.
- **Awareness Creation:** The awareness level, the adoption and utilization of the legal framework and the associated directives including the centralized movable collateral registry system is slow. Improving the awareness of the stakeholders is expected to impact the access to finance barriers.
- **Promote women's financial inclusion:** The strategy will contribute to reducing gender gaps in access to credit by addressing structural and institutional barriers that limit women's ability to leverage movable assets for financing.

Goal and Objectives for formulation of NSMCR

Overall Goal: To dramatically increase access to affordable credit for MSMEs, small holder farmers, pastoralists, cooperatives and other underserved segments in Ethiopia by establishing a vibrant, trusted, and widely used movable asset-based financing ecosystem, with a dedicated focus on mobilizing agricultural and pastoralist assets and reaching out millions of households (individuals) including women.

Specific Objectives include:

1. Increase access to credit to unserved/underserved (agriculture, MSMEs, cooperatives, women, persons with Intellectual Properties, other potential individuals, etc.)
2. Promote financial inclusion
3. Promote business growth and investment
4. Enhance loan recovery
5. Improve asset utilization (dead capital)
6. Support innovation and flexibility in lending and loan recovery
7. Establish efficient Movable Asset Based Lending ecosystem
 - i. Deepening utilization of the MCR System
 - ii. Deepen the utilization of livestock, land use right, warehouse receipt, crops, IP rights, tools and equipment, and similar assets as collateral for loan

- iii. Establishment and utilization of disposal mechanism for recovered assets
(Online auction system to liquidate the movable asset)
- iv. Establishment and utilization of Movable Asset Valuation mechanism

Enablers to achieve the objectives include:

- **Sector-Specific Awareness and Financial Literacy:** To significantly increase awareness and understanding of the MCR system among financial institutions, farmers, pastoralists, MSMEs, cooperatives, and agri-businesses.
- **Capacity Building for Tailored Products:** To enhance the capacity of financial institutions to develop and deliver movable asset-based financial products specifically designed for the agricultural and pastoralist contexts (e.g., livestock insurance-linked loans, warehouse receipt financing, loans against land use certificates).
- **Regulatory Framework Refinement:** To monitor the implementation of the existing legal framework and propose evidence-based amendments or clarifications to facilitate the use of key assets like livestock, land use rights, warehouse receipt, crops, tools and equipment and others.
- **Inclusivity Focus:** To ensure the strategy specifically addresses the barriers faced by women-owned businesses, smallholder farmers, pastoralist communities, cooperatives and MSMEs.
- **Monitoring & Evaluation and learning :** To establish a robust framework for tracking the awareness, usage, performance and impact of the Movable Asset Based Lending (MABL), with specific indicators for agricultural and pastoralist loan uptake. And capitalize on the lessons and learnings, and document them systematically to inform future strategy development and organizational learning.
- **Enforcement process:** Prompt, transparent and clear loan recovery process
- **Valuation:** Efficient platform for Movable Asset Valuation
- **Secondary Market:** Establishment and utilization of efficient and effective platform for FIs to easily dispose- off recovered asset via online auction system
- **Livestock Registration & Identification system:** Availability of ear tag with the registry system
- **Issuance of Secondary Level Land Certificate (SLLC):** Issued SLLC
- **Licensed warehouse operators:** Expansion of warehouse operators in the country
- **Sustainability:** Affordable lending cost.
- **Risk sharing mechanism:** propose risk sharing/ co-financing scheme where borrowers cover part of the loss.
- **Credit assessment:** linkage with fintechs.
- **Capacity building and exposure (Benchmarking):** Capacitated counter party team
- **Technical and financial support** of local and international development partners like support from Agricultural Transformation Institute, International Finance Corporation, FSD Ethiopia, the World Bank and others.
- **Established Structure:** Already established work units (e.g. V/Governor FIS, Steering and Technical Committee, CRMCRD, FIS, etc.) at NBE managing the implementation of the strategy and reforms. Presence of National Financial Inclusion Council steering and supporting implementation of the strategy at federal level and also already established financial inclusion setups at regional and zonal level.

4. Objectives of the Assignment

The objective of this assignment is to support the National Bank of Ethiopia in formulating a comprehensive, forward-looking National Strategy for Movable Collateral Registry in consideration of the aforementioned background, rationale and objectives.

The strategy development will be a participatory process over 4 to 6 months, with a strong emphasis on field consultations in agricultural regions, pastoralist areas, MSMEs and cooperatives:

- **Phase 1:** Inception: Desk review, stakeholder mapping, and inception report.
- **Phase 2: Consultation & Analysis:** National stakeholder workshops, focus group discussions with MSMEs, farmers, pastoralists, unions and cooperatives, surveys with FIs, and a comprehensive situational analysis.
- **Phase 3: Drafting:** Development of the draft strategy for the implementation of National Movable Collateral Registry Strategy and Strategy Implementation Framework document.
- **Phase 4: Validation & Finalization:** validation workshops with finance sector key agriculture sector, MSMEs stakeholders to present the draft for feedback and finalize the strategy.
- **Phase 5: Submission & Launch:** Formal submission to the NBE for endorsement and public launch.

5. Scope of the Strategy Development Assignment

The strategy to be developed will be a comprehensive, actionable and SMART (Specific, Measurable, Achievable, Realistic & Time bound) that at a minimum considers the following:

- a. Ecosystem Diagnostic:
 - Conduct a comprehensive review of the current state of MABL (Movable Asset Based Lending) in Ethiopia with special focus on **lending against livestock, land use right, warehouse receipt, crops, intellectual property right, and others as collateral.**
 - Assess institutional performance, service delivery, financial metrics, and geographic coverage.
 - Benchmark against international good practices and regulatory models.
- b. Stakeholder Mapping and Engagement:
 - Identify and engage key stakeholders including NBE, Financial Institutions, Leasing companies, Ministry of Agriculture, Ministry of Labor & Skill, international and local development partners, Financial Institutions Associations.

- Facilitate structured engagement, including interviews, workshops, and focus group discussions with inclusive representation (regional, gender, institutional type) and validation workshops.

c. Strategic Vision, Mission and Objective:

- Develop a clear vision, mission and objective of the National MCR strategy and develop potential strategic scenarios for the implementation of the strategy.

d. Regulatory Frameworks:

- Review and recommend enhancements and/or amendments on the existing legal and regulatory frameworks in relation to Movable Asset Based Lending.

e. Strategy Development:

- Draft a 5 year strategy for MCR which fast track movable asset based lending that includes but not limited to:
 - Vision, mission, and guiding principles
 - MABL growth targets and priorities
 - MABL action plans with key performance indicators
 - Implementation roadmap/framework including the governance framework to be followed towards the effective coordination of the different stakeholders in the implementation of the strategy with responsibility of stakeholders
 - Business model innovation and product development
 - Targets rural, pastoralist, MSMEs, cooperatives, Women focused and the un/underserved
 - MABL sustainability strategies and models including resource mobilization and funding for the implementation of the strategy
 - Risk management
 - Capacity development

f. Monitoring & Evaluation Frameworks:

Develop a robust monitoring and evaluation framework for tracking the usage, impact, and performance of the MABL, with specific Key performance indicators measuring progresses for agricultural and pastoralist, MSMEs, women & cooperatives loan uptake.

g. Strategy Validation and Finalization:

h. Present the draft strategy for stakeholder feedback.

i. Incorporate feedback and deliver a final strategy document with an implementation roadmap with clearly defined KPIs (Key Performance Indicators) and result monitoring and evaluation framework for continuous improvement.

6. Methodology

The methodology to develop the strategy will depend on the proposal to be provided by the Consultant during the RFP submission; however, the approach to be followed will be by scanning the environment of MABL status. The approach would be convincingly and clearly laid out in the bidder's proposal during the next step of engagement with the consultant, and will address the Scope of the Strategy Development and Deliverables, and acknowledge the following:

- The starting point of the project will be to review the current landscape of financial service provision against movable assets as collateral with special focus on lending against livestock, land use right, warehouse receipt, crops, intellectual property right, and others as collateral and financial inclusion status of each region including the geographical, demographics, social, economic, and cultural context of the regions.
- Review of relevant national policies and strategies and legal frameworks like Homegrown Economic Reform 2.0 (HGER 2.0), NAFIR, National Financial Inclusion Strategy, and harmonize with related policies, strategies, legal, regulatory, and institutional frameworks governing secured transactions and collateral management.
- The work should be rooted in evidence, i.e., based on data, learnings from past responses or interventions, inputs from relevant stakeholder studies on access to finance constraints, challenges and an understanding of feasibility.
- Field level assessment and engagement with regional stakeholders including regional financial inclusion implementation structure, regional administrative offices, financial service providers, international and local development partners and other relevant parties to understand ongoing initiatives, challenges, and opportunities to drive MABL.
- The engagement should be participatory, with the involvement of a wide range of key stakeholders.
- Includes local resource(s) with considerable knowledge of the market and networks both at National and Regional levels.

7. Outputs and deliverables

The primary deliverables of this project

- Inception report and work plan: An inception report with a clear delivery methodology, a stakeholder engagement plan, a delivery plan, and timelines. The inception report may be based on desk research and initial stakeholder conversations.
- Sector diagnostic and benchmarking report: A draft report that addresses the entire component stated in the scope of strategy development.
- Stakeholder consultation report: Presentation of Findings in the form of a series of validation workshops at different levels and submit report.
- Draft strategy document
- Final strategy document and implementation roadmap: A Final Report incorporating feedback from a series of validation workshops with key stakeholders including with

detailed implementation roadmap with clearly defined KPIs and result monitoring and evaluation framework for continuous improvement and project initiatives to address MABL constraints and help improve effective implementation of MABL ecosystem to improve Movable Asset Based Lending practice.

8. Required Qualifications and Experience

Qualified candidates will have previous experience:

- International firm with at least 10+ years of progressively significant financial services experience developing and implementing Movable Asset Based Lending strategies, products particularly livestock, land use right, warehouse receipt, crops, etc.; Secured Transaction and Collateral Registry, experience and broad knowledge of the Ethiopian financial sector landscape
- Experience in using a variety of methods including framework development, stakeholder analysis, gap analysis, prioritization research etc.
- Substantial experience in conducting reviews of this nature, at least experience in designing financial sector strategies that are pro-poor in nature
- Core areas of expertise for the appraisal team include:
 - (a) Access to finance strategies;
 - (b) Movable Asset Based Lending strategies, products
 - (c) Secured Transaction and Collateral Registry
 - (d) Financial inclusion in Ethiopia,
 - (e) Digital financial inclusion,
 - (f) Development and policy analysis, and
 - (g) Public sector strategy development and review. Other areas of expertise include savings, credit, insurance, MSME finance, and rural finance.
- Recent experience in working with or reviewing or developing or implementing access to finance to unserved and underserved programmes or projects in Ethiopia, East and West Africa or elsewhere in the continent would be a distinct advantage.
- Ability to apply global experience when reviewing the financial sector developments in Ethiopia
- Working in developing countries, specifically sub-Saharan Africa. Experience in Ethiopia is preferable.
- Proven expertise in applying gender and social inclusion perspectives in financial sector development

In your proposal, please provide a succinct summary of how your organization meets the skills and qualifications, any unique capabilities you have that are relevant to this project, and previous experience working with the development partners.

9. Duration and Timeline

The total consultancy period is expected to last between **4 to 6 months`**, from the contract signing. All deliverables are to be finalized within this period, following a milestone based review system coordinated by NBE and FSDE.

10. Ways of Working

- The consultant will work under the technical guidance of the NBE and FSD Ethiopia designated personnel, while NBE have the final approval role on the strategy.
- Physical presence in Addis Ababa for up to 60% the consultancy period of key members of the team including the project manager is preferred for stakeholder engagement and workshops.
- All costs (professional fees, travel, taxes, workshops) should be clearly stated in the financial proposal.

11. Proposal Submission Requirements

Proposals must include the following:

1. **Technical Proposal** (max 15 pages):

- Understanding of the project and context: a narrative proposal with a detailed description of the methods that will be used to carry out formulation of the national MABL strategy.
- A list of deliverables and outputs that you will provide to the National Bank of Ethiopia, including interim and final reports.
- A proposed project timeline, including milestones for each deliverable required.
- A complete list with biographies of people from your organization who will be engaged on this project, along with their roles and expected allocation of time (Investment Document and Budget Template).
- The contact details for the primary reference person at your organization for this RFP.
- Client list, highlighting experience relevant to this RFP. Include the dates of service. (no template, please submit in your preferred format).
- A succinct summary of how your organization meets the skills and qualifications, any unique capabilities of your organization that are relevant to this project.

2. Financial Proposal (submitted separately):

- Professional fees: Proposed budget, including breakdown of professional fees based on daily rates.
- Travel and any other other reimbursable costs
- Total cost in ETB or USD (inclusive of applicable taxes)

3. CVs of proposed experts

4. At least two client references from similar assignments

5. Deadline for submission: Feb 20, 2026

Submit to: bids@fsdethiopia.org

Subject line: RFP - *“Formulation of National Strategy for Movable Asset based Lending (NSMABL) for Ethiopia”*

12. Evaluation Criteria

The following will be the evaluation criteria to be used to select the winning proposal:

Criteria	Weight
Relevant experience and team capacity	40%
Methodology and interpretation of the TOR and timeline	30%
Proposal content and quality	10%
Cost	20%
Total	100%

13. Legal and Tax Compliance

FSD Ethiopia will apply relevant Ethiopian tax laws, including withholding taxes. Consultants are expected to be fully compliant with all local laws.

14. Commitment for Inclusion

FSD Ethiopia values diversity and encourages participation from local, regional, and women-led organizations. The NSMABL must reflect inclusive, gender-sensitive, and religiously respectful perspectives.

- **Safeguarding**

15. Contacts

FSD Ethiopia has a Staff Code of Conduct, Safeguarding and other Policies, which have been developed to ensure the maximum protection of program participants. The consultancy offered with the opportunity will be expected to adhere to these policies and other FSD and Donor policies.

Questions or comments in respect to this RFQ should be directed by email to bids@fsdethiopia.org on or before Feb 12, 2026 and feedback will be provided by Feb 16, 2026.

16. How to Apply

Proposal should be submitted electronically to bids@fsdethiopia.org with the subject line before CoB by Feb 20, 2026. Please submit the technical and financial proposals in two separate files.

Annex 1: Proposed Fee Schedule

Costs should be shown separately in the format set out below. Fees proposed by tenderers should be inclusive of all taxes.

Consultancy Fees*	Days/ Months/Units	Fee in ETB/USD	Total ETB /USD
XX			
XX			
XX			
Total Remuneration cost			
Reimbursable costs**	Unit	Fee in ETB/USD	Total ETB /USD
XX			
XX			
XX			
Total Remuneration cost			
Total proposes Cost			
*Fees Include all taxes			
** Expenses to be reimbursed on actual costs as per FSD Ethiopia policy			