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Terms of Reference - Ethiopia Agri-Finance Stocktaking and National Agri-Finance implementation Roadmap for National Bank of Ethiopia

Terms of Reference

FSD Ethiopia would like to onboard a consultant who will work with the National Bank of Ethiopia (NBE) in order to support the Bank in performing a stock-taking on agri-finance in the country with a view to developing a National Agri-Finance Roadmap (NAFIR) under the NFIS II. The key research questions will include cataloguing and quantifying what has been done in Ethiopia in the realm of agri-finance thus far, the performance and lessons learned, and carrying out a comparison with comparable markets which can generate actionable recommendations as well as outline how to best improve agri-finance given current and expected changes in the financial sector such as the opening of the Banking sector for foreign investment.

The methodology should comprise desk- and field-based components, which will encompass landscape assessment and institutional analysis, data gathering and analysis, comparator benchmarking, stakeholder engagement, gap analyses and collective problem-solving. The approach should be grounded in a strong understanding of Ethiopia's macro-level policy and economic environment, its financial sector, its agricultural value chains, and the commercial and socio-economic frameworks within which agricultural and rural actors operate. It should comprise both demand- and supply-side assessments for respective financial products, value chains and financial institutions, which identify key gaps and barriers as the basis for formulating a comprehensive and coherent strategy in response.

Finally, the Agri-finance plan should sit seamlessly alongside other NBE priorities and strategies. This encompasses the Bank's broader financial inclusion agenda, as



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well as NBE and national strategies that address key complementary policy imperatives including gender, jobs and digitisation.

Activities

The Consultant shall work closely with the NBE and other partners to perform the following activities:

- i. **Define a detailed project framework**, including methodology, implementation workplan and timeline, identifying on-the-ground arrangements for performing key activities.
- ii. **Carrying out a landscape assessment and institutional analysis**, providing a comprehensive mapping of the Ethiopian agri-finance landscape inclusive of institutions, infrastructure, sub-sectors, products and technologies, as well as completed or ongoing agri-finance development programs and partnerships in the country.
- iii. **Design and oversee the carrying out of a data analysis framework**, including stakeholder-specific data request templates that may be sent to the owners of relevant data (e.g. NBE, Ethiopia Statistical Service and other public agencies; financial institutions; and agricultural policy, regulatory and industry representative bodies), and analysis of the resultant information.
- iv. **Design and oversee the carrying out of a stakeholder engagement framework**, including a segmented stakeholder identification and profiling analysis for demand- and supply-side analyses, stakeholder-specific survey tools, sampling arrangements, logistics for carrying out the stakeholder engagement, and analysis of the resultant information.



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- v. **Design and oversee the carrying out of a benchmarking of comparative economies**, providing analytical justification for benchmark selection, design of the benchmarking criteria, formulating a data collection methodology (e.g. desk research and secondary data, combined where relevant with primary data collection and stakeholder engagement), partnerships for carrying out the benchmarking (e.g. with relevant pan-African/global technical agencies or NGOs), and analysis of the resultant information

- vi. **Carrying out a gap analysis** based on the landscape assessment and institutional analysis, data analysis, stakeholder engagement and demand/supply analysis, and the benchmarking, identifying the gaps in Ethiopia's agri-finance landscape and performance, and leveraging lessons learnt in Ethiopia and benchmarked economies to generate recommendations which may be debated and validated with NBE and relevant stakeholders in workshop format

- vii. **Developing the Roadmap**, which comprehensively and coherently integrates the stakeholder workshop-generated components seamlessly with NBE priorities and strategies including the broader financial inclusion agenda, and key imperatives including gender, jobs and digitisation.

D. Deliverables and Timeline

- i. **Inception Report:** Includes a detailed project framework, methodology, implementation workplan and timeline. Also identifies on-the-ground arrangements for performing key activities.

- ii. **Landscape assessment, institutional analysis and activity design plans - after four weeks:** Includes draft landscape assessment and institutional



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analysis, in addition to design frameworks for carrying out data analysis, stakeholder engagement and demand/supply analysis, and comparator benchmarking.

- iii. **Draft Analyses:** Results from data analysis, stakeholder engagement and demand/supply analysis, and comparator benchmarking. Also includes a draft gap analyses matrix populated with preliminary recommendations to inform a stakeholder workshop.
- iv. **Stakeholder Workshop and Report:** the consultant structures and facilitates a stakeholder workshop hosted by the NBE to review project outputs, gap analysis and draft recommendations. Engages stakeholders in collective problem-solving to generate key strategy components.
- v. **Draft Roadmap:** A draft report for NBE review comprehensively and coherently integrating stakeholder-generated strategy with NBE priorities and strategies. Includes objectives, measurable targets, implementation framework and timeline, well-defined activities and results within a clear theory of change, and the roles of the different actors,
- vi. **Final implementation plan:** The finalised report, incorporating NBE feedback

E. Required Experience, Qualification and Skill Set

- i. A minimum of 15 years of total professional experience
- ii. At least 10 years of experience directly related to agricultural finance
- iii. Advanced degree (Masters or higher) in finance, economics, agriculture or a related field
- iv. Experience conducting research, analyzing data, and producing strategic reports
- v. Strong knowledge of the agricultural and financial sectors in developing markets



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- vi. Experience working with governmental and non-governmental stakeholders
- vii. Excellent analytical, writing and presentation skills

F. Criteria for Selection

i. Overall Experience in the Sector (20 points)

An ideal agricultural finance expert should possess a deep understanding of the agricultural sector, including its unique challenges, opportunities, and regulatory landscape. This expertise should be coupled with a solid foundation in finance, economics, and development studies. The expert should have a proven track record of working with various stakeholders in the agricultural finance ecosystem, such as farmers, financial institutions, government agencies, and international organizations.

ii. Previously Executed Similar Assignments (25 points)

The expert should have a history of successfully executing similar assignments, such as designing and implementing agricultural finance programs, conducting financial assessments of agricultural projects, or developing credit risk models for rural finance institutions. Previous experience in data analysis, financial modeling, and impact evaluation is also highly desirable.

iii. Understanding of the Expectations (25 points)

A clear understanding of the specific expectations of the assignment is crucial. The expert should be able to:

- Identify key challenges facing the agricultural finance sector, such as limited access to credit, high interest rates, and inadequate risk management practices.



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- Develop innovative solutions to address these challenges, such as designing new financial products, strengthening institutional capacity, and promoting inclusive finance.
- Conduct rigorous analysis of financial data, market trends, and regulatory frameworks.
- Provide practical recommendations that policymakers, financial institutions, and farmers can implement.
- Collaborate effectively with diverse stakeholders to build consensus and drive change.
- Communicate complex ideas clearly and concisely, both orally and in writing.

G. Application Requirements

Interested applicants should submit the following documents in one combined PDF file:

- Cover letter (not more than 1 page) outlining your relevant qualifications and interest in the role.
- Please include your resume/CV (not more than 3 pages) detailing your educational and professional background with an emphasis on experience in agricultural finance or related fields.
- Applicants should include a 3-5 page project proposal responding to the requirements in the Terms of Reference. Describe your proposed methodology and timeline to complete the deliverables.
- Provide your all-inclusive daily or monthly consultant rate in Ethiopian Birr or USD and estimated number of days/months to complete the project.
- Optional materials such as links to published work or presentations can also be included.
- Bidders should direct any questions to bids@fsdethiopia.org no later than November 09, 2024.



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- Applications must be submitted to bids@fsdethiopia.org by November 15, 2024. Incomplete or late applications will not be considered.