

TERMS OF REFERENCE – RURAL EXPERT

Assignment Background:

Access Microfinance Holding, along with a group of international investors, established AccessBank Tajikistan (ABTJ) in April 2010. ABTJ's mission is to provide commercially viable sustainable financial services, especially credit, targeted to private micro and small businesses and to farmers in Tajikistan. ABTJ also offers banking products for its customers and employees, such as current accounts and deposit accounts, in both TJS and \$ money transfer and international payment services.

ABTJ is expected to reach profitability and a business size and quality by end of 2018, limiting future TA requirements to regional expansion, development of new products, and financial literacy training. The TA will support ABTJ in maintaining asset quality and gradually building up lending capacity.

Objective and Scope of Service:

Conduct market research, and assist ABTJ to consolidate its lending business and develop rural banking business through branch and/or branchless banking approaches to expand ABTJ's banking activities to Tajikistan's regions.

Train at least 80 ABTJ loan officers in appropriate techniques of analysis, monitoring, and recovery or workout of loans through a combination of theoretical seminars and intensive on-the-job training.

Detailed Tasks

The consulting services are to be carried out in close collaboration with ABTJ, which will nominate a team of experienced ABTJ staff to work closely with the consultant in this assignment and implement the agreed upon approach.

The TA will be implemented in three phases on an intermittent basis:

- I. Diagnostic phase: this phase should consist of:
 - a. A market study to analyze the demand for agricultural loans, as well as rural loans and identify geographic regions of interest.
 - b. An assessment of the current ABTJ approach to its product offering, including interviews with Branch Managers and staff and a review of all relevant documentation.
 - c. Organize a focus group of branch and department representatives to better understand customers' needs
 - d. A resulting gap analysis and identification of key areas for improvement. Based on the above and the feedback from ABTJ management, the consultant should formulate a revised strategy for rural lending, propose new service concepts and products and set the criteria for selecting the pilot branches
 - e. A project timeline and work plan with clear milestones and deliverables.

This phase should take approximately 10% of the consultant's level of effort (LOE) and will last about 8 weeks.

- II. Preparation phase: in this phase, for branches located in/or close to rural markets, the consultant will:

- a) Propose the key requirements for rural lending development.
- b) Design new products and offers (taking into consideration the capabilities of the core banking system and development tendencies of the local market).
- c) Prepare Business Plan based on product, pricing and cost (cost/benefit analysis).
- d) Prepare promotion and marketing plan.
- e) Develop training curriculum for lending staff.

This phase should take 10-12 weeks and approximately 15%% of the consultant's LOE.

III. Implementation phase: in this phase the consultant should train lending staff, launch the pilot test and oversee the roll-out to additional branches. The main activities in this phase are:

- a) Train lending staff (from the pilot selected branches) on the features of the new products.
- b) Train lending staff on sales skills, potentially including customer service employees (from the pilot selected branches) on cross-selling training.
- c) Launch and support a pilot test (at least 2 branches)
- d) Assess the pilot performance and make adjustment to the strategy and products as needed.
- e) Implement the final version of the new product in all branches after getting ABTJ approval.
- f) Training all branch staff on new products' features, sales skills and cross selling.

This phase should take approximately 75% of the consultant's LOE.

Expected Output:

The main report, training and testing deliverables of the above phases are:

- (i). Diagnostic phase:
 - a) Diagnostic Report that covers the rural lending improvement strategy, initial product concepts/service offering, assessment for the market and ABTJ current products and procedures, the branches selected for the pilot test and business growth targets.
 - b) Review ABTJ lending policies and procedures.
 - c) Workshop with ABTJ management to present, refine and further develop the strategy and service offering ideas.
- (ii). Preparation phase in close collaboration with ABTJ management :
 - a) List of the proposed new products and their specifications
 - b) Detailed cost-benefit analysis
 - c) Detailed marketing concept and outreach strategy with action items and timeline.
 - d) Workshop with branch representatives to discuss the proposed products and to get Management approval.
 - e) Detailed training concept, curriculum and training materials.#
- (iii). Implementation phase:
 - a) Training at least 80 ABTJ lending staff , 40 customer service staff
 - b) Feedback report to ABTJ management on the training.
 - c) Pilot test assessment report.
 - d) Workshop with ABTJ management at the end of the first pilot testing to discuss project progress during this phase and the main milestone and objectives of the implementation phase.
 - e) Roll-out reports.

The consultant will report when management feedback is required and submit at least monthly reports to ABTJ management and ADB as well as a final report at the completion of the TA.

Assignment Duration:

The Assignment is expected to start in May 2016 and has an estimated overall duration of 24 months.

Required Consultant Expertise:

The nature of the consulting and service assignments requires international expertise, through individual Consultants with a special focus on transition economies. Candidates will be evaluated on the basis of quality of the technical proposals. ABTJ and ADB will negotiate the contract which may not exceed USD 170,000 with the first ranked bidder.

The candidate will meet the following requirements:

- At least 8 years of professional experience in rural lending (including agriculture) business and MSME finance in the Caucasus and/or Central Asia region.
- Experience in designing products and implementing lending schemes to meet the demand of the rural and agricultural sector
- Ability to cooperate with other business partners and donor agencies in the sector
- Experience in agriculture value chain development
- Experience in selecting and training local credit staff in lending techniques
- Hands-on experience with setting up and managing MSME bank branches as profit centers
- Ability of coaching and training key staff (e.g. Group Leaders and Branch Managers)
- Fluency in Russian and English language (written and oral)
Familiarity with Tajikistan's specific banking sector conditions is not a strict requirement but will be an advantage.

Submission Requirements:

In order to determine the capability and experience of experts seeking to be selected for this assignment, the information submitted should include the following:

- Cover letter (max. 2 pages) summarizing why the expert believes to satisfy the requirements as defined in the above section Consultant Profile;
- CV (not exceeding 4 pages) which should include full descriptions of responsibilities carried out, not just a job title, including information on contracting entity/client, project location/country, duration (mm/yy to mm/yy), expert months provided (if different from duration) , main activities, objectives, references.
- Consultants are required to submit a financial proposal for the assignment. The maximum amount paid for the services is USD 170,000.

Selection Guideline

Knock out Criteria for Shortlist:

- Consultant is not proficient in English and Russian
- Consultant has less than 8 years working experience in Central Asia
- Consultant has less than 8 years' working experience in MSME finance
- Consultant has no track record in rural finance
- Consultant isn't from an ADB member country

Selection Committee Participants:

- Udo Schedel
- Bertolt Hertzfeld
- Natalia Fefilova
- Andrey Izmailov
- Saskia Winter

Evaluation Criteria:

Background in business, economics agro-economist or related field, with preferably at least one postgraduate degree in one of these subjects	15%
Proven track record of working in /implementing projects in rural lending/agricultural value chain in emerging markets	20%
Experience in banking/financial sector and knowledge of operating environments in Central Asia or similar region, preferably at least 8 years	20%
Experience in conducting classroom trainings and on the job-training/coaching	10%
Cover letter demonstrates understanding of the assignment objectives and of the regional specifics	10%
Financial Offer	25%