 

**Farmer-to-Farmer East Africa**

**Volunteer Assignment Scope of Work**

**NOTE: THIS SCOPE OF WORK AWAITING FINAL EDITS**

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| **Summary Information** | |
| Assignment code | ET-105 |
| Country | Ethiopia |
| Country Project | Grain Crops Production and Sector Support |
| Host Organization | Metemamen Microfinance Institution (MMI) |
| Assignment Title | Loan risk management |
| Preferred Dates | March – Sept, 2016 |
| Assignment objectives | * Train host staff on loan risk management * Develop a trainings procedure for host staff to extend to beneficiaries |
| Desired Volunteer’ Skill/Expertise | * Volunteer with loan risk management experience * Experience working with financial institute * Experience in providing trainings and organizing Institutional development |

1. **BACKGROUND**

The Farmer-to-Farmer (F2F) East Africa program is a program that leverages US volunteer’s expertise to assist smallholder farmers and small scale processors in East Africa to improve their business practices through volunteer assignments conducted with host organizations. Through F2F intervention, CRS will improve the livelihoods and nutritional status of significant numbers of low income households by: i) broadening their participation in established commodity value chains as producers and service providers; ii) strengthening community resilience to shocks such as droughts that adversely affect livelihoods; and iii) preserving/enhancing natural resources upon which most rural communities depend. CRS will also increase the American public’s understanding of international development programs and foster increased cross-cultural understanding between host countries and US volunteers.

Embracing a culture of savings by the community and credit provision by financial institutions in Ethiopia are pillars to development and considered proxies for economic growth. The limited access to credit and other microfinance services contributes to national poverty[[1]](#footnote-1), and does not encourage saving. The Ethiopian government has identified microfinance institutions (MFIs) as priority institutions as part of strategies for poverty reduction and development programs[[2]](#footnote-2).

Metemamen Microfinance Institution is a growing MFI established with the financial and technical support of CRS/Ethiopia and Ethiopian Catholic Church Social and Development Commission (ECC-SADCO). It was founded on April 10, 2001 as a share company and secured its operating license under the licensing and supervision of MFIs proclamation No. 40/ 1996 from the National Bank of Ethiopia in 2002.

The institution obtained its operational license to conduct micro financing business and started actual operations on April 24, 2002. It was established mainly to address the financial need of the active poor population both in urban and rural areas and with a focus mainly on women. The institution is currently providing micro financing services in the form of small loans and conducting saving mobilizations to enable its target clients to involve in income generating activities to help themselves and their families and further to reinvest in more productive ventures.

**C**ontributing to poverty alleviation and empowerment of the economically less privileged segment of the population particularly women and youth entrepreneurs through demand driven and sustainable financial services in urban and rural areas of Ethiopia is the mission of the institute. And to envision seeing poverty eradicated in Ethiopia by empowering the most disadvantaged group of society being one of the leading MFIs.

Metemamen MFI registered slow growth in terms of outreach and expansion due to different internal problems and external challenges for the past decade. However, significant improvements made since 2011.

1. **ISSUE DESCRIPTION**

Ethiopia and the wider horn of Africa are prone to frequent drought and unseasonal weather conditions. 83% of the Ethiopian population lives in rural areas and their lives are directly linked to rain fed agriculture. Drought leads to more social complications within the country which may include mass migration, unemployment, malnutrition from food and water scarcity and loss of business. Micro finance institutions that work to lend to farmers and pull them out of poverty often suffer greatly during these difficult times. In addition the political instability, market fluctuation and other unpredictable situations are becoming the bigger risks for financial institutes in Ethiopia.

MMFI is one of these institutions that suffered from the aforementioned risk of loan repayment. It is essential for the institute to prepare itself for the risks that come with providing micro finance to clients.

Extending repayment period and continuous discussion with clients are the major mitigation method currently deployed by the institute. However, it is not improving the situation as expected. In addition to ex post risk minimization techniques, the MFI would like to be proactive before providing credit to its clients by knowing different financial product provision techniques with limited risk probability. The host organization MMFI has expressed a need for a F2F volunteer to provide their expertise in the field of risk management. MMFI has capacity gaps within their field of work.

1. **OBJECTIVES OF THE ASSIGNMENT**

The main objective of this assignment is to Assist MMFI in identifying the potential organizational risks and to plan methods in which to manage them. The volunteer will train staff to increase their knowledge and ability to analyze both past and future potential risks. The F2F volunteer alongside MMI staff will assess the existing gaps in the staff knowledge in relation to risk management and look for best practices. The volunteer will then mainly assist on how to make the systems operational. She or He will develop guideline for effective operation of the system in Ethiopia.

The volunteer will focus on training on the possible risk management strategies-

1. identify, characterize threats to host and beneficiaries in Ethiopia
2. assess the vulnerability of critical assets (Crops, land, funds) to specific threats
3. determine the risk (i.e. the expected likelihood and consequences of specific types of attacks on specific assets)
4. identify ways to reduce those risks
5. prioritize risk reduction measures based on a strategy

**Host contribution** –

Metemamen Microfinance Institution will select staff and stakeholders from various positions to attend trainings, gather book keeping in addition to management data, and facilitate the volunteer to reach them. The host will also avail key personnel to facilitate the volunteer in his/her overall works including informal training in various sectors of strategy planning. The host will make prior arrangements to ensure that the volunteer can attend scheduled training forums to train the institutional beneficiaries and staff. The organization’s mission statement and future expansion goals may also prove to be useful if available. The host will also provide the volunteer with office space and office furniture. The host partner will make vehicle available for field work and facilitate volunteer field travel.

1. **ANTICIPATED RESULTS FROM THE ASSIGNMENT**

It is anticipated that the host organization will gain skills in the field of risk management and develop their own system that they will be able to implement and extend to their beneficiaries and staff in other locations (other field offices). Develop a training of trainers’ curriculum.

1. **ASSIGNMENT DELIVERABLES**

It is anticipated that the volunteer transferred up-to-dated skills and overseas’ experience to the staff members and members of the Metemamen Microfinance Institution via training and practical document preparation.

The anticipated deliverables that can be accomplished by the volunteers can also include:

Deliverables by the volunteer include:

• Written guideline on a risk management system and trainings procedures

• Debriefing with CRS staffs and / USAID

• Field report with recommendation.

• Outreach activity in country and when back in the US

1. **SCHEDULE OF VOLUNTEER ACTIVITIES IN ETHIOPIA**

| **Day** | **Activity** |
| --- | --- |
| Days 1 | Arrival to Ethiopia, Bole international Airport. The volunteer will find the hotel kiosk in the airport and have prearranged transport to “Churchill hotel” |
| Day 2 | Introduction to CRS higher officials and briefing meeting (security, general orientation, logistic, reporting formats, etc.) at CRS office. Discuss anticipated outcomes and work plan. |
| Days 3 | * Drive to MMI office in Addis and meet with organization staff. * CRS introduces the volunteer to the MMI team. Together with CRS and the management, the volunteer will review and finalize the work-plan. The action plan should include group presentations to be done after the assignment. In the afternoon, visit some of MMI facilities and staff members. |
| Days 4 | * Further identify skill and training gaps through visiting and discussing with the host. * Based on information gathered and gaps identified, enrich the prepared training materials incorporating hands-on practices. * Firsthand information/data collection by volunteers as applicable. |
| Day 5-7 | * Conduct training and presentation to the staff. * Assess and refine the quality of trainings through feedback and observations. |
| **Day 8** | **Rest day.** |
| Days 9-11 | Continuation of the trainings and technical assistance (in developing the strategic plan), sharing the draft strategic plan |
| **Day 12** | **Rest Day** |
| Day 13 | * Group debriefing presentation to the host in the presence of CRS. |
| Day 14 | * Finalize reimbursement expenditures and liquidations (if any) with finance. * Finalizes his/her report and submit training M&E forms to CRS F2F staff. * Debriefing at CRS office with USAID Mission and CRS staff |
| Day 15 | * Depart for USA |
| TBD | Outreach event when back in the US could include: presentation with a local group/organization, press release, media event and/or speaking tour. |

1. **DESIRABLE VOLUNTEER SKILLS**

The volunteer must have the following qualifications and competencies:

* Experience risk management development.
* Proven experience in working with financial institutions in a decision making level in matters of management.
* Proven experience in leading of risk management type trainings
* Good analytical and communication skills and ability to train an adult audiences

1. **ACCOMMODATION AND OTHER IN-COUNTRY LOGISTICS**

* Before travelling to the assignment place, the volunteer will stay in Addis Ababa at one of the CRS’s client hotels, Churchill or another hotel that will be booked and confirmed before the arrival date.
* In Addis Ababa, the hotel usually has rooms that include services such as airport pickup and drop-off, breakfast, wireless internet, etc.
* The hotel or CRS will arrange a vehicle for short travel from the hotel to CRS and vice versa while in Addis Ababa.
* All required materials will be prepared ahead of time and provided to the volunteer. CRS Ethiopia will provide the volunteer with a laptop computer (if s/he needs), local internet dongle (modem/EVDO) and mobile phone with a charged local SIM-card. Any other required logistics and facilities can also be requested by the volunteer during her/his stay in Addis Ababa.
* CRS will provide a vehicle and accompany the volunteer to the place of assignment in this case the volunteer will stay the duration of their trip in Addis..
* CRS HQ will provide the volunteer with a per-diem advance to cater meals and incidences.
* CRS Ethiopia will also reimburse the volunteer with laundry costs against receipts.
* Before departing from Ethiopia, the volunteer will liquidate any advances received in Ethiopia.
* For more information, please refer to country information that will be provided.

1. **RECOMMENDED ASSIGNMENT PREPARATIONS**

* Although CRS F2F has developed such hinting SOW, the volunteer can fine-tune through her/his professional qualifications to successfully carry out this assignment.
* The assignment site is adjacent to Lake Tana where malaria is a problem. Therefore, the volunteer is advised to take pills or vaccination for malaria and (maybe also for cholera) as per medical recommendations by her/his doctors/health professionals in US before departing from US.
* Prior to travel, the volunteer is advised to prepare necessary training and demonstration aids and written handouts. Softcopies of the handouts and any other paper materials can be printed for immediate use at the CRS office in Addis Ababa on request by the volunteer.
* If the volunteer requires simple training aids like flip charts, markers or tape s/he should make the request and collect from the CRS office in Addis Ababa prior to travel to the assignment place.
* Translation of handouts to the local language can be done in the locality of the assignment, if required.
* Depending on the meeting places and availability of electric power and LCD projector, the volunteer may use a laptop and projector for power point presentations.

1. **KEY CONTACTS**

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| **CRS Baltimore** | **CRS East Africa Regional Office** |
| **Maria Figueroa**  Volunteer Coordinator  EA Farmer to Farmer Program  228 W. Lexington Street  Baltimore, MD 21201; 410-951-7366  Email: [maria.figueroa@crs.org](mailto:maria.figueroa@crs.org) | **Nyambura Theuri**  Deputy Project Director  EA Farmer to Farmer Program  P.O. Box 49675 – 00100, Nairobi, Kenya  St. Augustine Court Karuna Close Road  Email: [nyambura.theuri@crs.org](mailto:nyambura.theuri@crs.org) |
| **CRS Ethiopia** | |
| **Biruk Tesfaye**  F2F program manager  CRS Ethiopia Office, P. O. Box 6592; Addis Ababa, Ethiopia  Phone: +251-112-788800, +251-911-718450  Email: [biruk,tesfaye@crs.org](mailto:eshetayehu.tefera@crs.org) | **Art Kirby**  Head of Programs  CRS Ethiopia Office, P. O. Box 6592  Addis Ababa, Ethiopia  Phone: +251-112-788800  Email: [art.kirby@crs.org](mailto:art.kirby@crs.org) |
| **Host Organization** | |
| **Wegayehu Assrat**  Metemamen Microfinance Institution (MMI)  General Management  Ababa, Ethiopia  Phone: +251-913-460432  Email: [wega\_soli@yahoo.com](mailto:wega_soli@yahoo.com) | Kasye Ayele  Metemamen Microfinance Institution (MMI)  Deputy General Management  Ababa, Ethiopia  Phone: +251-911-737589  Email: [kasayeayle@gmail.com](mailto:kasayeayle@gmail.com) |

1. *Journal of Business and Economic Management 1(1): 010-017, January 2013*  [↑](#footnote-ref-1)
2. *Meklit Microfinance Institution, Progynist and Alisei NGO (2005). Trends, Challenges and Other Key Issues in Micro Finance Development in Ethiopia. Workshop Proceedings. Alisei Publishing.* [↑](#footnote-ref-2)