



**Farmer to Farmer
Volunteer Assignment Scope of Work**

This assignment can be either Local or Virtual. Either way, the remote support of an American volunteer is needed.

Local Assignment: Ethiopian or East African volunteer to be paired with virtual supporting American volunteer.

Virtual Assignment: An American volunteer conducts a series of calls/meetings

Potential volunteers from Ethiopia or East Africa should email haile.dolango@crs.org and lidia.retta@crs.org to express interest.

American volunteers wishing to support virtually should email maria.figueroa@crs.org

Summary Information	
Assignment code	ET242
Country	Ethiopia
Country Project	Crops
Host Organization	Metemamen Microfinance Institute (MFI)
Assignment Title	Portfolio Management
Assignment Preferred Dates	Flexible
Assignment Objectives	To improve management of the loan portfolio
Desired Volunteer' Skill/Expertise	Experience and knowledge micro loans portfolio management
Type of Volunteer Assistance	Organizational Development
Type of Value Chain Activity	Information and Input Support Services (S)
PERSUAP Classification	Type III

A. BACKGROUND

The development of MFI in Ethiopia is a recent phenomenon and known by its fast-growing and aggressive drive to achieve a large scale of geographic location in the country an emphasis on rural households, promoting both credit and saving products, a strong focus on sustainability. Microfinance institutions are playing vital roles in economic development of developing countries including Ethiopia. Microfinance institutions as development organizations are to service the financial needs of

un-served or underserved markets as a means of meeting development objectives such as to create employment, reduce poverty, empower women or poor people, and encourage the development of new business. More specifically, three objectives of microfinance institutions are frequently cited: to create employment and income opportunities through the creation and expansion of microenterprises; to increase the productivity and income of vulnerable groups, especially women and the poor; and to reduce rural families' dependence on drought-prone crops through diversification of their income generating activities (World Bank, 2007).

Currently, the Ethiopian microfinance institutions are playing crucial roles in improving the life of poor societies and economic development of the country as a whole. Accordingly, their loan outstanding is substantially increasing (\$34,647 in 2003 to \$420,588,235 2011, AEMFI performance analysis report, 2012). Good loan portfolio management is important because loan portfolios should be secured and collected in order to facilitate loan disbursement to other clients. As the loans provided are repaid on the contract date, the MFIs more reach poor people in finance, which may in turn to increase loan portfolios quality.

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. Metemamen MFI partners with CRS/Ethiopia by providing small loans to poor rural households and supports their engagement in the crop and livestock value chains. Metemamen MFI's total Outstanding portfolio has significantly been increasing in the past five years it increased to \$9,259,259 in the reporting period which show a 48% increase when compared to the same period last year. Out of the total outstanding portfolio individual business, consumption and agriculture loan constitute the highest share.

B. ISSUE DESCRIPTION

The purpose of Metemamen MFI is to meet the financial needs of those populations excluded from formal financial services, especially the poor, through providing presumably affordable loans, easy access to loan securing, servicing and repayment facilities; and to help the poor reduce their vulnerability to capital deficiency, increase their incomes and build businesses.

The institution Metemamen gives high emphasis to maintaining portfolio quality. And maintaining quality portfolio is not simple as it is exposed to different risk. An MFI must balance many different types of risk within its portfolio. Common risks include credit risk, interest rate risk and liquidity risk. However, lack of knowledge and experience of the staffs on portfolio management lead them to weak financial service. They institution lack senior and experienced finance staff due to high staff turnover.

The institution does not require formal collateral, instead base loan decisions on group solidarity and past repayment history. But collateral may not be legally registered or have little liquidation value. The institution not receiving its money back from the borrowers on time due to the problem in client screening during loan processes Thus, when loan portfolio quality suffers substantially, MFIs face far greater loan losses relative to the amounts outstanding. And this has significant effect on the financial performance of the institution success because it is dependent on the effective and efficient management of its loan portfolios. As the country is heading to liberalizing the financial sector, improving its portfolio quality is becoming an issues survival for the MFI.

The host, therefore, requested F2F volunteer assistance to provide technical support on improved portfolio management.

C. OBJECTIVES OF THE ASSIGNMENT

The main objective of this volunteer assignment is to assist Metemamen MFI on improving its portfolio management.

The specific objectives include: Enhance loan portfolio management knowledge and skills for the host staff.

- Portfolio planning (loan size determination, loan pricing/interest rate, loan repayment period, setting guarantees)
- Review client management screening/evaluation (obtaining information on clients, analysis of creditworthiness, making credit decision) procedure and provide advices
- Provide technical assistance to host on outstanding loan and delinquency management

The volunteer is expected to provide training in the topics as outlined above, however, the volunteer can add relevant more topics as appropriate. The target audience for the training are branch managers and head offices staffs of the Metemamen MFI.

D. ANTICIPATED RESULTS FROM THE ASSIGNMENT

It is anticipated that this volunteer assignment will result in improved capacity of the MFI in portfolio management including portfolio planning and client management. After this particular volunteer intervention, it is anticipated that host staff:

- Plan and manage portfolio properly
- Identify and mitigate risks timely
- Increase loan recovery/collection rate
- Work to minimize portfolio at risk
- Maximize profit

E. HOST CONTRIBUTION

The host has committed to mobilize the staff to receive the volunteer's technical assistance. The host will also avail key personnel to work closely with the volunteer, assisting her/him during training sessions, ensuring translation to the local language and advising on the culture of the area. CRS will cover lodging costs against receipts and other related costs. In coordination with the host and the volunteer, CRS will also arrange and pay for transport services for daily use to and from the assignment place.

F. ASSIGNMENT DELIVERABLES

The major anticipated outputs of this assignment include, but not limited to:

- Portfolio Management guidelines or manual developed
- 30 MFI staff trained in Portfolio management including branch managers
- Training materials in appropriate formats
- Training lists with people trained and subject areas as per the training reporting formats
- Volunteer end of assignment report with recommendations to the host organization action plan and recommendations to CRS
- Conduct a final debriefing (PowerPoint presentation) with the host organization (plus key stakeholders) and CRS/USAID
- Conduct outreach events upon return to the US

G. SCHEDULE OF VOLUNTEER ACTIVITIES IN ETHIOPIA

Day	Activity
Day 1	Arrival in Addis at Bole Airport. The volunteer will be met by CRS's client hotel Eliana Hotel (https://www.booking.com/hotel/et/eliana. ; Phone: +25111 126 2600).The volunteer will locate the hotel kiosk and use pre-arranged shuttle
Day 2	Rest Day (Sunday)
Day 3	<ul style="list-style-type: none"> • Take hotel shuttle to come to CRS office (CRS working days are Monday to Friday from 8:00AM to 5:00 PM East Africa Time) • Welcoming by CRS, and briefing meeting on security, general orientation, MEAL (attendance sheet, reporting and PPT templates), and logistic. • Discuss anticipated outcomes and work plan • S/he will be introduced to the host • General orientation with the host, first-hand briefing on the main objectives and modality of the assignment and adjustment of the agenda for the coming days (work planning session).
Day 4	<ul style="list-style-type: none"> • Conduct further assessment of skills and knowledge gaps with training participants • Based on information gathered and gaps identified, enrich the prepared training materials incorporating hands-on practices. • Develop 10 days (2 weeks training) curriculum covering key knowledge and skills Gaps
Day 5-19	Train participants on among other topics
Day 20	Briefing / exit meeting with the host in the presence of CRS staff
Day 21	<ul style="list-style-type: none"> • Debriefing with CRS staff and/or USAID Mission • Finalize reimbursement expenditures and liquidations (if any) with finance. • Submit volunteer reports, training attendance sheet, assignment report, PPT presentation and any reference materials to CRS F2F team. • Depart for USA
TBD	Outreach event when back in the USA

H. DESIRABLE VOLUNTEER SKILLS

The volunteer will have the following skills, qualifications and competencies:

- Proven knowledge and experience in microfinance institution management
- Experience in MFIs' portfolio management
- Extensive experience of conducting training for adults
- Good communication and interpersonal skills
- Willingness and flexibility to train and technically assist staff whenever required
- Respect for the cultural and religious norms of the rural people.

I. ACCOMMODATION AND ANOTHER IN-COUNTRY LOGISTICS

- Before travelling to the assignment place, the volunteer will stay in Addis Ababa at one of the CRS's client hotels, Eliana (<https://www.booking.com/hotel/et/eliana> .; Phone: +25111 126 2600) or another hotel that will be booked and confirmed before the volunteer arrival date. The hotel will have 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 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.
- During the assignment period, the volunteer will stay at Eliana Hotel Addis Ababa
- CRS Ethiopia will arrange hotel accommodations and cover the lodging bills against receipts.
- CRS HQ will provide the volunteer with a per-diem advance to cater meals and incidentals.
- CRS Ethiopia will also reimburse the volunteer with laundry costs against receipts.
- For more information, please refer to country information that will be provided.

J. 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.
- Prior to the assignment, 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 the assignment.
- 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.

K. KEY CONTACTS

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Host Organization	
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