



TERMS OF REFERENCE FOR FINANCIAL SERVICES PROVIDERS

To deliver cash transfers and provide micro-loans to
vulnerable potential and returned migrants in Ethiopia



Summary

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Project Title	Better Regional Migration Management project (BRMM)
Project Objective	Support the reintegration of potential and returned migrants into the labour market, by improving access to finance, particularly through the provision of micro-loans and cash transfers in Oromia, Amhara, SNNPR and/or Addis Ababa regional states
Terms of Reference Title	Selection of an Implementing Partner for the Provision of cash transfers and micro-loans to vulnerable potential and returned migrants in Ethiopia
Objectives of the Terms of Reference	<p>1,500 potential and returned migrants are provided with immediate financial support through the provision of a cash transfer intended to supplement their income for a defined period.</p> <p>600 potential and returned migrants are provided with a micro-loan, intended to support their income-generating activities.</p>
Specific Objectives	<p>These terms of reference are developed to select financial services providers (FSPs) to:</p> <p>Support 1,500 potential and returned migrants to open a bank account.</p> <p>Support 1,500 potential and returned migrants to access mobile banking through smartphones, phones, or no phones.</p> <p>Provide a cash transfer of USD 150 for each of the 1,500 potential and returned migrants through their bank accounts or mobile money accounts</p> <p>Provide USD 400,000 worth of micro-loans to a selection of 600 potential and returned migrants.</p>
Locations	<p>Oromia Regional State, Ethiopia, OR</p> <p>Amhara Regional State, Ethiopia OR</p> <p>SNNP Regional State OR</p> <p>Addis Ababa City Administration, Ethiopia</p>
Timeframe	4 months – From November 22 nd 2021 to March 20 th 2022
Total cost born by financial service providers	USD 200,000 born by selected FSPs.
Funding Source	USD 425,000 born by the ILO BRMM project.



	<p>BRMM will fund USD 200,000, equivalent to 50% of the total USD 400,000 of micro-loans provided by the selected FSPs to 600 potential and returned migrants.</p> <p>BRMM will also provide USD 225,000, equivalent to the total sum of cash grants to be provided through the selected FSPs, to 1,500 potential and returned migrants.</p> <p>The ILO BRMM project is financed by of the Foreign, Commonwealth & Development Office of the United Kingdom's government</p>
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1. Background

1.1 Context of potential and returned migrants in Ethiopia

Forcibly returned migrants are often in a desperate state with no resources beyond the clothes on their backs and encounter severe medical conditions due to lack of access to health services before deportation. Many experience psychosocial problems. Women migrants are more vulnerable than men, experiencing unique health, social and economic challenges. The COVID-19 pandemic has inflated these challenges, as migrants are the first to be affected. COVID-19 is having an unprecedented impact on all countries, both in terms of prompting the scaling of public and private health preparedness, response, and protection of vulnerable populations and in terms of requiring mitigation of broader social and economic impacts. Migrant workers are often the hardest hit when economic crisis occur, because of precarious and short-term contracts, lack of social protection and their vulnerable status in the sectors they are working in, usually low paid and informal. In most migrant hosting countries, with increasing lockdowns and businesses closing, layoffs have mostly affected migrant workers. ITUC-Africa has estimated that almost half of the migrant population has lost their jobs in host countries as a result of lockdown measures. As a result, around 62,000 migrant workers have returned to Ethiopia between April 2020 and June 2021, coming from neighboring countries as well as the Middle East. As of June 26th, 2021, the rate of returns increased 15-fold to over 2,000 migrants daily on average, with the highest daily return recorded at over 3,000 individuals in a single day. According to the Ethiopian Ministry of Foreign Affairs, it is estimated that around 300,000 workers will return from Lebanon; 150,000 to 250,000 from the Kingdom of Saudi Arabia; 50,000 from the UAE; 9,000 from Kuwait; 5,000 from Qatar; and 500-600 from Oman.

Mass deportations deteriorate the despairing situation of migrants and are posing enormous challenges to the Ethiopian Government who is making efforts to create a safe environment to receive their returning nationals and to support their socio-economic reintegration. Migrants returning home, especially in such unexpected circumstances of COVID-19, often face a number of challenges, particularly in terms of lack of decent livelihood opportunities and stigmatization. Many returnees come back empty handed, as their earnings was used for debt repayments, general consumption, and remittances to their families. Moreover, as the return was unexpected, unplanned, and sudden, some even returned with unpaid wages and benefits. Their return has also affected their entire family, as the remittance they use to send has stopped with their return, in addition, returnees themselves become an additional burden in the scarce resources available for the household. COVID-19-induced returns have also had an impact on the country's economy, due to losses of remittances as well as additional pressures on the already strained Ethiopian labour market.

The Government of Ethiopia and partners are providing emergency support and managing COVID-19 quarantine centers but face multiple challenges in providing subsequent social and economic reintegration support services to returnees. Cognizant of this, the Government of Ethiopia, through the Ministry of Labour and Social Affairs, signed a *Letter of Agreement for Support to Reintegration of Returnees in Ethiopia* in early October 2020 with international partners including ILO. Under this



framework, the ILO is committed to provide comprehensive support to ensure the sustainable reintegration of returning migrants, from providing immediate assistance upon their return through cash transfers, to ensuring longer-term social and economic reintegration and empowerment through the promotion of self-employment and the sustainable transition to work.

1.2. The ILO Better Regional Migration Management project

With the financial support of the Foreign Commonwealth and Development Office of the United Kingdom, the ILO is implementing a project entitled “Better Regional Migration Management” (BRMM), which focuses on laying the foundations for improving labour migration governance in East Africa by using evidence-based policies, enhancing migrant workers’ qualifications and skills, and actively engaging the social partners for improved development outcomes. Working on the second pillar, which aims to build the capacity of relevant national institutions and social partners to improve labour migration governance with specific reference to skills, the project applies a corridor approach to facilitate skills portability, delivering technical assistance to both origin and destination countries, and fosters the design of occupational profiles in selected economic sectors, in specific migration corridors.

In this context, the BRMM project is seeking to:

Support the Ministry of Works and Skills (MoWS) and other institutions of Ethiopia to **provide cash transfers** through financial service providers or cooperatives for potential and returned migrant workers, in a vulnerable situation, in Ethiopia.

The cash transfer will be used for consumption purposes until the targeted returned migrants settle back in their place of origin and engage in income-generating activities. The cash transfer will amount to USD 150 per potential and/or returned migrant and will be provided to those undertaking an ILO skills development training programme (i.e., ILO Financial Education, ILO Start and Improve Your Business programme). It will help them cover their daily allowance and transportation costs to attend the training.

Extend access to micro-financing to potential and returned migrants in Ethiopia to promote formal employment and reduce poverty, capitalizing upon their skills acquired abroad.

This objective will also be complemented by the roll out of ILO skills development training programmes including ILO Financial Education and Start and Improve Your Business programmes, as mentioned above. These activities are meant to reinforce the financial literacy as well as the entrepreneurial and business management skills of potential and returned migrants for a more integrated approach.



2. Objectives and expected results

2.1 Overall objectives

The overall objective of the ILO Better Regional Migration Management project component on labour market integration is to ensure that potential and returned migrants are provided with financial and non-financial services to promote sustainable livelihoods and reduce their vulnerability, in Oromia, SNNP, Amhara and/or Addis Ababa regional states.

The specific objectives of this assignment will be to:

Open bank accounts for at least 1,500 clients, all of which being potential and/or returned migrants.

Provide a cash transfer to 1,500 clients, all of which being potential and/or returned migrants, through the development of 3 adequate money transfer products, displaying solutions catering to clients' possession of smartphones, or simple mobile phones or no phones.

Expand access to credit for 600 clients, all of which being potential or returned migrants, through the design and provision of a suitable loan product, and;

Provide data on the beneficiaries reached by the provision of cash transfers and micro-loans to ensure relevant linkages with sustainable labour market reintegration are made by the ILO BRMM project.

2.2 Target beneficiaries

Intended beneficiaries

The provision of cash transfers and micro-loans will target the most vulnerable potential and returned migrants, highly affected by the COVID-19 pandemic. The selection of these final beneficiaries will be spearheaded by the Ministry of Works and Skills of Ethiopia, in collaboration with the ILO BRMM project. The total number of beneficiaries should be of at least 1,500 vulnerable potential and returned migrants.

The selected FSP will need to provide a cash transfer of USD 150 for each of the 1,500 targeted beneficiaries, which will entail a total of USD 225,000.

The selected FSP will need to provide a total of USD 400,000 worth of micro-loans to 600 potential and returned migrants.

Direct recipients

The direct recipients of this activity will be the selected FSP, which will receive a total of USD 425,000, including a loanable fund of USD 200,000 to de-risk their provision of micro-loans to the targeted potential and returned migrants and USD 225,000 to be exclusively disbursed as digital cash transfers to the above-mentioned 1,500 targeted beneficiaries.



The selected FSP will be required to provide both micro-loans and cash transfers as mentioned above in Addis Ababa and/or Oromia and/or SNNP and/or Amhara regional states.

2.3 Expected results

The expected results of this assignment will be:

1,500 clients (potential and returned migrants) from Oromia, SNNP, Amhara and Addis Ababa regional states have opened a bank account with the selected FSPs and have access to mobile money services through a smartphone, a regular phone or without any phone.

1,500 clients (potential and returned migrants) from Oromia, SNNP, Amhara and Addis Ababa regional states are provided with a cash transfer of USD 150 each, in line with the ILO BRMM project criteria and the ILO principles and standards.

600 clients (potential and returned migrants) from Oromia, SNNP, Amhara and Addis Ababa regional states are provided with access to affordable credit in line with the ILO BRMM project criteria and the selected FSPs' conditions.

3 monthly progress reports, including financial reports, are submitted to the ILO, in close coordination with the ILO BRMM project team.

One final implementation/evaluation report on the loan delivery outcomes and lessons learned for further expansion of the collaboration is submitted. This should include the detailed sex-disaggregated profiles, including the status, of the potential and returned migrants who had access to loan, and should be submitted along with a financial report. A template for reporting, including on the lessons learned will be provided by the ILO in advance.

One comprehensive final report on the digital delivery of cash transfers is submitted to the ILO within 15 days after the completion of the cash transfer programme. The report should include the detailed sex-disaggregated profiles, including the status, of the potential and returned migrants who have received the cash transfer, and should be submitted along with a financial report.

2.4 Implementation strategy

The intervention logic is based on the integrated and sequenced approach to promote the long-term sustainable reintegration of potential and returned migrants into the labour market through skills development and access to finance. In addition to extending and harnessing partnerships, the ILO will work with the Bureau of Works and Skills (BoWS) and the selected financial services providers at the regional level, in Addis Ababa, Oromia, SNNP and Amhara regional states, to identify the beneficiaries, and follow the provision of the cash transfers and micro-loans while at Federal level the ILO has collaborated with MoWS, IOM and DRC in order to provide a uniform support and ensure that each partner cover a specific region.



Social assistance through cash transfers: The importance of cash transfers in the humanitarian-development nexus¹ has been highlighted in recent debates. However, this needs to be complemented by mid or long-term socio-economic support and prospects for financial inclusion, which is the approach of this support. Given that returned migrants have lost jobs and income in destination countries, it is critical to palliate this loss until they settle down and look for livelihood opportunities.

Access to finance and business development services: Access to finance is crucial for potential and returned migrant economic empowerment and sustainable reintegration. By facilitating access to finance through the development a dedicated loanable fund for potential and returned migrants, some would be supported to venture into business start-up as a way to secure sustainable incomes.

Once the potential and returned migrants eligible for further support have been identified as per the selection criteria above, the local works and skills offices will provide orientation on the support to be provided and refer them to the selected financial services provider in either Oromia, SNNP or Amhara regional states or Addis Ababa city administration, to open a bank account and a mobile banking account. To receive the first instalment from the total USD 150 cash transfer, the targeted beneficiaries will be required to apply and attend an ILO Financial Education and SIYB training. This first instalment of USD 100 will serve as an allowance and will compensate transportation and other costs related to the attendance of the above-mentioned trainings. After the completion of the trainings, the targeted beneficiaries will receive their second and final cash transfer instalment of USD 50. The digital cash transfers will all be operated by the selected FSP through transfers to the targeted beneficiaries' bank accounts or mobile money account, based on their own decision.

Upon the completion of their training programmes, targeted beneficiaries will be referred to micro-loan products, meeting their needs, and enabling them to apply, in view of obtaining a loan enabling them to start their own income-generating activity in the form of a small business. Targeted beneficiaries may also be referred to the loan products offered by the financial services providers during business plan competitions and other services integrated as part of the comprehensive suite of support services provided through the ILO BRMM project. The ILO and the selected FSP will work with Federal and regional enterprise development organizations to support returnees in developing individualised business plans, provide follow-up and mentoring support and facilitate access to other business development services.

To achieve this implementation plan, the ILO will provide a total of USD 225,000 worth of cash transfers to the selected FSP for 1,500 potential and returned migrants (USD 150 per beneficiary), in

¹ Grand Bargain subgroup on linking cash and social protection, "[Linking humanitarian cash and social protection for an effective cash response to the Covid-19 Pandemic](#)", May 2020. The ILO is a member of the subgroup and has signed-up to the Grand Bargain.



two instalments before and after the beneficiaries' attendance to the ILO skills development programmes. The ILO will also be providing a loanable fund of USD 200,000 to the selected FSP, which will then need to match it with USD 200,000 from their own funds. The objective is for the ILO to de-risk the selected FSP's provision of micro-loans to the identified target group perceived as risky. The selected FSP will receive a first instalment of USD 100,000, which it would need to match on a one-to-one matching basis, to provide a total of USD 200,000 worth of micro-loans to targeted beneficiaries. Once the first batch of loans is fully disbursed and the ILO receives a written commitment from the selected financial services providers to continue to provide micro-loans to potential and returned migrant, then the second and final instalment of USD 100,000 will be paid by the ILO. The total loan amount that a beneficiary will receive will be based on the business plan to be submitted by potential and returned migrants and to be evaluated by the selected FSP.

The loanable fund of the selected FSP will be directly managed by the FSP in close collaboration with ILO. A technical committee will be established which will support in reviewing the performance of the fund, identify major challenges and recommend possible strategies for the future. It will also be in charge of providing strategic guidance in the implementation of the project. The technical committee will be composed of experts from BoWS, ED, BoGSA, the selected FSP and the ILO. Members of the technical committee at the woreda level will engage and work closely with one stop shops to increase the knowledge and awareness of potential and returned migrants about the selected FSP's new loan and digital cash transfer products, as well as advising and assisting potential and returned migrants in their loan application process. Monthly progress meetings will be held with the technical committee to exchange information on the progress, challenges and strategic issues in the implementation. Nonetheless, the discretion on the final decision regarding approval and collection of loans will remain with the selected FSP, using their usual processes and criteria for loan allocation.

Loan sizes and repayment periods will be determined by the selected FSP and based on clients' applications and the cash flow projections articulated in the proposal. The interest rate chargeable from beneficiaries of the fund will be similar to their usual interest rate for individual enterprise and group loans. This will enable the organizations to generate a reasonable return to maintain the fund and capital growth to reach more potential and returned migrants in the future on the one hand and develop a sense of responsibility and the timely repayment of loans by potential and returned migrants on the other hand. In cases where potential and returned migrants are unwilling to take loans for religious reasons, the selected FSP will charge interest rate as administrative costs and give opportunities for potential and returned migrants to benefit from 'Islamic banking' products that are being piloted. In addition, the selected FSP will give priority and pay particular attention to address the needs and interests of women potential and returned migrants while implementing the project. The FSP will also closely follow up on the repayment of loans and take appropriate measures in cases of defaults. Other stakeholders, particularly members of the project technical committee,



will also play their role in fulfilling their responsibilities as described below to ensure the sustainable reintegration of returned migrants, and the labour market integration of potential migrants..

The ILO will work together along with its national partners including MoWS and BoWS to ensure accountability and transparency in the delivery of service. MoWS and ILO will closely follow up on the implementation of the digital cash transfer and the provision of micro-loans. They will both ensure that guiding principles of the ILO such as value for money, equity and participation are understood and exercised in the selection and deliverance of the service for the target group.

2.5 Scope of work and methodology

Based on the above-mentioned information, the ILO is seeking for an FSP, who may be a microfinance institution, a cooperative or a non-governmental organisation to lead the identification, appraisal and provision of credit, as well as the design and digital delivery of cash transfers to potential and returned migrants. The scope of work entails outreach in Oromia, SNNP, Amhara and Addis Ababa regional states.

In close consultation with the ILO, the selected FSP will work on focus groups discussions, visits to clients, neighbourhoods, agencies and community platforms to design the two financial products mentioned above to serve potential and returned migrants, building on its own previous experience with cash transfers and micro-financing to vulnerable communities. Accordingly, FSPs will present a plan including the following data related to new products:

Prototype digital cash transfers: Approach and methods to deliver cash transfers digitally to potential and returned migrants in possession of a smartphone, a regular phone or no phone at all.

Prototype loans: Loan terms and Conditions and Procedures (including guarantee requirements)

Financial projection for funds

Activities to be performed by the selected FSP

Provision of digital cash transfers: The selected FSP will use ILO contribution of USD 225,000 USD to exclusively provide digital cash transfers to 1,500 potential and returned migrants in possession of smartphones, regular phones, or no phone at all. Potential and returned migrants will be required to undergo an ILO Financial education or ILO Start and Improve Your Business training course, delivered using ILO's methodology and national trainers in Ethiopia, to access the cash transfer. The cash transfer will be of USD 150 for each potential and/or returned migrant and will help cover their daily allowance and transportation costs to attend the training(s).



Access to micro-financing: The selected FSP will use the ILO contribution of USD 200,000 to provide loans exclusively and will commit to provide loans for at least twice this amount for a total amount for the Fund of at least USD 400,000 (four hundred thousand USD). Potential and returned migrants having access to credit from this Fund will have to undergo an ILO Financial Education and/or an ILO Start and Improve Your Business training course, using ILO's methodology and national trainers in Ethiopia.

The main tasks of the selected FSP are listed below:

1. Conduct market research to understand the needs of the target group and design appropriate loan and cash transfer products:

In close consultation with the ILO BRMM project, the selected FSP should conduct focus group discussions, visits to clients, neighbourhoods, secondary data collection through agencies, NGOs and community platforms to design the related products (loan(s) and digital cash transfer) to serve potential and returned migrants. The selected FSP should already have experience serving vulnerable communities, hence it will build on its own experience and suggest amendments of its processes to expand access to credit and provide digital cash transfers to more potential and returned migrants. The outcomes of market research and product prototypes will be shared and discussed with the ILO for approval on the proposed product profiles and criteria of the selection of clients to be served.

Regarding the access to credit component, the selected FSP will also present a projection for the use of the USD 400,000, including USD 200,000 deposited in the Fund by the ILO, and the matched USD 200,000 provided through its own funds. The ILO BRMM team will work alongside the selected MFI to help them prepare their strategic and operational plan. Thereafter, the new product characteristics should be relayed along with the loan targets for their respective branch staff.

Regarding the digital cash transfers component, the selected FSP will also present three digital cash transfer product prototypes based on clients' possession of smartphones, regular phones or no phone at all. The selected FSP will also deliver an strategic and operational plan for the disbursement of the digital cash transfers, of which the entire amount of USD 225,000 will be contributed from the ILO. The ILO BRMM project will work alongside the selected FSP to support the development of the plan. Thereafter, the new product(s) characteristics should be relayed along with the digital cash transfers targets for their respective branch staff.

2. Promote the newly designed loan product, receive applications and filter/appraise applicants:

This activity consists in designing a marketing campaign, including the use of social media outlets, promotion within the selected FSP branches, loan officers and clients, target community networks, among others, to outreach to interested applicants and filter/enroll clients for access to credit. The ILO BRMM project will also be able to communicate a list of trainees already trained or enlisted in trainings in the ILO methodologies of Financial



Education and SIYB. Clients whose profile and needs meet that of the product provided by the FSP will be referred to by the ILO BRMM project, for the FSP to appraise them and assess their eligibility to access credit. Once applications are identified/referred, the FSP staff will undertake their usual duties of appraising the loan applicant and assessing their eligibility, following the best practices of loan appraisals and in line with the adapted lending methodology.

3. Utilize ILO funds (USD 200,000) to exclusively disburse loans for 600 eligible clients in line with the agreed conditions and parameters:

The selected FSP commits to disburse USD 400,000 worth of loans to 600 eligible clients (potential and returned migrants). The FSP will use the grant provided by the ILO (USD 200,000) to only disburse loans to approved clients (potential and returned migrants of Ethiopia). It commits to also match the ILO contribution by adding USD 200,000 to the fund to be disbursed exclusively as loans to eligible clients. The FSP will provide before loan and continuous mentoring support, alongside referrals to business development support services for potential and returned migrants. The FSP undertakes to continue to offer loans to clients from the same target groups and the same geographical areas (Oromia, SNNP, Amhara and Addis Ababa regional states) after the end of the assignment with the ILO for a period of 3 years. During this period, the ILO will not be held responsible for the losses incurred in the loans.

4. Ensure that all the 1,500 beneficiaries of the digital cash transfer open bank accounts: The selected FSP commits to ensuring that the 1,500 potential and returned migrants from Oromia, SNNP, Amhara and Addis Ababa regional states open bank accounts with the selected FSP, in line with the ILO standards and conditions and with the FSPs conditions. Above-mentioned beneficiaries should be able to access their cash transfer digitally through their newly created bank account with the selected FSP.

5. Utilize ILO funds (USD 225,000) to exclusively disburse digital cash transfers for 1,500 clients in line with the agreed conditions and parameters:

The selected FSP commits to exclusively use ILO's grant contribution of USD 225,000 for the disbursement of digital cash transfers to 1,500 clients (potential and returned migrants), identified by local BoWS offices based on the selection criteria agreed jointly with the ILO, the selected FSP and the MoWS. Beneficiaries of the digital cash transfer should already have a bank account with the selected FSP as mentioned above and be from SNNP, Amhara, Oromia or Addis Ababa regional states. The selected FSP will disburse first instalments of the cash transfer (USD 100) to each beneficiary who already registered to an ILO skills development programme (e.g. ILO SIYB and/or Financial Education). The first instalment will serve as an allowance and will compensate transportation and other costs related to the attendance of the above-mentioned trainings. The selected FSP will disburse the second and final instalment (USD 50) to beneficiaries who have actually attended one of ILO training



courses as mentioned above. All digital cash transfers disbursed by the selected FSP should respect the ILO standards and principles and should be operated to the targeted beneficiaries' bank account using the FSP's newly developed digital cash transfer products.

6. Follow-up, documentation and reporting:

The selected FSP will use its Management Information System as well as its monitoring and evaluation system to record all loan applicants and beneficiaries of the digital cash transfer. The FSP will collect all needed documentation/information about their profiles. The reporting documents required to be submitted by the FSP will include the following:

Report on the selected loan product prototype including Loan Terms and Conditions as well as financial projections for the evolution of the Fund, to be submitted after the market research and based on the needs assessment.

Report on the selected digital cash transfers product prototypes including their Terms and Conditions, to be submitted after the market research and based on the needs assessment.

List of loan applications received and their status (approved, rejected, pending, disbursed, closed), to be submitted on a monthly basis.

List of digital cash transfer clients and their status (opened bank account, one instalment disbursed, two instalments disbursed), to be submitted on a monthly basis.

Excel list of disbursed loans using ILO template (gender, age, status, loan amount, target group, duration, loan type, economic sector, jobs created/sustained, etc.), to be submitted on a monthly basis.

Excel list of digital cash transfers received using ILO template (gender, age, status, target group, socio-economic characteristics, etc.), to be submitted on a monthly basis.

Portfolio report (Active portfolio, repayment percentage, PAR, aging, etc.), to be submitted on a monthly basis.

Progress and final reports, including financial reports, to the ILO on the progress of the assignment, to be submitted on a monthly basis.

2.6 Deliverables

The selected FSP will be required to deliver the following outputs for this assignment:

Output 1: A comprehensive and updated work plan for the delivery of this intervention, in which all activities need to be scheduled.

Output 2: Report on the selected loan product prototype including Loan Terms and Conditions as well as financial projections for the evolution of the Fund, to be submitted after the market research and based on the needs assessment.



Output 3: Report on the selected digital cash transfers product prototypes including their Terms and Conditions, to be submitted after the market research and based on the needs assessment.

Output 4: List of 600 clients (potential and returned migrants from Oromia, SNNP, Amhara and Addis Ababa regional states) who received loans using ILO's grant and the selected FSP's matching fund including information such as their name, ID number, gender, age, status, course completed, date, among other socio-economic characteristics) and disbursements amounts.

Output 5: List of 1,500 clients (potential and returned migrants from Oromia, SNNP, Amhara and Addis Ababa regional states) who opened a bank account with the selected FSP and who received digital cash transfers (USD 150 each in two instalments as described above) from the ILO's grant and through the FSP newly developed digital cash transfer product for beneficiaries in possession of smartphones, regular phones or no phone at all. This list should include sex-disaggregated data on each beneficiary including information such as their name, ID number, gender, age, status, course completed, date, among other socio-economic characteristics.

Output 6: 3 monthly progress report and 2 comprehensive final reports, each including financial reports, on the progress of the assignment. As described above, one final report will be on the loan delivery outcomes and lessons learned for further expansion of the intervention, while the second final report will be on the digital delivery of cash transfers and should be submitted 15 days after the completion of the cash transfer programme.

2.7 Sustainability

In order to ensure the sustainability of this initiative, the ILO BRMM project will be implemented in close collaboration and partnership with various stakeholders of Ethiopia, especially concerned government offices at various levels. Stakeholders will extensively participate in the design, implementation, monitoring and evaluation of this project. In doing so, the project will be mainstreamed in the regular monitoring radar of respective offices which will help to sustain the action in the absence of any external actor.

During implementation, the ILO and its partners will closely monitor the implementation status of the project through regular field missions and evaluation meetings. All stakeholders will meet every month to review performance, identify challenges and advise on the way forward to improve performance and increase reach out of the project.

2.8 Eligibility

The eligible applicants should be FSPs following the below requirements:



Be a Bank, Micro Finance Institution (MFI) or Savings and Credit Cooperative Society (SACCOS).

Have office presence or operations in Oromia and/or SNNP and/or Amhara regional state and/or Addis Ababa City Administration, or have a demonstrated and documented plan to extend services and operations to the target districts either directly or through an agent.

Interested or already offering inclusive financial services to vulnerable groups in the country, including returned migrants.

Be in existence for at least 5 years.

Be profitable, at least prior to the onset of the Covid-19 pandemic.

The ILO invites technical and financial proposals from qualified organizations/entities having relevant experience in managing microfinance services for vulnerable communities as stipulated in these Terms of Reference. Technically responsive and financially viable organizations/entities will be selected following ILO's procurement rules and procedures.

Cumulative evaluation methods will be used for this procurement exercise and the contract will be awarded to the candidate with the highest scorer(s) in cumulative analysis considering the technical and financial evaluation.

2.9 Supervision and logistical arrangements

All activities within the scope of these Terms of Reference will be carried out under the overall supervision of The Chief Technical Adviser of the ILO BRMM project in ILO Country Office for Ethiopia, with the technical support from, The Jr. Technical Officer in Financial Inclusion and Financial Education and, The Senior Technical Specialist in Financial Inclusion, from the ILO Social Finance Programme in ILO-Geneva.

Deliverables shall be submitted in line with the requirements explained in these Terms of Reference in a timely manner, in concordance with the planned deadlines between the ILO and the selected FSP. All deliverables of these Terms of Reference are subject to the approval of the ILO.

2.10 Timeline

This assignment will be implemented over a period of 4 months from the date of the agreement signature, including the preparation phase. This assignment should be implemented between November 22nd 2021 and March 20th 2022.

The selected FSP is responsible for informing the ILO BRMM project in advance in case of unforeseen delays.



3. Requirements for application to the call for proposals

Interested financial services providers are required to submit their applications, which will include technical and financial proposals to apply using the format below.

3.1 Technical Proposal

FSPs should submit a completed technical proposal alongside a financial proposal. The Technical proposal will weigh 70% in the Overall Evaluation. The passing score for the Technical Evaluation is 50%. Any applying entity scoring less than 50% in the Technical Evaluation shall not be considered for Financial Evaluation. The technical proposal is expected to be submitted by the bidders using the following structure:

Organization's profile demonstrating the required capacity as well as the organization's local presence and activities in Oromia, SNNP, Amhara and Addis Ababa regional states, summarizing the FSP's experience including information on active loan portfolio, portfolio quality including PAR and write off, number of staff, branches in Oromia, SNNP, Amhara and Addis Ababa regional states, Operational and financial sustainability indicators, and efficiency indicators.

Detailed description of relevant past works and assignments related to financial inclusion, loan and digital cash transfer products, financial education, with particular focus on MFIs outreach to vulnerable communities of the above-mentioned regional states of Ethiopia.

Summary of the proposed methodology, implementation plan and M&E. Detailed work plan with a timetable related to the different activities.

CVs of Team leader and staff involved in the implementation demonstrating their capacity to conduct the assignment.

Foreseen challenges during the implementation of the project and mitigation methods.

The Technical Proposals will be evaluated in accordance with the following criteria, as indicated below.

Description of Technical Evaluation	Score
Relevant Experience of the FSP in loan provision to vulnerable communities. Portfolio quality and sustainability indicators.	20%
Relevant Experience of the FSP in the delivery of digital cash transfers to vulnerable communities.	20%
Strong field presence in Oromia, SNNP, Amhara and/or Addis Ababa regional states	15%



Outreach strategy and plan (disbursement plan, product design, training delivery, value add by the organization, etc.)	20%
Human Resources proposed for the assignment (qualification and experience) + detailed CVs	15%
Previous experience working with the international bilateral donors	10%

3.2 Financial Proposal

The financial proposal should be linked to the Technical proposal, and will weigh 30% in the Overall Evaluation. The bidders shall complete the Financial Proposal using an Excel sheet and submit both the Excel and PDF versions. The FSP's contribution will be critical in the selection of the FSP.

The financial Proposal should take into consideration that ILO's grant dedicated towards the loan portfolio will not exceed USD 200,000 and that the ILO's contribution to the digital cash transfers will not exceed USD 225,000.

BL '02.01.02 - Support the MOLSA and other institutions in Ethiopia, to provide cash transfers through financial institutions, cooperatives or mobile money operators for return migrant worker (USD 225k)

BL '02.01.06 - Extend business development services, SME, in kind service and access to micro-financing to return migrants to promote formal employment and reduce poverty (USD 200k)

4. Application submission

Interested applicants that meet the eligibility requirements should submit their detailed technical proposal and financial proposal to addis_procurement@ilo.org.

The deadline for submission is **18 November 2021. The submission deadline is extended to 22 November 2021.**

Only successful FSP applications will be contacted for an interaction/interview. Successful applicants are expected to start the activities listed in this call for proposals on 01 December 2021.