



The First MicroFinanceBank
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Country:	Islamic Republic of Afghanistan
Assignment Title:	Strengthening Trade and Finance Products at the Bank
Duration of Assignment:	Five (3) months
Implementing Agency:	First Microfinance Bank (FMFB)
Duty Station:	Kabul, Afghanistan
Contract Type:	Lump-sum
Reference No:	MISFA/AFP/CBF-24/CQS
Issuance Date:	10 December 2020

1. Background

1.1. FMFB Overview

The First Microfinance Bank-Afghanistan (FMFB-A) started operations in 2004 and is part of the Aga Khan Agency for Microfinance (AKAM), which has financial institutions operating in over 15 countries throughout the developing world. It is affiliated with the Aga Khan Development Network (AKDN), a group of nine development agencies working in health, education, culture and rural economic development primarily in Asia and Africa.

Our primary objective in Afghanistan is to contribute to poverty alleviation and economic development through the provision of sustainable financial services to the poor and underserved. Since 2016, we are a member of the Global Alliance for Banking on Values (GABV) – an independent network of banks using finance to deliver sustainable economic, social and environmental development. Our values- based banking agenda focuses on providing affordable financial services that promote entrepreneurship, agriculture, incremental housing and clean energy in Afghanistan. The First Microfinance Bank-Afghanistan is operating in 14 provinces through 38 branches and 9 loan processing offices covering 80 districts

1.2. Objective:

As per the FMFB strategy, the bank is working by continuous efforts on achieving the quality services and reach at most of the client's expectation. The purpose of this assignment is to address four key drivers that lead to strengthening Trade and Finance Products at the Bank which will nurture our performance for touching peaks in our services:

- Revision of existing process
- Formation of Standard policies and procedures for existing trade and finance products
- Introduction and launch of two more trade and finance products with SOPs and policies – complete package-
- Training and capacity building of existing trade and finance staff

FMFB intends to introduce relevant market-based trade finance products to support Afghan Business people. Currently, the trade and finance products offered include Bank guarantee (Bid

guarantee, Performance guarantee, advance payment guarantee and financial guarantee) to all the business sectors in Afghanistan. However, based on the market feedback and initial market assessment, the clients of FMFB in general and those in construction industry in particular need more products related to trade finance including Letter of Credit, Standby Letter of Credit, Finance against Imported Merchandise etc. therefore FMFB-A need to improve above mention points in trade finance section.

2. Assignment Scope:

Through this project, the Bank aims to:

- Obtain market assessment report
- Streamline existing policies and procedures
- Develop and introduce two new products for trade and finance
- Training to trade finance staffs on relevant assignment

The purpose of this documents is prepared for the scoping of the most critical tasks and issues for the development and enrichment of at least two new products for trade finance/credit division, and in order to launch the products detailed trainings must be held.

Proposed solution can be summarized below:

The market survey should assess customer demand, competitor offering, cash margin rate, interest rate, collateral or security required for trade finance products (Bank guarantee, Letter of credit) and related areas. The information and data should be collected, analyzed and presented to the Bank. Further, the consultant should also recommend two new products based on market demand.

It is expected that based on market survey and review of existing system in place at Bank, the consultant will suggest:

- Market demand
- Revision of existing policies and procedures including document formats for standard appraisal of trade finance products including BG, LC etc.
- Revision of department structure
- Policies and procedure for new trade and finance products
- Training employees on new products and suggest way forward to launch new products

The policies and procedure should include, at minimum, the following:

- Process flow of trade finance activities
- Role & responsibilities of front office, middle office and back office

- Risk management practices and procedures
- Responsibilities of branch, risk department and head office

Document templates to be used for BG, LC and all trade finance products

Finally, the consultant should give training to all involve trade finance staffs on new trade finance policy and procedure, trade finance products process, new template and appraisal forms.

3. Short listing Criteria

The selected consultant should possess following qualifications:

- Previous experience of working with Financial Institutions or other banks
- The firm should have similar experience by executing at least one project with similar nature and complicity.
- Minimum annual turnover of USD 70,000 for the last year 2020 by providing bank statement from Afghanistan reputable bank.
- Knowledge of international best practices with regard to trade finance systems, Policies, procedures and practices.
- Firm should be legally registered with the Govt of Afghanistan.
- Experience of developing SOPs, policies and procedures, appraisal forms, trad finance products templet.
- National consultancy company having international experience /having capability of hiring international expatriate.
- At least 9 years' Experience at senior management level in financial institution

4. Method of Selection

A firm will be selected through Selection Based on the Consultants' Qualifications (CQS) method in accordance with the procurement guidelines for Selection and Employment of Consultants under IBRD loans and IDA credits and Grants, January, 2011, revised July 2014.

5. Submission of EOI

Expressions of interest must be delivered in a written form to the address below (in person or through email) by 17 December, 2020 at 14:00 Hours. (Kabul Local Time).

Further information in respect to this REOI can be obtained at the address below by email or in person during office hours [08:00-16:00 Hours].

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