

**MINISTRY OF FINANCE
(MOF)**

ARB APEX BANK

**GHANA FINANCIAL SECTOR DEVELOPMENT
PROJECT (P161787)**

**TERMS OF REFERENCE FOR RECRUITMENT OF
AGENCY BANKING CONSULTANCY FIRM**

Reference: [*in procurement plan*]. **GH-MOF-FSD-80505-CS-QCBS**

A. BACKGROUND

I. Summary

The ARB Apex Bank is seeking an experienced consultancy firm to provide specialized expertise on agency banking for the under-served and low-income segment of the population for the Rural and Community Banks (RCBs) on a contract basis.

II. About the ARB Apex Bank and RCBs

The ARB Apex Bank was established with support from the World Bank and other development partners and started operations in July 2002. Its core mandate is to improve the delivery of services to RCBs and complement the supervisory role of the Bank of Ghana. The Apex Bank has 10 branches located in all the regional capitals and an agency at Hohoe in the Volta Region. It currently offers multiple services to the RCBs, including the provision of ICT services, cash management, custody of members' primary reserves, mobile money, domestic and international money transfers and serves as the settlement bank for cheque clearing for all the RCBs.

There are 144 licensed RCBs operating from 800 office locations, both head offices and branches across the country. At present all the offices are connected via satellite and radio links and operate from a single instance of Temenos T24 software located at the head office of the ARB Apex Bank in Accra.

The RCBs are the main providers of formal financial services to the low-income population segment of the economy living in the rural communities in Ghana. The RCBs offer deposit, saving and credit products, money transfers and payment services (ATM and Mobile Banking). RCBs have a total of 6 million accounts of which 50% are dormant (inactive for 24 months). The greater part of rural communities lack technology infrastructure like telecommunication and internet connectivity and majority of the rural populace are either unbanked or under-banked.

III. About the Project

The ARB Apex Bank is seeking to design and implement an effective distribution channels for financial services that will reach under-served/under-banked segment of the population especially in the rural communities on a shared network of agency banking platform. The

project will also seek to expand the existing network of RCB to provide banking to a larger customer base at low servicing costs and maximum profitably. It is intended to promote a cash-lite culture, and provide multiple products and payment facilities through a single agent across the RCBs network.

The consultancy firm shall coordinate with all parties involved directly or indirectly to deliver the agency banking solution for the RCBs across the 16 Regions of Ghana.

The development and execution of relevant, efficient, and usable distribution channels is critical to the success of the project.

B. OBJECTIVES OF THE ASSIGNMENT

Specifically, the Consultant is required to: (i) design agency banking business model including identification and specification of a suitable back end IT system for delivering financial services via agents; (ii) map potential agents' locations throughout the country; and (iii) provide technical assistance for Branding, Advertising and Industry Sensitisation on Agency Banking and education of Consumers.

C. SCOPE OF WORK

Specifically, the consultancy firm will undertake the following tasks:

- I. Assess the agency banking landscape in Ghana (not limited to RCB but rather exploring the broad spectrum of financial access points, technologies, pricing, advantages and limitations, barriers for expansion and scale up, etc.);
- II. Assess and document the geolocation of potential spots for agent network deployment, type of service, potential business volume, customer profiles, transaction limits, etc.;
- III. Develop concrete recommendations on opportunities and key strategic decisions regarding the business model and the operational implications regarding the design of an agency banking solution for the RCBs/ARB, including agent network management modules; monitoring of agents' performance; revenue and costs sharing arrangements among the stakeholders such as ARB, RCBs, agents and third parties (e.g. payment networks or integrators, telecom service providers, mobile money operators);
- IV. Develop a full financial model and projections which align to the business strategy of the RCBs/ARB including the SWOT analysis. The business model must consider that the agency banking service will be part of the ARB strategy of digital delivery channel

and that financial services delivered through this channel must be integrated in an ecosystem around the agent;

- V. Develop an Agency Banking Strategy for its implementation by ARB and the RCBs based on the research work and the business model proposed. This strategy must be Data Driven and Customer Centric, and based on piloting schemes;
- VI. Advice on the project implementation plan for the agency banking solution for the RCBs/ARB APEX Bank;
- VII. Advise on required management structure, capacity development and investment to execute the strategy for agency banking including managing an effective network of agents with benchmarks from other markets;
- VIII. Provide Guidelines, Policies and Procedures for management of a profitable network of agents (risk, liquidity, marketing, customer service, KYC, AML/CFT, controls, etc.) by ARB and RCBs;
- IX. Develop strategy document on consumer education, industry sensitization, branding, and advertising on Agency Banking;
- X. Undertake field research to identify specifications schedule for procurement of a suitable back end IT system for delivering services via agents and mapping of potential agents' locations throughout the country. The specification shall cover hardware, software and license, logistics, communication and 5000 POS or mobile device equipment;
- XI. Design training methods and capacity building activities for agents, development of a dashboard to monitor agent performance, quality assurance and customer care for agent-based services. The training methods must ensure spreading knowledge in cascade (e.g. Training of Trainers or ToT) The main training topics-issues related to the agency banking must include at least i) identifying, assessing and onboarding agents, ii) training of agents, iii) monitoring and supporting agent network, and iv) customers acquisition and customer service;
- XII. Provide trainer of trainees (ToT) to ARB Apex Bank selected Agency Bank Staff on training methods and capacity building activities.

D. REPORTS/OUTPUTS/DELIVERABLES /PAYMENT

The firm will work with a small team from the ARB Apex Bank and the RCBs. The consultancy firm will report directly to the Project Director at ARB Apex Bank.

The following outputs are expected:

S/N	Description of output	No. of Copies ¹	Period after commencement	Payment (%)
1.	Inception Report outlining the consultant's detailed understanding of the assignment, methodology to be applied, likely outcomes, any preliminary findings, and detailed work plan.	1	3 weeks	10
2	First Draft Strategic/Model Report , including an agency banking landscape and potential, geolocation of potential agent spots, and business model. adding the implementation strategy and plan as well as proposed management structure.	1	2 months	
3.	Final Strategic/Model Report and implementation plan	1	3 Months	30
3	Guidelines, Policies and Procedures on the management of a profitable network of agents (risk, liquidity, marketing, customer service, KYC, AML/CFT, controls, etc.) by RCBs/ARB APEX Bank.	1	3 months	
4	Strategy document on consumer education, industry sensitization, Branding, and Advertising on Agency Banking	1	4 months	20
5	Field research report that provides recommendations on Specification schedule for procurement of Back-end Agency Banking software system and POS devices	1	5 months	20
6	Report on training methods designed and capacity building activities for agents, development of a dashboard to monitor agent performance, quality assurance and customer care for agent-based services.	1	5 months	
7	Training Report on ToT	1	6 months	20

¹ Consultant is expected to email a soft copy of reports to the Project Coordinator for distribution as appropriate. However, one hard copy is to be provided for reference

E. DURATION OF THE ASSIGNMENT

The duration of this assignment will be 6 months from the date of commencement.

F. LOCATION OF THE ASSIGNMENT

The consultancy firm will carry out the assignment in Ghana. The consultancy firm will deploy staff that will travel across the country to conduct various research and training of potential ToTs agents and RCBs.

G. FACILITIES TO BE PROVIDED BY CLIENT

ARB Apex Bank will provide the consultant with office space and access to all RCBs.

H. QUALIFICATION AND STAFF REQUIREMENTS

The assignment will be delivered by a firm (local or international) with a proven record in Agency Banking in Ghana or other similar jurisdictions. The Firm must also demonstrate the following experience;

- Minimum of 10 years of experience in banking and digital financial services;
- Track record of successful design and implementation of agency banking projects;
- Demonstrated capacity to deploy a cross-functional team of experts and manage relationships with multiple stakeholders;

The Firm must have the following composition of Key Experts that will deliver the assignment:

i. Key Staff – I-Team Leader

- Degree in banking, economics, management IT or relevant field;
- Minimum of 10 years of experience in banking and digital financial technology services;
- Prior experience in leading field research to support the introduction of financial or non-financial products;
- Knowledge in mobile technologies and Agent Management;
- Experience in the use of POS/Mobile terminals as Agency Banking tool;
- Expertise in modeling, developing projections and roll-out strategies in the digital financial sector;
- Country experience in Africa preferable.

ii. Key Staff – II-Data Analyst

- Must have a Degree in relevant field;
- Must have a strong experience in Data Analytics;
- Minimum of 5 years of experience in digital financial technology services;
- Demonstrate the ability to convert data into meaningful business models;

- Expertise in modeling, developing projections and roll-out strategies in the financial sector;
- Country experience in Africa preferable.

iii. Key Staff – III- *_ Mobile Money Expert*

- Must have a Degree in relevant field;
- Minimum of 5 years of experience in banking and digital financial services;
- Experiential knowledge in mobile money business and operations;
- Experience in providing support to Agents;
- Experience in the use of POS/Mobile terminals as Agency Banking tool;
- Experience in the use of agents for customer acquisition;
- Country experience in Africa preferable

iv. Key Staff – IV- *_Marketing/ Distribution and Branding Biased Expert*

- Must have a Degree in relevant field.
- Minimum of 5 years of experience in Fast Moving Consumer Goods (FMCG) business or marketing and distribution field;
- Good understanding of agents' network management and banking financial services;
- Experience in the use of POS terminals as Agency Banking tool;
- Expertise in modeling, developing projections and roll-out strategies in the financial sector;
- Country experience in Africa preferable

v. Key Staff – V- *Training and Training of Trainers (ToT) Expert*

- Must have a Degree in relevant field.
- Minimum of 5 years of experience in designing and delivering training and ToT in the financial sector;
- Good understanding of agents' network management and banking financial services;
- Knowledge of use of POS terminals as Agency Banking tool;
- Country experience in Africa preferable