



GRAMEEN CRÉDIT AGRICOLE
Microfinance Foundation

Selection of Consultants

Technical Assistance Mission

**Strategy and Roadmap for
Transformation into a Licensed
Institution**

for ECLOF Uganda

Uganda

June 2014

With the Support of



No. ECL/01/2014/UGA/AF

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Section 1. Letter of Invitation

Kigali, June 10, 2014

Dear Sir or Madam:

1. The Grameen Credit Agricole Foundation (hereinafter called ‘the client’) has received funding (hereinafter called “the funds”) from the French Development Agency (hereinafter called “the Agency”) toward the financing partly the cost of Technical Assistance mission in the framework of the African Facility and intends to apply a portion of the funds to eligible payments under the contract for which this Request for Proposals is issued.
2. The Foundation now invites proposals to provide the following consulting services: Strategy and Roadmap for Transformation into a Licensed Institution for ECLOF Uganda. More details on the services are provided in the Terms of Reference.
3. This Request for Proposal (RFP) has been addressed to the following short-listed Consultants. Names are not disclosed.
4. A firm will be selected under selection based on consideration of quality and cost (SBQC) and procedures described in this RFP.
5. The RFP includes the following documents:
 - Section 1 - Letter of Invitation
 - Section 2 - Terms of Reference
6. Please inform us upon receipt:
 - (a) that you received the Letter of Invitation; and
 - (b) whether you will submit a proposal alone or in association.

Yours sincerely,

Kathrin Gerner, Senior Expert for Eastern and Southern Africa

Section 2. Terms of Reference

A. BACKGROUND AND RATIONALE

1 *Brief Institutional History*

The Uganda Ecumenical Church Loan Fund (U-ECLOF) is a Christian-based microfinance institution registered as a Company Limited by Guarantee in 1993. Uganda ECLOF provides financial and related non-financial services to micro, small and medium entrepreneurs in Uganda. It is an affiliate of ECLOF International based in Geneva, Switzerland.

2 *Vision:*

“Equitable Access to Financial Services.”

3 *Mission:*

“To be a leading provider of affordable and socially responsible financial services that economically empower vulnerable communities of Uganda.”

4 *Core Values*

ECLOF – Uganda upholds the following core values:

- a) Good stewardship
- b) Commitment to the mission
- c) Integrity
- d) Professionalism
- e) Respect
- f) Teamwork

5 *Governance and Management*

ECLOF Uganda has a Board of Directors comprising of 9 directors. The Board has committees that handle specific issues. The Board and Committees convene and conduct business as and when necessary. ECLOF Uganda has 21 staff comprised of three senior management staff (CEO, Operations and Business Development Manager, Accountant and Legal Manager), 10 Credit Officers, accounts Assistant and other support staff.

6 *Financial Products and Services offered by ECLOF Uganda*

ECLOF Uganda offers several products namely group loan, individual loan, salary loan, institutional loan, biogas loan and agriculture loan products. As at the end of March 2014, ECLOF Uganda had gross portfolio outstanding of UGX 2.7 billion. Total Number of clients served was 3,031 clients.

B. OVERALL OBJECTIVE

There are three forms of institutions that ECLOF can transform into, i.e. Bank, Credit Institution and MDI, each with its own advantages and disadvantages. The Board, Management and staff decided to transform into an MDI in order to tap into the benefits and compete favorably.

The process involves changing the infrastructure in some/all branches to the standards required by the Bank of Uganda, having a proper management information system in place to enable timely reporting to the Bank of Uganda, as well as having proper governance in place. ECLOF will not wait until transformation to improve on those areas but will consider continuous improvement. There will be need to focus on transformation activities as shall be highlighted in the plan and budget for transformation.

The major objective of this consultancy is to develop a strategy and roadmap and to transformation, which ECLOF will include in its three-year strategic business plan (2015-2017).

C. SPECIFIC OBJECTIVES

1. Review current company strategy, policies and procedures
2. Assess readiness for transformation
3. Identify key costs and benefits associated with the transformation
4. Review regulatory options on company ownership and the options available
5. Evaluate licensing timelines required to achieve full transformation

D. DELIVERABLES

1. Gap analysis of current operations and future required changes or investments
2. Indicative Transformation Plan and Capacity Development Plan
3. Estimated budget for transformation

E. LOCATION

The Consultant shall initially be based in Kampala for the duration of the contract with potential travel to the field offices.

F. TIMEFRAME

The Consulting services shall commence in mid-July. Final deliverables shall be submitted to the client no later than August 31, 2014.