

## **Terms of Reference (TOR)**

### **Rural Finance Specialist**

#### **Background**

The Smallholder Agribusiness and Resilience Project (SARP) is co-funded by the International Fund for Agricultural Development (IFAD) and the Government of Sri Lanka. It aims to contribute to reduce poverty among small-scale farmers and increase food security and nutrition in dry zones by building resilience and enabling rural households to access markets in geographies affected by climate change. The project is focused in select hotspots in Vauniya, Mannar, Puttlam, Kurunegala and Mathale districts aligned across the Deduru oya, Mee oya and Malwathu Oya river basins.

#### **Scope of work:**

1. Development of SARP's rural financial service strategy. Working closely with the agribusiness specialist colleague. The incumbent will familiarize themselves with SARP's investments in agribusiness, production and other elements of the value chain, including any water management approaches, which are expected to be market driven (water user groups) etc. The will understand the cash flows of these businesses, and the financial service needs of the population (clients) who will be operating these businesses. IT will pay special attention to elements which restrict project client's access to traditional financial products, inclusive of the status of financial literacy.
2. The incumbent based on the assessment of the demand for financial services, will assess the supply of financial services which will include the agrarian banks, but not exclusively. From this information and in conjunction with senior PMU staff and an external consultant resource, will develop a rural finance strategy for the project. The strategy should include:
  - a. Initial scoping and diagnostic of potential financial service partners including agrarian banks but not exclusively. This diagnostic will review outreach, liquidity, availability and structure and requirements of finance products (particularly credit) and lead to potentially working partnerships with the financial institutions.
  - b. The above noted assessment of market demand for financial services among project clients.
  - c. A review of the objectives of the SARP project in terms of access to finance, and the role of any matching grants in catalyzing access to finance to achieve these objectives.
  - d. Generation of a series of recommended activities towards achieving the objectives, including partnerships, technical assistance requirements, capacity building (for clients and financial institutions) product development, SARP project processes and guidelines, among other elements to ensure achievement of project interventions and integration with the annual workplan and budget.
  - e. The strategy will also include an assessment and recommendations on how matching grants may be administered and by whom, in order to catalyze lending and financial inclusions by the financial institution partners.

- f. The rural finance strategy will be developed and approved by the PMU and reviewed by an ISM/Supervision mission for integration into future workplans and budgets.

The rural finance strategy will be expected to identify capacity building needs of the project's clients, as well as that of the partner financial institutions vis a vis the project's rural finance objectives. The incumbent, will identify the support required to deliver this capacity building and technical assistance and may therefore include but not be limited to (subject to the rural strategy finding/activities):

Work with financial institutions in accordance to their needs and diagnostic to develop appropriate financial products (primarily credit) that may or may not utilize the matching grants as a tool. This may include technical assistance, development of product pilots and establishment of links with other project activities etc. These products should attempt to address the needs of the market, and the barriers which potential borrowers have encountered to date.

- Train project staff on re financing model of SARP
- Set criteria to assess the performance of partner financial institutions, including quarterly reporting formats and coordinate the performance assessment in order to assess the capacity of the bank and their staff;
- Work with the partner financial institutions to develop, design and layout of all financial institution staff/product training materials related to designed products, and any related policies and procedures.
- If assessed, work with financial institutions to develop financial literacy activities inclusive of training materials. In the event of several partners FIs who are agrarian banks, this literacy may take advantage of standardization of materials and approaches.
- Participate in organizing workshop(s) related to the business symposia, agro-enterprise development forums etc
- Facilitate linkages between financial institutions and project clients, including partner financial institutions in farmer field school days, market days etc.
- Where there is an opportunity, consider the development of value chain financial products between financial institutions, and any lead or anchor firms involved in the project.
- Any other duties assigned by the project director

## **Education Qualifications**

- Advanced degree in Banking, Rural Finance with 10 years of experience working with rural banks.
- Extensive experience of agricultural finance in Sri Lanka, at least 5 year of experience in agri product design and pilots, the preparation of training materials and conducting training courses. Financial literacy design and implementation as well as digital finance experience will be considered desired. Excellent oral and written skills; excellent drafting, formulation, reporting skills. Solid overall computer literacy, including proficiency in various MS Office
- Solid overall computer literacy, including proficiency in various MS Office applications (Excel, Word, etc.) and email/internet;
- Excellent interpersonal skills; culturally and socially sensitive; ability to work inclusively and collaboratively with a range of partners, including grassroots community members, and youth organizations, and authorities at different levels; familiarity with tools and approaches of communications for development;
- Fluency in Sinhala and English. Ability to communicate with Tamil will be distinct advantage
- Excellent oral and written skills; excellent drafting, formulation, reporting skills;
- Ability to work and adapt professionally and effectively in a challenging environment;
- Self-motivated, ability to work with minimum supervision; ability to work with tight deadlines;

## **Duty station and duration**

Colombo with frequent travel to the project sites.

**Duration of services** – Initially for 12 person months (full time) subject to 6 months' probation period.