

**DRAFT**



**NATIONAL PROGRAMME COORDINATION OFFICE  
OF  
SPECIAL AGRO-INDUSRIAL PROCESSING ZONES PROGRAMME**

**TERMS OF REFERENCE (TOR) FOR THE DEVELOPMENT OF TRAINING  
CURRICULUM AND MANUALS FOR FINANCIAL SERVICE ASSOCIATIONS  
(FSAS) UNDER THE SPECIAL AGRO-INDUSTRIAL PROCESSING ZONES  
(SAPZ) PROGRAMME**

**REFERENCE NO: NPCO/SAPZ/IFAD/26/1001/526**

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# **TERMS OF REFERENCE (TOR) FOR THE DEVELOPMENT OF TRAINING CURRICULUM AND MANUALS FOR FINANCIAL SERVICE ASSOCIATIONS (FSAS) UNDER THE SPECIAL AGRO-INDUSTRIAL PROCESSING ZONES (SAPZ) PROGRAMME**

## **1.0 BACKGROUND**

The Federal Government of Nigeria has received a Facility from the African Development Bank (AfDB), International Fund for Agricultural Development (IFAD) and the Islamic Development Bank (IsDB) to finance the cost of the Special Agro-Industrial Processing Zones Program (SAPZ), and intends to apply part of the proceeds towards carrying out various consultancy services. The SAPZ Program is being implemented in the seven (7) States and the Federal Capital Territory (FCT). The States are Cross River, Imo, Kaduna, Kano, Kwara, Ogun and Oyo.

The overall development objective of the SAPZ programme is twofold: (1) Support the development of SAPZ in high food production areas to supply the domestic food market and create exportable surpluses; and (2) Capacitate smallholder farmers, small agro-processors and traders, and community-based service providers, including women and youth; to take advantage of the market demand created by the SAPZ to sustainably enhance their income, household food security and resilience to climate change.

The programme has four components namely:

➤ **Component 1:** Infrastructure Development and Management for Agro-Industrial Hubs (AIHs). Under this AfDB-led component, the programme will support the FGN in developing and setting up SAPZs in high potential states.

➤ **Component 2:** Agricultural Productivity, Production, Market Linkages and Value Addition in SAPZ Catchment Areas. Under this component, SAPZ's objective is threefold: (i) support smallholder farmers and small

operators to increase their productivity/production and capacity to add value to raw materials on a profitable and environmentally sustainable basis; and (ii) link them to the additional market outlets offered by the Agro-Industrial Hubs (AIHs), off-takers supplying the local and national market who operate in the target area, and small processors/traders supplying the local markets, including primary processors operating in the Agricultural Transformation Centres (ATCs); iii) enhance the resilience and adaptive capacity of smallholder farmers to climate change..

➤ **Component 3:** Policy and Institutional Development Support. The objective of component 3 is to support the development of enabling policies, legislation, and regulation for SAPZs in Nigeria to create a conducive business environment for private sector investment and to address inefficiencies and market failures in agricultural value chains.

➤ **Component 4:** Programme Coordination and Management. This component will ensure that the programme is efficiently and effectively managed to achieve expected results.

A critical enabler for the success of the SAPZ Programme is access to appropriate and affordable financial services for all actors along the agricultural value chains, including primary producers, processors, aggregators, input suppliers, and other related enterprises. However, these actors often face challenges in accessing formal financial institutions due to factors such as limited collateral, perceived high risk, lack of financial literacy, and inadequate financial infrastructure in rural areas.

The establishment of Financial Services Associations (FSAs) is integral to enabling access to financial services, fostering economic inclusion, and supporting the activities of AIHs and ATCs in the SAPZ catchment areas. These FSAs will serve as vehicles for promoting savings, credit accessibility, and financial literacy among stakeholders.

To address this gap, the SAPZ Programme aims to facilitate the establishment of Financial Services Associations (FSAs) around the

AIHs and ATCs in the initial pilot states of Cross River, Imo, Kaduna, Ogun, and Oyo. These FSAs will be member-owned and driven institutions designed to provide tailored financial services to the agricultural stakeholders within their respective catchment areas, fostering financial inclusion and supporting the growth of the SAPZ ecosystem.

Access to inclusive, affordable, and reliable financial services remains a critical enabler of SAPZ success. To address this, **Financial Service Associations (FSAs)** are being promoted as community-based financial institutions to mobilize savings, provide credit, build financial discipline, and link rural value-chain actors to formal financial systems.

To ensure FSAs operate sustainably and professionally, there is a need for **standardized, comprehensive training curriculum and manuals**, including strong emphasis on **customer care, member relations, and service excellence**.

The purpose of this assignment is to develop a **comprehensive, modular, and competency-based training curriculum and manuals** that will capacitate Financial Service Associations (FSAs) to deliver efficient, transparent, inclusive, and customer-focused financial services within SAPZ intervention areas.

## **2. OBJECTIVES OF THE ASSIGNMENT**

### **2.1 General Objective**

To design and produce standardized training materials that strengthen governance, financial management, customer service, and sustainability of FSAs under the SAPZ Programme.

### **2.2 Specific Objectives**

The assignment will:

1. Develop a structured FSA training curriculum aligned with SAPZ objectives.

- ii. Strengthen FSA capacity in savings, credit, financial reporting, and risk management.
- iii. Institutionalize Customer Care Doctrine to enhance trust, accountability, and member satisfaction.
- iv. Promote gender equity, youth participation, and social inclusion.
- v. Integrate digital financial services and market linkages.
- vi. Mainstream environmental and social safeguards in financial operations.

### **3.0 SCOPE OF WORK**

The Consultant shall:

- I. Review SAPZ programme documents, financial inclusion policies, and existing FSA/cooperative training materials.
- II. Conduct consultations with SAPZ NCO, SPIUs, financial institutions, extension agents, and FSA representatives.
- III. Design a modular FSA curriculum (see Section 4).
- IV. Develop facilitator and participant training manuals.
- V. Validate and finalize all training materials.

### **4.0 PROPOSED FSA TRAINING CURRICULUM MODULES**

The curriculum shall include, but not be limited to, the following modules:

#### **Module 1: Introduction to SAPZ and Financial Service Associations**

- Overview of SAPZ Programme: Goals, structure, and implementation zones.
- Role of FSAs in agro-industrialization and value-chain financing: FSAs as critical rural finance infrastructure.
- Linkages between SAPZ, Agro-Industrial Processors, and FSA Clients: Understanding the ecosystem.

- Comparative Models: Brief overview of successful SACCO/FSA models in similar contexts.
- Vision, Mission, and Core Values of an FSA: Defining institutional identity.

## **Module 2: Fundamentals of Financial Inclusion and Cooperative Finance**

- Principles of Inclusive Finance: Accessibility, affordability, appropriateness.
- Community-Based Financial Models: ROSCAs, ASCAs, VSLA methodology.
- The Cooperative Philosophy: History, values (self-help, democracy, solidarity).
- Member Ownership and Control: The "one member, one vote" principle.
- Social and Financial Performance (Double Bottom Line): Balancing member welfare with financial sustainability.

## **Module 3: Formation, Legal and Regulatory Framework of FSAs**

- Registration Processes: Steps with the relevant government agency/registrar.
- Constitution, By-Laws, and Compliance: Drafting, approval, and adherence.
- Legal Forms and Liabilities: Understanding the cooperative/association legal status.
- Regulatory Requirements: Ongoing reporting to supervisory bodies (e.g., Central Bank of Nigeria, NDIC, NAMB, ANMFIN etc.).
- Rights and Responsibilities of Members: Legal underpinnings of membership.

## **Module 4: Governance, Leadership, and Institutional Management**

- Governance Structures: Roles of General Assembly, Management Committee, Credit Committee, Supervisory Committee.

- Leadership Ethics and Accountability: Conflict of interest, fiduciary duty, transparency.
- Effective Committee Meetings: Agenda setting, minute-taking, decision-making.
- Strategic vs. Operational Oversight: Differentiating committee and management roles.
- Succession Planning and Leadership Transition: Ensuring institutional memory.

### **Module 5: Savings Mobilization and Capital Formation**

- Savings Products: Voluntary, fixed, target (school fees, harvest), and mobile-linked savings.
- Equity and Share Systems: Par value of shares, maximum shareholding, dividend policies.
- Mobilization Strategies: Member education, incentives, convenience.
- Liquidity Management from Savings: Balancing availability for loans vs. safety.
- Calculating and Distributing Interest/Dividends on Savings/Shares.

### **Module 6: Credit Management and Loan Administration**

- Loan Appraisal: 5 Cs of Credit (Character, Capacity, Capital, Conditions, Collateral), cash flow analysis for farmers & SMEs.
- Disbursement, Recovery, and Delinquency Control: Loan documentation, scheduling, collection techniques.
- Loan Products Design: Seasonal agricultural loans, asset financing, micro-enterprise loans, value-chain supplier credit.
- Portfolio Management: Loan tracking, aging analysis, portfolio-at-risk (PAR) calculation.
- Collateral Alternatives: Group guarantees, crop liens, warehouse receipts.

## **Module 7: Financial Management, Accounting, and Record-Keeping**

- Financial Records: Cash book, ledger, member passbooks, loan files.
- Reporting and Audits: Monthly trial balance, income statement, balance sheet.
- Core Accounting Concepts: Double-entry bookkeeping basics (assets, liabilities, equity, income, expense).
- Using Accounting Software: Practical training on simple, FSA-appropriate software.
- Cash Management and Bank Reconciliation: Daily cash handling, reconciling records with bank statements.

## **Module 8: Risk Management and Internal Controls**

- Operational and Financial Risks: Identification and mitigation strategies.
- Fraud Prevention: Segregation of duties, authorization limits, surprise cash counts.
- Internal Control Systems: Physical controls, access controls, approval hierarchies.
- Credit Risk Management: Loan loss provisioning, writing off bad debts.
- Contingency Planning: Preparing for crises (e.g., drought, pandemic, fraud).

## **Module 9: Customer Care Doctrine and Service Excellence**

- Concept and principles of **Customer Care Doctrine**
- Understanding FSA members as customers and stakeholders
- Professional conduct, ethics, and service standards
- Effective communication and relationship management
- Handling complaints, disputes, and grievances
- Service transparency, fairness, and confidentiality
- Building trust, loyalty, and member retention
- Customer feedback mechanisms and continuous service improvement

## **Module 10: Digital Financial Services and Agri-Fintech**

- Mobile Money and Digital Platforms: Integration for deposits, loan repayments, and disbursements.
- Data Protection and Cybersecurity: Protecting member data, secure password policies, phishing awareness.
- Using Digital Tools for Record-Keeping: Field agent apps, cloud-based management systems.
- Introduction to Agri-Fintech: Digital credit scoring, satellite data for insurance, e-extension services.
- Digital Financial Literacy for Members: Safely using mobile money and USSD platforms.

## **Module 11: Gender, Youth, and Social Inclusion**

- Gender-Responsive Financial Services: Products tailored for women (e.g., flexible repayment, linked to women-led value chains).
- Youth-Focused Products: Education loans, start-up capital for agripreneurs, digital access.
- Barriers to Inclusion: Addressing cultural, economic, and literacy barriers.
- Targeted Marketing and Outreach: Engaging women, youth, and marginalized groups.
- Measuring Inclusion: Sex-disaggregated data and youth participation metrics.

## **Module 12: Linking FSAs to Formal Financial Institutions and Markets**

- Partnerships with Banks and MFIs: On-lending (wholesale funding), correspondent banking.
- Value-Chain and Market Financing: Anchor buyer agreements, contract farming finance.
- Accessing Capital Markets: Introduction to bonds or specialized agricultural funds.
- Credit Reference Bureaus (CRB): Reporting and checking member credit history.

- Negotiation Skills for FSA Leaders: Securing favorable terms with partners.

### **Module 13: Environmental and Social Safeguards in Financial Services**

- Environmental Risk Screening: Assessing client activities for environmental impact.
- Climate-Smart Financing: Loans for drip irrigation, drought-resistant seeds, solar dryers.
- Social Safeguards: Ensuring loans do not contribute to child labor or unsafe working conditions.
- Promoting Sustainable Agri-Practices: Incentives for organic farming, soil conservation.
- Green Loan Products: Designing and marketing eco-friendly product lines.

### **Module 14: Monitoring, Evaluation, and Performance Management**

- KPIs and Portfolio Quality: Key Ratios (PAR, Operational Self-Sufficiency, Return on Assets).
- Reporting and Learning: Using data for decision-making, not just compliance.
- Member Satisfaction Surveys: Tools to gather feedback on products and services.
- Social Performance Management (SPM): Tracking depth of outreach and poverty outreach.
- Dashboard Development: Creating simple visual management tools for committees.

### **Module 15: Sustainability, Growth, and Graduation of FSAs**

- Business Planning: Strategic planning cycle, setting financial and social goals.
- Institutional Growth Pathways: Branching, mergers, forming networks/unions.
- Financial Sustainability Analysis: Cost-structure management, pricing of products (interest rates, fees).

- Graduation to a Formal Financial Institution: Regulatory requirements, capital adequacy, and systems needed.
- Exit and Succession Strategies for SAPZ Support: Planning for post-project independence.

## **5.0 QUALIFICATIONS AND EXPERIENCE**

*The Consultant should meet the following requirements:*

- I. Should have at least a Master's degree in Agricultural Economics, Business Administration, Banking and Finance or Economics with experience in agribusiness and value chain development.
- II. Must have a general experience of at least 10 years consulting in the sector.
- III. Must have completed at least Three (3) similar assignments in nature and scope in the last 10 years, two of which must be with a Development Financial Institution.
- IV. Must have experience in training, organizational development, and business development.
- V. Must have experience in conducting sectoral analysis and value chain analysis to develop financial products and services.
- VI. Should have experience in rural institution development.
- VII. Must have monitoring and coaching experience for start-up businesses/establishment of rural microfinance institutions (RMFIs).
- VIII. Knowledge and experience of the region and Nigeria in particular is an advantage.
- IX. Good knowledge of Rural Microfinance Institutions (RMFIs)
- X. Excellent interpersonal communication skills; maturity and ability to interact responsively and tactfully with staff, demonstrated good judgment, proven ability to promote and work in a team-oriented environment.
- XI. Unquestionable and demonstrated ability to ensure confidentiality and strong personal ethics.
- XII. Strong understanding of rural finance and agricultural economics.

## 6.0 DELIVERABLES

The consultant/firm will be expected to deliver the following comprehensive set of outputs:

S/NO	TASK	DELIVERABLE	TIMEFRAME
1	<b>Inception Report</b>	Detailed report outlining the proposed approach, integrated methodology, comprehensive work plan, training schedule, proposed trainers, and timelines for all activities.	Two weeks after contract signing
2	<b>Draft FSA Training Curriculum</b>	Comprehensive report outlining detail modules for the FSAs.	6th week of signing contract agreement
3	<b>Final Report &amp; Presentation</b>	Final Curriculum and Manuals (print-ready and electronic) incorporating feedback from stakeholders. Presentation: PowerPoint presentation summarizing key findings and recommendations.	8th week of signing contract agreement (Final)
4	<b>TOTAL CONSULTANCY TIME</b>		<b>8 weeks</b>

## PAYMENT SCHEDULE

60% of the contract sum upon submission of the draft final report

40% of the contract sum upon submission of the final report acceptable to SAPZ.

### 1.0 METHODOLOGY

The consultant/firm is expected to propose a robust and integrated methodology that ensures coherence and synergy across all four

components of the assignment. This will include, but not be limited to:

- Participatory stakeholder engagement
- Adult learning and experiential methods
- Practical case studies from SAPZ value chains
- Iterative drafting and validation

## **8.0 RESPONSIBILITIES OF THE CLIENT (SAPZ)**

SAPZ will provide:

- i. Overall strategic guidance and oversight of the assignment.
- ii. Access to relevant programme documents, data, and existing studies.
- iii. Facilitation of introductions to key stakeholders (government agencies, relevant SAPZ implementing units, farmer associations, local communities) in the target states.
- iv. Logistical support for field visits and workshops, as mutually agreed.
- v. Timely review and feedback on all submitted deliverables.
- vi. Payment of professional fees as per the agreed contract schedule.
- vii. The National Rural Institutions Development Officer shall be the liaison person for the consultancy on the part of the Client.

## **9.0 RESPONSIBILITIES OF THE CONSULTANT**

The consultant will be responsible for:

- i. Planning, executing, and managing all aspects of the assignment as detailed in the Scope of Work.
- ii. Mobilizing and managing a qualified team to deliver on all components.

- iii. Adhering to the agreed-upon work plan, timelines, and budget.
- iv. Ensuring the quality and timely submission of all deliverables.
- v. Maintaining regular communication with the SAPZ NCO.
- vi. Ensuring the confidentiality of all information and data obtained during the assignment.
- vii. Adhering to all relevant national and local regulations.
- viii. Bearing all operational costs associated with the assignment, including travel, accommodation, per diem, and data collection expenses, unless otherwise specified in the contract.
- ix. The Lead Consultant shall be the liaison person for this consultancy on the part of the Firm.

## **10.0 PROCUREMENT METHOD AND COST**

The procurement method will be **Individual Consultant Selection (ICS)**. Proposals should include a detailed financial proposal outlining all costs associated with the delivery of the comprehensive scope of work, including professional fees, travel, accommodation, per diem, data collection tools, software licenses (if applicable), training materials, venue costs, and any other relevant expenses. The budget should be presented in a clear and itemized format.

## **11.0 DURATION OF ASSIGNMENT AND REPORTING**

The anticipated duration of this integrated assignment is **8 weeks (2months)**, commencing from the contract signing date. A detailed work plan with clear milestones and deliverables will be agreed upon during the inception phase.

The consultant/firm will report directly to the National Programme Coordinator of the SAPZ Programme. However, the contact person for this consultancy shall be the National Rural Institutions Development Officer. Regular progress meetings (bi-weekly) will be held, and formal progress reports submitted monthly. All deliverables will be submitted in English.

## **12.0 CONFIDENTIALITY AND INTELLECTUAL PROPERTY**

All information shared by the client and generated during this assignment will be treated with utmost confidentiality. The consultant/firm will be required to sign a Non-Disclosure Agreement (NDA). All intellectual property rights, including but not limited to, the developed training curriculum and Manual, training materials, and documentation developed under this ToR, shall be the sole property of the client (SAPZ).