

# Solidarity Bankers Mission

## – Terms of reference –

### Evaluation and strengthening of the policy to combat money laundering and terrorist financing (AML/CFT)

**Location:** Kenya

**Duration and date:** 10 days on the field. Period to be determined

**Team:** Mission to be carried out in pairs

**Institution:** YEHU

**Topic:** Risk Management and Compliance

#### CONTEXT

The inclusive finance sector aims at providing access to financial services to people excluded from the mainstream financial system, thus giving them the opportunity to finance their needs, in particular their income-generating activities. A recognised player in the sector, the Grameen Crédit Agricole Foundation works in countries where poverty and financial exclusion are the strongest. Investor, lender, technical assistance coordinator and Fund advisor, the Foundation finances and supports microfinance institutions, institutions and projects that promote inclusive finance and the development of rural economies. The Foundation currently supports over 80 partners in 37 countries with a portfolio of around €90 million.

Under increased regulatory pressure, this sector needs to implement tougher anti-money laundering and financing of terrorism (AML-FT) processes, as local regulators progressively align with Financial Action Task Force (FATF) recommendations. This is especially the case for countries which, like Kenya since February 2024, have been included in the list of jurisdictions under increased monitoring.

Yehu Microfinance Services Ltd, established in 1998 by Choice Humanitarian Kenya, is a financial service provider registered under the Digital Credit Provider Regulations and providing groups and individual loans, mainly in the coastal areas of Kenya. As of September 2025, Yehu serves over 44.000 borrowers, out of which 72% are women and 79% are located in rural areas, for a total loan portfolio reaching EUR 9.2 million.

Yehu's AML-FT risk profile is relatively contained due to a straightforward business model (loans only), relying essentially on cashless transactions and face-to-face transactions. However, due to longstanding uncertainties regarding the microfinance regulation in Kenya, and the limited inclusion of AML-FT provisions in that regulation, the institution could benefit from a tailored technical assistance, to get a clearer understanding of AML-FT best practices, especially regarding the set-up of adequate compliance controls and staff training, and to raise awareness on these topics among staff and governance. This technical assistance could also suggest improvements that would help align Yehu's compliance set-up with international best practice, that progressively become a core pre-requisite from international lenders.

#### OBJECTIVES OF THE MISSION

As part of strengthening its activities and procedures, YEHU is currently updating its policy on combating money laundering and terrorist financing.

**The Solidarity Bankers will carry out the following actions:**

#### **ACTION 1: Initial Diagnosis of the Environment and Regulatory Framework and Assessment of the AML/CFT Risks facing YEHU and the Mitigation Measures in Place**

- **Regulatory Compliance Analysis:**
  - Review of laws and regulations applicable in Kenya.
- **Initial Assessment of Current Practices:**
  - Evaluation of YEHU's Organisational Structure:

- ✓ Analysis of YEHU's internal processes related to AML/CFT (analysis of existing policies).
- ✓ Analysis of employee roles and responsibilities in reducing AML/CFT risks (interviews with key members of management, operational managers, and field agents).
- ✓ Mapping of high-risk operations.
  - Verification of compliance with international standards (e.g., ESAAM/FATF).
  - Identification of shortcomings, risks, and needs specific to the Institution.

#### Expected Deliverables:

- Summary report on the AML/CFT environment and regulations in Kenya
- Summary report on the situation at YEHU, including:
  - ✓ Compliance with international and local standards
  - ✓ The main AML/CFT risks facing YEHU (risk mapping: e.g., risks by product, service, client, and geographic area)
  - ✓ Mitigation measures already in place
  - ✓ Existing gaps (including those related to the new AML/CFT policy)

#### **ACTION 2: Development of an action plan to support the implementation of the new AML/CFT policy, addressing any identified gaps as needed**

- **Present to the management team the analysis of the AML/CFT environment and regulations in Kenya, as well as the main AML/CFT risks identified within YEHU and the recommendations.**
- **With the management team, develop the improvement and follow-up plan for recommendations.**
- **Train the management team on the challenges related to AML/CFT training for staff and governance, focusing in particular on:**
  - The operation of a risk-based methodology (customer segmentation, adapting due diligence to the risk level);
  - The importance of developing appropriate operational procedures (customer due diligence procedure – KYC, suspicious transaction monitoring procedure, management of alerts and reports to the Financial Reporting Centre).
  - If applicable, suggestion of criteria and software for 1) suspicious transactions monitoring and 2) sanctions lists screening.
- **Define with YEHU management the priority issues regarding AML/CFT training (category of staff to be trained first, topics to be included in training materials, resources used to deliver training, allocation of responsibilities);**
- **Present the mission's main findings to the Board members and request their approval.**

#### Expected deliverables:

- Slides summarizing the mission's findings for the management team and Board members.
- Detailed action plan to be implemented, including AML/CFT/PDAM training for staff and governance.
- Validated monitoring tool for the detailed action plan

## LOGISTICS AND CALENDAR

### DURATION OF THE MISSION

- **20 days** for each of the Solidarity Bankers, distributed as follows:
  - Preparation: 5 days to prepare the mission
  - Mission: 10 days on the field.
  - Post-mission: 5 days to finalise the deliverables, spread over a two to three-week period following the end of the field mission

## CALENDAR

- **SELECTION PROCESS**
  - Publication of the Terms of Reference
  - Selection of the volunteers by the Grameen Crédit Agricole Foundation
- **SIGNATURE OF THE AGREEMENT AND PREPARATION OF THE MISSION**
  - An agreement is signed between the beneficiary institution, each Solidarity Banker, the Foundation and the Solidarity Bankers employers.
- **PREPARATION OF THE MISSION**
  - Signature of the agreement and preparation of the mission (calls to be planned with the organisation, documents to be sent and read before the beginning of the mission).
  - Preparation of the mission by the Solidarity Bankers, YEHU and the Grameen Crédit Agricole Foundation.
- **FIELD MISSION**
  - Field mission by the Solidarity Bankers (10 days).
- **DELIVERABLES OF THE MISSION**
  - Sending of the mission deliverables by the Solidarity Bankers within two to three weeks after the field mission.

## LOGISTICS, MISSION COSTS AND INSURANCE

- The logistics (travel and insurance) of the mission are provided by GCA
- Accommodation, local transport and catering costs are borne by the beneficiary organisation
- All other expenses are the responsibility of the Solidarity Bankers

## LOCATION

- The field mission will take place mainly in Kenya. Travels outside Mombasa might be required to meet other YEHU's staff or clients.

## PROFILE OF THE EXPERTS

- At least 5 years of experience in Compliance
- Appetite for inclusive finance / sustainable finance, resulting in increased curiosity for the specificities of the sector and the desire to adapt banking standards to it
- Knowledge / experience in the microfinance sector
- Knowledge of the Kenyan environment/ context is a plus
- High proficiency in English is mandatory
- Ability to listen to others
- To be a force for bringing forward proposals
- Pragmatic, autonomous and rigorous
- Previous experience in technical assistance or advisory work in a developing country would be a plus

## CONTACT

For more information on the [Solidarity Bankers Programme](#) or on the mission, please contact:

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