

AFRICAN DEVELOPMENT BANK
OPSD, OPERATIONS PRIVATE SECTOR DEPARTMENT
INFRASTRUCTURE DIVISION (OPSD.3)
E-mail: a.ngom@afdb.org;
Tel: +225 2026 2542; Fax: +225 2026 4178

1. The African Development Bank hereby invites Individual Consultants to indicate their interest in the following Assignment: **Project investment analysis and modeling.**

2. The services to be provided under the Assignment include:

(i) Financial and Economic Analysis of Projects

The role of each consultant is to assist project officers to perform an integrated financial and socio-economic analysis of their project, primarily at project appraisal but also at other stages in the project cycle as requested. The tasks performed will depend on the specific requirements of each project and each individual project officer. Such tasks will include but are not limited to:

- Improving and optimizing the integrated project spreadsheet model that conforms to FAST¹ and Bank's standards (this may take the form of reviewing financial models prepared by other parties keeping track of changes made to original models to developing complex financial models in house for specific transactions).
- Deconstructing complex financial models into "user friendly" spreadsheets for the bank's credit risk department.
- Assisting in analysing, understanding and acquainting with financial and economic models prepared by other parties like agencies, utilities and project sponsors/owners within the scope of project preparation and evaluation activities.
- Developing and building project financial and economic models.
- Determining the appropriate conversion factors for linking the socio-economic and financial cash flows in the models.
- Determine the nature and magnitude of a project's economic benefit and determine the financial and economic impact for all stakeholders.
- In certain cases, determining the appropriate statistical parameters for key project variables that are used to perform a multivariate Monte Carlo risk analysis of project outcomes.
- Drawing conclusions from the risk and socio-economic analysis that can be used to affect project design and/or to participate in a project risk analysis by the credit risk department.
- Auditing models provided by project sponsors or other lenders for logical integrity and the reasonableness of key assumptions.
- Conduct sensitivity analysis on financial models, as requested by the bank's credit risk department.

To perform these tasks, each consultant will work in tandem with project officers in OPSM and in transparency with credit officers and ADOA officers. The following procedures will apply to the consultants;

- Each consultant will be posted to a division of OPSM² and will work under the supervision of the Division Manager.
- Task Managers will determine the need for assistance from a consultant and will solicit support through a request to their Division Manager.
- The consultant will determine the quantum and nature of the resources needed to perform the required tasks.
- As required, the consultant will travel with the project officers and the project team to understand and collect data for the proper analysis of projects.

¹ See <http://www.fast-standard.org/>

² This could be either OPSM.2 Industry and Services, OPSM.3 Infrastructure or OPSM.5 Portfolio Management

- The consultant will prepare the spreadsheet models according to FAST and the Bank's standards and will assist the project officers and credit analysts to format and extract the tables according to their requirements.
- The consultant will annotate and archive all models for easy reference. (The Bank provides back-up hardware.)
- The consultant will issue for each project an inter-office memorandum highlighting key issues, key indicators and questions to sponsors/advisors. This document will be revised with updated information during the process of PSO. All versions will be circulated to OPSM, ADOA and FFMA. For each project, the consultant will make explicit the key model parameters (e.g. discount factors, elasticities of supply and demand, shadow prices, etc.) and assumptions, such that sensitivity and robustness analysis can be conducted on model parameters independently.
- Task Managers will prepare the write-up of the project analysis in the investment proposal and the consultant will review the relevant text.
- Responsibility for the quality of the work performed by the consultant, including scheduling of work, rests with the Division Manager. All concerns about the quality of the work or the performance of team members should be directed to the Division Manager.

(ii) Capacity Building

Ensuring that Bank staff have sufficient expertise to interact with the consultants and to potentially revert to a task manager based approach is considered an important part of the contract. As such the consultants will assist in providing capacity building through;

- Developing standardised project financial and economic models covering areas of intervention, i.e. generation transmission, distribution and across various generation technologies. Such models may also be produced in simplified form suitable for completion by task managers.
- Providing 'on the job' training to Bank task managers, especially in relation to financial analysis, to ensure that they are able not only to understand the models but are progressively more capable of performing such services directly.
- Assisting task managers undertaking the modelling work themselves by acting as an advisor.

Reporting

The consultants will report to an assigned Division Manager within OPSM.

Each consultant will prepare an inception report within one month of the start of the assignment. The report will describe requirements and make recommendations for performing the services.

Additionally, the consultant will provide a monthly report of activities undertaken and a Report on activities undertaken at the end of the contract.

Inputs and Qualification

Each consultant should have a minimum of the following;

- A proven track record of at least five years in financial modelling and socio-economic analysis of private sector projects produced to FAST standards;³
- Capacity to work fully independently.
- Preferably experience in Africa and/or in other developing regions.
- Masters level education (or equivalent) or above.
- Experience of working with multilateral development banks is desirable.

- Training experience and knowledge transfer skills are desirable.
- Fluency in English or French is essential, whilst knowledge of the other language is desirable.
- Being able to work as part of complex multidisciplinary teams is essential for all consultants assigned.

Remuneration of Consultants shall be calculated on the basis of a monthly lump sum (including per-diem and subsistence). Travel tickets and other reimbursable expenses shall be paid by the Bank in accordance with its Travel policy.

3. The Private Sector Department invites Individual Consultants to indicate their interest in providing the above-described services. Interested Consultants shall provide information on their qualifications and experience demonstrating their ability to undertake this Assignment (documents, reference to similar services, experience in similar assignments, etc.;).

4. The eligibility criteria, the establishment of a short list and the selection procedure shall be in conformity with the Bank's **Rules and Procedure for the Use of Consultants**. Please, note that interest expressed by a Consultant does not imply any obligation on the part of the Bank to include him/her in the shortlist.

5. The assignment will be for an initial period of **12 working months(renewable)** upon satisfactory completion of the contract and Bank decision. The location will be in **Abidjan**.

6. Interested Individual Consultants may obtain further information at the address below during the Bank's working hours: from 09 :00 to 17 :00 hours

7. Expressions of interest must be received at the address below no later than *Monday April 6, 2015* at 17h00 local time and specifically mentioning **Project investment analysis and modeling**. Alternatively, an email with 1 attached file in PDF format may be sent to A.NGOM@AFDB.ORG with copy to H.HASSINE@AFDB.ORG and G.WILSON@AFDB.ORG by the same date and hour.

For the attention of : Ms. Aida Ngom
African Development Bank
Infrastructure Finance & PPP (OPSD.3)
Av.Jean Paul II,
CCIA,
BP 1387 Abidjan 01, Cote d'Ivoire