

REQUEST FOR EXPRESSIONS OF INTEREST

INDIVIDUAL CONSULTANTS FOR PREPARATION OF EXPANDED SUPERVISION REPORTS (XSRs)- PIFD

Dear Sir/Madam

1. The African Development Bank hereby invites Individual Consultants to indicate their interest in the following Assignment: **Individual Consultants for Preparation of Expanded Supervision Reports (XSRs)**
2. The Financial Sector Development Department (PIFD) invites Individual Consultants to indicate their interest in providing the described services in the TOR below. 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.).
3. 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 Acquisition of Consulting Services funded by the Administrative or Capital Expenditure Budget**. 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.
4. **The estimated duration of services is 22 working days. The tentative starting date is May 1st, 2019.**
5. Interested Individual Consultants may obtain further information at the email address below during the Bank's working hours: from 09 :00 to 17 :00 hours
6. Expressions of interest must be received either electronically by email **or by mail** at the address above no later than Friday 22 March 2019, at 17h00 local time and specifically mentioning "**Individual Consultants for EXPANDED SUPERVISION REPORT**"

For the attention of:

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ESTABLISHMENT OF THE SHORT LIST

7. A shortlist of three to six individual consultants will be established at the end the request of expressions of interest. The consultants will be judged on the following criteria on the basis of their updated resume.

a) General qualification and suitability for the task to be performed	40%
b) Experience in the specific assignment described in the TOR	40%
c) Experience with international donor agencies	10%
d) Language capacity	5%
e) Knowledge of the region (country)	5%

Terms of reference for Consultancy Services for Preparation of Expanded Supervision Reports (XSRs)

1. Introduction

The Financial Sector Development Department (PIFD) of the African Development Bank (AFDB or the Bank) wishes to recruit Financial Analysts as consultants to assist in the preparation of Expanded Supervision reports (XSR) within financial sector.

The XSR is a standard one-time supervision report undertaken once a project reaches early operating maturity, defined in this case as achieving at least 30 months following final disbursement to the beneficiary or 18 month after the last disbursement of LOC funds to the last sub-project. It is an indirect self-evaluation tool used to measure the performance of a project against its specific stated project objectives at approval on the basis of four evaluation dimensions to help draw lessons in improving future Bank operations. The preparation of the XSR is currently under the responsibility of the Portfolio Coordinator (PIFD0). For the purpose of achieving an unbiased and objective assessment, an external consultant is usually recruited to carry out the evaluation process.

2. The ASSIGNMENT

The objective of the XSR is to assess the implementation experience and evaluate the result chain from inputs, outputs, outcomes and impacts while drawing lessons for consideration in future interventions.

The assignment will cover the followings areas :

- Implementation arrangements for the Project
- Operational and financial performance of the project company
- Development impact assessment
- E &S Compliance and implementation of the ESMS
- Bank's investment profitability
- Bank's work quality
- Bank's additionally (role and contribution) and
- Issues and lessons learned (for improving future interventions)

3. SCOPE OF THE EVALUATION

The XSR has two main parts: (i) a summary of the Project Supervision Report (PSR); and (ii) the self –Evaluation Findings. The PSR Section must present sufficient basic information on the project, its implementation and operating performance to facilitate evolution .It should also include the “without Project” counterfactual i.e. , what would have happened if the Bank did not participate in the project. The evaluation will be based on the framework defined in the December 2011 “Revised Guidelines for the preparation of the Expanded Supervision Report and the Expanded Supervision Report Review Notes” (the Guidelines) of which a copy will be made available to the consultant.

The evaluation will cover the following four performance dimensions:

- **Development outcome:** This criterion assesses the impact of the project (direct / indirect) on the development of host country or region, and implicitly the extent to which the project has contributed to fulfilling the Bank’ mandate of economic development and poverty alleviation in regional member countries. It is a synthesis of the ratings of four sub-missions(i) Business Success-financial performance and fulfillment of project objectives; (ii) Economic sustainability;(iii) Environmental and social Performance and (iv) Private Sector Development. The consultant will provide a rating for each of the four submissions and an overall development outcome rating. The development outcome rating is on a six-point scale while the ratings of the four submissions of the development outcome dimension are on a four-point scale.
- **Bank’s Investment Profitability:**
For the Bank to be sustainable, the investments it makes must be profitable. This dimension assesses the extent to which the bank has realized or expects to realize over the remaining life of the project the income that was expected during appraisal.
- **Bank’s Work Quality:** This criterion assesses the operational performance of the Bank with respect to how well the Bank goes about its operations prior to loan commitment and post commitment responsibilities. It reflects the contribution of the bank towards achievement of project outcomes, but this rating is independent of the rating of development outcome and the Bank’s investment outcome. The rating for the Banks ‘work quality is based on the ratings of the two sub-dimensions: (i) screening, appraisal, and structuring, which relates to the Bank’s performance in its front end work (i.e. quality at entry); and (ii) monitoring, supervision and administration which refers to how well the Bank is executing its monitoring and supervision functions.
- **Bank’s additionally:** This assesses the Bank’s role and contribution especially focusing on what the Bank financing brings to the Project other and above other commercial financiers.

The consultant will pay particular attention to the pending issues that have been identified after an initial review of available project documentation. Evaluation questions/ issues to be covered are detailed in Annex1.

The consultant shall use the following six value rating system to assess actual development outcome performance of the project.

- (i) Highly Successful (HS)
- (ii) Successful
- (iii) Mostly Successful (MS)
- (iv) Mostly Unsuccessful (MU)
- (v) Unsuccessful (U) and
- (vi) Highly Unsuccessful (HU)

The performance of the project with respect to the evaluation of the sub-dimensions of development outcome and the other three dimensions (AFDB’s Investment Outcome, Work Quality and (Additionality) will be rated on the following four point rating scale on the basis of relevant indicators and benchmarks the definitions of which are specific to the indicator and type of project :

- (i) Highly Successful (S+)
- (ii) Satisfactory (S)
- (iii) Unsatisfactory (U) and
- (iv) Highly Unsatisfactory (U-)

Issues relevant to the Bank and lessons learnt to improve future Bank’s operations shall be identified by the consultant. To assess how the Bank’s operations have evolved, lessons gained from previous evaluation assessments of other projects will also be reviewed. Lessons should be concise, prescriptive, transparent and operationally guided.

More specifically, the consultant is expected to analyze the information collected from project documents, discussions with project stakeholders and a field mission to the project company to:

- Determine the performance of AFDB and the project company with respect to achieving overall objectives set at project design;
- Evaluate the performance of the Bank and project company in the establishment of the project and in realization of contractual obligations by using the rating as described in the guidelines;
- Evaluate the Achievements in qualitative and quantitative terms compared to the objectives of the evaluation report and to determine the impact of the project;
- Evaluate the sustainability of economic, Institutional and social impacts (particularly on omen) of the project and ;
- Determine the operational and financial performance of the project company as well during the implementation compared to the forecasts indicated at appraisal.

4. Methodology:

The consultant will carry out the assignment in accordance with the “Revised Guidelines for the Preparation of the Extended Supervision Report and the Extended Supervision Report Review Notes”. The following activities would be undertaken:

Desk Review: This would consist of reviewing and gathering information from documentations on or related to the project such as project concept note summary records and minutes of the bank working groups on the project, appraisal report, project credit notes project ADOA note, loan agreement, sub-project implementation reports and financial reports prepared by sponsor, supervision reports prepared by the Bank and correspondences on the project. This stage would highlight issues further review.

Questionnaire: The consultant will develop written questionnaires for the project company to cover all key issues to be reviewed by the evaluation mission .These questionnaires will be sent to the company together with a request for financial projections of the company over pre-determined period and would form the basis of discussions to be held with the project company management team to derive a perception of the project’s performance from the client’s perspective.

Field visit: A field mission comprising the consultant ; E&S Specialist on a case by case basis; and Portfolio Officer (will undertake the visit to the project company

5. **KEY DELIVRABLES, FEEDBACK AND REPORTING**

The Consultant shall draft XSR based on the 2011 Expanded Supervision Report Template with relevant attachments on the calculation of, Capital Adequacy Ratio (CAR), Equity to total assets, Liquidity ratios, Return on average Asset (ROAA) , Return on Average Equity (ROAE), Net Interest Margin, Share of Income from steady sources to total Income , , Cost to Income, Non-Performing Loans (NPL's), Loan Loss Provisioning Weighted Average cost of capital (WACC).

6. **RESOURCE REQUIREMENTS**

Team composition: the XSR will be developed by the Consultant. The Portfolio Coordinator (PIFD0) will oversee and manage the XSR process to ensure that the Consultant has all the resources required to complete the assignment at his/her disposal.

Documentary Resources: the following document will be made available to the consultant:

- The December 2011 “Revised Guideline for the preparation of the Expanded Supervision Report and the Expanded Supervision Report Review Notes “ and the 2011 XSR template; and
- Project concept Note; Minutes of the various meetings on the project; Project appraisal Report; Project Credit Notes; Project ADOA Report; Loan Agreements; Supervision Mission Report, and other relevant documentations.

7. **QUALIFICATIONS OF THE CONSULTANT**

The Consultant must have at least 10 years’ experience in financial analysis or relevant field and a good knowledge of financial management, financial modeling and the operations of financial institutions. Knowledge of project management is an advantage. The Consultant must also have a good command of the French language and a strong working knowledge of the English Language.

8. **DURATION OF THE ASSIGNMENT**

The estimated duration of the Consultant’s assignment is 22 working days as per the following schedule:

Table 1: Assignment Schedule

Major Tasks	Activity Description	No. of Working Days
Preparation	Review of project documentation	5
Field Mission	Field Mission to Financial Institution	4
XSR	Draft XSR report	10
	Presentation and Comments	1

	Final XSR Report	2
Total		22

ANNEX I (a): Outline of Expanded Supervision Report1

A. Front page

Project Detail:

- Project Name:
- Project ID #:
- Client Name :
- Country :
- Project Type:
- Project Status:
- Sector:

XSR Team:

- Lead Author(s):
- Env. Specialist(s):
- economist(s):
- portfolio Manager:
- Other :

Project Team at Approval:

- Director:
- Manager:
- IO(s):
- Other:

Project dates:

- Approval Date:
- Commitment Date:
- Disbursement date(s):

Notes:

¹Rating Scales and corresponding definitions Are Available the December 2011” Revised Guidelines for the Preparation of the Expanded Supervision Report and the Expanded Supervision Report Review Notes”.

²Length of report: maximum 20 page excluding annexes.

B. Abbreviations, Currency Equivalents

C. Table Of Contents, Appendices

D. Overall Rating

E. Evaluation Summary

F. Performance Evaluation

1. THE PROJECT AND THIS CONTEXT

1.1 CONTEXT

1.2 PROJECT OBJECTIVES AND IMPLEMENTATION

2. THE EVALUATION

2.1 Evaluation Methodology and Approach

2.2 Key Performance Indicators

3. Project outcome and AfDB involvement

3.1 The project's development outcome

3.2 AfDB investment Profitability

3.3 Operational Effectiveness (Work Quality)

4. Lessons and recommendations