

**REQUEST FOR EXPRESSIONS OF INTEREST
AFRICAN DEVELOPMENT BANK**

Avenue Jean-Paul II, 01 B.P. 1387, Abidjan, Côte d'Ivoire

Making Finance Work for Africa (MFW4A) / PIFD

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1. The African Development Bank now invites Individual Consultants to express their interest in the following Assignment: **Local Financial Sector Specialist for Long-Term Finance -Country Diagnostic in Ghana**, within the Making Finance Work for Africa (MFW4A) Partnership Secretariat.
2. The African Development Bank in partnership with the MFW4A Partnership, the Financial Sector Deepening Africa (FSD Africa) and the German Development Cooperation (GIZ) has initiated a project entitled the "Long Term Finance Initiative" ("the project" hereafter) consisting of two parallel activities. The first activity consists in carrying out detailed Country Diagnostics which are geared at documenting the state of Long-Term Finance (LTF) markets in individual African countries, documenting the availability of such financing to the benefit of 3 key segments (infrastructure, housing and enterprise finance), and identifying constraints and potential opportunities to further develop such funding. The second activity consists in developing a database with country Scorecard capturing data on LTF in individual countries.
3. The assignment described in these terms of reference focuses on the second Country Diagnostic under the Long-Term Finance Initiative to be undertaken in Ghana in early 2019. The team undertaking this assignment will consist of a lead consultant with overall responsibility for coordinating the work to be undertaken by the LTF team and for providing technical guidance on the deliverables. In addition, the team will consist of three consultants with respective specializations in the areas of infrastructure, housing and enterprise finance ("*sector experts*"), a local consultant and financial sector experts from AfDB and GIZ.
4. The role of the *local financial sector consultant* will be to support the team undertaking the country diagnostic by providing the team with knowledge of financial sector issues in Ghana, as well as access to local expertise and inputs on the institutional landscape and political economy in Ghana. The local consultant will provide technical guidance and expert support to the three specialized consultants as well as the lead consultant on overarching financial sector issues (e.g. regulation and supervision) and for sector-specific issues (infrastructure, housing, enterprise finance). The inputs and recommendations provided need to be delivered in a way that is relevant to the country context and key stakeholders in Ghana as well as to international partners (AfDB, FSD Africa, GIZ). **For more information on the assignment please refer to Annex 1.** The consultant will report to the Lead Consultant and Project Manager.
5. The MFW4A Partnership invites Individual Consultants to submit their interest in providing the services described above. Interested Individual Consultants must provide information on their capacity and experience indicating that they are qualified to perform the services (Resume, description of similar assignments, experience in similar conditions, availability of appropriate skills, etc.). The candidate should have at least a minimum of 20 years of relevant experience, with strong focus on financial sector development and policy.
6. Eligibility criteria, establishment of the short-list and the selection procedure shall be in accordance with the "**Rules and Procedures for the use of Consultants**", for projects financed under the African Development Bank window, May 2008 edition, revised in July 2012 which is available on the Bank's website at (<http://www.afdb.org>) The Bank is under no obligation to shortlist any consultant who expresses interest.
7. The duration of the mission is 09 months, and the commencement date is planned for **January 21st, 2019**.
8. Interested individual consultants may obtain further information at the address below during office hours: *09.00 to 17.00 local time.*

9. Expressions of interest must be delivered by email to the address below by **Wednesday 26th of December 2018** at 17.00 local hours, and mention “**Application for Local Financial Sector Specialist for LTF Country Diagnostic in Ghana, within MFW4A**”.

For the attention of: **Mr. David ASHIAGBOR**

African Development Bank

PIFD / MFW4A

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MAKING FINANCE WORK FOR AFRICA (MFW4A) PARTNERSHIP LOCAL FINANCIAL SECTOR SPECIALIST FOR LONG TERM FINANCE -COUNTRY DIAGNOSTIC IN GHANA-

TERMS OF REFERENCE

1. About Making Finance Work for Africa Partnership

The Making Finance Work for Africa Partnership (MFW4A) was established in 2007 by the African Development Bank (AfDB), German Federal Ministry of Economic Cooperation and Development (BMZ) and the World Bank to:

- Facilitate joint actions between development partners and African financial sector stakeholders;
- Advocate for financial sector development to financial sector policymakers and regulators; and
- Provide a platform for knowledge sharing, cooperation and networking amongst African financial sector stakeholders and donors.

MFW4A Partners share a common vision of innovative, sustainable, competitive, and diverse African financial systems, providing near universal access by 2030 and offering a full range of products and services for the continent.

A Secretariat supports the activities of the Partnership and is hosted by the African Development Bank (AfDB) in Abidjan, Cote d'Ivoire. The Secretariat, headed by the Programme Coordinator, promotes closer cooperation among development partners and fosters exchanges amongst stakeholders.

2. Introduction

While markets for short-term finance in Africa are far from fully developed, considerable progress has been made over the past decade, partly driven by financial innovation. Access to finance has been enhanced through traditional sources, predominantly banks, as well as through the increasing prevalence and adoption of intermediation models pioneered by microfinance institutions, savings and credit cooperatives, and through the provision of mobile financial services. However, there has been less progress in developing long-term finance (LTF) on the continent.

The long-term finance agenda has received increasing attention in recent years resulting in the establishment of the Africa Long-Term Finance Initiative co-funded by the *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH* and DFID's Financial Sector Deeping Trust for Africa (FSDA). The Initiative is also supported by the in-kind contributions of the African Development Bank which hosts the initiative. The overall objective of the LTF Initiative is to support the development of local financial markets in Africa with a view to more efficiently mobilizing and allocating investment capital to businesses and projects that drive economic growth. The ambition is to enable similar progress as regards engagement and interest in the long-term finance (LTF) in Africa as has been achieved in the past decade on financial inclusion.

The initiative pursues a two-pronged approach:

- Enhancing market transparency through the development of a **LTF Database and Scoreboard** that will improve the availability of public data on LTF markets in Africa and allow countries to benchmark their performance against comparator countries.
- Developing country reform programs based on a new type of analytical studies, the **LTF country diagnostics**. The diagnostic reports identify key challenges to the provision of long-term finance and develop recommendations aimed at strengthening the development of domestic markets for long-term finance. The diagnostics have a particular focus on LTF for investments in infrastructure, housing and enterprises.

The two components of the project are highly synergetic as the country diagnostics will benefit from improved data coverage and the development of the Scoreboard will be informed by insights gained from the in-depth analysis carried out in individual countries. The LTF Database and Scoreboard is being developed with and hosted by the AfDB. The LTF country diagnostics are carried out by a team of international consultants in a number of African countries. The first country diagnostic was completed in Côte d'Ivoire in 2018 and a similar analytical approach and process is envisaged for the LTF diagnostic in Ghana.

The assignment described in these terms of reference focuses on the second Country Diagnostic under the Long-Term Finance Initiative to be undertaken in Ghana in early 2019. The team undertaking this assignment will consist of a lead consultant with overall responsibility for coordinating the work to be undertaken by the LTF team and for providing technical guidance on the deliverables. In addition the team will consist of three consultants with respective specializations in the areas of infrastructure, housing and enterprise finance ("*sector experts*"), a local consultant and financial sector experts from AfDB and GIZ.

The maturity of the financing should approximate the economic life of the underlying asset. Given the broad coverage of sectors, LTF Initiative adopts a broad definition of LTF. The minimum threshold for long-term financing as applied to the enterprise sector is considered to be one year, cognizant of the fact that in the real estate or infrastructure sector the relevant thresholds will be higher (10-30 years). The ambition is in any case to lengthen maturities to the extent that tenors more closely match the lifetime of the productive assets they are financing. Where this is not the case investors, firms and projects are exposed to liquidity and interest rates risks that severely constrain investment.

The diagnostic will be anchored in the private sector's experience with specific infrastructure, housing and enterprise finance transactions, instruments and products. This "bottom up" approach is designed to reveal challenges in the provision of long-term finance Drawing on the experience of the private sector, the intention is to assemble information about hurdles to the provision of finance and lessons learnt in overcoming these challenges. The focus on actual funding operations is primarily justified by the experience that broad-based legal/regulatory and institutional diagnostic exercises have largely failed to provide the specific guidance needed to relieve bottlenecks and hindrances in the process of increasing the availability of long-term finance from a private-sector perspective. While the focus will be on specific financing vehicles and instruments, the purpose is to draw more broadly applicable lessons from these case studies and chart specific actions encouraging policy-makers and private sector stakeholders to remove relevant hindrances that stand in the way of providing 'patient' capital to enterprises and for housing and infrastructure projects.

An important element of the country diagnostic will be to encourage innovation and international knowledge transfer by drawing on successful approaches, instruments and good practices from other countries. The consultant is expected to assemble relevant experiences relating to financing vehicles in other countries, where innovation in LTF has moved ahead more rapidly. The intention is that these international good practice examples will drill down on information relating to financial instruments and policies, and put them into the Ghanaian country context, thereby supporting cross-fertilization of country experiences.

3. Objective and Scope of Work

The role of the *local financial sector consultant* will be to support the team undertaking the country diagnostic by providing the team with knowledge of financial sector issues in Ghana, as well as access to local expertise and inputs on the institutional landscape and political economy in Ghana.

The local consultant is expected to support the team with guidance on materials and contacts to be consulted. He/she will advise the team throughout the whole process of the country diagnostic from the preparation phase

until the submission of the final report. Guidance on such materials and relevant contacts/counterparties will be particularly important in the preparatory phase of the diagnostic work. The local consultant will provide technical guidance and expert support to the three specialized consultants as well as the lead consultant on overarching financial sector issues (e.g. regulation and supervision) and for sector-specific issues (infrastructure, housing, enterprise finance). The inputs and recommendations provided need to be delivered in a way that is relevant to the country context and key stakeholders in Ghana as well as to international partners (AfDB, FSD Africa, GIZ).

The scope of work the local consultant is responsible for will encompass:

A. Advise and provide technical guidance to the LTF team:

- Contributing to the preparation and development phase of the LTF diagnostic by providing the team with materials and insights regarding the key issues relevant in the areas of infrastructure, housing and enterprise finance in the Ghanaian context.
- Listing and providing guidance as to key public and private sector actors in Ghana relevant for the LTF agenda in the form of a stakeholder mapping.
- Providing the team with research and policy reports and data sources relevant for the country diagnostic, including guidance on the relative importance and reliability of the analyses.

B. Provide feedback and inputs:

- Supporting the team in scoping the main issues relating to the provision of LTF in Ghana ahead of the main mission. Reviewing issue papers (5-10 pages each) prepared by the sector experts on infrastructure, housing, and enterprise finance in Ghana and providing inputs and recommendations to improve the issue papers before the main mission.
- Meeting with the LTF team during the mission in Accra and as appropriate attending meeting with the LTF team to discuss the different aspects of the diagnostic, providing feedback and inputs.
- Reviewing the draft report and final version of the report prepared by the team.

C. Facilitate contacts with relevant key private sector players or government officials:

- Proposing a list of key public and private sector stakeholders in Ghana relevant to the LTF agenda and where needed facilitate contact with these stakeholders or arrange meetings directly them.
- Supporting the dissemination activities of the findings of the LTF diagnostic report by facilitating contact and mobilizing relevant local stakeholders (sector experts, regulators, policy makers etc.) in Ghana.
- Participating in dissemination of the findings of the Ghana country diagnostic and supporting the stakeholder-dialogue.
- Participating in selected meetings with local stakeholders during the main mission and during the dissemination mission.

4. Conduct of Work

The consultant will interact with the whole LTF team on as needed basis by phone, email and during the missions in Accra. The local consultant will report to the lead consultant and to Makaio Witte (GIZ).

The local consultant needs to be present in Ghana during the course of this assignment and be available to accompany the LTF team during the diagnostic mission and the dissemination of the final report's findings to stakeholders in Ghana.

The exact timing and duration of the missions will be coordinated between AfDB, the LTF project team, GIZ and the lead consultant. The lead consultant will coordinate the timing with the local consultant.

5. Qualifications and experience

- At least 20 years of experience in consulting in Ghana with a strong focus on the Ghanaian financial sector. Additional work experience in the Ghanaian financial industry is considered an advantage.
- In-depth knowledge of the financial sector landscape in Ghana, including public and private financial institutions, institutional investors, the capital market, private equity and venture capital firms, relevant industry associations, the key international donors and local authorities in charge of financial sector regulation, supervision and policy.
- Strong track record of building and accessing the relevant network of key private/financial sector players and government officials relevant to LTF in Ghana

- Extensive experience in carrying out and leading research and diagnostic projects (research, review, assessment, technical consultancy etc.)

6. Time line and Deliverables (time line indicative)

Time frame: 21/01/2019 – 31/10/2019

The deliverables are grouped around the main mission involving the visit of the team of international consultants planned for February/March 2019:

Prior to the main mission:

- Provide written and oral advice on the key policy and regulatory issues and bottlenecks in the provision of LTF in Ghana, specifically in the areas of infrastructure, housing and enterprise finance:
 - o Provide prioritized list of reports and data sources relevant for the LTF team (January/February 2019);
 - o Undertake stakeholder mapping covering key players relevant to the LTF agenda, including specifically the areas infrastructure, housing and enterprise finance (February 2019);
 - o Review and provide feedback and quality control of the three issue papers on housing finance, enterprise finance and infrastructure finance drafted by the three respective sector experts (February 2019).

During the main mission (February/March 2019):

- Facilitate meetings with key public and private sector actors in Ghana relevant for the LTF diagnostic (during first mission in Q1 2019);
- Participate in selected meetings and in team discussions in Accra during the main mission;
- Review of draft reports prepared by team members during the main mission.

Subsequent to the main mission:

- Provide guidance on mission follow-up (filling data and possible meeting ‘gaps’ observed in the mission’s work);
- Review and provide feedback on draft final LTF diagnostic report (April 2019);
- Provide guidance and logistical support if needed in arranging the dissemination event provisionally planned for the 3rd quarter of 2019;
- Participate at the dissemination event and support the stakeholder dialogue.