

# **Selection of Consultants**

## **Technical Assistance Mission**

### **Mapping of risks to credit analysis for each loan product and update of appraisal tool**

#### **for ECLOF Uganda**

Uganda

April 2015

**With the Support of**



No. ECLUG/04/2015/UGA/AF

# Letter of Invitation

Kigali, April 14, 2015

Dear Sir or Madam:

1. The Grameen Credit Agricole Foundation (hereinafter called ‘the client’) has received funding (hereinafter called “the funds”) from the French Development Agency (hereinafter called “the Agency”) toward the financing partly the cost of Technical Assistance mission in the framework of the African Facility and intends to apply a portion of the funds to eligible payments under the contract for which this Request for Proposals is issued.
2. The Foundation now invites proposals to provide the following consulting services: Mapping of risks to credit analysis for each loan product and update of appraisal tool for ECLOF Uganda. More details on the services are provided in the Terms of Reference.
3. A firm will be selected under selection based on consideration of quality and cost (SBQC) and procedures described in this RFP.
4. The RFP includes the following documents:
  - Section 1 - Letter of Invitation
  - Section 2 - Instructions to Consultants (including Data Sheet)
  - Section 3 - Technical Proposal - Model Forms
  - Section 4 - Financial Proposal - Model Forms
  - Section 5 - Terms of Reference
5. Please inform us upon receipt:
  - (a) that you received the Letter of Invitation; and
  - (b) whether you will submit a proposal alone or in association.

Yours sincerely,

*Kathrin Gerner, Senior Expert for Eastern and Southern Africa*

## Instructions to Consultants

### DATA SHEET

Paragraph Reference	
1.1	Name of the Client: <u>Grameen Credit Agricole Microfinance Foundation represented by Kathrin Gerner, Senior Expert for Eastern and Southern Africa</u>  Method of selection: <u>selection based on consideration of quality and cost (SBQC)</u>
1.2	Designation, objectives and brief description of the assignment are as follows: <u>Mapping of risks to credit analysis for each loan product and update of appraisal tool</u>
1.3	The Client will provide the following inputs and facilities: <u>Policy and procedure manuals, appraisal tool and other relevant documents</u>
2.1	Clarifications may be requested not later than <u>2</u> days before the submission date.  The address for requesting clarifications is: <u>Kathrin Gerner, P.O. Box 3512, Kigali, Rwanda</u> <u>Tel: +250 784 11 74 14</u> <u>E-mail: kathrin.gerner@gmail.com</u>
3.1	Proposals shall be submitted in the following language: <u>English</u>
3.3 (i)	The estimated number of professional staff-months required for the assignment is: <u>15 days</u>
3.3 (ii)	The minimum required experience of proposed professional staff is: <u>10 years of experience in developing credit programs at microfinance institutions</u>
3.3 (iii)	Reports that are part of the assignment must be written in the following language(s): <u>English</u>

<b>3.4 (vii)</b>	Training is a major component of this assignment: <u>Yes</u>
<b>3.8</b>	Consultants shall state their price component for cost incurred in Euro and if necessary in local currency. Consultants who intend to incur cost in other currencies for the assignment may state the corresponding price component in Euros.
<b>3.10</b>	Proposals must remain valid 60 days after the submission date.
<b>4.3</b>	Consultant must submit an electronic version of the Proposal.
<b>4.5</b>	The Proposal submission address is: <u>kathrin.gerner@gmail.com and ami.faciliteafricaine@credit-agricole-sa.fr</u>  Proposals must be submitted no later than the following date and time: <u>April 28, 2015, 5:00pm EAT</u>
<b>5.1</b>	The address for contacting the Client is: <u>Kathrin Gerner, P.O. Box 3512, Kigali, Rwanda</u> <u>Tel: +250 784 11 74 14</u> <u>E-mail: kathrin.gerner@gmail.com</u>
<b>5.7</b>	The single currency for price conversions is: <u>Euro</u>  The source of official selling rates is: <u>Bank of Uganda</u>  The date of exchange rates is: <u>April 21, 2015</u>
<b>6.1</b>	Address for contract negotiations: <u>Kathrin Gerner, P.O. Box 3512, Kigali, Rwanda</u> <u>Tel: +250 784 11 74 14</u> <u>E-mail: kathrin.gerner@gmail.com</u>
<b>7.2</b>	Expected date and location for commencement of consulting services: <u>May 11, 2015, in Kampala</u>

# Terms of Reference

## A. BACKGROUND AND RATIONALE

### 1 *Brief Institutional History*

The Uganda Ecumenical Church Loan Fund (U-ECLOF) is a Christian-based microfinance institution registered as a Company Limited by Guarantee in 1993. Uganda ECLOF provides financial and related non-financial services to micro, small and medium entrepreneurs in Uganda. It is an affiliate of ECLOF International based in Geneva, Switzerland.

### 2 *Vision:*

“Equitable Access to Financial Services.”

### 3 *Mission:*

“To be a leading provider of affordable and socially responsible financial services that economically empower vulnerable communities of Uganda.”

### 4 *Core Values*

ECLOF – Uganda upholds the following core values:

- Good stewardship
- Commitment to the mission
- Integrity
- Professionalism
- Respect
- Teamwork

### 5 *Financial Products and Services offered by ECLOF Uganda*

U-ECLOF currently offers five loan products:

- Institutional Loan
- Agriculture Loan (group and individual)
- Business Loan (group and individual)
- Salary loan
- Emergency loan

In order to address portfolio quality issues, grow its portfolio and increase the caseload of loan officers, ECLOF Uganda must find efficiencies in its credit analysis methodology, while ensuring that major risks are being addressed.

## B. OVERALL OBJECTIVE

The overall objective of this assignment is to map pertinent risks to the current credit analysis performed for each loan product, identify gaps and inefficiencies, and update the automated appraisal tool accordingly.

### **C. SPECIFIC OBJECTIVES**

1. Identify the major risks inherent in each loan product and map them to the existing credit analysis process for each loan product.
2. Revise the credit analysis process for each product to make sure major risks are addressed and redundant or unnecessary steps are eliminated.
3. Update the existing Excel appraisal tool to reflect the revised credit analysis process and recommend benchmarks to aid loan decisions.
4. Train credit managers in using updated process and tool.

### **D. DELIVERABLES**

1. Gap analysis of existing credit analysis process
2. Revised credit analysis process map/description
3. Updated Excel appraisal tool
4. Brief report on training conducted with credit managers

### **E. LOCATION**

The Consultant will be based at ECLOF Uganda's head office in Kampala with potential travel to the satellite offices in Kigumba and Luwero.

### **F. TIMEFRAME**

This is a short-term assignment for a period of approximately 15 working days, starting on May 11, 2015.