

Terms of Reference (TOR) for the Hiring of Distressed Assets Consultant

1. Introduction: This Terms of Reference (TOR) sets out the requirements for hiring a Short-Term Consultant (STC) to provide expert services in the assessment, management, and resolution of distressed assets. The consultant will support the Credit and Operations Department in developing strategies for maximizing asset value recovery and mitigating financial risks.

2. Objectives The primary objective of the consultancy is to provide professional advice and services to identify, evaluate, and manage distressed assets effectively. The key goals include:

- Conducting a comprehensive review and analysis of distressed assets.
- Developing strategic plans for asset recovery and risk mitigation.
- Providing recommendations for restructuring, liquidation, or alternative solutions.
- Assisting in negotiations with stakeholders, including creditors and regulatory bodies.
- Ensuring compliance with legal and financial regulations related to distressed assets.

3. Scope of Work The consultancy firm will undertake the following tasks:

1. Prepare financial forecasts and perform cash flow analysis for impaired transactions to determine the debt carrying capacity of borrowers and the return potential for investments, participate in due diligence of projects or borrowing institutions.
2. Conduct financial and legal due diligence and analysis to understand the issues facing distressed assets and offering practical solutions; interact with accountants, legal, financial and sector consultants; interact with senior management of investee companies; liaise with other co-investors and development finance institutions and construct detailed financial and valuation models with sensitivities as required.
3. Prepare action plans for each non-performing or any other distressed asset to be presented to the Management Credit Committee(MCC) including recommendations to resolve problem investments whilst understanding the need to protect the over-arching developmental mandate of the Bank.
4. Calculate and make recommendations for loan loss provisions and equity value impairment estimates for each non-performing or impaired investment.
5. Monitor the financial and operational performance of impaired investments and effect execution and implementation of agreed workout strategies.
6. Prepare monthly, quarterly, or annual reports as required on all investment resolution activities.
7. Analyze and process waiver, amendment and consent requests for distressed assets/investments.
8. Identify lessons learned and prepare lessons learned papers and presentations to disseminate SOU's workout experience to other relevant departments within the Bank.
9. Support other units to identify and manage deteriorating assets/investments before they become non-performing.

10. Provide hands-on assistance in executing asset recovery plans and restructuring initiatives.
11. Monitoring and Reporting: Develop performance tracking mechanisms and provide periodic reports on progress.

4. Deliverables The selected consultant is expected to deliver the following:

- Inception Report outlining the approach, methodology, and work plan.
- Comprehensive report on the assessment and valuation of distressed assets.
- Strategic action plan for asset recovery and risk mitigation.
- Regular progress reports detailing implementation status and key findings.
- Final report summarizing key outcomes, lessons learned, and recommendations.

5. Duration and Timeline The assignment is expected to last for a period of **1 (One) year** starting from **1st April 2025** and concluding by **31st March 2026**. A detailed work plan with specific milestones will be developed at the inception stage.

6. Qualifications and Experience: The Consultant should possess the following qualifications and experience:

- A minimum of a master's degree or equivalent professional qualification in Economics, Finance, Accounting or Investment related fields. An additional qualification such as Certified Public Accountant (CPA) or Chartered Financial Analyst (CFA) will be an added advantage.
- Proven track record in managing distressed assets and financial restructuring.
- Expertise in financial analysis, risk management, and asset valuation.
- Strong knowledge of legal and regulatory aspects of distressed assets.
- Experience in stakeholder engagement and negotiation.
- Demonstrated ability to develop and implement asset recovery strategies.
- Minimum eight (8) years of experience relevant investment experience in an international bank, multilateral/bilateral development organization or a commercial bank. Strong experience in managing corporate and capital restructuring and refinancing is preferred as is some insolvency experience together with investment and divestment experience.
- Demonstrable track record and professional experience of working either in a workout or recovery team for a bank or financial institution or having worked for a major accounting or consulting firm advising clients on workouts, restructurings, or non-performing investments or portfolios.
- Ability to quickly understand the inherent risks of specific investments under review and advise on the most appropriate course of action and the associated consequences of each action.



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- Strong analytical and modelling abilities and abilities to lead transactions from inception to completion.
- Sound business judgment, with creative problem-solving skills and ability to think laterally to solve problems.
- Advanced corporate negotiating and influencing skills will be important as part of the institutions investment workout processes.
- Excellent oral and written communication skills, in English and/or French, including demonstrated ability to communicate complex ideas clearly and concisely to diverse audiences.

7. Submission Requirements:

Interested Consultants should submit the following:

- A detailed technical proposal outlining the approach, methodology, and work plan.
- Consultant's portfolio highlights relevant experience and past assignments.
- Financial proposal detailing consultancy fees and other costs.
- At least three references from previous clients.

8. Reporting and Supervision: The Consultant will report to the Director, Credit and Operations who will oversee and coordinate all activities related to the assignment.

9. Confidentiality All information shared during the engagement shall be treated as confidential and should not be disclosed to third parties without prior written consent.

10. Contact Information: Interested applicants to send their details to hr@shelterafrique.org