

TERMS OF REFERENCE FOR THE CONSULTANCY ASSIGNMENT

ESTABLISHING AN INDEPENDENT BACK OFFICE UNIT RESPONSIBLE FOR CREDIT GUARANTEES RISK MANAGMENT, QUALITY CHECKS AND ASSURANCE

1. Introduction

The Private Agricultural Sector Support Trust is a not for profit organisation, registered under Trustees Incorporation Act. The Trust was registered to promote investment in agricultural sector by creating access to financial and business development services. The Trust provides technical services on business development comprising of performing feasibility studies and project write ups as well as appraisals. It also guarantees loans agribusiness entrepreneurs take from banks for agribusiness projects. Subject to type and size of the loan, borrowers pledge different types of assets to secure the loans as collateral. PASS Trust guarantees part of loans taken in the range of 20 % to 60% and on special arrangement for loans to youth and women the guarantee may be increased up 80% as may be required.

2. Background

PASS Trust intends to strengthen the processes of evaluation, monitoring and control of the credit guarantees by doing a thorough review of the functions of the Department of Business Development with a view to introduce an independent back office credit guarantees risk management, quality check and assurance unit within or outside the Department of Business Development.

3. Objective of the Assignment

The main objectives of the assignment are to improve the governance of the guarantee granting process, enhance compliance and controls in the granting process and ensure there is an independent mechanism for quality check and assurance throughout the credit guarantee flow chart (i.e. from granting of the guarantee to recovery from defaulted customers).

4.0 Scope of the Assignment

The scope of work for this consultancy is as follows:

- 4.1 Review of the organization structure of the Department of Business Development with a view to hive off from it back office functions such as credit guarantee approvals, checking compliance with credit guarantee policy and manual requirements, legal and security documents preparations and perfections, and monitoring performance of borrowers with credit guarantees from the Trust.
- 4.2 Propose a suitable and lean organization structure and reporting hierarchy of the independent back office function to be introduced.

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- 4.3 Review of Credit Guarantee Policy and Manual to incorporate the functions of the new back office unit.
- 4.4 Prepare detailed functions that will be performed by the new back office unit
- 4.5 Prepare Job Descriptions (JDs) of officers who will be working in the unit to be formed.
- 4.6 Design and develop various management reports that will be prepared by the unit.

5.0 Roles and Responsibilities

5.1 Roles and Responsibilities

Within one week of signing the contract, the consultant will submit an inception report covering results of desk review of the existing organization structure relating to the function in question and methodology by which the assignment will be conducted. The inception report shall also indicate resources to be used in assignment, including time, any support needed from PASS Trust, as well as tentative contents of the final report. The report should also indicate expected date for completion of work and submission of final report.

5.2 Roles and Responsibilities

At the end of the assignment, the consultant will submit a report with information addressing each of the items 4.1 to 4.6 under section “4” above. The report should highlight all gaps and suggest corrective actions wherever possible.

5.3 Duration of the Assignment

The consultant is expected to complete the assignment in 30 days from the day of signing the contract.

6.0 Submission

Interested Consultants will be required to submit their Technical and Financial Proposals electronically as per this TOR Guidelines to the web address: <https://www.pass.or.tz/vacancies>, by 3rd August 2020, 12,00 noon.

MANAGING DIRECTOR