



REQUEST FOR PROPOSALS

External Assessment of Ukrainian United Credit Unions

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Credit for Agriculture Producers (CAP) Project



World Council

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External Assessment of Ukrainian United Credit Unions

Program: World Council of Credit Unions (WOCCU), Credit for Agriculture Producers Project (CAP) in Ukraine

Location: Ukraine

Timeframe: April - June 2021

Submission Deadline: March 22, 2021

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Description of Services:

World Council of Credit Unions (WOCCU) is seeking proposals for conducting external assessments of Ukrainian United Credit Unions.

Background:

The Credit for Agriculture Producers (CAP) project, funded by USAID and implemented by WOCCU, seeks to revitalize the credit union sector in Ukraine by creating a more transparent legal and regulatory framework for credit union operations in Ukraine to both promote growth and reduce risks, while improving access to agricultural finance for agricultural and rural micro, small, and medium enterprises through credit unions. The CAP project completed its initial four years in August 2020, and received a cost extension through March 2023. Specifically, during the cost extension, the project is expected to: (1) strengthen credit union regulator and national associations' capacity; (2) advocate for an improved and updated legislative framework to meet European Union (EU) standards, enabling credit unions to compete with other financial institutions; and (3) address constraints preventing credit unions from expanding outreach and delivering high-quality lending to the agricultural sector.

To achieve these results, project activities are linked to four key objectives:

- Objective 1: Credit unions operate in an improved enabling environment.
- Objective 2: National credit union associations offer improved services to credit unions.
- Objective 3: Credit unions have increased liquidity.
- Objective 4: Credit unions expand their agriculture finance portfolio.

Overview of Scope of Work:

Under Objective 3, CAP provides technical assistance to two United Credit Unions (UCUs) with the goal of increasing their institutional capacity to obtain external funds from international donors and investors, ensuring they are up to par with their international peers, and are able to manage those funds effectively, and to mitigate the identified risks, financial and non-financial (credit, operational and other).

To provide tailored technical assistance to UCUs and help them better understand the demands of international investors engaged in economic and social development, investing and sustainable microfinance, CAP plans to engage a consultant with international investing/ donor experience related to microfinance investing, fund management and due diligence of microfinance institutions or credit unions to carry out in-depth assessment of the UCUs.

The consultant, per his/her experience in development, investing and sustainable microfinance, will be tasked to conduct an assessment / preliminary due diligence of two UCUs in Ukraine – CAP project partners. He/she will review and provide feedback to UCUs' business models, organizational structures, strategies, policies and procedures, as well as existing business and operational practices from an international investor / donor perspective, taking into consideration limitations to the business and types of financial services provided by the UCUs defined by existing legal and regulatory framework.

The goal of the assessment / preliminary due diligence results is to identify strengths, gaps or weaknesses that should be addressed by UCUs to be able to effectively engage and cooperate with potential investors or donors engaged in economic and social development investing and sustainable microfinance. The long term goal is for the UCUs to be able to attract additional financial resources into the Ukrainian credit union

market. The recommendations will inform action plans to be developed and implemented by UCUs (with support from CAP) in order to improve their risk and liquidity management frameworks.

Specific tasks of the consultancy include:

- Conduct meetings online or face-to-face (if COVID-19 restrictions measures allow) with UCUs' boards and executive management, as well as with UCUs risk managers supported by the CAP project.
- Conduct meetings online or face-to-face (if COVID-19 restrictions measures allow) with the National Bank of Ukraine (NBU), which is the credit union sector financial regulator and the key stakeholder for revision of the legal and regulatory framework for credit unions.
- Review and assess UCUs' business models, architectures and frameworks, including strategies, policies and procedures on provision of financial services, risk and liquidity management, and provide specific recommendations to their improvement in the areas:
 - Business model restructuring (if applicable),
 - Strategy and business planning,
 - Risk management,
 - Liquidity management,
 - Lending and reporting mechanisms required by investors/donors for onlending economic and social development programs,
 - Compliance programs required by investors/donors (AML, ABC, sanctions, etc.),
 - Establishing or development of specific functions with UCUs' organizational and management frameworks,
 - Other areas, which may be subject of concern in the process of UCUs due diligence or cooperation with investors/donors.

Expected Outputs/Deliverables:

- Assessment/due diligence completed, as would be carried out by an international investor/donor.
- Based on the assessment/due diligence a report (in English) with specific recommendations to improvement of UCUs' business models, architectures and frameworks, including policies and procedures to facilitate cooperation with international investors/donors.
- Presentation for UCUs' boards and executive management on key findings of the UCUs' assessments.

Application Instructions

Please submit your proposals to programsupport@woccu.org, with the subject line "External Assessment of Ukrainian United Credit Unions". Proposals should include the following information:

- CV/Background information for firm or individual
- Cover letter, including 2-3 references, detailing:
 - Higher education in banking, finance, economics, law, or management (for individuals)
 - Experience in conducting similar work on assessments/due diligence and structuring financing with candidate borrowers or recipients of financing in the scope of economic and social development investing and sustainable microfinance projects
- Proposed schedule/timeline of services (estimated level of effort for the assignment is 20 business days, pending work plan developed in coordination with the selected consultant)



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- High-level budget for proposed services, broken down in the following areas: Personnel and Fringe Benefits, Travel & Transportation, Other Direct Costs, Indirect Costs

Both firms and individual consultants are welcome to apply.

Application Period

Proposals will be accepted until March 22, 2021, 5PM EST.

Disclaimer

This bid solicitation in no way obligates World Council of Credit Unions to award a contract, nor does it commit World Council of Credit Unions to pay any costs incurred in the preparation and submission of the application. World Council of Credit Unions reserves the right to vary any part of this bid solicitation at the time of award if it becomes necessary.