

TERMS OF REFERENCE FOR CONSULTANTS

1. The knowledge and support technical assistance (TA) will strengthen the resilience and stability of banking systems and nonbank financial institutions (NBFIs) in selected developing member countries (DMCs) of the Asian Development Bank (ADB) by examining the causes of weak enabling policy environments and of financial market stakeholders' limited knowledge and expertise.¹ Focusing on Bangladesh and Kazakhstan, the TA team will analyze factors such as: (i) banking policies and practices; (ii) legal and regulatory frameworks for risk-based banking, and supervision and enforcement of legal and regulatory frameworks; (iii) asset quality deterioration, and insolvency and resolution frameworks; (iv) deposit insurance schemes, credit information systems, collateral valuation systems, and asset management systems; and (v) nonbank financial policies and institutions.

2. The Asian Development Bank (ADB) will administer the TA. The Finance Sector Group under the Sector Advisory Service Cluster of Sustainable Development and Climate Change Department will implement the TA and carry out TA administration and supervision, implementation oversight, and communication with consultants and stakeholders in coordination with relevant sector and thematic groups and operations departments. ADB will require a total of 22 person-months of international and 60 person-months of national consulting services to deliver the outputs of the TA including policy dialogue and roundtable, and capacity building activities for policymakers, financial authorities, and financial market stakeholders in collaboration with international financial institutions and standard setting bodies to tap their expertise in strengthening financial stability. ADB will engage the consultants following ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.

A. Individual International Consultants

3. **Lead Finance Sector Specialist** (1 international, 3 person-months, intermittent). The expert should have a master's degree in finance, economics or equivalent and at least 10 years of relevant professional experience in banking sector (credit operation and risk management, developing and managing a credit scoring system, designing the credit policy and procedures, the area of credit infrastructure and nonperforming loans (NPL) resolution, loan management and workouts, creditor debt enforcement, and corporate and personal insolvency). He/she will act as advisor for the project which will include to define the program, lead the analysis and recommendation formulation, and review all deliverables. The expert is expected to:

- (i) develop the country diagnostic study of the current landscape and enabling environment of the countries which exhibit high NPL ratios;
- (ii) prepare a comparative analysis of the banking sector in the region including policy best practices;
- (iii) provide guidance on existing regulations and formulate policy recommendations to develop effective banking resolution and modernize insolvency regime; and
- (iv) develop and provide capacity building to enhance institutional capacity for risk-based supervision and effective credit intermediation.

¹ The TA project's coverage of nonbank financial institutions will be limited to nonbank lending institutions.

4. **Finance Sector Experts** (5 international, 15 person-months total, intermittent). Each consultant should have a master's degree in finance, economics or equivalent and at least 10 years of relevant professional experience in banking sector (credit operation and risk management, developing and managing a credit scoring system, designing the credit policy and procedures, the area of credit infrastructure and NPL resolution, loan management and workouts, creditor debt enforcement, and corporate and personal insolvency), as well as a master's degree or equivalent, or an equivalent combination of education and experience, and have broad-based work experience and therefore recognition as finance sector resolution and insolvency experts. The tasks and responsibilities of the finance sector experts will include contributing to the following:

- (i) development of the country diagnostic study of the current landscape and enabling environment of the countries which exhibit high NPL ratios;
- (ii) preparation of a comparative analysis of the banking sector in the region including policy best practices; and
- (iii) formulation of policy recommendations, and assisting ADB staff in organizing designated knowledge events such as policy dialogue and roundtable, and capacity building activities under the TA and participating in these events, and making presentations as needed, and preparing consultant progress reports, as requested.

5. **Manuscript Editor** (1 international, 4 person-months, intermittent). The consultant should have at least Bachelor's degree, including studies in Economics, Journalism or related field and at least 10 years of international experience in the respective field of expertise. The consultant will ensure that the quality of knowledge products produced under the TA meets ADB's standards as described in ADB's Handbook of Style and Usage. The tasks and responsibilities of the consultant will include:

- (i) reviewing and editing knowledge products produced by the TA in accordance with ADB's Handbook of Style and Usage;
- (ii) responsible for proofreading the text, tables, and charts of the paper from the preliminary draft to the final copy;
- (iii) ensuring data integrity and consistency in the final manuscript; and
- (iv) performing other tasks as required by the project team.

B. Individual National Consultants

6. **Research Assistant** (3 national, 48 person-months total, intermittent). The research assistant will be headquarters-based and will provide technical support for TA implementation. The research assistant must have a university degree in economics, business, finance, accounting, or related fields, excellent written and verbal communication skills in English, and strong capacity for problem solving and achievement of results. The research assistant will undertake the following tasks:

- (i) assist in conducting review of related literature;
- (ii) support in drafting outline, scope of country diagnostics and other knowledge products to be developed under the TA as requested by designated ADB staff and the project team;

- (iii) conduct data collection and research as requested by designated ADB staff and the project team;
- (iv) maintain database on information collected under the TA;
- (v) assist in publishing and disseminating reports/outputs to be delivered under the TA; and
- (vi) provide other support in connection with the implementation of the TA as requested by designated ADB staff and the project team.

7. **Project Coordinator** (2 national, 12 person-months total, intermittent). The project coordinator will work with ADB staff and the TA consultants in implementing the TA. The coordinator must have a university degree in economics, business, finance, accounting, or related fields; at least 5 years of relevant experience in TA administration; and excellent oral and written communication skills in English. The consultant will:

- (i) monitor the schedule of activities and progress of TA implementation;
- (ii) coordinate logistical arrangements of conferences under this TA; and
- (iii) perform other tasks as reasonably required.

C. Resource Persons (12 persons, 3 person-months total)

8. Resource persons will be engaged for short periods during policy dialogue and roundtable, and capacity building activities planned under the TA. The resource persons will have solid experience in finance, including teaching these and related subjects to government officials with various backgrounds in a short course or workshop. They will also design and present case studies to illustrate how to identify key vulnerabilities and develop key elements of a reform agenda to strengthen the resiliency of the banking sector.