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Date: 6 September 2012

INDIVIDUAL CONSULTANT PROCUREMENT NOTICE

for individual consultants and individual consultants assigned by consulting firms/institutions

Country:	Viet Nam
Description of the assignment:	01 International consultant - international inputs to development and application of the Financial Institutions Rating in Vietnam
Project name:	Project 59714 - Support for enhancing the capacity in advising, examining and overseeing macroeconomic policies.
Period of assignment/services (if applicable):	Quarter IV/2012

1. Submissions should be sent by email to: nguyen.thi.hoang.yen@undp.org no later than: **17.00 hrs., 17 September 2012 (Hanoi time)**.

With subject line: International consultant – Credit rating

Submission received after that date or submission not in conformity with the requirements specified this document will not be considered.

Any request for clarification must be sent in writing, or by standard electronic communication to the address or e-mail indicated above. Procurement Unit – UNDP Viet Nam will respond in writing or by standard electronic mail and will send written copies of the response, including an explanation of the query without identifying the source of inquiry, to all consultants.

2. Please find attached the relevant documents:

- [Terms of Reference \(TOR\)](#)..... (Annex I)
- [Individual Contract & General Conditions](#)..... (Annex II)
- [Reimbursable Loan Agreement](#) (for a consultant assigned by a firm) & [General Conditions](#) (Annex III)
- [Insurance Coverage Table](#)..... (Annex IV)
- [Vendor Form](#) (Annex V)
- [Guidelines for CV preparation](#)..... (Annex VI)
- [Format of financial proposal](#)..... (Annex VII)

3. Interested individual consultants must submit the following documents/information to demonstrate their qualifications:

a. Technical component:

- Curriculum vitae
- Expression of interest, explaining why he/she is the most suitable for the work.
- Copy of 1-3 publications/writing samples.
- Contact reference of past 4 clients for whom you have rendered preferably the similar service

b. Financial proposal:

- The financial proposal shall specify a total lump sum amount in **US Dollar** including consultancy fees and all associated costs i.e. airfares, travel cost, meal, accommodation, tax, insurance etc. – see format of financial offer in Annex VII.
- Please note that the cost of preparing a proposal and of negotiating a contract, including any related travel, is not reimbursable as a direct cost of the assignment.
- If quoted in other currency, prices shall be converted to US Dollar at UN Exchange Rate at the submission deadline.

Please note: For the consultancy firm/institution/organization, please provide the above information **of the assigned consultant (only ONE) for this service**, not the experience and information of **YOUR firm**. The documents must be submitted by the assigned consultant.

4. Evaluation:

The technical component will be evaluated using the following criteria:

Consultant's experiences/qualification related to the services		
	Criteria	Maximum Points
1	A PhD's degree or equivalent in Economics and/or Finance and Banking, with at least 10 year experience of doing macroeconomic research and training and/or working experience as specialist/advisor/practitioner in the field of banking/financial sector management/supervision	200
2	Possession of publications on finance/banking sector management and oversight in internationally recognized journals is an advantage.	100
3	Practical experience of working as a specialist/advisor/ practitioner in using Financial Institutions Rating methods and developing the rating criteria	100
4	At least 3 years of experience in designing and acting as trainers in short economics/banking/financial management courses, preferably in developing countries	100
5	Working experience with Vietnam's government or UNDP in Vietnam	100
6	Demonstrable, excellent data collection, analysis and report writing and presentation skills (supported by reports/publications if any)	200
7	Profound understanding of Vietnamese economic and political systems and the current state of Vietnam's economy and its current efforts to reform the economy, including key economic issues related to growth and developments models, economic reform, and upcoming challenges	100
8	Good command of written in Vietnamese and/or English (supported by reports/publications if any)	100
	TOTAL	1000

A two-stage procedure is utilized in evaluating the submissions, with evaluation of the technical components being completed prior to any price proposals being opened and compared. The price proposal will be opened only for submissions that passed the minimum technical score of 70% of the obtainable score of 1000 points in the evaluation of the technical component.

The technical component is evaluated on the basis of its responsiveness to the Term of Reference (TOR).

Maximum 1000 points will be given to the lowest offer and the other financial proposals will receive the points inversely proportional to their financial offers. i.e. $S_f = 1000 \times F_m / F$, in which S_f is the financial score, F_m is the lowest price and F the price of the submission under consideration.

The weight of technical points is 70% and financial points is 30%.

Submission obtaining the highest weighted points (technical points + financial points) will be selected.

An interview with the candidate given the highest combined score may be held before contract awarding, if deemed necessary.

8. Contract

“Lump-sum” Individual Contract will be applied for freelance consultant (Annex II)

“Lump-sum” RLA will be applied for consultant assigned by firm/institution/organization (Annex III)

Documents required before contract signing:

- Personal History
- International consultant whose work involves travel is required to complete the course on Basic Security in the Field and submit certificate to UNDP before contract issuance.

Note: The Basic Security in the Field Certificate can be obtained from website: <http://training.dss.un.org>. The training course takes around 3-4 hours to complete. The certificate is valid for 3 years.

- Full medical examination and Statement of Fitness to work for consultants from and above 62 years of age and involve travel. (This is not a requirement for RLA contracts).
- Release letter in case the selected consultant is government official.

9. Payment

UNDP shall effect payments to the consultant (by bank transfer to the consultant’s bank account provided in the vendor form (Annex V) upon acceptance by UNDP of the deliverables specified the TOR.

1st payment: 20% of total contract value will be paid upon submission and UNDP’s acceptance of the detailed training programme and outline of the presentation to be delivered at the policy workshop

2nd payment: 40% of total contract value will be paid upon UNDP’s acceptance of the deliverables (including the presentation at the workshop and all training materials) before the training and workshop.

3rd and final payment: 40% of total contract value will be paid upon UNDP’s satisfactory acceptance of the delivery of the course, the workshop and the training assessment report.

If two currencies exist, UNDP exchange rate will be applied at the day UNDP instructs the bank to effect the payment.

10. Your proposals are received on the basis that you fully understand and accept these terms and conditions.



TERMS OF REFERENCE (TOR)

PROJECT:	Support for enhancing the capacity in advising, examining and overseeing macroeconomic policies.
TITLE OF ASSIGNMENT:	International inputs to development and application of the Financial Institutions Rating in Vietnam
DURATION	4 days for home-based preparation in Quarter IV/2012 plus 4 days for training and workshop Hanoi, Vietnam
DUTY STATION	Homebased and Hanoi, Viet Nam

1) GENERAL BACKGROUND

Vietnam market still does not have an independent and reputable credit rating organization, therefore, the State bank of Vietnam has to issue regulations regarding the classification of financial institutions for management purposes but these regulations are not widely publicized¹. There have been some studies on Credit institution rating, but the results of these studies had not provide the desired outcome. While the credit institution's activities are similar to those of the business, customers need to know the business capacity and operational status of the Bank to secure transactions.

In fact, in many countries, the implementation of Financial Institutions Rating is essential to increase transparency and confidence of depositors and businesses, and to protect the interests of customers, provide them with the right to choose when they know exactly what is the current situation of financial institution. Many international organizations have assessed and classified Vietnam's banks, and in 2011, a Vietnamese organization has also conducted a Vietnam banking rating. However, the Vietnamese government should develop its system/tool to rate financial institutions in Vietnam (since international organizations and private organizations do not have full access to information and resources). The ranking of banks in Vietnam have three main issues: (i) lack of adequate and publicified information; (ii) lack of tools and techniques and (iii) lack of institutional and legal framework for financial institution ratings.

The key issues in bank/financial institution rating are (i) the use/application of the rating (as a tool for financial sector supervision/oversight) depends very much on availability, accessibility and transparency of data as well as institutional arrangements (including topics of whether or not institutions other than the government (are allowed to) conduct the ratings), and (ii) as international experiences show, the rating could be done with "biases" (many banks/financial institutions in other countries, including in developed ones, got very good - AAA ratings – including from "well-known" rating institutions just before the banks/financial institutions collapsed/got into troubles) and thus the use/application of rating results for financial sector supervision/oversight needs to be treated "with care".

To address these, the National Financial Supervisory Committee plans to organize a policy advocacy workshop and a training course. The policy advocacy workshop aims at providing relevant national policy makers with updated knowledge on financial institution rating as a tool for managing, and policy making on banking sector; and the training aims at providing relevant technical staff with in-depth technical

¹ In the recent Financial and Banking System restructuring plan, commercial banks will be divided into 3 groups (in quarter I/2012), including: (i) large-scale credit institution group with sound operations; (ii) group of small-scale credit institutions with sound operations with no expectation of expansion, and (iii) group of small-scale financial institutions, weak operations and unclear financial transactions. Then, from quarter II/2012 to 2013, the target is to complete the restructuring of the banking group 3 by using the large-scale banks with sound financial operation merging with small and weak credit institution. The major pillar of this restructuring process are 8 large-scale banks. From 2013 to 2015 will be the complete restructuring process of the system with 15 large and healthy credit institutions as pillars of the banking system, in which two banks are strong enough to compete in the region. This plan will go further, as the target from 2015-2020 is to continue the restructuring process to have at least four competitive banks in the region and two highly rated financial institutions in South-east Asia.

understandings and skills necessary for applying/conducting the financial institution rating.

The project, therefore, is seeking for international consultant to provide technical inputs (in terms of international experiences on the application model and provide practical recommendations on the application of stress test in Vietnam) to the above two activities.

2) OBJECTIVES OF THE ASSIGNMENT

The overall objective of the assignment is to contribute to the development and application of the Financial Institutions Rating in Vietnam as a tool for managing and policy making on banking sector:

- Provide relevant national policy makers with updated knowledge on financial institution rating as a tool for managing, and policy making on banking sector
- Providing relevant technical staff with in-depth technical understandings and skills necessary for applying/conducting the financial institution rating
- Discuss financial rating models that are used by other countries, their success and failure lessons. Discuss on how the tools work before and after the economic crisis, why AAA rated banks still collapsed during the crisis. How to avoid false rating and provide transparency in the process and the record of rating and how to properly use the tools.
- Provide recommendation on specific practical financial institution rating model to be applied in Vietnam
- Providing methods and techniques needed for policy-making bodies's staff to advise and monitor policy-banking/credit market in Vietnam
- Detailed recommendations/roadmap on how to use the Financial Institutions Rating in practice in Vietnam

3) EXPECTED TASKS AND OUTPUTS

- A presentation (backed up by a policy paper of at least 10 pages with clear facts/evidences, sound analyses and practical recommendations) and active participation in the policy advocacy workshop to provide: an overview of Financial Institutions Rating being applied in other countries, the main objectives/purposes, functions and contents of Financial Institutions Rating, the application and administration of Financial Institutions Rating, international experiences/success and failure stories and lessons learned on the development and application of Financial Institutions Rating as tools for managing and policy making on banking/financial sectors, and practical recommendations on policy and actions for Viet Nam to develop/apply a suitable Financial Institutions Rating Indicators.
- Provide material/deliverables for the training course as stated in the TOR for the training course, including:
 - Outline of the training course (4 weeks before the training)
 - All reading materials used in the training course (2 weeks before the training)
 - The material (including presentation) used in the training (1 week before the training)
 - Assessment report on the training with feedbacks from participants (3 weeks after the training)
- Act as the trainer in the training as specified in the attached TOR for the training on credit rating (Annex I-a). The training (3 days) and workshop (half day) are expected to be held in Hanoi in 4 days in Quarter IV/2012.

4) DEGREE OF EXPERTISE AND QUALIFICATIONS

- A PhD's degree or equivalent in Economics and/or Finance and Banking, with at least 10 year experience of doing macroeconomic research and training and/or working experience as specialist/advisor/practitioner in the field of banking/financial sector management/ supervision, preferably on the development and application of the Financial Institutions Rating.
- Possession of publications on finance/banking sector management and oversight in internationally recognized journals is an advantage;
- At least 3 years of experience in designing and acting as trainers in short economics/banking/financial management courses, preferably in developing countries
- Profound understanding of Vietnamese economic and political systems and the current state of Vietnam's economy and its current efforts to reform the economy, including key economic issues related

- to growth and developments models, economic reform, and upcoming challenges, is an asset.
- Working experience in developing countries, especially Vietnam and UNDP is an advantage;

5) DURATION OF ASSIGNMENT, DUTY STATION AND EXPECTED PLACES OF TRAVEL

The consultant will work home-based and in Hanoi.

It is expected that the assignment will need 4 days for home-based preparation plus 4 days for training and workshop in Quarter IV/2012 in Hanoi, Vietnam.

5) PAYMENT TERM

Payment shall be settled by UNDP following the below milestones:

1st payment: 20% of total contract value will be paid upon submission and UNDP's acceptance of the detailed training programme and outline of the presentation to be delivered at the policy workshop

2nd payment: 40% of total contract value will be paid upon UNDP's acceptance of the deliverables (including the presentation at the workshop and all training materials) before the training and workshop.

3rd and final payment: 40% of total contract value will be paid upon UNDP's satisfactory acceptance of the delivery of the course, the workshop and the training assessment report.

6) ADMIN SUPPORT AND REFERENCE DOCUMENTS

UNDP and the Project will provide necessary reference documents based on the actual need of the contractor and the supplying capability of UNDP and the Project.

In case the training is delivered in English, the project will provide interpretation depending on the need of the audience. The Project will also provide admin support in organizing the training, including support in finding training venue and transportation for participants. Cost for training and workshop venue, all materials, administrative cost, translation cost, etc will be borne by the project

7) MONITORING AND PROGRESS CONTROL

The Project Management Board, the direct beneficiaries and UNDP will work closely with the contractor to ensure the quality of the deliverables and final outputs. The Contractor must closely report to the Project and beneficiaries on the implementation of the training course and the deliverables.

Quality control from the Project and beneficiaries of the detailed training programme and the expected deliverables. UNDP, the beneficiaries and the Project will revise and approve all the material and programme for the training.

8) COPYRIGHT

All intellectual property and proprietary rights, including rights to documents and any other materials produced during this assignment will become the sole property of UNDP, who will have the sole right to publish the same in whole or in part and adapt and use them as may seem desirable, and to authorize all translations and quotations from them. The contractor may not publish or use any of this material without prior permission of UNDP.

Annex VI

GUIDELINES FOR PREPARING CV

WE REQUEST THAT YOU USE THE FOLLOWING CHECKLIST WHEN PREPARING YOUR CV:

Limit the CV to 3 or 4 pages

NAME (First, Middle Initial, Family Name)

Address:

City, Region/State, Province, Postal Code

Country:

Telephone, Facsimile and other numbers

Internet Address:

Sex, Date of Birth, Nationality, Other Citizenship, Marital Status

Company associated with (if applicable, include company name, contact person and phone number)

SUMMARY OF EXPERTISE

Field(s) of expertise (be as specific as possible)

Particular development competencies-thematic (e.g. Women in Development, NGOs, Privatization, Sustainable Development) or technical (e.g. project design/evaluation)

Credentials/education/training, relevant to the expertise

LANGUAGES

Mother Tongue:

Indicate written and verbal proficiency of your English:

SUMMARY OF RELEVANT WORK EXPERIENCE

Provide an overview of work history in reverse chronological order. Provide dates, your function/title, the area of work and the major accomplishments include honorarium/salary. References (name and contact email address) must be provided for each assignment undertaken by the consultant that UNDP may contact.

UN SYSTEM EXPERIENCE

If applicable, provide details of work done for the UN System including WB. Provide names and email address of UN staff who were your main contacts. Include honorarium/salary.

UNIVERSITY DEGREES

List the degree(s) and major area of study. Indicate the date (in reverse chronological order) and the name of the institution where the degree was obtained.

PUBLICATIONS

Provide total number of Publications and list the titles of 5 major publications (if any)

MISCELLANEOUS

Indicate the minimum and maximum time you would be available for consultancies and any other factors, including impediments or restrictions that should be taken into account in connection with your work with this assignment.

Please ensure the following statement is included in the resume and that it is signed and dated:

I CERTIFY THAT ALL INFORMATION STATED IN THIS RESUME IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE. I AUTHORIZE UNDP/UNOPS OR ITS AGENT TO VERIFY THE INFORMATION PROVIDED IN THIS RESUME.

(Signature)

