

Call for Proposals for Consulting Service on Risk-Based Supervision

Development of a Framework and Handbook on Risk-Based Supervision for Cooperatives

(We are open to work together with individual consultants, consulting firms, as well as consortia of consultants)

Background

CDA oversees a diverse ecosystem of over 20,000 registered cooperatives, encompassing a wide range of sizes and services, most notably in the provision of credit to their members. The rapid growth of some cooperatives, both in asset size and membership, introduces increased risks and elevates the need for enhanced internal organization, risk management, and governance. Despite the growth and complexity, adherence to minimum standards remains inconsistent across the board.

The challenge for CDA, as the competent authority, lies in addressing the varied needs of the cooperatives, ranging from developmental support for smaller entities to more stringent regulatory requirements for larger ones. To enhance regulatory compliance and ensure the safety of member assets within the cooperative system, CDA must refine its regulatory standards and adopt risk-based approaches to both regulation and supervision.

In partnership with DGRV, CDA seeks to develop a comprehensive handbook on risk-based supervision. This handbook will detail regulatory standards for cooperatives and outline processes and methodologies for both onsite and offsite supervision. CDA established a Technical Working Group (TWG) to work on the handbook. The development process will involve a series of working group meetings and technical trainings, requiring the guidance of a **national consultant** with specialized technical expertise. The focus on the working group will be on cooperative with lending business (including multi-purpose cooperatives).

Objective

The objective of this consultancy is to provide expert guidance to CDA in the development of a handbook on risk-based supervision tailored to both financial and non-financial cooperatives. The consultant will play an important role in steering the project towards its goal of establishing a robust regulatory framework that ensures the effective supervision and regulation of cooperatives.

As secondary objective, the consultant will advise DGRV in steering the project in selected areas related to financial services regulation and financial risk management.

Scope of Work

The consultant will undertake the following tasks and responsibilities:

- Actively participate in and guide the TWG meetings (up to eight 3 – 4-day meetings in Metro Manila), providing expert technical advice, opinions, and insights during these sessions to guide the development process effectively. This might include, when requested, presentations on certain technical aspects.
- Help the TWG to prepare the TWG meetings by contributing to shaping the agenda of each meeting and identifying aspects that need to be addressed as well as, if necessary, inviting external resource persons for specific aspects.
- Help the TWG to adequately follow up on previous commitments.
- Regularly report to DGRV about the progress of the work of the TWG.
- Be available to answer technical queries by members of the TWG.

- Support the TWG to prepare new drafts for the next TWG meeting by providing comments and feedback to existing drafts and editing them with the objective of alignment with best-practices and of achieving regulatory consistency.
- Ensure the handbook is practical for implementation by CDA, addressing the specific needs and challenges of overseeing a diverse range of cooperatives, including financial and non-financial entities.
- Contribute to developing a strategy for the handbook's dissemination and training, ensuring DGRV is well-equipped to support CDA Regulatory Authority in adopting and implementing the new standards.
- Upon request, provide feedback to DGRV on the progress of implementation of the activity and provide guidance how to integrate the aspect of regulation and financial risk management effectively into their overall project approach.

Deliverables

- Short quarterly progress reports about the TWG to DGRV.
- Comments for up to 7 drafts of the supervisory manual developed by the TWG.
- A final report to DGRV summarising the assignment and providing recommendations to the project for further work in this area.

Time frame and estimated commitment

The assignment will be completed until latest 31. March 2025. The estimated time commitment is as follows (1 day = 8 hours):

- Workshop participation	up to 30 days
- General coordination and preparation work	up to 5 days
- Drafting and commenting of drafts	up to 10 days
- General advisory upon request	up to 5 days
- Reporting	up to 5 days
- TOTAL	up to 55 days

These figures are only estimations. The proposal as well as the actual work commitment might differ significantly from these figures. Remuneration will be based on actual work-days conducted.

Qualifications

- A master's degree or higher in subjects related to economics, business administrations, law, or related subjects.
- A minimum of 10 years of experience working in regulatory authorities such as BSP or advising such institutions.
- Proven expertise in risk-based supervision practice as well as proven expertise in (financial) risk management
- Proven understanding of financial performance and risk indicators in banking and/ or microfinance.
- In depth knowledge of the cooperative eco-system in the Philippines.
- Experience working together with different stakeholders in identifying and working on common solutions.
- Experience working with regulatory authorities in other countries as well as knowledge on regulatory frameworks in other countries is beneficial.
- Strong facilitation and stakeholder engagement skills.
- Excellent analytical, writing and communication skills.

For Application

If you are interested to apply, please provide the following documents:

For consulting firms or consortia:

- a short profile, highlighting your expertise and experience.

For individual consultants and consulting firms/ consortia

- Your CV/ a CV of all consultants involved, highlighting your expertise and experience according to the criteria describe above.
- A technical proposal including current challenges of cooperatives in the Philippines, main elements of a risk-based supervision framework, description of the process to achieve the objective of the assignment, any other aspect that you deem relevant.
- A financial proposal including the number of days and daily honorarium fee as well as any other expenses or itemized costs.

Please provide the following documents by latest 03.05.2024 to: philippines@dgrv.coop

About DGRV

DGRV – the German Cooperative and Raiffeisen Confederation is the national apex organization and top-level auditing confederation of the cooperative sector in Germany.

Since more than 40 years, DGRV is engaged in international development cooperation. In more than 30 partner countries, DGRV provides consultancy and helps to develop cooperative systems and structures aiming at a sustainable development of the cooperative sector.

Cooperatives are a proven organisational and legal form for cooperation in various ways, from which the individual members as well as the entire committed community benefit.

Cooperatives and their members represent ethical values such as honesty, transparency, social responsibility, and mutual solidarity. The principles of self-help, self-administration and self-responsibility as introduced by F.W. Raiffeisen are of crucial importance.

For more information, visit: www.dgrv.coop