

## Solidarity Bankers Mission

### – Terms of reference –

#### Strengthening of financial risk management framework

**Location:** White River, South Africa

**Duration and date:** 20 days-mission (10 days in the field)

**Institution:** Phakamani Foundation, South Africa

**Topic:** Risk Management

#### CONTEXT

The inclusive finance sector aims at providing access to financial services to people excluded from the mainstream financial system, thus giving them the opportunity to finance their needs, in particular their income-generating activities. A recognised player in the sector, the Grameen Crédit Agricole Foundation works in countries where poverty and financial exclusion are the strongest. Investor, lender, technical assistance coordinator and Fund advisor, the Foundation finances and supports microfinance institutions, institutions and projects that promote inclusive finance and the development of rural economies. The Foundation currently supports 80 partners in 37 countries with a portfolio of over €90 million.

Phakamani Foundation grants microloans to low-income populations in South Africa. It was founded in 2008, as a not-for-profit public organisation. When the loans are paid back they are recycled to assist other micro-entrepreneurs. Phakamani is based in White River, Mpumalanga. It operates 48 branches in four provinces serving over 34 000 active clients. It currently employs 354 staff. As at December 2021, Phakamani has an outstanding loan portfolio of € 3 680 935.

#### OBJECTIVES OF THE MISSION

Sustainability of the organisation is key to Phakamani's ability to achieve its vision and mission and continue to do so over the long-term. As such, Phakamani has deployed various Governance and Risk Management structures to proactively identify any potential and significant risks to the organisation's existence.

A first mission allowed Phakamani to conduct a review of its operational environment, identify key risks, and assess whether the existing Risk Management approach, structures, and monitoring mechanisms adequately address the organisation's risks. It now wishes to work more specifically on its financial risk framework.

The objectives and scope of the mission of the Solidarity Bankers listed below can be adjusted according to the profile of the expert and his / her recommendations on how to obtain the best results.

**The Solidarity Banker will carry out the following actions:**

#### **ACTION 1: Review current financial risk management processes and complete a gap analysis**

- Complete a desktop review of Phakamani's governance structures and financial risk management processes.
- Conduct interviews with the Board and executive management team.
- Analyse current financial risk management processes against the Risk Profile and complete a gap analysis.

#### Deliverables:

- Summary overview of Phakamani Risk Management processes.
- Gap analysis.

#### **ACTION 2: Develop a framework and plan to improve Phakamani's financial risk management**

- Based on the outcomes of objective 1, develop a framework for Phakamani's financial Risk Management.
- Research and identify tools that may assist in measurement and monitoring risk.
- Identify training and/or development needs for the organisation.
- Prepare a high-level plan for implementation of proposed improvements.

#### Deliverables:

- Financial Risk Management Framework including risk strategy, profile, processes, measurement and reporting

## LOGISTICS AND CALENDAR

### DURATION OF THE MISSION

- **20 days** distributed as follows:
  - Preparation: 5 days to prepare the mission
  - Mission: 10 days on the field.
  - Post-mission: 5 days to finalise the deliverables, spread over a two to three-week period following the end of the field mission
- **The mission can take place during the working time of the Solidarity Banker (skills sponsorship) AND/OR during the employee's vacation (skills volunteering). A mix of both solutions is also possible**

### CALENDAR

- **SELECTION PROCESS**
  - Publication of the Terms of Reference
  - Selection of the volunteer by Crédit Agricole SA and the Grameen Crédit Agricole Foundation
- **SIGNATURE OF THE AGREEMENT AND PREPARATION OF THE MISSION**
  - An agreement is signed between the beneficiary institution, the Solidarity Banker, the Foundation and the Solidarity Banker employer.
- **PREPARATION OF THE MISSION**
  - Signature of the agreement and preparation of the mission (calls to be planned with the organisation, documents to be sent and read before the beginning of the mission).
  - Preparation of the mission by the Solidarity Banker, Phakamani and the Grameen Crédit Agricole Foundation (5 days spread over a two-week period). The selected candidate and Phakamani's managers will discuss the terms of reference and adjust them together in order to best prepare the mission.
- **FIELD MISSION**
  - Field mission by the Solidarity Banker (10 days).

Please note that the dates of the field mission will be decided between the Solidarity Banker and Phakamani to best suit their availability.

- **DELIVERABLES OF THE MISSION**
  - Sending of the mission deliverables by the Solidarity Banker within two to three weeks after the field mission.

## LOGISTICS, MISSION COSTS AND INSURANCE

- The training prior to the mission and the logistical coordination of the mission are provided by the Grameen Crédit Agricole Foundation.
- The cost of plane tickets to South Africa and insurance are covered by Grameen Crédit Agricole Foundation, with the support of Crédit Agricole SA.
- Accommodation, local transport and catering costs are borne by the beneficiary organisation in the event that the mission can be carried out in the field.
- All other expenses are the responsibility of the Solidarity Banker

## LOCATION

- The field mission will take place mainly in White River, South Africa. Travels outside White River might be required to meet other Phakamani Foundation's staff.

## PROFILE OF THE EXPERT

- At least 5 years of experience in Risk Management
- Appetite for inclusive finance / sustainable finance, resulting in increased curiosity for the specificities of the sector and the desire to adapt banking standards to it
- Knowledge / experience in the microfinance sector
- Knowledge of the South African environment/ context is a plus
- High proficiency in English is required
- Ability to listen to others
- To be a force for bringing forward proposals
- Pragmatic and rigorous
- Previous experience in technical assistance or advisory work in a developing country would be helpful

## CONTACT

For more information on the [Solidarity Bankers Programme](#) or on the mission, please contact:

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