



MINISTRY OF FINANCE AND DEVELOPMENT PLANNING
RURAL FINANCIAL INTERMEDIATION PROGRAMME

Programme Coordination Unit

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Call for Expression of Interest

Short-term consultancy

Development of Effective Loan Recovery Strategies of Financial Groups in Lesotho

The Government of Lesotho has received a loan from the International Fund for Agricultural Development (IFAD) towards the cost of the Rural Financial Intermediation Programme (RUFIP). Part of the proceeds of this loan will be applied to the payment for consultancy services described herein.

The programme objective is to enhance access of the rural poor to efficient financial services on a sustainable basis. The Programme is being implemented in joint partnership with the Central Bank of Lesotho, the Lesotho Post Bank and the Department of Cooperatives.

One of the programme components aims at enhancing capacity and performance of member-based financial institutions in Lesotho (including financial cooperatives, rural savings and credit groups, rotating and non-rotating savings and credit associations such as stockvels, and burial societies). A common issue often encountered by many of these groups is difficulties in recovery of loans granted to members, undermining the sustainability of these groups. The causes for this phenomenon are multi-faceted and are considered to include, amongst others, the issues relating to laws, rules and their enforcement, Basotho culture and social behaviour, as well as internal procedures and systems in these groups. Unless this issue of difficulties in loan recovery in financial groups is strategically addressed, this could raise a question about the appropriateness of investing in capacity building of these groups.

It is against this background that Programme Coordination Unit (PCU) under the RUFIP wishes to engage qualified consultants to undertake a study to explore “**Effective Loan Recovery Strategies of Financial Groups in Lesotho**”. The objectives of the assignment are to: (a) assess the strengths/weaknesses and performance of the existing enforcement mechanisms in different types of financial groups, from the viewpoints of both formal law domain and informal/customary mechanisms; and (b) make practical recommendations to address the weaknesses to be incorporated into the programme investment/activities.

A team of two experts will be engaged for the assignment, composed of a social scientist who also acts as a team leader, and a legal expert/lawyer with interest in customary law and rural development. In total, approximately 70-80 person/days of inputs (including a field work) during a period of 14 – 15 weeks, are envisaged.

In the above context, the PCU wishes to invite individual consultants with qualifications in social sciences who would take a role as a team leader in the assignment. The consultant is expected to have substantial professional experience in working with community-based groups, preferably but not necessarily with cooperatives and other financial groups, and in conducting social field research. The consultant is also expected to have working experience in Southern Africa, preferably including Lesotho, and be familiar with the social setting and local institutional context. S/he will be expected to team up with a local legal expert/lawyer to be identified jointly with the PCU.

Interested candidates are invited to request the detailed Terms of Reference from info@rufip.gov.ls and send their expression of interest accompanied by updated CVs and a cover letter describing the suitability of candidacy and relevant experience to info@rufip.gov.ls by **17:00 on 01st December, 2009**.

Only shortlisted candidates based on qualifications will receive letters of invitation to submit technical and financial proposals for this consulting service.