

## TERMS OF REFERENCE

**Regional: NPL Consultant Project Support**

**Locations: EBRD HQ, Regional Offices, Field work**

**Duration: 6 months (with possibility to extend)**

### 1. Background

The European Bank for Reconstruction and Development ("EBRD" or the "Bank") has been establishing a regional initiative on non-performing loan ("NPL") resolution and debt restructuring in the EBRD region (the "NPL initiative"), under the broader Vienna Initiative umbrella.

High and still rising NPLs remain a major problem in the financial sectors of many EBRD countries of operation. NPLs depress credit activity, growth and ultimately job creation, perpetuating the private-sector debt problem. Establishing the institutions and processes for the resolution of NPLs and the parallel process of financial restructuring in enterprises is therefore a central objective under the EBRD's transition mandate. This is reflected in the Bank's strategy for financial institutions, and in the strategies for the countries which will initially be targeted under this initiative: Croatia, Hungary, Serbia, Slovenia and Montenegro. In 2014, the public and private sector stakeholders within the Vienna Initiative recommended that specific obstacles within key countries should be addressed. In the second stage of the Vienna Initiative NPL work, more concrete reforms in legal frameworks and workout institutions will be targeted and supported. Training and other technical assistance will also be made available.

The framework of the Vienna Initiative provides a highly successful private-public coordination platform to the NPL work. This platform benefits from established partnerships with: the International Monetary Fund ("IMF"), the European Investment Bank ("EIB"), the World Bank, and the European Commission; with regulators of the home and host countries and; with the commercial banks. In addition, the NPL Initiative has begun to widen this network to investors in the distressed asset space, advisory services and law firms.

The NPL Initiative is targeted at a smaller number of countries where the aggregate NPL burden is high, in particular in the corporate area, and where dialogue with the authorities is constructive in a way that tangible progress can be expected over the coming two years. The NPL Initiative aims at three overlapping objectives:

- i. Enhancing the transparency of restructuring frameworks: through a dedicated website and in-country workshops we aim to make the national context more accessible for international investors and the local financial community. National reform commitments will be published on the website, and progress tracked.
- ii. Capacity building through technical assistance that is coordinated between the principal international organisations and EU bodies. Training in modern restructuring principles will seek to build a better understanding among private market participants.
- iii. Knowledge sharing. This website will serve as a 'knowledge hub' for NPL resolution and restructuring in emerging Europe, and will make all relevant reports and literature available. Our 'notes on best practice' on this site have been produced by EBRD staff and consultants, and the other Vienna Initiative institutions, and private sector experts.

The NPL Initiative draws on the work within the IMF, World Bank, EIB, EU Commission, the EBRD and is managed by a small group of experts within EBRD supported by a Secretariat provided by EBRD in the Vice Presidency for Policy and Partnership.

The Secretariat coordinates the NPL Initiative, providing overarching analytical and administrative support of these three aims. The Secretariat is a small central structure, responsible for: managing the website as a central platform for knowledge and experience sharing; documentation and dissemination of best practice; producing a light-touch monitoring of country and bank group progress in NPL resolution; organising regional meetings in support of the workstream; supporting the work of the local country groups; and manage the engagement with parent banks and investors as well as the coordination between the participating IFIs.

TC funds for the NPL Initiative were approved by the Board in 2015 from the Shareholder Special Fund. However, due to the evolving circumstances, the need for maintaining recently launched new products of the initiative, and the requirement to deal with the administrative support, there is now a need to engage a Consultant, which was not originally envisioned by the project. The Consultant would focus on a number of issues, the most important ones being (i) updating of the Regional NPL monitor, a newly-launched semi-annual publication tracking most important developments related to NPLs in the region, (ii) maintenance of the recently launched Vienna Initiative NPL web-site, (iii) providing support to coordination efforts under the NPL Vienna Initiative umbrella, and (iv) helping administer ongoing and prospective technical cooperation requirements for the NPL Initiative.

## **2. Objectives**

The Consultant will be responsible for providing analytical, operational and administrative support to allocated managers (the “Managers”) for the coordination of the central functions of the ‘Secretariat’ of the EBRD’s NPL initiative. The role is to be responsible for activities related to the NPL Initiative under the Vienna Initiative. The Consultant will work in the EBRD Headquarters, EBRD Regional Offices and in the field, as much as possible to support the project needs on the ground.

## **3. Scope of Work**

The Consultant will support the Managers in tasks such as:

- Supporting the coordination of country groups and regional meetings;
- Supporting the policy dialogue with NPL Initiative member countries
- Tracking progress of relevant reforms in target countries;
- Researching literature, performing data analysis and updating technical documents;
- Maintaining and refreshing the NPL Initiative website ([www.npl.vienna-initiative.com](http://www.npl.vienna-initiative.com))
- Regularly compiling and editing the Regional NPL monitor
- Helping administer ongoing and prospective technical cooperation requirements for the NPL Initiative
- Performing other tasks related to NPL and distressed debt projects

More specifically, the responsibilities of the Consultant will consist, amongst others, of the following:

- Supporting the EBRD Team in developing and implementing the work plans of the Regional NPL Initiative;
- Supporting the EBRD Team in maintaining open and constructive policy dialogue with regards to NPL resolution and debt restructuring
- Updating and reporting on progress of the individual countries work plans, including setting out the schedule of reporting to the EBRD Team and other key stakeholders;
- Helping with the organisation and support of in-country workshops, additional regional meetings, training on NPLs and meetings with the participating IFIs and key stakeholders within the target countries;
- Supporting the Managers and Operations Leader with drafting of reports and updates to the EBRD Team, to relevant EBRD Resident Offices, to the EBRD Board of Directors or any of the Bank Committees, and to the Vienna Initiative Secretariat and Steering Committee, on the progress with the NPL initiative;
- Conducting a stock-take of available NPL Initiative and related/relevant documents, briefings and report, internally and in other publicly available resources;
- Supporting research, data analysis and drafting of technical publications for the NPL Initiative and for updating and enhancing the analytical work produced to date under the NPL Initiative framework;
- Supporting the update of the semi-annual publication of the “CESEE NPL Monitor” by tracking the key regulatory developments as they affect the target countries (including those originating from EU regulation), analysing data on the extent of the debt and NPL problem and researching portfolio transactions or notable restructurings.
- Maintaining comprehensive filing in the electronic systems and archiving for Managers’/team to ensure instant retrieval of documents related to the NPL Vienna Initiative;
- Keeping up-to-date the database of contacts with international investors and advisers on behalf of the regional initiative;
- Regularly maintaining and refreshing the NPL Initiative website (<http://npl.vienna-initiative.com>) and when relevant also the host Vienna Initiative website (<http://vienna-initiative.com>);
- Regularly reviewing emails received in the dedicated NPL Initiative email address and take action and/or inform the Managers of the required actions when required;
- Helping administer ongoing and prospective technical cooperation requirements for the NPL Initiative, including filling in adequate response forms, monitoring the budget, and helping formulate new requests;
- Conducting other ad-hoc or specific tasks assigned by the Managers and Operations Leader

#### **4. Implementation Arrangements**

The Assignment is expected to start [insert] and last for 6 months, with the possibility to extend the assignment duration.

The Consultant will work in the EBRD headquarters in London, as well as in EBRD Regional offices and in the field as much as possible to support the project needs on the ground.

The Consultant shall report to the **Bojan Markovic** (Operation Leader, Associate Director- Financial Institutions team in the Department for Economics, Policy and Governance in the Vice Presidency for Policy and Partnerships) and the Managers and will be expected to work in close coordination with other EBRD colleagues in the Resident Offices as well as in the Headquarters.

The Consultant may be expected to travel, as needed, to ensure the proper implementation of the projects of the NPL Initiative, under the Vienna Initiative. Any travel will be discussed and agreed upon in advance by the Managers.

#### **5. Deliverables and payment**

The Consultant will deliver everything as set out under Section 3 “Scope of Services” in a timely manner. The Bank shall pay to the Consultant a remuneration in respect of Services satisfactorily performed during the Term of Engagement, as set out in Schedule B of the contract.