


Expert details according EU PRAG 04/2014: :see as under AD, comments!

| Ref. N°   | Project title |                             | BENCHMARKING FINANCIAL COOPERATIVES' PERFORMANCE IN LESOTHO |                      |  |  |                         |                         |
|---|---------------|-----------------------------|---|----------------------|--|--|-------------------------|-------------------------|
|   | Country       | Overall project value (USD) | Proportion carried out by candidate (%)                     | No of staff provided | Name of client   | Origin of funding  | Dates (start/end)       | Name of partners if any |
| <br><b>AFC</b><br>Consultants International  | Lesotho       | 45.825                      | 70  | 2                    | Rural Financial Intermediation Programme (Ministry of Finance) | IFAD   | 01/03/2015 – 30/04/2015 | ADG                     |
| Detailed description of project   |               |                             |   |                      |  | Type of services provided  |                         |                         |
| <p><b>Background</b><br/>           The Government of Lesotho with the assistance of the International Fund for Agriculture Development (IFAD) has embarked on a rural Financial Intermediation Programme (RUFIP) with the objective of enhancing access to efficient financial services by the rural poor on a sustainable basis. Under the development of member-based financial institution component, RUFIP provides support to Financial Cooperatives that would strengthen and increase growth of the Cooperative sector. It is also an objective of the programme to develop an enabling environment for rural and micro finance through policy engagements aiming at improving the legal framework of Cooperatives.</p> <p><b>Objective:</b><br/>           Prudential legislation establishes financial standards to which financial cooperatives must adhere to, to protect the performance of their institutions and safeguard members' deposits as well as improving the prudential management of financial Cooperatives. It is in this regard that the Department of Cooperatives finds it necessary to engage a consultant to conduct an assessment on the performance of Financial Cooperatives so as to enable the upcoming SACCOS legislation to accommodate the benchmarks that will apply to all Financial Cooperatives in the country.<br/>           The objective of the study is to assess the overall performance of all Financial Cooperatives in Lesotho and provide recommendations on the appropriate prudential financial standards that are suitable for Lesotho's context.</p> |               |                             |   |                      |  | <ul style="list-style-type: none"> <li>• Familiarize with the background of the Financial Cooperatives movement in Lesotho, policies and its overall performance.</li> <li>• To select a sample of Financial Cooperatives to be assessed</li> <li>• Assess the performance and level of growth for selected FCs based on CAMELS or PEARLS ratios (or ratios deemed to be more appropriate for the project context)</li> <li>• Design an appropriate and cost effective evaluation and monitoring tools in the context of Lesotho</li> <li>• Compare the performance of Lesotho FCs with their peers regionally or internationally in relation to how they derived their benchmarking and incorporated them into their local context.</li> <li>• Recommend the appropriate ratios that SACCOS in Lesotho should use (based on the assessment of what is used currently and what is used elsewhere within the</li> </ul> |                         |                         |

region and internationally

- Undertake stakeholders workshop to disseminate the findings of the study

**Deliverables:**

- Effective evaluation and monitoring tools (appropriate for the provided working days)
- Conduct one day workshop with stakeholders to share the findings of the assignment
- Draft report
- Final report incorporating comments from DOC and stakeholders
- Training of DOC staff