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**Program:** Environmental Social Governance (ESG) integration

**Appointment Type:** Short-Term Consultancy (Individual /Firm)

**Location:** Member States

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## **A. PROJECT BACKGROUND AND OBJECTIVES**

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Shelter Afrique Development Bank (ShafDB) is the only pan-African finance institution that exclusively supports affordable housing delivery and urban development in Africa.

A partnership of 44 African Governments, the African Development Bank (AfDB), and the Africa Reinsurance Corporation (Africa-Re), ShafDB build strategic partnerships and offers a host of products and related services to support the efficient delivery of affordable housing and commercial real estate. As the Company for Housing and Habitat in Africa, our work has a direct and positive impact on the lives of many by meeting the needs of the continent's rapidly growing urban population.

ShafDB delivers its value proposition in affordable housing delivery and urban development through four (4) business lines; Financial Institutions Group (FIG), Project Finance Group (PFG), Sovereign & PPP and Fund Management Group (FMG).

ShafDB seeks to carry out an environmental social and governance audit of its operations, update its Environmental and Social Management System (ESMS) and develop a comprehensive ESG Framework that facilitates the successful integration of existing baselines.

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## **B. OBJECTIVES OF THE CONSULTANCY ASSIGNMENT**

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The objective of this consultancy is to i) provide technical expertise in undertaking an environmental Social and Governance audit of ShafDB's operations and assess compliance with good international industry practice, applicable E&S legislation, and the E&S requirements of ShafDB financiers ii) review ShafDB's existing ESMS and propose updates to the E&S policy and procedures to address identified gaps in processes, and iii) provide strategic advice in designing, structuring, and implementing ShafDB sustainability vision, mission, strategy, metrics and targets as well as ESG policy and procedures.

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## **C. SCOPE OF WORK**

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### **1. E&S Audit**

- Review ShafDB's environmental and social policies requirements, and where applicable, those of ShafDB financiers.
- Review the applicable national legislations, regulations, norms, standards and procedures, including national legal Authorization, Permits and Certificates required prior to, and during implementation of activities.

- Review available reports on the sample of the active investment projects to be audited as agreed with ShafDB including the project appraisal reports, the Loan agreements, the project progress reports, the project ESG reports, E&S policy and procedure manual and any relevant documentation and records available and *necessary* for the assessment of the project's E&S performance.
- Organize an opening meeting with ShafDB management, and where applicable, the client (real estate developer) as well as contractor, etc. for the selected active project to be audited.
- Determine and agree on the scope, methodology and specific set of criteria for the compliance audit with ShafDB.
- Evaluate the actual capacity for managing and monitoring implementation of agreed mitigation measures and related E&S documents applicable to the project.
- Hold consultations with the relevant regulatory agencies and stakeholders (including but not limited to ShafDB, local beneficiaries, project affected persons, civil society, government ministries, and contractors), on the status of the project with respect to identified E&S risks and impacts as well as planned and implemented mitigation measures and legal permits.
- Carry out project site inspections to assess project implementation activities including management of contractors and related environmental and social risks and impacts.
- Prepare a comprehensive report that presents a cogent analysis on findings and causes as related to the predetermined compliance audit scope and criteria. It should present a logical (qualitative and quantitative) examination of the effectiveness of mitigation measures, residual risks, environment-health and safety (EHS) issues, etc. The report will also include a Corrective Action Plan (CAP) summarizing the concrete recommendations for follow-up actions on findings and remedial measures including clearly estimated costs, specific roles and responsibilities.
- Organize a closing meeting with ShafDB's management and those responsible for the functions audited. The purpose of this meeting is to present audit findings to ensure that they are clearly understood and acknowledged by ShafDB. Any outstanding diverging opinion between the audit team and the ShafDB should be discussed and recorded.
- The key criteria, but not the exhaustive list, to consider in conducting the audit, are:
  - The E&S requirements of the loan/grant agreements.
  - The applicable national E&S legislations, regulations, norms, standards, and procedures.
  - ShafDB's policies' requirements.
  - The approved and disclosed Project's Environmental and Social documents.
  - The International Industrial Best Practices (IIBP) of the Project's sector, if any.

## **2. Environmental Social and Governance (ESG) Materiality assessment**

- Identify key areas of Environmental Social and Governance risks and opportunities inherent to Shaf DB and its stakeholders.

## **3. Stakeholder Engagement**

- Perform a stakeholder mapping to determine how Shaf DB will engage stakeholders in Environmental, Social, and Governance (ESG) initiative.
- Engage with the identified stakeholders to understand the ESG-related priorities of selected stakeholders to gather input from stakeholders on the Environmental Social and Governance initiatives of Shaf DB including their climate adaption and mitigation needs.

## **4. Sustainability Vision, strategy, metrics and Targets**

- Develop the Shaf DB Environmental, Social, and Governance (ESG) vision, strategy as well as the related metrics and targets.
- Determine Shaf DB scope 1, 2 and 3 greenhouse gas emissions and propose optimal alignment with business operations.
- Develop an ESG maturity model for Shaf DB.
- Define the implementation strategy in the short, medium and long term
- Benchmark the ESG policies of DFIs operating in Africa and the best practices in the world.
- Propose optimal governance structures that align with the proposed Environmental Social Governance (ESG) strategy.
- Propose and ESG evaluation process for ShafDB investment cycle.

#### **5. Environmental Social and Governance (ESG) Reporting**

- Develop Environmental Social and Governance (ESG) reporting guidelines and templates for Global Reporting Initiative (GRI), Task Force on Climate-related Financial Disclosures (TCFD), IFRS S1 and S2.
- Review the existing Environmental Social and Governance (ESG) framework to align with the proposed strategy.
- Develop a sustainability communication guidelines and procedure manual.
- Establish guidelines to conduct an Environmental Social and Governance (ESG) audit for the internal audit team.
- Recommend legal ESG covenants that will support the Environmental Social and Governance (ESG) implementation with regards to loan agreements.

#### **6. Staff training**

- Training of staff to raise awareness of the organization's adopted Environmental Social and Governance (ESG) practices as well as reporting requirements.

### **D. REPORTING & TIMEFRAME**

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The contract with the selected Consultant will commence at the completion of the selection, upon its signing and last for a period not exceeding (12) months, by which time all deliverables shall have been submitted and approved. The duty station will be agreed upon between the Consultant and ShafDB. The consultant will identify a sample of the active investment projects to be audited and obtain agreement with SHAF.

The Consultant will report to the Director of Credit & Operations.

### **E. DELIVERABLES**

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1. Inception report outlining the methodology, work plan, and timeline for the assignment.
2. ESG compliance audit report, including a Corrective Action Plan (CAP). The audit reports should provide information that will enable ShafDB to identify, evaluate and manage their own environmental social and governance shortcomings in the overall project's E&S performance during the implementation phase. Recommendations should be made on how to prioritise and develop the action plan, and implement the management measures that best avoid, mitigate project risks and impacts.

3. ESG materiality assessment and a report indicating the key Environmental Social and Governance initiatives of ShafDB.
4. Sustainability mission, vision, strategy, goals, metrics and targets for ShafDB as well as the policy, procedure manual and guidelines.
5. Developing Sustainability reporting standards, templates and monitoring framework.
6. Benchmark the ESG policies of DFIs operating in Africa and the best practices in the world.
7. Guidelines to conduct an Environmental Social and Governance (ESG) audit for the internal audit team.
8. ESG stakeholder engagement plan, mapping and guidelines for annual stakeholder review to align with to evaluate the interests, needs, and expectations of stakeholders with regards to ShafDB ESG initiatives.
9. Report on the proposed governance structure(s) to align with the sustainability strategy.
10. Stakeholder Engagement Report summarizing the consultations and training workshops conducted.
11. Enhance the sustainability evaluation templates for products offered by SHAFDB and propose a sustainability evaluation process for investment cycle.
12. Training designated Shelter Afrique staff with regards to the implementation of the ESG framework.

#### **F. PROCUREMENT METHOD**

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The Procurement method for this assignment shall be a Quality Based Selection (QBS), in accordance with the Bank's procurement policy. Evaluation shall be primarily based on the technical proposals. Consequently, financial proposals would be submitted separately. Within a minimum of 3 weeks of the proposal submission date, the Bank shall notify the successful Consultant (with the top ranked proposal) to negotiate a Contract. The aim is to reach agreement on all points and initial a draft contract by the conclusion of negotiations. If negotiations fail, the Bank shall invite the consultant that received the second highest technical score to Contract negotiations. The Bank requires that Consultants hired under Bank financed contracts observe the highest standard of ethics during the selection and execution of Bank financed contracts; any action taken to influence the selection process or contract execution for unfair advantage will be considered improper and shall lead to automatic elimination from the process.

#### **G. SELECTION CRITERIA**

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ShafDB will make its selection based on the technical quality of proposals, by an evaluation of the competence and experience of the firms, their proposed methodology and the profile, qualifications and relevant experience of Key Personnel and staff proposed for the project.

The Consultant will propose a project team that shall include, among them, not less than three identified Key Personnel to address the specific work tasks and deliverables described above and shall provide detailed curriculum vitae (CV) of the identified Key Personnel.

The key personnel will include one team leader and up to two (2) key persons. It is envisaged that the firm and the project team shall meet the following minimum criteria:

- Academic qualifications in environmental and social management, climate change adaptation and mitigation or related field.

- Demonstrated experience in environmental and social audits, development of environmental and social management systems, and in structuring and implementing Environmental & Social Governance initiatives for organizations.
- Proven experience in facilitating multi-stakeholder engagement, capacity building, and public consultations.
- Strong client relationship management skills, including the ability to develop and maintain mutually beneficial stakeholder relationships with senior management.
- Organizational and communications skills, including the ability to represent Shelter Afrique credibly at senior executive levels.
- Sound knowledge of the Paris Agreement, and application of climate change adaptation and mitigation principles in development finance
- Ability to develop frameworks, financial template, legal templates and guidelines for the implementation of ESG initiatives within organizations.
- Proficiency in English and French

All members of the project team, at all levels of seniority, should be clearly identified with their qualifications and relevant experience specified. If the proposed project team comprises individuals (or specialized entities) that are not regular full-time employees of the Consulting Firm, these individuals and their institutional affiliation should be clearly identified.

#### **H. CONFIDENTIALITY**

All data and information received from Shelter Afrique for the purposes of this assignment are to be treated confidentially and are only to be used in connection with the execution of these Terms of Reference.

All intellectual property rights arising from the execution of these Terms of Reference are assigned to Shelter Afrique. The contents of written materials obtained and used in this assignment may not be disclosed to any third parties without the expressed advance written authorization of Shelter Afrique.

#### **I. EVALUATION CRITERIA**

An Evaluation Committee appointed Shaf DB will select the successful Consultant applying the evaluation criteria and point system in the tables just below. The consultant will be required to comply with the Shaf DB's ethical guidelines.

Submissions in English will be evaluated on the following criteria:

##### ***Technical Proposal***

Each proposal will be ranked according to an attributed technical score. The bid will have to score a minimum total of 50 points on the Technical Proposal (TP) to be eligible for further evaluation on the Financial Proposal.

	Weights
Consultant's experience relevant to the Assignment	20%
Understanding of the Terms of Reference and Methodology	20%
Qualifications and relevant experience of Key Personnel	30%
Experience with Shaf DB and Development Finance or multilateral development institutions	30%

Total	100%
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The points given to the evaluation sub-criteria for qualifications of Key experts are:

	Weights
General Qualifications and adequacy for the Assignment to be undertaken	30%
Experience in the individual's relevant area of the assignment described in the terms of reference	20%
Experience with Shaf DB and Development Finance or multilateral development institutions	50%
<b>Total</b>	<b>100%</b>

### ***Financial Proposal***

The contract will be awarded to the Consultant whose offer represents the best value considering the professional and technical capacity, the quality of the offer and fees. Final selection will be based on 70% technical and 30% financial.

Shelter Afrique reserves the right to negotiate with selected consultant the proposed remuneration.

The minimum technical score (St) required for shortlisting is 50 pts.

The formula for determining the financial scores (sf) is the following:

$Sf = 100 \times Fm / F$ , in which Sf is the financial score, Fm is the lowest price and F the price of the proposal under consideration. Final Score =  $0.3 Sf + 0.7 St$

### **J. DATES FOR RECEIPT OF APPLICATIONS/BIDS FOR CONSULTANCY**

Submissions should be made not later than – **15<sup>th</sup> May 2025**

Detailed resume, completed proposals indicating the fees, respectively clearly marked and enclosed in separate emails, should be addressed to:

SHELTER AFRIQUE  
Shelter Afrique Centre – 4th Floor, Longonot Road,  
Upper Hill, Nairobi  
P.O. Box 41479-00100, GPO Nairobi, Kenya  
E-mail; [procurement@shelterafrique.org](mailto:procurement@shelterafrique.org)