**TERMS OF REFERENCE FOR CONSULTANCY SERVICES TO DEVELOP ISLAMIC HOUSING FINANCE PRODUCT**

**INTRODUCTION**

Africa is currently facing an estimated housing deficit of 56 million units; countries such as Tanzania, Senegal, and Morocco have shortages of 3 million units, 370,000 units and 400,000 units respectively. This shortage is due to a lack of accessible and affordable financing mechanisms on both the supply and demand side. Several African countries have recently made significant strides towards developing their Islamic Finance markets. However, there is still substantial room for growth. Islamic finance can help African countries to address some of their development challenges, towards attaining the Sustainable Development Goals.

The demand for Islamic finance products across Africa is growing, but the products to serve this market do not currently exist at a scale. Thus, there is a great market demand for Islamic Finance at a scale in Africa. Islamic Financing has been identified as an alternative financing model which can be harnessed to address Africa's housing and urban development challenges.

Shelter Afrique is a Pan-African Housing Finance Institution and an organization that constantly seeks to adopt and drive innovation in the industry. Islamic Financing has been identified as an alternative financing model which can be harnessed to address Africa's housing and urban development challenges.

Based on the above-indicated factors, Shelter Afrique has received financing in form of a Technical Assistance Grant from the Islamic Development Bank (IsDB) to develop Islamic Housing Finance Products. Therefore, Shelter Afrique is seeking the services of a consultant to deliver the mandate of the grant.

**PURPOSE OF THE CONSULTANCY**

The purpose of the consultancy is to achieve the following objectives as it pertains to the affordable housing and built environment market in Africa:

* To develop Islamic Finance Products in Shelter Afrique to enhance financial inclusion in Africa's housing development and establishment of Islamic finance friendly regulatory environment and market.
* To enhance the development of guidelines and frameworks that will support the adoption and implementation of Islamic Finance in the industry.
* To train Shelter Afrique staff and financial services providers and sensitize industry practitioners and other related stakeholders on the adoption of the Islamic Housing Finance Product.

**SCOPE & DELIVERABLES**

The detailed scope and deliverables of the Project are as follows:

* Conducting a study on the regulatory, legal and economic frameworks for implementing Islamic Finance products by Shelter Afrique for Affordable Housing Delivery and Urban Development in Africa.
* Conducting a diagnostic assessment of Shelter Afrique’s operational processes to enhance operational efficiency and be well suited for implementing Islamic Finance products.
* Review and adapt similar existing Islamic finance facilities and propose an Islamic finance structure relevant to Shelter Afrique.
* Design and submit operational and implementation guidelines for the product.
* Design and submit for approval the relevant policies and procedures to guide staff/management/board of Shelter Afrique in the appraisal, approval and disbursement of Islamic financing to eligible projects/programs and member states.
* Design and submit templates for approval, reporting and project audit requirements.
* Benchmark the final document with similar templates in other relevant institutions, regionally and globally.
* Capacity-building activities for the staff of Shelter Afrique, financial services providers and other related stakeholders on the product.
* Financial literacy and awareness campaign on the product to beneficiary member states.

**KEY EXPERTS’ QUALIFICATIONS AND EXPERIENCE**

* Advanced degree in Islamic Finance, *Shariah*-compliant finance, or related field.
* The consultant should have In-depth knowledge of Islamic finance principles, products, structures, and regulations.
* Strong knowledge of *Sharia* compliance in financial institutions. Significant managerial experience in Islamic banking or related senior financial markets expertise.
* Ability to analyze regulatory frameworks and economic conditions to identify opportunities and challenges for implementing Islamic finance in affordable housing and urban development.
* The Consultant should demonstrate having experience in providing similar assignments in terms of developing suitable structures for Islamic Finance Products, recognized record in training and capacity building programs on the mentioned topics in the TOR for at least ten (10) years as it relates to financing affordable Housing Delivery and Urban Development.
* Proven record of successful similar assignments (at least 3 in the past 5 years) for the benefit of a country’s central bank, ministries, or related Government bodies.
* The firm should demonstrate having technical and managerial capabilities to successfully execute the assignment through a brief presentation of the firm’s management structure and number of permanent staff.

**Inputs**

Shelter Afrique will be responsible for coordinating the implementation of this assignment and ensuring the full participation of its staff and other related external stakeholders.

As the Coordinating entity, Shelter Afrique will:

* Assign Focal Person for the assignment.
* Take charge of the Introductory Correspondences and Management of Interaction Protocols with stakeholders.
* Provide Reference Documents relevant for the assignment.
* Coordinate the meetings/workshops to review and approve Outputs.
* Coordinate and facilitate the Trainings for the Shelter Afrique Staff and support similar training and engagements with financial services providers and other external stakeholders.
* Review all Reports by the Consultant.
* Ensure the timely payment of the Consultant following satisfactory submission of agreed Deliverables.

**Payment**

The payment for this assignment will be triggered by approval of the deliverables at the following levels:

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Phase** | **Output** | **% of Payment** |
|  | Inception | Inception Report and benchmarking study | 20% |
|  | Development of the product and Training of Shelter Afrique staff, financial services providers and other related external stakeholders | * Product Development * Training and Stakeholder Engagement | 50% |
|  | End of Assignment | End of Assignment Report | 30% |

**Reporting**

The Consultant will directly report to the Chief Business Officer: Investments & Advisory Services at Shelter Afrique through the assigned Focal Officer.

The language for Communication and Submission of Deliverables shall be English.

**Submit Proposals to:**

Shelter Afrique Centre

Dr Muhammad M. Gambo

Manager - Strategy, Policy, Research and Partnerships

Shelter Afrique, Nairobi, Kenya

Longonot Road, Upper Hill

P.O. Box 41479,00100 Nairobi, Kenya

Tel: +254-70-17-62609, +254-20-27-2722305-9 Fax: +254-20-2722024, 2721211

Email:mgambo@shelterafrique.org, procurement@shelterafrique.org,info@shelterafrique.org, Website: www.shelterafrique.org

**Timeframe**

This assignment is expected to be executed within a Period of Eight (12) Months.