

Republic of Rwanda



Ministry of Finance and Economic Planning
P.O Box 158 Kigali, Rwanda

REQUEST FOR EXPRESSIONS OF INTEREST

Recruitment of a Credit Rating Agency to undertake a shadow rating on local government entities

Introduction

Credit Rating is an evaluation of the credit worthiness of a debtor, either a business (company) or a Government, but not individual consumers. The evaluation is made by a credit rating agency of the debtor's ability to pay back the debt and the likelihood of default.

In Rwanda, Districts as legal decentralized entities are responsible for the overall coordination of economic development, planning, financing and implementation of service delivery.

Local Governments have been exploring alternative avenues for raising funds to finance development projects through the capital market by issuing municipal bonds.

The Government of Rwanda is seeking a qualified credit rating agency to do a shadow rating and assign ratings on some identified local government entities that will pave the way for successful municipal bond issuance in the future.

Objective of the work

The objective of this assignment is to come up with a shadow rating for the for Local Government entities:

- Secondary Cities (Huye district, Muhanga district, Musanze district, Nyagatare district, Rubavu district and Rusizi district);
- Kicukiro district, Gasabo district, Nyarugenge district and the City of Kigali

Scope of work

The Credit Rating Agency to be hired is expected to, among other things, do the following:

- a. Provide a detailed work plan and the methodology for the rating;
- b. Perform necessary research, compile and analyze relevant information and factors that would affect the creditworthiness of the District/ City;
- c. Assessment of the credit worthiness of the District/ City;

- d. Presentation of the findings and key rating considerations to the District/City;
- e. Assignment of the rating grade and criteria supporting the rating;
- f. Issue the credit rating report to the District/City;
- g. Propose the frequency of reviews of the rating;
- h. Propose a checklist of activities to be undertaken to close the gaps identified;
- i. A CRA shall provide a rating outlook and rating watch within the monitoring framework with the necessary parameters.

Profile of the credit rating agency

A selected agency shall have analysts who are competent and qualified to carry out rating assignments and subsequent monitoring of district creditworthiness. The competence of analysts should include among others, the level of education; experience within public sector especially rating municipalities.

Further to the said requirements, the CRA should:

- a) Be licensed by a Capital Market regulator in the East African Community(EAC);
- b) Demonstrate relevant experience and capability in completing rating assignments for municipalities with at least one certificate of completion of similar assignments of rating municipalities.

Interested firms must provide information indicating that they are qualified to perform the services including an expression of interest, curriculum vitae and description of similar assignments.

Firms will be selected according to the Quality Based Selection set out in the Consultant Guidelines in accordance with the Law N° 12/2007 of 27/03/2007 on Public Procurement as modified and completed to date.

Expressions of interest must be through E-procurement by 17th March 2017

Kigali, 21/02/2017

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