



# TERMS OF REFERENCE

## STUDY ON THE VULNERABILITY OF THE AFRICAN ECONOMIES

### 1. OBJECTIVE

The African Development Bank Group wishes to engage the services of an Individual Consultant to undertake a study on the vulnerability of the African economies to inform the formulation of the Bank's Ten-Year Strategy, a corporate strategy that will set the course for Bank's efforts to respond effectively to Africa's changing needs. The new strategy will replace the current Ten-Year Strategy, 2013-2022.

### 2. ABOUT THE BANK

Established in 1964, the African Development Bank Group ("The Bank" or "AfDB") is the premier pan-African development institution promoting economic growth and social progress across the continent. There are 82 member states, including 54 from Africa (Regional Member Countries - RMCs) and 28 Non-Regional Member Countries. The African Development Bank (AfDB) Group comprises three entities: The African Development Bank (the Bank or ADB), the African Development Fund (ADF) and the Nigeria Trust Fund (NTF). The Bank's development agenda is mobilizing resources to deliver financial and technical support for transformative programs and projects that will significantly reduce poverty through inclusive growth and sustainable development of its RMCs.

### 3. ABOUT THE NEW TEN-YEAR STRATEGY

The Bank has embarked on the process to formulate a new Ten-Year Strategy (TYS 2.0) as a successor to the existing Ten-Year Strategy (2013-2022). The development of the Bank's new Ten-Year Strategy (2023 – 2032) comes at a critical time for Africa when the Bank has been given the mandate by a decision of the African Union to lead the mobilization of resources for Africa, to achieve Agenda 2063. The health, social, and economic impact of the COVID-19 pandemic, along with persistent gaps in critical infrastructure, skills development, and health infrastructure, threatens the Continent's recent progress in reducing poverty. But this crisis has also brought to the fore the critical role that the Bank has in supporting its Regional Member Countries (RMCs) to protect themselves from future shocks of this type through increased resilience and emergency preparedness, and to accelerate Africa's green, resilient, and inclusive recovery and growth.



The new TYS will seek to build on the significant gains made in the continent over the last decade. During most of the past decade, Africa has made a steady progress in key sectors in which the Bank is active, such as increased access to electricity, as well as continued to have a steady level of growth, increased economic integration, and enhanced governance and levels of private sector development. Despite the remarkable progress in the last decade, the continent has gone through a number of growth-threatening shocks, both internal and external. The continent has in recent years suffered from economic shocks including the 2007-2009 global financial crisis and more recently, in 2015-2016, the commodity shocks where the prices of Africa's main exports including oil and metals, fell significantly driven by robust supplies and low demand.

Climate change is one of the greatest challenges facing humanity today and has disproportionately impacted developing countries including those in Africa. While these countries are known to be the most impacted by climate change, they are at the same time the least able to afford the consequences and appropriately respond. The onset of the COVID-19 pandemic has further exposed the vulnerability of the African economies and has exacerbated deep-seated imbalances in the economic and social structures of these countries. While Africa seems, so far, to have been spared the worst of COVID-19, no one knows what the next pandemic threat might look like, nor where it will come from. These events and others have lowered the continent's growth prospects and even challenged the story of the continent's resurgence. Although some progress has been recorded in addressing vulnerability in Africa, it remains limited; moreover, the scope of vulnerability itself has been changing with the emergence of new -social, environmental and health- dimensions.

#### **4. THE CONCEPT OF VULNERABILITY**

A review of the literature shows that the concept of vulnerability, which has its origins in the field of natural disasters, is now widely used in multiple other disciplines such as ecology, economics, sociology and geography. The concept of vulnerability has connotations including "sensitivity", "adaptability", "resilience" and other elements depending on the discipline and the type of damage. Economic vulnerability has emerged as an important component of the concept and as a measure of the developmental health and stability of a regional or national economic system. It also plays a significant role in economic and structural transformation as well as regional sustainable development. Conceptually, vulnerability, at the macro level (as at the micro level), is the risk for a country to be hampered by exogenous shocks, either natural (e.g. droughts, diseases) or external (e.g. fall in terms of trade). The emergence of climate change has brought in significant aspects physical vulnerability. Vulnerability to climate change stems from a risk of long-term change in geophysical conditions rather than to a growth handicap in the medium term. The COVID-19 pandemic which has had some devastating effects would also fit into this category. While the long-term effects of COVID-19 are not yet well known, it is already having severe impacts associated with the lockdowns. It is creating



huge uncertainties and long-term shifts in consumer preferences and production practices and has laid bare global, regional and national vulnerabilities

Yet another dimension of vulnerability has to do with the policy and current socio-political conditions. The combination of policy and socio-political conditions including wars, political tensions, terrorism, and other forms of instability lead to situations of fragility in countries. Although state fragility is often presented as a form of vulnerability, it is in many ways conceptually quite different.

Addressing the vulnerability of African economies requires an identification of its sources and determinants, including a conceptual clarification in view of the broadening scope of the concept. The objective of the current assignment is to analyze the main features and evolution of structural economic vulnerability identifying its sources, determinants, and effects. The outcome of this assessment will inform the development of the Bank Group's New Ten-Year Strategy.

## **5. OBJECTIVES OF THE ASSIGNMENT**

The objective of the assignment is to inform the design of the new TYS under preparation through a better understanding of the vulnerabilities of African economies with all its dimensions – structural (economic), physical, fragility etc. The specific objectives of the assignment are to:

- Identify the different forms of vulnerability of the African economies specifying their sources and determinants.
- Identify issues, needs, data about vulnerabilities in Africa, paying special attention to the degrees of exposure to shocks by countries and the capacity to deal with both internal and external shocks
- Propose a framework/ methodology for the assessment of the various forms of vulnerability of African economies.
- Using the proposed methodology, analyze the main features and evolution of vulnerability of African economies
- Outline and explain the implications of the findings from the above analysis for the design of the TYS, including the strategic choices to be made for the Bank's new Ten-Year Strategy.
- Propose specific policy measures for addressing the vulnerabilities of African economies and building resilience
- Make proposals and recommendations on how to factor in vulnerability in the Bank's resources allocation model.

## **6. EXPECTED DELIVARABLES**

The following are the main deliverables for this assignment:



- An inception report, summarizing the scope of analyses and detailed methodology including data for the of assessment
- A full report of the assessment of the vulnerability of the African economies with findings and recommendations to support strategic choices for intervention.
- A power point presentation of the findings and recommendations

## 7. QUALIFICATION OF THE CONSULTANT

The Consultant to selected for this assignment will have to meet the following requirements:

### Education:

- At least a master’s degree in international economic development, macro-economics, development economics, political economy, or any other relevant qualifications related to the tasks to be performed under this assignment. A PhD would be a plus.

### Experience:

- Minimum 10 years of working experience in development research, macro-economic analysis, policy analysis,
- Experience in undertaking vulnerability and adaptation or sustainable development issues
- Demonstrated ability of analytical and drafting work;
- Experience in demonstrable knowledge of key V&A assessment methodologies, empirical data-based analysis, risks management and strategy and program development;
- Demonstrated experience working in Africa and with development partners;
- Ability to use basic tools (including empirical research methodologies) relevant to the assessment required.

### Language Requirements:

Fluency in English or French with a working knowledge of the other.

## 8. TIME SCHEDULE FOR DELIVERABLES AND REPORTING REQUIREMENTS

The time frame for this assignment is 2-months with key timelines as shown below.

<b>Task</b>	<b>Date</b>
Commencement of assignment	22 March 2022
Submission of Inception report	30 March 2022



Submission of final report and power point presentation

22 June 2022

The consultant shall report to the Director, SNSP. Day-to-day management of the consultancy shall be assured by a person designated by the Director. Reports and all correspondence will be sent to:

- Walter Odhiambo, Lead Strategy Advisor (SNSP); [W.odhiambo@afdb.org](mailto:W.odhiambo@afdb.org)
- Hajer Majoul, Team Assistant (SNSP): [h.majoul@afdb.org](mailto:h.majoul@afdb.org)

## 9. LOCATION OF ASSIGNMENT

The service will be rendered at the Bank's Headquarters in Abidjan Cote Ivoire. Senior Management, however, reserves the right to change the location of the assignment, as necessary. In the interim, however, the assignment will be rendered virtually due to the COVID-19 context. Once the Bank resumes work from office, the consultants will be expected to travel to Abidjan and/or to any targeted location, as and when required by Management.

## 10. SPECIFICATIONS FOR SUBMISSION OF EOI

All EOI must be submitted in Electronic format to the email address above no later than 13<sup>th</sup> March 2022 at 17:00hrs Abidjan time.

## 11. Remuneration

Remuneration will be commensurate with experience, in line with the Bank's compensation guidelines. The consultancy fees will be paid on a monthly lump sum base. In addition, for candidates who need to travel to take up this assignment, a round trip economy class air-tickets with the shortest route will be provided. The candidate will be responsible for obtaining personal health insurance at his or her own cost. The coverage should include all medical expenses, including those resulting from illness or injury incurred during the duration of the assignment.

## 12. Leave

Not applicable

## 13. Eligibility Criteria



The position is open to nationals of the Member Countries of the AfDB. Interested applicants are requested to send an updated Curriculum Vitae (CV) and a Cover Letter. Only shortlisted candidates will be contacted and may be asked to participate in a skills assessment exercise.

#### 14. Application and Evaluation Process

Interested candidates are required to express their interest by submitting their CVs and Cover Letter detailing their qualifications and experiences to the email addresses provided on the Cover Page by March 13, 2022 at 17:00 GMT. The prospective consultants' expression of interest will be evaluated based on the following criteria and weights:

(1)	General qualifications and adequacy for the proposed Assignment	30%
(2)	Similar experience in the area of expertise of the Assignment as described in the Terms of Reference	50%
(3)	Experience with the Bank or other international donors	10%
(4)	Language proficiency	5%
(5)	Knowledge of the Region	5%
	<b>Total</b>	<b>100%</b>

Only consultants who will score more than 70% will be short-listed and invited to submit a financial proposal