

**TERMS OF REFERENCE - COMPONENT A (HR SUPPORT) AND COMPONENT B (INVESTMENT STRATEGY) - SUPPORT TO THE CVDB TRANSFORMATION CAPACITY BUILDING PROJECT**

<b>Mission</b>	<b>Expertise on Component A (HR) and component B (Investment Strategy)</b>
<b>Project:</b>	Capacity Building Support Project for the Transformation of the CVDB
<b>Activities localization</b>	Amman, Jordan (CVDB offices) 2 to 3 mission + online activities
<b>Organization</b>	Expertise France, financed by AFD
<b>Duration</b>	30 à 40 working days
<b>Planned start and end date</b>	June – December 2023

**A. PROJECT BACKGROUND:**

The Cities and Villages Development Bank (CVDB) is the public financial institution in charge of financing municipalities' sector in Jordan. Created 50 years ago, CVDB is mandated to support the municipality's development through founding, providing services and strengthening their capacities. CVDB also supports local authorities and interested parties with services and investment projects and encourages partnerships between the public and private sectors. In this regard, it intervenes in the framework of government's supporting policies for local development. Besides, the CVDB has a paid-up capital of 110 million JOD (140 million EUR) and their 325 employees operate from the head office in Amman and on the 10 branches in Jordan's main cities.

In May 2022, the Parliament adopted a new law to strengthen CVDB and therefore the local development sector. The new law provides:

- Expanding CVDB's mandate and its customers scope (beyond just municipalities) which could be targeted by new financial services: any entity implementing a local development project, support for public-private partnership projects, equity investment in companies created in this framework;
- Transforming its governance instance: even if the State and municipalities representatives will stay in majority, the Ministry of Local Affairs will appoint two new members drawn from the private sector and set up new committees, including an audit committee.

To support this structuring change, AFD and EF, jointly with CVDB staff, have identified started a new project called “Contributing to strengthen CVDB to finance local development projects in Jordan” with a €500,000 budget.

The AFD – Expertise France Technical Assistance (TA) project aims at:

- Supporting CVDB to be able to implement its own investment strategy and to offer a large scale of services to municipalities;
- Assisting CVDB in its organizational transformation process following the new law adoption and the COVID-19 pandemic impacts.

The project activities were designed around two components as follows:

- Component A. Strengthen CVDB’s governance and risk management
- Component B. Redesign the investment strategy, the organization of the operational functions and procedures; structure a service offer for municipalities

#### Main activities carried out:

- June – Dec. 2022 (see Interim Report 1):

Two framing missions were conducted on component B to understand the needs and expectations of CVDB in details.

It allowed the expert to draft a work plan for the year as well as to define clear terms of reference for the market positioning study, the benchmark of similar institutions and the HR evaluation.

In addition, a one-week participative workshop to support the creation of the transformation roadmap of the CVDB was held in October (see PPT on the roadmap).

- From January 2023:

Two missions were conducted by the head of the component B, in February and March 2023 (see Report N°3 and Number 4). It enabled to carry out activities in three main areas:

- A strategic initial HR assessment of CVDB (*component A*)
- An international benchmark with other similar institutions: FEC Morocco; CPSCL Tunisia (*component B*).
- A market study: 1<sup>st</sup> phase with municipalities and Governorate Councils (*Component B*). The market study was extended to other stakeholders (2<sup>nd</sup> phase) from March to May 2023 to ministries and national institutions, private sector representatives and international donors (*by local consultants: M. Ali Fayyad and M. Mohammad Masadeh*).

## B. DESCRIPTION OF THE ASSIGNMENT (OBJECTIVES AND RESULTS):

The activities of the expert / head of component B could be divided into 2 main areas, among the activities detailed below. The selection of the activities will be discussed with AFD and Expertise France.

### B.1: COMPONENT A (HUMAN RESOURCES SUPPORT)

#### - **HR impact assessment of the new CVDB's strategy**

A proposal for a new organization chart has been sent by the CVDB to the Prime Minister's Office but was not yet adopted and a new CVDB strategy is being finalized (it should be adopted by the Board). A PPT presentation of the new CVDB's strategy was delivered by the World bank but has not been endorsed by the CVDB at this stage.

The technical assistance may, when these stages have been completed, provide support to the CVDB for the production of an impact assessment of the new strategy and of the new organizational chart.

A methodological document and an impact sheet have already been prepared and transmitted by the component B expert in order to better structure this future strategic analysis.

#### - **HR support in the overall CVDB organizational transformation process (including negotiation with the Civil Service Bureau / Ministry of Finance).**

The "HR initial strategic assessment" (report 4) provided first recommendations to CVDB as regards its CVDB transformation strategy and actions that can be supported under technical assistance.

As regards the overall CVDB transformation strategy, it will be useful to liaise with the HR dpt as regards the main recommendations provided, in particular in its relationships with the Civil Service Bureau and the Ministry of Finance), eg : better justify and argue requests for job creation ; strengthen the internal mobility of CVDB staff towards occupations in shortage ; reducing staff in non-essential and overstaffed functions ; improving staff performance, motivation and efficiency; strengthening the strategic functions of the CVDB and the capacities of the CVDB's regional branches; implement a gender-sensitive policy.

It will be necessary having regular exchange of views and providing support when needed to CVDB as regards the definition and the implementation of its HR strategic approach, in particular in relation to the Civil Service Bureau and the Ministry of Finance.

#### - **Support to the setting up of new / strategic units, in particular: compliance; risks; empowerment municipal unit, including investment unit; Governorate Development Fund (GDF).**

First, there will be a need to cooperate with the component A head of component and the local manager as regards the strengthening of compliance, risks management and internal control units. Job

descriptions have already been drafted for those units by the former expert in charge of component A but require follow-up and validation by CVDB.

Then, the expert will also provide support for the setting up of 2 new units in CVDB:

- The Empowerment Municipal Unit, that will include the investment unit and the developmental observatory.

No detailed information was provided to the TA consultants during the last sessions but there is a need to understand better and accompany CVDB in the setting up of this unit, for its organization and to recall strategic needs encountered by municipalities (cf report 4).

- The Governorate Development Fund (GDF).

By the new CVDB Law, the GDF was transferred from JEDCO to CVDB.

CVDB already asked for a specific support on the drafting of job descriptions by an HR local consultant. The expert on component B will be responsible to supervise the local expert.

- **Methodological support for the drafting of training needs assessment and of multi annual training plan.**

CVDB HR dpt mentioned a support needed to train its own staff in the fields of training needs assessment and multi annual training plan but the ToRs of this activity weren't deepened during the meetings with the HR dpt.

## **B.2: COMPONENT B (INVESTMENT STRATEGY)**

The following activities have to be carried out:

- **Define a loan employment doctrine**

From the market study (1st and 2d phase) carried out and delivered from February to May 2023, the expert should provide proposals for a loan employment doctrine for investment projects to municipalities.

This would take into account:

- The national priorities of the Government and the investments opportunities and potentials of the private sector in order to integrate them into investment project financing decisions: sectors in which to invest, types of investment (infrastructure, innovation and structuring projects, territorial distribution according to competitive advantages / governorate...)
- The priorities and objectives for implementing grants and loans from international donors, which the CVDB would manage. This will allow to prioritize the search for funding towards the priority areas of intervention of donors (e.g.: energy efficiency, digitalization, gender equality, smart cities, etc.).

- **Define a mechanism support to provide technical assistance to the municipalities (& capacity building of CVDB's staff)**

The objective of this activity will be to provide new services and technical assistance to the municipalities.

To that extent, it will be necessary to support CVDB to define its precise role in this area and arbitrate between TA activities to municipalities (support on feasibility studies; financial management; strategic territorial planning; enhance "Economic Development Units" in Municipalities). Also, the role of the regional branches should be deepened.

An exchange of experiences with the Moroccan institution (FEC) will be very useful to that extent. The project team aims at organizing different zoom meetings over the next months on specific topics (such as scoring of municipalities, technical assistance to the municipalities, etc) to ensure regular exchanges of best practices between CVDB and FEC. The expert responsible for the component B of the project will supervise the organization of those zoom meetings.

- **Organize a working group with CVDB dedicated to the drafting of common guidelines to align with international donors' expectations** on cross cutting priorities (in particular, engage a reflection for the set up of an environmental and social assessment of investment projects).

Indeed, the benchmark with FEC emphasized the strong leverage effect of the ambitious environmental and social impact assessment they put in place, with the AFD support, on its capacity to receive and manage lines of credits from international donors.

Therefore, CVDB could engage a reflection to draft environmental and social (ES) impact studies guidelines to assess the planned investments of municipalities, with the support of the expert.