

# **CALL FOR PROPOSALS**

## **CONSULTANCY SERVICES TO DESIGN DEVELOP NATIONAL VALUATION STANDARDS, GUIDELINES/MANUALS.**

**Procuring Method: International Open  
Competitive Bidding**

## **1.0 Introduction**

### **1.1 Background**

The Institute of Real Property Valuers in Rwanda (IRPV) amongst several other functions is to analyse and find solutions to all problems related to valuation profession, to promote the valuation profession in Rwanda, to prepare regulations and guidelines governing the valuation profession and **to prepare valuation standards**. The IRPV Intends to develop the National Valuation Standards (NVS) and guidelines/manuals. The Regulatory Council which is mandated to regulate and control the valuation profession and the activities of certified valuers shall play a leading role in collaboration with IRPV in the development of the Standards and Guidelines/Manuals. The standards shall ensure consistency, transparency and confidence in valuations which are key to mortgage business, investment decisions, infrastructure development, climate change mitigation, environmental conservation, financial reporting and financial market stability. This is part of a wider strategic plan to strengthen valuation services and curtail the long outstanding problems associated with valuation variances and inaccuracies. The NVS and guidelines/manuals form a basis for regulating the valuation professional practice, promoting professional ethics, integrity, impartiality and trust in valuation services in the Country.

### **1.2. Problem statement**

In Rwanda just like in many other developed and developing countries, the role of a valuer is very significant in providing a professional advice on the value of different assets as defined by International Valuation Standards for a number of clients, stakeholders and users to make informed decisions.

There have been a number of enacted laws that have given Rwanda's Valuers the sole legal mandate to provide professional advice on assets values for a number of reasons ranging from mortgage, taxation, expropriation, sale/purchase, financial reporting, auction, insurance, and court litigations and so on.

Of recent, Valuers have been accused of unprofessionalism where both over valuation and under valuation cases have been reported depending on the purpose of valuation. For example, it has been widely claimed by banks and other stakeholders that over valuation is usually done for mortgaged properties at mortgage registration and under valuation is done at auctioning of mortgaged properties. Also under valuation has been reported during expropriation cases.

In addition, there is growing International pressure especially from funders of public infrastructure projects such as the World Bank, European Investment Bank and African Development Bank for adherence to International Valuation Standards (IVS) under expropriation/compulsory land acquisition in the country. This is in view of ensuring compliance with International Finance Corporation standards as well as the Equator principles. However, considering that the IVS represent a global consensus that can be applied across countries with very diverse political and judicial systems, they are often at a high level, i.e. they set a broad requirement but do not normally provide detailed examples of how that requirement can be complied with in different situations. Currently, there are no common valuation standards and guidelines/manuals in Rwanda and given the nature of the Rwanda's property market and economy, there are considerable variations between the principles laid down in the IVS and the local valuation practice. Diverging bases of value and methodologies are being used to value assets in the country. Valuation standards are imperative in fostering the development agenda and globalization with a wide usage across practitioners, taxation bodies, Government, Business Agents, Real estate, investments, bilateral agreements, financial markets, procurements and acquisitions, Project Affected Persons (PAPs), contracts among others. The need for development of National Valuation Standards, guidelines and manuals in the Country is therefore paramount. To this end, IRPV in liaison with the Regulatory Council and Ministry of Environment will engage a Consultant firm to undertake the development of National Valuation Standards and guidelines/manuals that support the consistent application of the International Valuation Standards (IVS) in Rwanda.

### **1.3. Scope**

The scope of work is as follows:

- i. Undertake in-depth and breadth analysis of theory and practice of Valuation function/ profession in Rwanda
- ii. Critically evaluate the applicable legal and policy frameworks governing Valuation in Rwanda.
- iii. Review and analyze at least 5 tailored National valuation standards and guidelines/manuals preferably in East Africa, West Africa, Southern Africa and in other jurisdictions.
- iv. Carry out detailed stakeholder engagement. IRPV will guide the Consultant on the relevant stakeholders to engage.
- v. Consult widely the IRPV, Regulatory Council and Line Ministry from time to time.
- vi. Carry out critical evaluation of International Valuation Standards.

- vii. Prepare draft valuation standards and guidelines/manuals and subject them for review and validation by wide stakeholders.
- viii. Consult International Valuation Standards Council for review and comments. Evidence of this consultation and engagement must be provided.
- ix. Produce authorized final report of well-written and comprehensive valuation standards and guidelines/manuals consistent with the International valuation standards and format. The guidelines/manuals for different assets valuations such as mineral valuation, natural resources valuation, plant and machinery valuation, business valuation etc and for different purposes such as; expropriation, mortgage/secured lending, taxation etc will be developed and prepared in details for clear guidance on such valuation practice.
- x. Capacity building and knowledge transfer on the usability of the developed Standards

## **2.0 Eligibility Requirements**

**The consultant will be selected based on the following requirements:**

- i. Valid practicing Certificate
- ii. Valid trading license
- iii. Valid Tax clearance certificate
- iv. Certificate of company incorporation or Registration
- v. Joint venture/association agreement fully signed by both parties in case of a joint venture
- vi. General Experience of the firm of at least ten (10) years in undertaking large scale land assignments and the firm **MUST** have proven experience of at least ten (10) years in Valuation practices.
- vii. The firm **MUST** provide evidence of collaboration with International Valuation Standards Council (IVSC) or any other recognized Valuation standard setters
- viii. A foreign firm **MUST** engage a Domestic firm/Individual Valuer to enter into a joint venture to leverage the expertise and qualifications. Evidence of partnerships is a requirement.
- ix. Presence of skills among the consultant's personnel and in adequate numbers in the following areas:

### Team Composition

Expert	Qualification	Experience
Team leader	-At least Bachelor's degree in Land Economics, Land Management, Valuation, Real Estate, and Estate Management and Valuation. Having a Masters in Real Estate will be an added advantage	-A minimum of 12 years of experience in valuation practice as a Professional.
	-Registered & accredited with professional valuation bodies recognized either locally or internationally	-Proven contribution to development of International Valuation Standards. -Proven exposure and Participation in International and National Valuations foras
Valuation expert (4)	-A minimum of Bachelor's degree in Land Economics, Land Management, Valuation, Real Estate, and Estate Management and Valuation. Having a Masters in Real Estate will be an added advantage	-At least 8 years' experience undertaking proven valuation projects for all the 4 valuation experts. Having knowledge and experience of valuation for different purposes particularly mortgage and expropriation valuations
	-Registered & accredited with professional valuation bodies recognized either locally or internationally.	-There must be <b>one valuation expert</b> with good knowledge of Commercial (Specialized properties with trading potential) Valuation and Business Valuation
	- Registered & accredited with professional valuation bodies recognized either locally or internationally.	-There must be <b>one valuation expert</b> with good knowledge of the plant and machinery valuation
	- Registered & accredited with professional valuation bodies recognized either locally or internationally.	There must be <b>one valuation expert</b> with good knowledge of agriculture properties

	-At least one of the Valuation Experts must be a local valuer practicing in Rwanda and registered with IRPV and Regulatory Council	-Strong written and oral communication and excellent interpersonal skills.
Legal expert	-A minimum of a Post graduate Diploma in legal practice and Bachelors in Law	-At least five years in legal practice and handling commercial related cases.
		-Proven at least five years in handling Land laws, land rights administration, land acquisition, valuation and legal drafting.
Business analyst	-Post graduate studies in Accounts or Economics.	-Proven at least five experience working on project that require business analysis
	-Professional qualifications for either ACCA, CPA or CFA	-Experience in preparing financial statements and analysis

### 3.0 Evaluation Methodology and Criteria

Proposals will be evaluated on the following criteria:

- Technical proposal (80%)
- Financial proposal (20%)

Nº	Criteria	Marks
<b>A</b>	<b>Specific experience of the firm</b>	<b>20</b>
	The firm MUST have proven experience of at least 10 years in valuation practice	10
	The firm MUST provide evidence of collaboration with International Valuation Standards Council (IVSC) or any other recognized Valuation	5

	standard setters	
	A foreign firm and Domestic firm can enter into a joint venture to leverage the expertise and qualifications. Evidence of partnerships is a requirement.	5
<b>B</b>	<b>METHODOLOGY PROPOSED</b>	<b>30</b>
	Suitability of Technical Approach and Methodology (understanding of the TORs)	15
	Suitability of Work-plan	10
	Organization and Staffing	5
<b>C</b>	<b>KEY PERSONNEL</b>	<b>50</b>
	The Team Leader/Lead Consultant	15
	Valuation experts (4)	20
	Consulting firm having local valuer practicing in Rwanda and registered with IRPV and Regulatory Council	5
	Legal expert	5
	Business analyst	5

#### **4.0 Time Frame and Expected Deliverables**

The duration of the assignment will be **6 Months** starting from the date of the signature of the contract between IRPV and Consulting Firm.

The expected deliverables of the consultancy are as follows:

<b>S/N</b>	<b>Reports/Activities</b>
1	Inception Report
2	Stakeholders Engagement Report
3	Interim Progress Reports
	a. First Status Report and Presentation
	b. Second Status Report and Presentation
4	Draft Final Report (4 Hard Copies and a soft copy)
5	Stakeholders Validation Workshop

6	Final Report (incorporating the comments from stakeholders validation workshop) ie 4 hard copies and a soft copy
7	Other Deliverables

The consultant Firm is expected to provide a detailed practical time frame for each of the above deliverables in their submission of the technical proposal for better implementation and timely completion of the assignment.

### **5.0 Payment Modalities**

1 <sup>st</sup> Payment	<b>40 %</b> upon submission and approval of the inception report (both soft and hard copies) as part of the advance payment for commencing the assignment
2 <sup>nd</sup> Payment	<b>40 %</b> upon submission of the Draft Final Report (both soft and hard copies) and after Stakeholders Validation Workshop.
3 <sup>rd</sup> Payment	<b>20 %</b> upon submission and approval of the Final Report (incorporating the comments from stakeholder's validation workshop) that is both soft and hard copies.

### **How to apply**

IRPV invites eligible and interested companies to submit their applications by email on [info@irpv.rw](mailto:info@irpv.rw), including a technical proposal, financial proposal, copy of company registration certificate, CVs mentioning the profile of company personnel, before 5:00 PM, 25<sup>th</sup> July 2024.

Done at Kigali, 24<sup>th</sup> June 2024

**John MUGISHA**

**Chairperson, Board of Directors**