



NORSAD Agency is a development financing institution created in 1990 as a joint Nordic/SADC initiative. The overall purpose of NORSAD is to contribute to the development of the private sector in the participating SADC countries through indirect and direct financing of small and medium sized enterprises. The Agency has operations in 11 SADC countries, employs 1 CEO, 2 Line Managers and 7 staff in Lusaka, Zambia and 10 country advisers in the region.

Chief Executive Officer

The position as Chief Executive Officer of the NORSAD Agency will be vacant by end October 2007.

Your primary tasks will include:

- Proactively identify new business opportunities relevant to NORSAD
- Responsibility for the administration of NORSAD's funds in line with the existing statutes
- Utilisation of available funds while adhering to the eligibility criteria
- Lines of credit to intermediaries to exceed amount disbursed through direct loans
- Maintain the value of the Fund
- Management of the NORSAD Agency, staff and Secretary to BOG and BOD.

The right candidate should have extensive experience in corporate finance from a financial institution, preferably development finance/debt financing. Likewise important is your experience in working with SME's and financing start-ups as well as structuring of financing packages, preferably from the region. The right candidate should, ideally, hold a master's degree majoring in either finance or accounting/auditing. Together with your sound international management experience you are able to run and develop the Agency professionally. The CEO will be offered a 3-4 year contract with a competitive salary including benefits matching the qualifications. The CEO will be based in Lusaka. For job profile and information about NORSAD see www.norsad.org.

Send your application marked "DK-1 60.33966-W" to Mercuri Urval A/S, Philip Heymans Alle 5, 2900 Hellerup, Denmark or by mail to ans.off.dk@mercuriurval.com – preferably as a Word-file.

Deadline for applications is 5th March 2007 at 12 noon.

Mercuri Urval



Mercuri Urval

**CHIEF EXECUTIVE OFFICER
FOR
THE NORSAD AGENCY**

Mercuri Urval A/S, Copenhagen
January 2007
Rasmus Bing, Chief Consultant
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Introduction

The position as Chief Executive Officer for NORSAD is now being advertised and is to be filled when the contract of the current CEO, Mr. Ole Simony, expires in October 2007.

This job and demand profile is prepared by Mercuri Urval to form the basis for recruitment and selection of the Chief Executive Officer. The purpose of the profile is to describe the organisation, being the organisational set-up, the personnel, the tasks, the services and the finances of NORSAD. On this basis as well as on the basis of the described tasks and responsibilities to be undertaken by the new Chief Executive Officer, a demand profile of the relevant candidate is drawn up.

The job and demand profile will be made available to the applicants. The profile is based on decisions made by the NORSAD Agency's Board of Directors and meetings and interviews with:

- The Chairman of the NORSAD Fund's Board of Governors (BOG);
- The Chairman of the NORSAD Agency's Board of Directors (BOD);
- The members of the recruitment committee of the Board of Directors;
- Managers and staff from NORSAD Agency at all levels;
- Key co-operation partners of NORSAD;
- Representatives of different Development Finance Institutions;
- Other key individuals with insight into the past and present of NORSAD.

Relevant information from the following sources has also been used:

- www.norsad.org
- NORSAD's Annual Report 2006
- Review of relevant NORSAD documentation.

1 Organisational Profile

1.1 History

As a response to the growing need for financing capital in the developing countries, the NORSAD Fund and NORSAD Agency were established in January 1990 as a joint Nordic/Southern African Development Community (SADC) initiative.

The purpose of NORSAD is to contribute to the development of the private sector in the participating SADC countries. This is done through direct or indirect debt financing of Small and Medium Sized Enterprises in order for them to start and/or expand their activities.

Zambia was at the inception of NORSAD in 1991 holding the financial sector portfolio of the SADC countries and was, consequently, selected to host the NORSAD Agency, which is the manager of the NORSAD Fund.

The Agency has over the years collaborated with local, regional and international financial institutions as well as with development agencies to further the NORSAD goals.

1.2 Head Office:

NORSAD Agency
Anglo American Building, 6th Floor
74 Independence Avenue

Postal address:
P.O Box 35577 Lusaka, 10101 Zambia
Tel: (+260) 1 255663/4 or 255773/4
Fax: (+260) 1 255432
www.norsad.org

1.3 Tasks and Services

The main objective of NORSAD is to contribute to the private sector development of the participating SADC Member States through debt financing of private sector enterprises.

Each private sector project, supported by NORSAD, should demonstrate beneficial economic, social and/or environmental development impact and should be in line with the development priorities of the individual SADC country and those of the Nordic countries.

NORSAD delivers its services in a cost effective way and at acceptable risk levels in order to keep the organisation financially sustainable in the long run.

1.3.1 NORSAD Project Facility

The target group is private sector enterprises, and mainly small and medium sized enterprises.

NORSAD finances start up and expansion projects as well as the rehabilitation of existing enterprises with main focus on medium to long term investments through senior debt financing matching the length of the investment. NORSAD may also provide financing for working capital if such financing is part of financing a medium to long term investment.

NORSAD financing cannot be used for the production or sale of tobacco, alcohol and armaments, or for gambling, pornography, prostitution or any illegal venture.

Any NORSAD project must, at the project appraisal stage, be able to demonstrate positive

development impact and commercial viability without subsidies, trade protection and other privileges. The development impact shall be determined on a case-by-case basis. Such impact may be within one or more of the following aspects:

- Creation or maintaining employment;
- Increase in export earnings for the country;
- Production of local products and services to compete with or substitute imports
- Organisational and human resource capacity building;
- Introduction of appropriate new and environmentally friendly technology;
- Any other favourable development impact on the project's host country.

During the life of the NORSAD financing the Agency follows the project's actual development impact closely and information regarding the impact is presented annually to the NORSAD boards. Any project financed directly or indirectly by NORSAD must comply with all national legislation and with NORSAD requirements with regards to corporate and social responsibilities. These requirements relate to issues like human rights, freedom of association, use of child labour, discriminations, environmental issues, corruption and bribery. NORSAD's requirements are in line with internationally recognised standards. NORSAD's main financing currencies are international currencies (forex) such as US Dollar, EURO, Danish Kroner, Norwegian Kroner, Swedish Kronor and British Pound. NORSAD may also provide financing in SADC currencies if it is able to hedge its currency risk in such a way that the risk to NORSAD is in line with a loan or credit line in forex.

When screening and appraising a project NORSAD takes into account the risks referred to in the International Accounting Standards. Interest rates are fixed by taking the following factors into account: Cost of funds, hedging costs and project risks.

NORSAD is responsible for its own exchange risk arising from mismatch between its lending and accounting currency. NORSAD shall not take any risk originating from an Intermediary's mismatch between borrowing and lending currencies or risks originating from mismatch between the lending currency and a project company's income currencies.

NORSAD's financing of its target group is delivered through financial institutions or directly to the project, sometimes jointly with other financial institutions. NORSAD has the following financing options:

Financing of projects through intermediaries

Financing instrument	Characteristic
Lines of credit	NORSAD provides lines of credit to other financial institutions for financing of individual projects and takes risks on that institution, but normally not on individual projects.
Agency Line with and without co-financing	NORSAD commits a certain amount for senior debt co-financing of individual projects together with another financial institution, which will be the implementing Agency. NORSAD's financing will normally be limited to 50% of the total debt financing.
Guarantee line	NORSAD provides a guarantee to another financial institution for financing of individual projects. NORSAD's risk on each individual project shall be limited to 50% of realised losses.

Maximum NORSAD exposure is normally USD 5 million.

Financing of individual projects

Financing instrument	Characteristic
Direct individual project financing with or without senior debt co-financier	NORSAD finances directly as the only senior debt financier. NORSAD takes the full credit risk on own exposure.
Indirect individual project financing	NORSAD's senior debt financing is delivered through another financial institution. NORSAD takes the full credit risk.

Maximum NORSAD exposure is normally USD 3 million.

1.3.2 Strategic changes

During the years NORSAD has operated, markets and demands for financing have changed. In order to respond to the changing needs, the BOG has regularly made strategic changes. In 2002 the BOG decided that an investment from a Nordic enterprise was no longer required in a NORSAD project. Having been a major constraint, this change had a positive impact on operations, immediately increasing the number of financed projects as well as disbursements to projects.

Likewise there were a number of strategic decisions made by the BOG in 2005 as follows:

- That NORSAD's main implementation method would be providing credit lines to other financial institutions for medium to long term financing of SME's;
- That NORSAD would increase its efforts to form partnerships with other financial institutions operating in the SADC countries;
- That NORSAD would be able to provide credit lines and loans in local currencies if the currency risk corresponds to the risk of providing the identical finance in foreign currency.

1.3.3 Future direction

The above strategic adjustments have proven to be very successful for the operations of NORSAD.

This is visible if one looks at NORSAD's performance for the last six years as indicated below:

Amounts in 000' USD	2001/2	2002/3	2003/4	2004/5	2005/6	2006/7	
						Budget	Expected
Net outstanding lines to intermediaries	1,703	1,430	4,490	9,866	10,924	17,131	22,383
Provision for losses%	0%	0%	0%	0%	0%	5%	0%
Net outstanding loans	20,583	21,086	28,881	26,478	26,877	34,880	32,341
Provision for losses %	26%	28%	21%	13%	12%	10%	13%
Agency cost of fund management	1,085	1,183	1,317	1,433	1,322	1,267	1,280
Review/Evaluation cost	114	0	42	190	1	0	0
Operational surplus before adjustments	90	786	741	1,149	1,873	2,398	2,148
Funds utilisation %	33%	41%	48%	58%	73%	86%	100%

The reaction from financial institutions to NORSAD's intermediary services was very positive and it is now expected that the funds will be fully utilised at the end of the financial year 2006/7 or not later than the end of the first quarter of the financial year 2007/8, which starts at 1st April 2007.

The significant interest from the financial institutions has, furthermore, had the implication that the outstanding lines to intermediaries have grown much faster than what was expected as can be seen from the table above.

The consequence of the full funds utilisation is that NORSAD's provision of financing during the coming financial year 2007/8 is limited to returns from outstanding facilities, unless further capital is provided.

This is a situation the Agency has never experienced before, and a situation that will require consideration by NORSAD's boards as to the future direction of NORSAD.

BOD and the current management will be analysing the various options and their expected impact on both the NORSAD Fund and Agency, providing the BOG with information on which to base their

discussions. It is, however, not certain how long this process will take, and consequently when a decision regarding the future direction of NORSAD can be expected.

1.4 Organisation and Personnel

1.4.1 Owners

The owners of NORSAD are the 15 countries, who have acceded to the NORSAD Agreement. These are as follows:

SADC countries:

Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe.

Nordic countries:

Denmark, Finland, Norway and Sweden.

These four countries provided the funding for the organisation.

The governance structure of NORSAD's operations is as set out in the Statutes of the organisation. The Statutes state that the organisation shall consist of the two entities, the NORSAD Fund and the NORSAD Agency, each with its own responsibilities and tasks.

1.4.2 The NORSAD Fund

The role of the NORSAD Fund is to provide funding for NORSAD's operations.

The Fund is governed by a Board of Governors (BOG), on which each owner country has a seat.

BOG's main responsibilities are the following:

- Approval of the Fund's budget for the coming year (inclusive of business plan) – as recommended by the BOD;
- Approval of the Fund's audited annual accounts and the annual NORSAD Report – as recommended by the BOD;
- Appointment of Auditors for the Fund – as recommended by the BOD;
- Setting out policy guidelines and strategies for the management and operations of the NORSAD Fund.

The current chairman of the BOG is Mr. Johnny Flentø who is Head of the Africa Department in the Danish Ministry of Foreign Affairs.

In accordance with the Statutes, the Agency CEO is the Secretary of the BOG. BOG, usually, has one annual meeting.

1.4.3 The NORSAD Agency

The role of the NORSAD Agency is to manage the assets and the operations of the Fund.

The Agency is governed by a Board of Directors (BOD), which consists of 7 Directors. Three are from SADC development finance institutions and four from Nordic development finance institutions.

BOD's main responsibilities are as follows:

- Approval of new loans, lines of credit etc. – as recommended by Management;
- Approval of changes to existing outstanding projects – as recommended by Management;

- Approval of the CEO's quarterly operating reports;
- Approval of the Agency's budget for the coming year (inclusive of business plan) - as recommended by Management;
- Approval of the Agency's audited annual accounts and report – as recommended by management;
- Approval of the External Auditors' and Management's Reports;
- Approval of the Internal Auditors' Report;
- Appointment of Auditors for the Agency – as recommended by management;
- Approval of changes to Operational Guidelines – usually as recommended by management.

The BOD usually has four annual meetings of which one is often held by circulating of board documents.

The current chairman of the BOD is Mr. O.K. Matambo who is the Managing Director of Botswana Development Corporation.

1.4.4 The organisation and staff of the NORSAD Agency

The Agency's present organisational structure, staffing and main tasks are as follows:

Section	Staffing	Main tasks
General Management	1 Chief Executive Officer	Overall Agency management and supervision of the Project Monitoring section
Project Financing	1 Chief Investment Officer 2 Senior Investment Officers 1 Investment Officer	Marketing and project processing
Project Monitoring	1 Senior Portfolio Officer 1 Portfolio Assistant	Project monitoring and restructuring
Finance and Administration	1 Financial Manager 1 Secretary/Personal Assistant 1 Receptionist 1 Driver	Accounting, budgeting and administration

The Agency, furthermore, employs 10 country advisers in the SADC countries.

The Agency Management team consists of the Chief Executive Officer (CEO), the Chief Investment Officer, Mr. Patience Matshe, who is the CEO's Deputy, and the Financial Manager, Mr. Jonathan Davies.

The present staff capacity is considered adequate for the activities foreseen in the coming years. The staff is experienced, highly competent, well qualified and with a good insight into NORSAD history, portfolio and policies. The staff is known for its passion for and understanding of SME development and strong knowledge of the region, both culturally and business-wise. Whereas the management group comprises expatriates, all investment officers are Zambian nationals with university degrees.

The office culture is open, informal and flexible and less bureaucratic compared to similar institutions, mirroring the quick project turn-around and a reasonably quick decision making process. The size of the organisation makes it easy to work as a team, both for the management group and for staff as a whole.

1.5 Partners

NORSAD has since 1991 developed a good network of cooperating partners in the SADC, Nordic countries and internationally. Cooperation with these partners includes co-financing, joint project identification and appraisal.

Co-financing partners:

In order to efficiently utilize NORSED's resources, to minimise project risks, to limit its appraisal and monitoring costs and to provide complementary financing NORSED co-finances projects with Nordic, International, Regional and SADC development finance institutions and other SADC finance institutions whenever such co-financing is possible and relevant.

A number of projects in the NORSED portfolio have been co-financed with other institutions.

Other partners:

The provision of technical support services to prospective and existing NORSED project companies strengthens these projects considerably. As such, NORSED facilitates the provision of such services whenever necessary.

NORSED's major partners, with regards to technical assistance, are the IFC operated Private Enterprise Partnership (PEP) and the EU operated Centre for the Development of Enterprise (CDE). Both organisations are offering pre and post financing services to SMEs. Another partner is Africa Management Service Company (AMSCO), which provides longer term management services to enterprises and financial institutions.

NORSED also cooperates with Nordic private sector programmes, which offer their services in some of the SADC countries.

1.6 Financial affairs

The NORSED Agency makes use of the capital of the NORSED Fund, which has been provided by the four Nordic countries. Initially, upon signing of the NORSED Agreement, the Nordic countries supplied DKK 200 million. Additional funds were provided the following years, with top ups of DKK 100 million in 2000 and DKK 50 million in 2001. Any interest earned or any other income is deposited into the Fund, to be utilized in accordance with the purpose of the Fund. The Fund currently has a total of DKK 400 million at its disposal for project loans.

Since 1 April 2006 the accounting and reporting currency of NORSED has been the United States Dollar (USD).

2 Responsibilities and Tasks of the Chief Executive Officer

The Chief Executive Officer reports to B O D with regards to the daily operations of the Fund and the Agency and to the BOG with regards to the BOG responsibilities.

2.1 Responsibilities

The Chief Executive Officer's main responsibilities are as follows:

- Management of the NORSAD Agency in accordance with Statutes, Policy Guidelines and Operational Guidelines;
- Business planning;
- Human resource management to promote team work and staff motivation.
- Organisational development to enhance carrying out NORSAD's mandate;
- Financial management including budgets and accounts as well as preparing of annual financial statements and reports;
- Marketing of NORSAD financing services;
- Project screening and appraisal;
- Project portfolio management;
- Presentation of eligible projects to BOD for consideration and approval ;
- Collaboration with Development Finance Institutions in the SADC region and in the 4 Nordic countries to support the main purpose of the Agency;
- Planning of BOD and BOG meetings;
- Preparing annual reports on the activities of the Agency for the BOG.

2.2 Tasks of the CEO

The Chief Executive Officer's personal tasks will be:

- Development of an annual business plan to be presented to the Board of Governors;
- Implementation of decisions made by the Board of Governors and Board of Directors;
- Day-to-day management of the Agency, including heading the management team of the Agency;
- Management of the project portfolio;
- Revision of policy and operational guidelines and other internal procedures;
- Relationship management, including maintaining and developing cooperation with the SADC and Nordic countries, Governors, Directors, prospective and existing partners and clients as well as media and other relevant third party.

2.3 Secretarial Tasks

The Chief Executive Officer also serves as the secretary both to the BOD and BOG. The key secretarial tasks are as follows:

- Prepare documents for Board deliberations and approval (this includes policies, business plans, budgets, financial statements and annual reports and other reports);
- Implementation of Board decisions.

3 Personal Profile

3.1 Formal Education and Experience

The candidate should, preferably, hold a master degree with a major in banking, finance or accounting. Other similar educational background may be sufficient depending on the candidate's professional background.

The candidate should in addition have extensive experience in corporate finance from a financial institution, preferably a development finance/debt financing institution. Also required is experience in working with SME's and financing start-ups, as well as skills in financial modelling and structuring of financing packages.

In order to succeed, the candidate must also have experience in private sector development gained in developing countries, preferably in Africa.

Effortless command of English on negotiation level is a necessity. Knowledge of Portuguese would be an advantage.

3.2 Management Experience

The candidate should have sufficient management experience to be able to run the Agency professionally and to facilitate further development of the organisation. This requires the following management experience:

- Documented successful management experience from an international organisation involved in development finance;
- Documented successful experience with portfolio management and negotiation;
- Experience with staff management in a multi-cultural setting;
- Experience with conflict management preferably gained from politically sensitive environments;
- Knowledge of the development priorities of the Nordic and SADC countries.

3.3 Management Style

The preferred management style of the Chief Executive Officer is as follows:

- Decisive and dynamic in order to manage and reach results;
- An inspiring leader, delegating tasks to the staff where appropriate;
- Openness and agreeableness in order to gain confidence inside and outside the Agency;
- Planning and result orientation in order to live up to the strategic goals set by the Board of Governors;
- Good in cross-cultural management in order to motivate and operate in the international environment of the NORSAD Agency.

3.4 Motivation

The candidate should be motivated by the challenge of further developing the NORSAD Agency as a development financing institution that works towards contributing to the economic development of the private sector in the participating SADC countries. The candidate should also be motivated by the opportunity to work in an international setting, cooperating with other international institutions and organisations. This means that the Chief Executive Officer should be:

- Dedicated in his/her work with commitment to the purpose of NORSAD;
- Motivated by identifying new projects – and implementing them successfully;

- Motivated by setting up new financing partnerships;
- Motivated by being exposed and working internationally.

3.5 Personal Attributes

The preferred personal attributes of the candidate include:

- Visionary and dynamic
- Strong networking skills, charisma and good empathy;
- Very good communication skills with solid inter-organisational negotiation skills;
- Honesty, personal integrity and transparency;
- Flexible and oriented towards problem solving and decision making;
- Good analytical skills combined with a strong will and ability to achieve results;
- “Diplomatic” skills with an understanding of how to deal with political and cultural considerations.

The candidate should, preferably, be a national of one of the 15 member states.

3.6 Remuneration

The Chief Executive Officer will be offered a 3-4 year contract subject to renewal. The CEO will be based in Lusaka, Zambia.

The CEO will be offered a competitive salary and benefits package matching his/her personal qualifications. Depending on country of origin, the salary could be exempted from tax. The salary includes a company vehicle, savings/pension scheme, free housing, annual leave benefits, life and medical insurance, school expenditures, transport arrangements and domestic staff. In addition, the CEO and spouse will be granted diplomatic status. It should be mentioned, that a spouse will not be granted a working permit by the Zambian authorities. Voluntary work does not require a permit.

4 How to apply

Applications should be sent to Mercuri Urval A/S at ans.off@mercuriurval.com, alternatively to the postal address: Mercuri Urval International, Philip Heymans Allé 5, DK-2900 Hellerup, Denmark, fax: +45 39 45 65 65.

Deadline for applications: **5th March 2007.**

Initial interviews, testing and personality assessment of selected candidates by Mercuri Urval are scheduled to take place preferably on the 7th and 8th May 2007 in Copenhagen. The best qualified candidates will thereafter be invited for a second interview by the recruitment committee of the Board of Directors on 9th or the 10th May.

Presentation of the selected candidate to the entire Board of Directors of NORSAD is scheduled to take place on 19th June 2007 in Copenhagen.

For further information about the position and the procedures please contact Mercuri Urval via email to anne.skjerk@mercuriurval.com or by phone +45 39 45 65 00 to Mercuri Urval consultants Rasmus Bing or Louise Dohn.