

REQUEST FOR PROPOSAL

**DEVELOPMENT & IMPLEMENTATION OF IFRS 9 EXPECTED CREDIT LOSS
MODEL**

ISSUED ON: 24th June 2026

SUBMISSION DEADLINE: 3rd July 2026



Key Project Information

No	Item	Detail
1.	Issuing Entity	Ed Partners Africa Limited
2.	RFP Reference	EPAL/RFP/FIN/212
3.	Assignment	Development and implementation of an IFRS 9-compliant Expected Credit Loss (ECL) model
4.	Issue Date	24th June 2026
5.	Pre-Bid Period	Questions may be submitted by 30th June 2026.
6.	Proposal Submission Deadline	3rd July 2026
7.	Proposal Validity	120 Days from date of submission
8.	Engagement Type	Fixed-price professional services contract with milestone-based payments
9.	Engagement Duration	Your Firm Estimated project duration plus 4 months post implementation support.
10.	Submission Format	Electronic submission only (PDF). Preliminary, Technical and Financial proposals to be sent in one continuous document
11.	Point of Contact	Procurement Officer julius.k@edpartnersafrica.com +254 111 131 000/111 Extension 138

Disclaimer. Ed Partners Africa Limited (EPAL) reserves the right to amend, suspend or cancel this RFP at any time, to reject any or all proposals, and to award the engagement in part or in full. Issuance of this RFP does not commit EPAL to enter into a contract or to reimburse bidders for any costs incurred in preparing or submitting their proposal. Award of contract shall be subject to confirmation of funding availability and final internal approval by EPAL.

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1. Introduction

Ed Partners Africa Limited is a licenced Digital Credit Provider by the Central Bank of Kenya. Ed Partners transforms affordable education in Africa by offering innovative financial and non-financial solutions. By financing key components of the education system such as infrastructure, technology, and transport, we have impacted the lives of over 120,000 students across 400 schools in Kenya.

At Ed Partners, we bridge the gap between microfinance and commercial finance by offering flexible capital at competitive rates with dynamic repayment schedules that are tailored to the unique business models of African schools. Our approach to education financing goes beyond just financial products. We also provide training on school and finance management, as well as curriculum development support, to ensure that schools have the necessary tools and skills to run effectively. Our goal is to build a foundation for sustainable growth and development in the education sector, creating a brighter future for African students.

At Ed Partners, we are passionate about empowering the next generation of African students, regardless of their background or financial situation. Our innovative financial solutions have been designed to meet the unique needs of African elementary schools, and we pride ourselves in our ability to adapt and overcome the challenges that are inherent in the education sector. Through our products, we fuel the development of the talent required to power new industries and job opportunities across the continent, driving economic growth and unlocking Africa's full potential.

2. Background & Rationale

IFRS 9 has been mandatory for entities preparing financial statements under IFRS since 1 January 2018, replacing the incurred-loss model of IAS 39 with a forward-looking expected-credit-loss model. Successive external audit cycles have identified the need for EPAL to move from a partially manual provisioning approach to a more formalized, automated, and auditable ECL methodology. EPAL's portfolio characteristics — private school sectoral concentration, holiday & non-holiday schedule lending, exposure to economic shocks which impact negatively school fee payments, urban and rural private school characteristics and fluctuating default history — require an ECL methodology that is technically sound, IFRS 9-compliant and proportionate to the operating environment. EPAL therefore seeks to engage a qualified consultant (the "Consultant") to design, document, build, validate, and support the implementation of a fit-for-purpose IFRS 9-compliant ECL model. The model must be suitable for sustained internal use, audit and supervisory review, board reporting, and integration with EPAL's core loan management environment.

3. Objectives

- a) Replace EPAL's current loan provisioning approach with an IFRS 9-compliant ECL methodology that is robust, transparent, reproducible, and proportionate.
- b) Establish practical governance, policy, validation, and disclosure frameworks aligned with IFRS 9 requirements and suitable for EPAL's operational environment.
- c) Deliver a working ECL calculation tool capable of producing monthly, quarterly, semi-annual and annual ECL across the full EPAL portfolio with full audit trail.
- d) Build internal capacity within EPAL's Finance, Risk, IT, and Internal Audit functions to operate, maintain, and update the model on a sustained basis.
- e) The implementation timeline should support operational readiness for EPAL's 2026-year end financial reporting cycle.

4. Scope of Work

The Consultant shall execute the following work streams. The Consultant is encouraged to propose refinements that improve the assignment's effectiveness, provided the minimum requirements set out below are met.

4.1. Diagnostic and Gap Analysis

- Review EPAL's existing loan provisioning methodology, ECL calculations, management judgement overlays and prior external audit findings.
- Map current state against IFRS 9 requirements and identify gaps with prioritized remediation actions.
- Recommend an initial portfolio segmentation approach by product type, sector, borrower type and risk characteristics with quantitative justification.

4.2. Data Assessment and Remediation

- Assess the availability, completeness, accuracy, and granularity of loan-level, default, recovery, collateral and macroeconomic data.
- Define the minimum dataset required to operate and recalibrate the model, document data lineage and identify data quality issues.
- Identify critical data gaps and recommend practical remediation actions required for implementation.

4.3. Probability of Default (PD) Modelling

- Develop 12-month and lifetime PD term structures for each product type calibrated to EPAL's portfolio.
- Where internal default history is sparse, propose and justify the use of pooled industry data, expert credit-cycle anchoring, scorecard approaches, or external benchmarks, with explicit limitations and conservatism overlays.
- Document the definition of NPL default (aligned with the 90-day backstop and qualitative indicators) and ensure consistency with regulatory and internal credit policies.

4.4. Loss Given Default (LGD) Modelling

- Estimate LGDs by collateral type, lien position, and recovery channel, including unsecured exposures.
- Incorporate workout periods, direct and indirect recovery costs, cure rates, and discounting at the original effective interest rate.
- Address treatment of guarantees

4.5. Exposure at Default (EAD) Modelling

- Project EAD over the lifetime of each exposure using contractual amortization and repayment behaviour.
- Address the specific characteristics of long-tenor facilities and grace periods common to EPAL's portfolio.

4.6. Staging and Significant Increase in Credit Risk (SICR)

- Define Stage 1, Stage 2, and Stage 3 criteria, including the 30-day past-due rebuttable backstop, 90-day default backstop, and the low-credit-risk exemption where appropriate.
- Establish quantitative SICR triggers (e.g., relative and absolute changes in lifetime PD) and qualitative indicators (watchlist, restructure, forbearance, sectoral stress).
- Define cure criteria, probation periods, and treatment of restructured, modified, and Purchased or Originated Credit-Impaired (POCI) assets.

4.7. Forward-Looking Information and Scenario Design

- Identify macroeconomic variables relevant to EPAL's portfolio (e.g., real GDP, inflation, unemployment rate, agricultural output, foreign exchange rates, sovereign spreads, climate-related shocks, fuel prices etc).
- Design at least three scenarios (base, upside, downside) with documented probability weighting and a defensible link between macro variables and credit losses.
- Establish a scenario governance process, including refresh frequency, sources, and escalation.

4.8. ECL Calculation Tool

- Deliver a working ECL calculation tool capable of running monthly, quarterly, semi-annual and annual ECL across the full EPAL portfolio with reproducible outputs and version control.
- Hybrid Tool platform (at least Excel and JavaScript – within JavaScript ecosystem) to be agreed at inception based on EPAL's IT environment, license constraints and skill base.
- Include input templates, validation checks, exception reports, audit trail, reconciliation reports, and disclosure-ready outputs.

4.9. ECL Policy, Governance and Documentation

- Draft Board-ready ECL Policy, Model Governance Framework, Validation Policy, and Management Overlay Policy.
- Document approval thresholds, model committee composition, model lifecycle (development, validation, monitoring, retirement) and change management.
- A Standard Operating Procedure documenting step by step process on how to use the model.
- Provide IFRS 9 and IFRS 7 disclosure templates and supporting note language.

4.10. Parallel Run and Validation

- Run the new ECL model alongside the legacy provisioning approach for at least one full reporting cycle, with documented reconciliation and variance analysis.
- Conduct validation testing and quality assurance review of the model methodology, calculations, assumptions and outputs.
- Provide a validation report and supporting working papers suitable for external audit and supervisory review.

4.11. Integration and Reporting

- Specify integration requirements between the ECL tool and EPAL's core loan management and general ledger systems, including data extraction, frequency, and reconciliation.
- Provide management, board, and audit committee reporting templates, including stage migration analysis, ECL waterfall and overlay disclosure.

4.12. Training and Knowledge Transfer

- Deliver practical user training and knowledge transfer sessions sufficient to support ongoing internal operation and maintenance of the model.
- Provide a comprehensive user manual, technical documentation, and a recorded train-the-trainer session.

4.13. Post-Implementation Support

- Provide support after Go-Live, covering defect resolution, parameter refresh support, refresher training and support during the first full reporting close under the new model. (This will be ending on 31st March 2027)

5. Deliverables

No	Deliverable	Description	Delivery Timelines (Weeks)
1.	Diagnosis & Gap Analysis Report	<p>a) Evaluation of EPAL's current provisioning methodology, ECL calculations, prior audit findings, and management overlays against IFRS 9 requirements.</p> <p>b) Identifies gaps, priority remediations, and recommend suitable segmentations.</p> <p>Accepted upon review and sign-off by EPAL Management.</p>	
2.	ECL Methodology Document	<p>a) Detailed methodology for PD, LGD, EAD, segmentation, staging/SICR, definition of default, cure criteria, forward-looking information, scenario design and probability weighting, and treatment of POCI, modified, restructures.</p> <p>Accepted upon review and sign-off by EPAL Management.</p>	
3.	ECL Calculation Tool and UAT Support	<p>a) Working Hybrid ECL calculation tool (Excel & JavaScript) capable of running monthly, quarterly, semi-annual & annual</p> <p>b) ECL across the full EPAL portfolio with reproducible outputs, audit trail, version control and reconciliation reports.</p> <p>c) Integration of the calculator with EPAL's Core Loan Management System.</p> <p>Accepted upon successful User Acceptance Testing (UAT) signed off by EPAL Management.</p>	
4.	ECL Policy & Governance Framework	<p>a) Board-ready ECL Policy</p> <p>b) Model Governance Framework</p> <p>c) Validation Policy</p> <p>d) and Management Overlay Policy.</p> <p>e) Standard Operating procedure/Step by step process on how to use the model</p> <p>f) Includes roles, approval thresholds, change management, and disclosure templates aligned with IFRS 7.</p> <p>Accepted upon Board approval.</p>	
5.	Parallel Run Results & Reconciliation Report	<p>a) Documented parallel run for at least one full reporting cycle which will be ending 31st March 2026</p>	

		b) Side-by-side comparison with legacy provisioning, variance analysis, and resolution log. c) Validation report & working papers to support external audit Accepted upon EPAL Management sign-off.	
6.	Training and documentation Transition	a) Practical user training and knowledge transfer sessions b) User manual and technical documentation adequate to support ongoing internal operation and maintenance of the model.	
7.	Post Implementation Support	a) Support after Go-Live, covering defect resolution, parameter refresh support, refresher training and support during the first full reporting close under the new model. (This will be ending on 31st March 2027)	

Notes

- a) All deliverables shall be submitted in electronic format to procurementcommittee@edpartnersafrica.com.
- b) Documentation shall be in English language.
- c) Each deliverable is subject to review and acceptance by EPAL.
- d) Payment milestones shall be strictly tied to deliverables.

6. Proposal Requirements (10%)

6.1. Consultant Qualifications and Eligibility

Interested firms or consultants should demonstrate and submit the following:

- a) Firm profile
- b) Registration Certificate/Incorporation Certificate
- c) Valid practicing licence 2026
- d) Tax Compliance Certificate 2026
- e) Data controller/processor certificates 2026
- f) Engagement Partner KYC – CV, ID, KRA PIN
- g) Team Composition & their CVs
- h) Professional indemnity Cover 2026
- i) Experience

Minimum five (5) years of IFRS 9 ECL implementation experience.

At least three (3) comparable engagements and recommendation letters from supervised credit institutions in Kenya.

Experience with Digital Credit Providers in Kenya is preferred.

- j) Fill Supplier Registration Form via the link <https://forms.office.com/r/eTjLs2p5dV>

6.2. Technical Proposal (70%)

No	Deliverable	Description	Covered/Not Covered	Delivery Timelines (Weeks)
1.	Diagnosis & Gap Analysis Report	<p>c) Evaluation of EPAL's current provisioning methodology, ECL calculations, prior audit findings, and management overlays against IFRS 9 requirements.</p> <p>d) Identifies gaps, priority remediations, and recommend suitable segmentations.</p> <p>Accepted upon review and sign-off by EPAL Management.</p>		
2.	ECL Methodology Document	<p>b) Detailed methodology for PD, LGD, EAD, segmentation, staging/SICR, definition of default, cure criteria, forward-looking information, scenario design and probability weighting, and treatment of POCL, modified, restructures.</p> <p>Accepted upon review and sign-off by EPAL Management.</p>		
3.	ECL Calculation Tool and UAT Support	<p>d) Working Hybrid ECL calculation tool (Excel & JavaScript) capable of running monthly, quarterly, semi-annual & annual</p> <p>e) ECL across the full EPAL portfolio with reproducible outputs, audit trail, version control and reconciliation reports.</p> <p>f) Integration of the calculator with EPAL's Core Loan Management System.</p> <p>Accepted upon successful User Acceptance Testing</p>		

		(UAT) signed off by EPAL Management.		
4.	ECL Policy & Governance Framework	<ul style="list-style-type: none"> g) Board-ready ECL Policy h) Model Governance Framework i) Validation Policy j) and Management Overlay Policy. k) Includes roles, approval thresholds, change management, and disclosure templates aligned with IFRS 7. <p>Accepted upon Board approval.</p>		
5.	Parallel Run Results & Reconciliation Report	<ul style="list-style-type: none"> d) Documented parallel run for at least one full reporting cycle which will be ending 31st March 2026 e) Side-by-side comparison with legacy provisioning, variance analysis, and resolution log. f) Validation report & working papers to support external audit <p>Accepted upon EPAL Management sign-off.</p>		
6.	Training and documentation Transition	<ul style="list-style-type: none"> c) Practical user training and knowledge transfer sessions d) User manual and technical documentation adequate to support ongoing internal operation and maintenance of the model. 		
7.	Post Implementation Support	<ul style="list-style-type: none"> b) Support after Go-Live, covering defect resolution, parameter refresh support, refresher training and support during the first full reporting close under the new model. (This will be ending on 31st March 2027) 		

6.3. Financial Proposal (20%)

Must include;

- a) Total fixed fee in Kenya Shillings inclusive of applicable taxes.
- b) Breakdown of professional fees to the deliverables in tabular format (Tax inclusive figures)
- c) Payment schedule linked to the deliverables.
- d) **Must include** 30 days credit period for payment of invoice linked to each deliverable.

7. Evaluation

Proposals will be evaluated in three stages: Preliminary review 10%, Technical evaluation 70% and financial evaluation 20%. Those failing on preliminary review requirements shall not proceed to technical review. A minimum technical threshold of 70 out of 100 points is required to advance to the financial evaluation. Quality shall be taken into account in the preliminary review and the technical review to ensure experience is supported, team well composed, technical specifications met along with reasonable timelines. Financial evaluation shall take least cost approach after meeting technical threshold.

8. Submission

Bids shall be submitted in one continuous pdf document to procurementcommittee@edpartnersafrica.com on or before Friday 3rd July 2026.

9. Contractual and General Terms

9.1. Intellectual Property

All deliverables, models, code, documentation and training materials produced under this engagement shall be the property of EPAL, with a perpetual, royalty-free and transferable license.

9.2. Confidentiality and Data Protection

The Consultant shall sign a Non-Disclosure Agreement prior to commencement and shall comply with applicable Kenyan data protection legislation, including the Data Protection Act, in respect of any personal data accessed during the engagement. All EPAL data shall be held only on approved infrastructure and shall be returned or securely destroyed at engagement end.

9.3. Conflict of Interest and Anti-Corruption

The Consultant shall disclose any actual, potential, or perceived conflict of interest, including engagements with EPAL's external auditors, borrowers, or government counterparts. EPAL operates a zero-tolerance policy on fraud, bribery and corruption.

9.4. Liability and Insurance

The Consultant shall maintain professional indemnity insurance with a minimum coverage equivalent to the contract value for the duration of the engagement.

9.5. Governing Law and Dispute Resolution

The contract shall be governed by the laws of Kenya. Disputes shall first be addressed through good-faith negotiation, and if unresolved within thirty (30) days, referred to arbitration in Kenya with each party electing an independent licenced arbitrator. Decision of independent arbitrators shall be final.

9.6. RFP Validity and Amendments

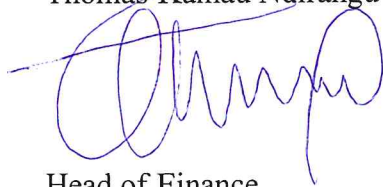
EPAL reserves the right to amend, suspend, or cancel this RFP, to extend timelines, to issue clarifications, and to negotiate scope and price. Bidders bear all costs of preparing and submitting their proposals.

9.7. Bid Validity

Bids submitted shall have at least 120 days of validity from date of submission.

Approved by;

Thomas Kamau Ndirangu



Head of Finance

24th June 2026

