

**REQUEST FOR EXPRESSION OF INTEREST  
FOR AN INDIVIDUAL CONSULTANT**



**AFRICAN DEVELOPMENT BANK GROUP**

*01, Avenue Joseph Anoma, Plateau, BP 1387, Abidjan, Côte d'Ivoire*

**Financial Management Department (FIFM) / Programming and Budget Department (SNPB)**

<b>Title of the Assignment:</b>	Review of the Cost to Income Ratio
<b>Brief description:</b>	Conduct a full review of the Cost to Income Ratio, and a comprehensive assessment of the relevance of its set target and limits.
<b>Department issuing the request:</b>	Financial Management Department (FIFM) / Programming and Budget Department (SNPB)
<b>Place of Assignment:</b>	HQ, Abidjan, Côte d'Ivoire
<b>Duration of the assignment:</b>	1 month
<b>Tentative date of Commencement:</b>	10 September 2018
<b>Deadline for Applications:</b>	19 August 2018, at 6pm Abidjan Time
<b>Applications to be submitted to:</b>	<a href="mailto:N.AHONONGA@AFDB.ORG">N.AHONONGA@AFDB.ORG</a> ; <a href="mailto:C.BELAAZIZ@AFDB.ORG">C.BELAAZIZ@AFDB.ORG</a>

1. The African Development Bank hereby invites individual Consultants to indicate their interest in the following Assignment: **Review of the Cost to Income Ratio**.
2. The estimated duration of the consultancy mission is **one (1) month** and the estimated starting date is September 10, 2018.
3. The consultant will be based in **Abidjan, Côte d'Ivoire**, for the duration of the consulting period.
4. Appendix 1 contains the Terms of Reference (ToR) indicating the scope of the assignment to be undertaken as well as the services required from the selected Consultant. You are kindly requested to comment on the ToR (in no more than 2 pages) for the proposed assignment, present your practical experience and updated Curriculum Vitae. You are also requested to present your financial proposal regarding fees.
5. The eligibility criteria, the establishment of a short list and the selection procedure shall be in conformity with the Bank's Rules and Procedure for Acquisition of Consulting Services funded by the Administrative or Capital Expenditure Budget.

6. Please, note that interest expressed by a Consultant does not imply any obligation on the part of the Bank to include him/her in the shortlist.
7. The proposals to be submitted by the consultants shall be evaluated on the basis of the following criteria:

<i>Experience in the specific assignment described in the ToR</i>	40%
<i>Experience with multilateral financial institutions</i>	20%
<i>General qualification and suitability for the task to be performed</i>	20%
<i>Knowledge of the African context and the Bank operations</i>	20%

8. Interested consultants may obtain further information at the address below during the Bank's working hours: 09am – 5pm.
9. Expressions of interest must be received at the address below **no later than 19 August 2018 at 6pm** Abidjan time and specifically mentioning “**Review of the Cost to Income Ratio**”.

Mailing Address: The African Development Bank  
Headquarter, 01, Avenue Joseph Anoma, BP 1387  
Plateau, Abidjan  
Côte d'Ivoire

Attention: Ms. Nadine AHONONGA  
[n.ahononga@afdb.org](mailto:n.ahononga@afdb.org)  
  
Mr. Chafik BELAAZIZ  
[c.belaaiz@afdb.org](mailto:c.belaaiz@afdb.org)

# ANNEXE 1

## TERMS OF REFERENCE

Financial Management Department (FIFM) / Programming and Budget Department (SNPB)

### Finance Consultant

#### 1 Background

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- 1.1 The African Development Bank (ADB) is a regional multilateral development finance institution established in 1963 with a mandate to further the economic development and social progress of African Countries, individually and collectively. It has 54 regional member countries and 26 non-regional shareholders from Asia, Europe and the Americas. It cooperates with a large network of international development partners.
- 1.2 The stated Vision of the ADB is to be the leading development finance institution in Africa, dedicated to assisting African Regional Member Countries in their poverty reduction efforts. Client Focus, Quality, Teamwork and Best Practices are the four corporate values essential to the realization of the Vision.
- 1.3 Over the past years, the Bank has developed a sound experience in the field of financial management and performance monitoring. Positioning itself as the first lender to the African continent and true development partner for Regional Member Countries. To ensure maintaining its leading position, and in order to further optimize the use of its resources, the Bank is continuously reviewing its target Key Performance Indicators (KPIs).

#### 2 Objectives

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- 2.1 One of the key indicators for the Bank operational performance is the Cost-to-Income Ratio (CIR)<sup>1</sup>. The CIR is monitored by several DFIs<sup>2</sup> and is considered of high priority for shareholders, donors, partners and Rating Agencies.
- 2.2 In light of the above-mentioned background, The Asset and Liabilities Management Committee (ALCO<sup>3</sup>) requested a full review of the Cost-to-Income Ratio, and a comprehensive assessment of the relevance of its set target and limits. Thus, the Financial Management department (FIFM) and the Programming and Budget department (SNPB) will require the services of a Senior

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<sup>1</sup> CIR also known as the Efficiency Ratio

<sup>2</sup> DFIs : Development Finance Institutions

<sup>3</sup> ALCO : It is the senior-most management forum for risk. The Vice President for Finance and Planning chairs ALCO, which meet at least monthly to perform its oversight role. ALCO is supported by the Asset and Liabilities Management Division, as Secretary, and four standing working groups. The day-to-day operational responsibilities for implementing the Bank's risk management policies and guidelines are delegated to the relevant business units.

Financial Expert (hereinafter “the Consultant”) to conduct a mission in response to the expressed need.

- 2.3 Under the supervision and guidance of the Asset and Liabilities Management division (FIFM1) Manager, the consultant will work in close collaboration with the different Bank teams and stakeholders.

### **3 Financial Management Division (FIFM) / Programming and Budget Department (SNPB)**

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- 3.1 The role of the Financial Management Department is to develop and promulgate policies and guidelines relating to financial and risk management for the Bank Group, to ensure internal consistency of all financial policies and guidelines including those initiated and developed by the other Departments in the Finance Complex, and to monitor and report on compliance thereof.

The Department's primary focus includes asset and liability management and credit management for capital mobilization, borrowing, lending, and investment operations. The Department is responsible for developing and implementing models and systems to produce medium-term financial projections and for proposing measures to ensure satisfactory financial performance for the Bank Group. In common with all other organizational units in the Bank, the Department is responsible for preparing, updating, and implementing strategic plans within the framework of the Bank's overall strategic plan.

- 3.2 As a focal point for the Bank-wide resource allocation, performance monitoring and reporting and control activities, the Programming and Budget Department plays a guiding role in corporate planning, monitoring and reporting to ensure that work programs are aligned with the Bank's priorities, and consistent with the Bank's financial capacity.

The primary role of the Programming and Budget Department is to develop a strategic approach to planning and budgeting, and to coordinate the definition, planning, implementation and monitoring of Bank-wide programming and budgeting processes.

### **4 Scope of Consultant's work**

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- 4.1 Develop a comprehensive and high-level analysis of the full review of the adequacy of the current CIR covering:
  - i. An analysis of the Bank CIR evolution for the past years with regards to peer institutions, internal and external standards;
  - ii. A thorough review of the internally set limit for the CIR taking into consideration benchmarking with other IFIs, rating agencies requirements, and the Bank development strategy and organizational target structure;
  - iii. A recommendation on the appropriate target CIR level for the Bank with regards to its operational objectives, industry best practices and the African specific context in which the Bank is evolving; and

- iv. An analysis of the different financial implications of the recommended CIR target, including impacts on the Bank key performance indicators and the different areas that will /should be affected.

## **5 Deliverables**

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- 5.1 By the end of its mission, the Consultant is expected to deliver the following elements :
  - i. A comprehensive report (hereinafter “the report”) including the different elements detailed in the “Scope of Consultant’s work”;
  - ii. Excel calculation files for the different self-produced/transformed data included in the report;
  - iii. Source documents used for benchmarks and external data included in the report.
- 5.2 The consultant is also expect to lead a closing presentation meeting with all relevant stakeholders to present the mission main findings.

## **6 Administration and Timeline**

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- 6.1 The consultant shall base his work on desk research, interviews, and meetings with the Bank’s Management, Staff, and other appropriate means of data collection.
- 6.2 In conducting the tasks, the consultant will have full access to relevant documents of the Bank’s Group.
- 6.3 The consultant will provide his services as defined in these Terms of Reference for a period of one (1) month.
- 6.4 During the term of the contract, the consultant will be based in AfDB Headquarters in Abidjan.
- 6.5 The consultant will work under the supervision of the Asset and Liability Management division (FIFM1) manager.

## **7 Qualifications**

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- 7.1 At least a Master’s degree in Finance/Accounting or equivalent, plus a professional qualification in relevant field (CPA, ACA, ACCA, CFA...);
- 7.2 Have a minimum of ten (10) years of relevant work experience in a financial management, accounting or audit position; including Seven (7) years of work experience in a senior financial management position within a multilateral development institution, development finance institution, or similar organization;

- 7.3 Expert knowledge of International Financial Reporting Standards (IFRSs) and International Standards on Auditing (ISAs);
- 7.4 Previous work or consultancy experience with the African Development Bank Group, and extensive knowledge of the African environment and development challenges;
- 7.5 Previous work or consultancy experience on subjects related to the Cost-to-Income ratio in a similar organization to the AfDB;
- 7.6 High level skills in communication, analytical skills, conducting meetings and solving complex problems;
- 7.7 Ability to communicate and write effectively in English and/or French with good working knowledge of the other language.