

REQUEST FOR EXPRESSIONS OF INTEREST

(CONSULTING SERVICES - FIRM SELECTION)

DEVELOPMENT FINANCE PROJECT



ASSIGNMENT TITLE: REVIEW OF RISK MANAGEMENT POLICIES AND FRAMEWORK

REFERENCE NUMBER: NG-DBN-288997-CS-CQS

The Development Bank of Nigeria Plc ("the Bank" or "DBN") has received a loan from the International Bank for Reconstruction and Development (IBRD) and intends to apply part of the proceeds of this loan towards review of its Risk Management Policies and Framework.

To achieve its mandate of increasing access to finance for Micro, Small and Medium Enterprises (MSMEs), DBN continuously seeks innovative and sustainable channels to reach MSMEs. Green & Climate finance and Foreign Exchange finance have been identified means through which expanded lending can be provided to MSMEs. As these channels introduce new risks to the operations of the Bank, risk management frameworks have been developed to help identify, mitigate, and monitor these risks to which the Bank would be exposed. The developed frameworks are namely:

- The Green Finance & Climate Risk Management Framework
- The Foreign Exchange Risk Management Framework

The Green Finance & Climate Risk Management Framework

This framework supports the Bank's strategy to expand its lending business to include green and other climate/low-carbon products. The Green Finance strategy details the Bank's strategy to lend to the green market sector through a Green Credit Line program and other permissible avenues. The Green Finance and Climate Risk Management Framework supports this strategy by defining the modalities for managing the risks associated with funding Green and Climate finance.

The Foreign Exchange Risk Management Framework

This framework supports the Bank's strategy to explore alternative funding mechanisms and crowd-in other investment sources by raising capital from international partners through a bilateral agreement. It outlines the Bank's framework for Foreign Currency Exposure i.e., Funding, Lending, and Investment for Development Bank of Nigeria Plc. This risk management framework provides guidelines for the identification, assessment, measurement, monitoring, controlling, and reporting of foreign exchange risk in line with the Bank's enterprise-wide risk management framework and best Foreign Exchange risk management practices.

Therefore, the review of the DBN's Risk Management Policies and Framework is expected to achieve the following objectives:

- Ensure that the newly developed risk management frameworks have correctly and adequately captured all relevant risks.
- Put in place robust risk management processes and other related support services to ensure that DBN is fully protected.

The broad scope of work will include the following:

i. Review of the Green Finance & Climate Risk Management Framework

The Consultant will be required to review the existing Green Finance & Climate Risk Management Framework in accordance with international best practice for Development Finance Institutions (DFIs). The review shall consider the peculiar nature of DBN's operations and those of its clients and ensure that the relevant risks are captured and well mitigated.

ii. Review of the Foreign Exchange Risk Management Framework

The Consultant will be required to review the existing Foreign Exchange Risk Management Framework in accordance with international best practice for Development Finance Institutions (DFIs). The review shall consider the peculiar nature of DBN's operations and those of its clients and ensure that the relevant risks are captured and well mitigated.

iii. Carry out a Gap Analysis of the reviewed frameworks

Following the review of the two frameworks, the Consultant shall conduct a gap analysis showing improvement areas and relevant recommendations based on identified gaps.

iv. Review the Bank's "green and climate finance" and "foreign exchange" processes

The Consultant will also be required to review the processes of DBN with regards to green & climate finance and foreign exchange finance to ensure alignment with the reviewed frameworks and to ensure operational efficiency.

v. Carry out a Gap Analysis of the processes reviewed

Following the review of the processes, the Consultant shall conduct a gap analysis showing improvement areas and relevant recommendations.

vi. Cure Identified gaps from Gap Analysis

The Consultant will be required to cure all gaps identified by updating the relevant frameworks and proposing value adding amendments to the processes.

Estimated duration of the Services is two (2) months from the contract start date.

Further details on the services are provided in the Terms of Reference which can be found on DBN's website at the following link bit.ly/ReviewRMPTOR

The DBN invites eligible consulting firms ("Consultants") to indicate their interest in providing these Services. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform these Services.

The minimum shortlisting criteria are:

- Evidence of at least five (5) years' experience with the successful implementation of similar Green Finance & Climate risk projects in top financial institutions.
- Evidence of at least five (5) years' experience with the successful implementation of similar foreign exchange risk projects in top financial institutions.
- Demonstrated experience in carrying out at least two (2) Development Finance institution projects in the last ten (10) years. References (contact's name and email address) must be provided in line with items 1, 2 and 3 above.
- Documented experience on similar projects financed by international development institutions such as the World Bank Group, European Bank for Reconstruction and Development, and/or others as relevant.

In response to criteria one to three (1-3) above, interested Consultants are expected to provide copies of award letters, or letters of recommendation, or equivalent documentation providing evidence of experience. For criteria four (4) above, interested Consultants are expected to provide a list of similar projects executed including names of clients, project scope, implementation dates, project duration, objectives, deliverables/output and budget.

The attention of interested consultants is drawn to paragraph 1.9 of the World Bank's Guidelines: Selection and Employment of Consultants under IBRD and IDA Credits & Grants by World Bank Borrowers, January 2011, revised in July 2014 ("Consultant Guidelines"), setting forth the World Bank's policy on conflict of interest. A consultant will be selected in accordance with the **Consultant's Qualification Selection (CQS)** procurement method set out in the Guidelines.

In line with the above-mentioned Guidelines, interested consultants may associate with other firms e.g., Joint Ventures/ Consortiums or Sub-Consultancies, to enhance their qualifications.

Expressions of Interest from firms in association should include the following:

- A cover letter stating the type of association or partnership, signed by member firms.
- A draft agreement or Letter of Intent to form an association.

For Joint Ventures, each member firm shall be evaluated independently and should be reasonably qualified to undertake the assignment solely. Expression of Interests must clearly demonstrate the qualification of each member against the minimum criteria.

Expressions of Interest must be submitted electronically to the following address:

Email Address: piu@devbankng.com

cc: ndinwoke@devbankng.com

audit@devbankng.com

All Expressions of Interest must be a maximum of fifteen (15) pages.

Submission Deadline: 27th June, 2022.