



Terms of Reference (ToR)

# Project Manager for Libor Transition Project

Risk Management Department

BCC2022-035

March 2022

Islamic Development Bank

Terms of Reference  
“Assignment Name”

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## Introduction

This has reference to an industry-wide change that is currently happening and was triggered by the decision of Financial Conduct Authority (FCA), the regulatory body for London Interbank Offered Rate (LIBOR), to no longer compel the banks to submit quotations for determining the LIBOR rate starting from January 2022.

Discontinuation of LIBOR is a significant change for the global financial industry that will have a permanent effect on the way Financial Institutions price their products. Because of this, there is an urgent need to establish a formal bank-wide working group to be led by Risk Management Department and comprising of representatives from all the key business and support complexes and functions.

Following the FCA's decision, global regulators have either already developed or started developing alternate reference rates in their respective currencies. Additionally, market makers and other participants also have started working on ensuring orderly transition to other reference rates away from LIBOR rate and hence making it as a global financial industry-wide phenomenon

## Background

In order to manage the Libor transition, H.E. The President approved a governance structure for the Libor Transition project on 12<sup>th</sup> Apr 2021 via issuance of an admin decision. As part of this admin decision, a Project Management Office was established in order to better manage this project. RMD has been leading this project and is working as project coordinator between the key workstreams. The project structure envisaged appointment of an independent Project Manager to be appointed to support the project management team.

## Objective, Scope and Methodology

The objective of this assignment is to ensure smooth transition for IsDB away from Libor towards adoption and operationalization of alternative benchmark rates. This will involve ensuring timely implementation of Libor transition roadmap, as developed by KPMG.

Scope of the assignment is defined in the heading 'Deliverables and Scope of Services' below.

This assignment will follow the 'Business Consultancy' method where the appointed candidate a.k.a. the Project Manager will be required to bring in extensive amount of professional experience and industry knowledge to the bank and enrich the expertise of the project management team and all the involved stakeholders.

## Working modalities

The project manager shall work from on-site, i.e., from IsDH Headquarters, Jeddah, KSA. He will be allowed to work-from-home (remotely) for certain number of days in alignment with IsDB's WFH policy. However, the days of WFH shall be approved by the Project Director i.e., Director, Risk Management Department.

## Deliverables and Scope of Services

Following provided are the key deliverables and scope of services that are expected to be performed by the Project Manager

i) **Project Leadership**

The Project Manager is expected to provide and demonstrate Leadership of this very unique and one of its kind project. He is expected to support the Project Director in achieving the project deliverables and milestones based on the defined timelines and he will provide the leadership while being on ground to the individual workstreams under the guidelines and supervision of Project Director.

ii) **Project Monitoring**

The Project Manager is expected to independently monitor the progress and status of Libor Transition Action Plan (as developed by KPMG) against the work that is being done on ground by respective work-streams. This will involve following-up and engaging with the relevant teams and ensuring that all the activities are performed within the defined timelines. This is important because work streams are interdependent.

iii) **Issue resolution**

Given the technical nature of this project, the Project Manager is expected to manage and resolve any issues or shortcomings that may be encountered by the workstreams and to propose resolutions for the same in order to avoid any unwanted delays in the implementation of action items that are required for this transition

iv) **Management reporting and escalation**

The Project Manager is expected to report and escalate timely any matters of concern that require attention from senior management and where key decisions are needed to be made. He will be responsible to explain and present to the management the all the technical or operational matters related to this project and to propose resolutions for any pending matters to the management to make informed decisions.

v) **Engagement with Audit**

Given the sensitive nature of this project, the Project Manager is expected to engage and liaise with the Internal Audit department as well as External Auditors on any observation or concern as raised by them and to provide them with the thorough responses and feedback for addressing and closing any open audit observation in a timely manner.

vi) **Providing Operational and Technical Support**

During the course of this project, the project team is expected to encounter various operational and technical challenges that will need to be guided. The Project Manager is expected to use his experience and professional knowledge to overcome any such challenges and to ensure that the required business processes and IT infrastructure is made available in a timely manner for smooth transition.

## **Duration of the Assignment**

The duration of assignment is expected to be around 20 to 21 months i.e., ending by year end 2023. This duration is decided while keeping in consideration the regulatory timeline of June 2023 for Libor cessation and by building a protective buffer over to ensure efficient completion of any spillover tasks or housekeeping activities that need to be done following the completion of transition and to have an independent oversight on operations in the initial months post transition.

## Selection Criteria

The Libor Transition Project kicked-off during the month of April 2021 and since then it is progressing without a dedicated project manager. From the time of issuance of admin instruction, we have been working on selecting an appropriate candidate to fill the position of project manager and after evaluating a long list of potential candidates, we are able to identify certain individuals who possess a decent mix of skill and experience that is desired for this role.

The selection will be based on the in-depth knowledge and strong professional experience related to the pricing of financial products, their booking in the banking systems, and the back-end processes that follow the booking of financial instruments such as settlement, accounting, valuation, reporting etc. are performed. We will also look for any proven track record of change management, project management, team management, system implementation, problem solving abilities, governance and management decision making process.

The chosen project manager will be a key driver towards the success of the project. With his overall experience and knowledge, the Libor Transition Project will move smoothly and timely and also the implementation team will gain valuable insights from his expertise.

**Table-1: Criteria for the Technical Evaluation of EOIs**

Criteria	Total points (100)
Consultant Qualification: Consultant should have (i) a Master's degree in Finance, Banking, Management, Business Administration etc.	15
Relevant Specific Professional Experience (2 point for each year of relevant experience): At least 20 years of experience in: (i) Experience in Treasury Management (with 5 years in Islamic Treasury), (ii) Good understanding of financial products and design, (iii) Team Management and Leadership, (iii) Projects Management (banking system related), (iv) Change Management, (v), Problem solving abilities, (vi) Governance and management decision making process.	45
Exposure to IsDB and/or peer developmental institutions	25
Language (English): Excellent English => 15 Pts	15
<b>Total</b>	<b>100</b>

## Instructions to Consultants

This is a fixed term contract, and the high-level roadmap for this project has already been defined. The Project Manager, once selected for this role, shall be required to study closely the roadmap and enrich it with his knowledge. He may have some flexibilities to adjust the roadmap tactfully however, the overall plan and its construct shall be abide with.

RMD invites eligible consultants to indicate their interest in providing the above-mentioned services by filling the self-registration form for doing business with the IsDB via this link <http://isdb.supplier.mn2.ariba.com/ad/selfRegistration/> and the following documents by the emails below:

- i. Information on availability for the expected services.
- ii. Curriculum Vitae, including relevant publications and assignments.
- iii. Sample of similar works

Interested candidates are requested to submit their Expression of Interest through email to the following email address: EOI submission - BCC2022-035 Appointment of external Project Manager for Labor Transition Project [dc780218.isdb.org@emea.teams.ms](mailto:dc780218.isdb.org@emea.teams.ms)

The Expression of Interest should be submitted **not later than 20<sup>th</sup> June 2022**, please note that this Expression of Interest entails a non-binding commitment.